STRATEGY CORP

Tourism Marketing in Muskoka:
A Review of "Who Does What," and
Analysis of Overlap and Gaps in Activity.

Date: November 3, 2014

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Executive Summary

- StrategyCorp was hired to assist Muskoka tourism stakeholders prepare for a Tourism Summit. Our mandate was to review "who does what" and to identify gaps, as well as overlap and duplication.

- Following an analysis of stakeholder survey responses, and a series of interviews, a half-day workshop was held with the Steering Committee to discuss preliminary findings. The Draft report was then circulated to study sponsors to allow an opportunity for further input. Based on this process, we observe as follows:

- All participants expressed concern that with limited resources, it is essential to get best value for money.

- The greatest gap is the lack of a cohesive brand for the District of Muskoka.

- MTMA appears to be best suited to lead in the process that will create and manage this brand.

- MTMA is willing to accept this role with renewed vigour, but it will not succeed without active engagement and buy-in from other partners. Collaboration, and improved communication, will be key to this process.

- Agencies would benefit from agreed upon Key Performance Indicators to allow for performance measurement.

- There appears to be less overlap of effort between stakeholders than initially anticipated by sponsors.

- There is an opportunity for streamlining visitor facing communications, including visitor centres and web and print materials.

- Ongoing improved communications among stakeholders will be vital to improving marketing efforts and providing a cohesive Muskoka experience going forward.

Recommendations

It is recommended that Muskoka tourism stakeholder partners focus to start on developing shared solutions to the following three fundamental areas:

1. **Collaborative Strategy:** MTMA lead in the collaborative development of a shared, Muskoka-wide tourism marketing strategy that sets out core directions, priorities, key markets and demographics, initiatives and investments to be supported by all stakeholders.

2. **Partnerships:** There is opportunity to achieve greater success through partnerships that build economies of scale and scope. Partnerships need to be a core competency of all tourism stakeholder organizations.

3. **Eliminating Overlap and Duplication in the Customer Experience:** Streamline and differentiate information and services being offered to potential customers, with a focus on visitor centres, print and web materials, as and when possible.

4. **Performance Measurement:** Develop and agree to a framework of shared Key Performance Indicators to allow all partners a common means of communicating their relative role and results in executing on the shared tourism strategy.

Preface

The Purpose of the Report was to identify opportunities to:

- Articulate tourism stakeholder priorities

- Identify service gaps and unnecessary overlaps in effort

- Identify opportunities for streamlining and improved collaboration

In preparation of this Report, Strategy Corp:

- Conducted 10 interviews

- Led a half-day workshop of the Steering Committee

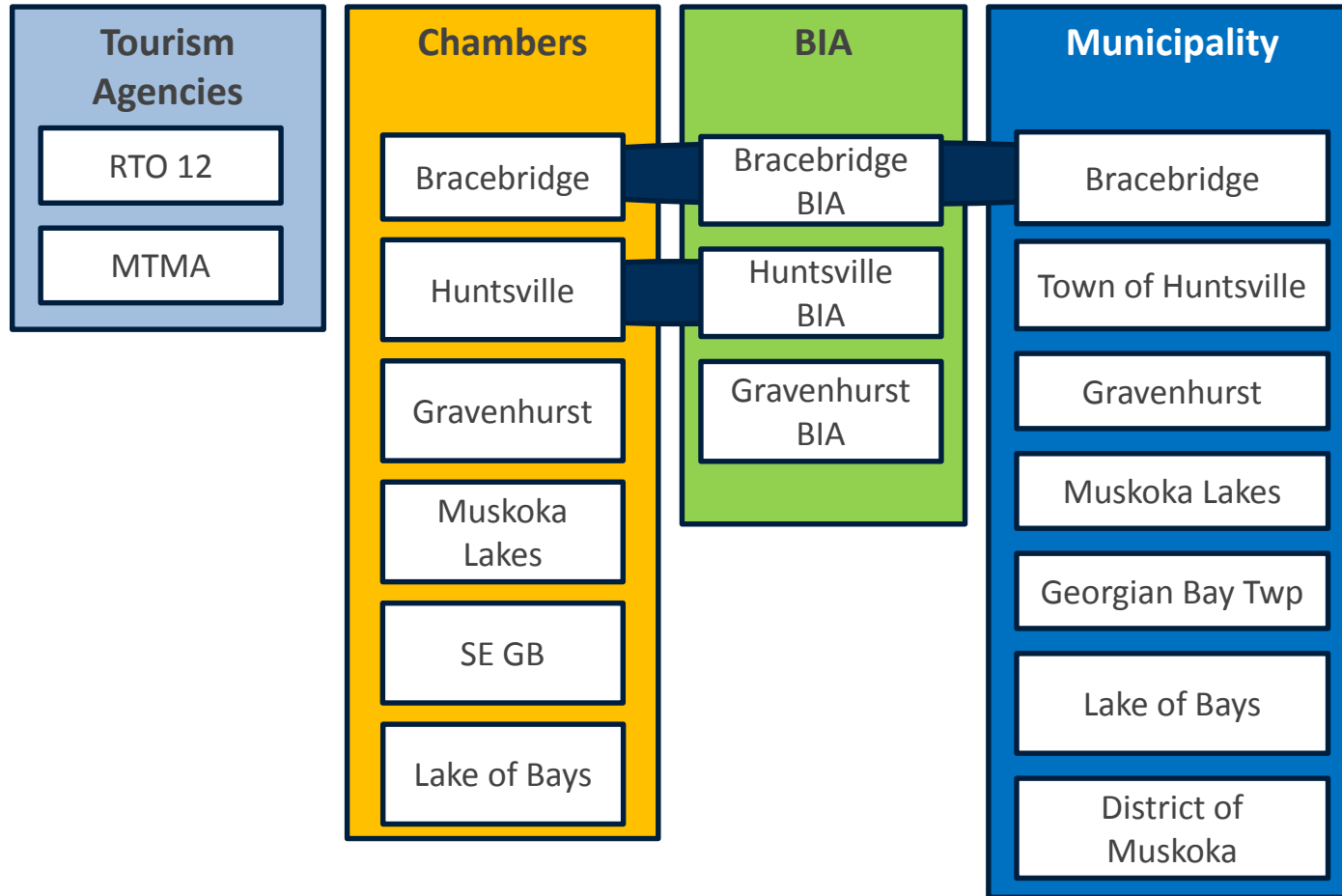- Received and reviewed written feedback on the draft report.

SCI also reviewed the following sources:

- Survey responses from the tourism stakeholder organizations that responded to the survey;

- Stakeholder organizations' websites and strategic/operational plans; and

- Discovering Ontario: A Report on the Future of Tourism.

NB: Due to limitations in the scope of this project, it is limited to inputs from tourism AGENCY stakeholders. The important perspective of tourism operators that rely on the work of these agencies was beyond the scope of this project.

Tourism In Muskoka – Organizational Stakeholders

Tourism Agencies	Chambers	BIA	Municipality
RTO 12	Bracebridge	Bracebridge BIA	Bracebridge
MTMA	Huntsville	Huntsville BIA	Town of Huntsville
	Gravenhurst	Gravenhurst BIA	Gravenhurst
	Muskoka Lakes		Muskoka Lakes
	SE GB		Georgian Bay Twp
	Lake of Bays		Lake of Bays
			District of Muskoka

Analysis

Understanding this Analysis

- StrategyCorp was provided with the results of survey data from eleven** of the participating organizations.
- This material was supplemented by our own review of operating plans and budgets, where available, and with interviews.
- The survey tool was very useful as a starting point, but its limitations include:
  - **Incompleteness** due to non-participation
  - **"Square peg in round hole":** inability of a one-size fits all survey to ask questions capable of getting the whole story
  - **Real time change:** some respondents are updating their activities over the course of this study.
  - **Scale:** the survey captures "do you do it" but not "how much do you do" or "how much is not being done"
- For this reason, it is very important this analysis be understood as an impression of the data set, rather than a full audit of what is going on, or the sufficiency of what is being done to adequately market Muskoka to potential visitors. (A comprehensive perspective of tourism operators who rely on the work of these organizations was beyond the scope of this study.
- The results of the work were validated through the Steering Group Workshop and subsequent comments by participants.
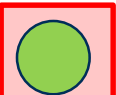- **Efforts were made to encourage participation by non-participating entities.

Categories of Observations

- In the Chart that follows we have grouped identified four major classes of recommendation

Observation	Muskoka would benefit from…
Potential Gap	…this responsibility being undertaken to a greater degree by one of the partners…
Potential Overlap	…one or more partners taking the leadership role and others focusing on other matters
Need to Coordinate	…improving coordination to ensure that organizations sharing an activity do so to a common strategy
Evidence of real time change	In this category, there is evidence of "real time change" in activity even during the term of this study.

Summary Analysis

Who	Market Planning			Marketing				Destination Management		
	Strategic Tourism Planning	Market Research & Development	Labour Force Development	Brand Management	General Advertising	Media Relations	Product Development	Infrastructure	Quality & Service Monitoring	Way-Finding
MTMA	● (green)	●		●	●	●				●
Explorers' Edge	●	●	●		●	●	●		●	
Business Improvement Areas (BIAs)					●	●	●	●		
Chambers of Commerce (CoCs)			●		●	●	●		●	
Municipalities	●			●	●	●	●	●	●	●

● Active

● (green) Evidence of real time change in activity level

Potential Gap

Potential For Overlap

Need to Coordinate

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Analysis
Market Planning

Market Planning Analysis – Strategic Tourism Planning

Who	Market Planning
Strategic Tourism Planning	
MTMA	🟢
Explorers' Edge	🔵
Business Improvement Areas (BIAs)	
Chambers of Commerce (CoCs)	
Municipalities	🔵

Analysis

- Based on a review of the survey data, various tourism stakeholders' websites and corporate information, it is clear that there is a gap in who is actually undertaking strategic tourism planning for the District on a District-wide basis.
- We are informed that MTMA is currently undertaking a major effort to fill this gap.
- RTO12 is active in tourism strategy on behalf of individual operators in the Muskoka region, but its output for Muskoka is always repeated in and related to the 4 additional sub-regions within in its borders, so it is not necessarily unique to Muskoka.

Observations

- Emerging diversity of Muskoka now requires a stronger Muskoka strategy.
- A perceived "strategy gap" appears to be the root cause of much concern about tourism planning in Muskoka. Filling that gap will contribute to solving concerns.
- Given that it is the only entity with a District-wide accountability, MTMA is the natural entity to lead this process, and their current efforts are very important.
- <u>Critical to maintain strong relations with partner organizations to achieve buy-in</u>.
- RTO 12 is well positioned to assist, and to bridge to other entities – such as Parry Sound – for harmonized approaches.

Question(s)

1. What organization(s) should be leading pan-Muskoka strategic tourism planning?
2. How should tourism stakeholder organizations feed into this planning?

Market Planning Analysis – Market Research & Development

Who	Market Planning
Market Research & Development	
MTMA	●
Explorers' Edge	●
Business Improvement Areas (BIAs)	
Chambers of Commerce (CoCs)	
Municipalities	

Analysis

- MTMA and Explorers' Edge have both identified the same geographical targets for their marketing efforts, namely the GTA and southwestern Ontario.

- Differentiation prior to 2014 came as RTO12 concentrated on building new audiences and building the shoulder seasons. In 2014, MTMA also determined these were important objectives.

- MTMA has identified four target demographics for marketing purposes: (i) Pampered Relaxers; (ii) Family Memory Builders; (iii) Knowledge Seekers; and (iv) Up and Coming Explorers. RTO12's priority market is "Connected Explorers" (and was established a year before OTMPC released its segmentation study.)

- However, neither has identified specific international markets to be included in marketing efforts, primarily due to limited budgets. International travel, therefore, should continue to be the responsibility of the provincial tourism marketing agency.

Observations

- The MTMA and Explorers' Edge have both undertaken market development and supporting research. MTMA's recent segmentation study, created to identify market opportunities, was funded partially by Explorers' Edge and developed out of initial research conducted by Explorers' Edge

- Market research and development is integral to any marketing agency, and Muskoka as a destination can only benefit from further work in this area. Mutually beneficial research and development projects by the two main marketing agencies in Muskoka (MTMA and Explorers' Edge) should be considered.

Market Planning Analysis – Market Research & Development

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Question(s)

1. **Overlap?** Is there a continued role for both or should it be undertaken by one organization?

2. **Harmonisation?** Are the research efforts adequately coordinated to a common strategy? If yes, who should do what with respect to market research and development?

3. **Gap?** Should efforts be expanded to other (eg. International) markets?

Market Planning Analysis – Labour Force Development

Who	Market Planning
Labour Force Development	
MTMA	
Explorers' Edge	●
Business Improvement Areas (BIAs)	
Chambers of Commerce (CoCs)	
Municipalities	

Analysis

- Based on a review of survey responses and stakeholder websites, the only organization with tourism labour force development responsibilities is the RTO.

Observations

- It may makes sense for the RTO to hold this responsibility exclusively given its relationship with tourism operators who have the demand for labour.
- While the RTO holds this responsibility, more depth is likely required to understand key industry and demographic trends that require a coordinated response to ensure the vitality of the industry in Muskoka. This would involve working with operators and training and educational institutions to put in place programs that match needs and skills.

Question(s)

1. Is the RTO the right organization to be leading labour force development?
2. Is there more that the RTO could do to support labour force development?
3. Are there ways for the RTO to partner to further leverage its efforts?
4. Are there things that the RTO cannot do that need to be done by another tourism stakeholder organization? Are other entities taking full advantage of RTO efforts?

Analysis
Marketing

Marketing – Brand Management

Who	Marketing
	Brand Management
MTMA	●
Explorers' Edge	
Business Improvement Areas (BIAs)	
Chambers of Commerce (CoCs)	
Municipalities	●

Analysis

- If you are in the business of attracting consumers, then you should be in the brand business. A simple definition of brand is: "Your promise to the consumer and how it differentiates from the competition."
- There is a perception that the old brand definition no longer reflects the reality of the "new Muskoka" ("Its more than rocks, docks and trees.") and that there is no contemporary overarching "Muskoka brand"
- MTMA has a mandate to tell the "story of Muskoka" and we are informed that they are working on a new brand positioning.
- The survey and interviews reveal that Chambers (notably Huntsville) and some of the Towns (esp. Bracebridge) have expended effort to define their own unique sub-brands.

Observations
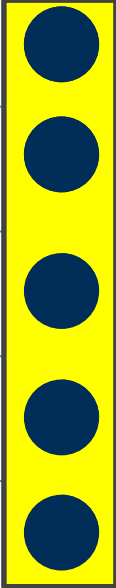
- Brand is the anchor of marketing.
- A clearer "Muskoka brand" would be a foundation for the efforts of local municipalities and their chambers.

Question(s)

1. Is the "Muskoka brand" in need of better definition? Who should be responsible for defining the "Muskoka brand"?
2. As the RTO is responsible to the Ministry of Tourism Culture & Sport of regional development,
3. How should tourism stakeholder organizations be involved in defining? How can a brand be better leveraged by all stakeholder organizations to enhance marketing impact?

Marketing – General Advertising

Who	Marketing
	General Advertising
MTMA	●
Explorers' Edge	●
Business Improvement Areas (BIAs)	●
Chambers of Commerce (CoCs)	●
Municipalities	●

Analysis

- Based on a review of survey responses, all tourism stakeholder organizations engage in some form of tourism advertising through websites, on-line and social media advertising, print publications, and physical tourism offices.

Observations

- This is an area of significant overlap and likely the area where the vast majority of revenues and expenses are incurred for tourism stakeholder organizations.
- Advertising initiatives and activities are currently not linked to broader strategic direction or pan-Muskoka brand.

Question(s)

1. Which initiatives can have streamlined marketing endeavours by multiple stakeholders in order to optimize reach and conversion?
2. How do stakeholders make that determination?
3. Is a project management role required for agreed upon initiatives to ensure effectiveness and efficiencies?

Marketing – Media Relations

Who	Marketing
	Media Relations
MTMA	●
Explorers' Edge	●
Business Improvement Areas (BIAs)	●
Chambers of Commerce (CoCs)	●
Municipalities	●

Analysis

- Based on a review of survey responses, MTMA is the most active with media promoting the District to print and on-line media, including bringing media to the District to experience its offerings. The RTO is also active in promoting the District with media.

- Some BIAs, CoCs and municipalities engage with local media through means such as news releases and advisories.

Observations

- Earned media is a key opportunity to promote activities, raise consumer awareness, and drive traffic to tourist websites.

- All stakeholders should have media relations capacity, but efforts should be coordinated to ensure optimal exposure for the District and its attractions.

- Earned media is cost effective.

Question(s)

1. Who should be leading engagement with media?

2. How should media relations be coordinated amongst tourism stakeholder organizations?

3. How can engagement with the media be better leveraged to raise profile and drive tourists to the District?

Marketing – Product Development

Who	Marketing
	Product Development
MTMA	
Explorers' Edge	●
Business Improvement Areas (BIAs)	●
Chambers of Commerce (CoCs)	●
Municipalities	●

Analysis

- MTMA is not involved in product development. Explorers' Edge does pan-regional product development (meaning more than Muskoka is promoted) through programs such as Ride The Edge (motorcycle and snowmobile route development) and infrastructure items at Arrowhead Provincial Park for the Ice Trail (way finding).

- BIAs and CoCs play the leadership role in developing local product offerings in the form of annual festivals and events.

- Attractions within the District are catalogued across various publications put out by the MTMA, CoCs, BIAs and municipalities. RTO12 does not produce print publications for consumers.

Observations

- Events play a particular role in product development differentiation for Muskoka. Private businesses also lead the way in this area.

Question(s)

1. What should various tourism stakeholders' roles be in promoting and marketing tourism products?

Analysis
Destination Management

Destination Management – Infrastructure

Who	Destination Management
	Infrastructure
MTMA	
Explorers' Edge	
Business Improvement Areas (BIAs)	●
Chambers of Commerce (CoCs)	
Municipalities	●

Analysis

- BIAs undertake smaller scale investments such as beautification projects and seasonal decorative initiatives.
- Municipalities provide servicing infrastructure that is not necessarily exclusively provided for tourism activities. In some cases municipalities own tourism attractions and associated infrastructure.

Observations

- Tourism infrastructure falls under two categories – publicly and privately owned.
- Tourism infrastructure is local and largely the purview of tourism operators and municipalities. Tourism operators provide infrastructure associated with their offerings such as lodging, docks, private trails, etc. Municipalities provide public trails, parks, artistic displays, museums, etc.

Question(s)

1. Are there currently gaps in tourism infrastructure that is impeding the growth of the industry in Muskoka? If yes, what infrastructure is missing and who should be responsible for the provision of this infrastructure?

Destination Management – Quality and Service Monitoring

Who	Destination Management
Quality & Service Monitoring	
MTMA	
Explorers' Edge	●
Business Improvement Areas (BIAs)	
Chambers of Commerce (CoCs)	●
Municipalities	●

Analysis

- Currently, Explorers' Edge, Huntsville Chamber of Commerce and the Town of Bracebridge provide Quality and Service Monitoring through exit surveys and petitions with visitors.

Observations

- Quality and service monitoring could be an important tool in measuring the success of current programs and could lead to opportunities to identify gaps to be addressed, eliminate unprofitable activity and refine existing activities that could be delivered better.

Question(s)

1. Is enough quality and service monitoring and measurement being done by tourism stakeholder organizations?
2. Is there a need to have one organization responsible for monitoring, measuring and reporting on quality and service of tourism experiences in Muskoka? If yes, who?
3. How could this information be leveraged and by whom?

Destination Management – Way-Finding

Who	Destination Management
	Way-Finding
MTMA	⬤
Explorers' Edge	
Business Improvement Areas (BIAs)	
Chambers of Commerce (CoCs)	
Municipalities	⬤

Analysis

- The MTMA and local municipalities provide way-finding signage and other services (e.g., visitor information centres).

Observations

- Way-finding is important to the overall quality of a tourist's experience and can also lead to tourists engaging in spontaneous activities that generate additional revenue for operators.

Question(s)

1. What is the quality of way-finding infrastructure in Muskoka?
2. Is there an additional investment required in way-findings within the District? If yes, how do we know this?

Findings and Recommendations

Findings (1)

1. **There is a lot that is going well with tourism in Muskoka.** Muskoka has been recognized by validating third parties as a true world class destination.

- Muskoka has evolved. Its tastes and offerings have changed, meaning that it has new things to offer to the visitor. Even life-long GTA residents have new things to see when they arrive – but the key natural attributes still remain healthy and as beautiful as ever. In this regard, Muskoka has advantages over other cottage areas that have experienced a heavier environmental impact.

- Efforts are being undertaken to change Muskoka from a "find a dock and stay put" destination, to a place that one can experience as a route or hub with day trips. This has the potential to diversify the experience for the visitor, and "share the wealth" among operators within the Region.

2. **There is a lot more to do.** There is need for greater investment in promotion of Muskoka. Vacancy rates – especially in mid-week – and in shoulder seasons are still too high. Competition is tougher than ever. Visitors expect more. There is a concern that to stand still is to lose ground. Some spoke of "stagnation" and the collective need to do better.

Findings (2)

3. **Even with efficiencies, more resources would be needed**: There are insufficient marketing resources for the job of promoting Muskoka. For example, we were informed that while everyone sees the potential of reaching distant, but potentially "game changing" foreign markets, the reality of the current market is such that funds should be focused on the GTA – which accounts for approximately 94% of current visitors. The cost of reaching these markets would far exceed the redeployment of savings from a 20% optimisation of spending – were such an improvement possible. arise when their actions are unknown.

4. **Improve delivery to reinvest:** Revisiting performance of existing activities should thus be seen as a means of achieving better value for money for reinvestment – not as an opportunity for savings.

5. **Vision attracts resources**. The pursuit of partnership funding by the Huntsville Chamber is a strong model, and reminder that growth in base funding is possible when organizations present a compelling vision, backed up with perceived capacity to deliver.

6. **Optimize – don't reorganize:** There are a great many partners working on tourism promotion in Muskoka. At first blush, one could conclude there are too many. In our view, however, each serves a unique purpose, and each has the ability to represent the legitimate interests of legitimate stakeholders, with a unique perspective. This permits engagement (and revenue generation) from a variety of sources. In our view, at this time, the need is for a change in operational performance, not in governance or organizational structure.

Findings (3)

7. **Resolution of reputational issues:** The absence of clarity has created doubt about what gets done and who is accountable for what. This need not be the case. The best way to strengthen your collective credibility and maximize your economic and social impact on the District would be to agree to, and jointly invest in, a shared strategy and Key Performance Indicators that leverage core strengths and eliminate areas of perceived overlap and duplication.

8. **You need an agreed upon strategy.** The pace of change, and the growing diversity of place and experience means that more than ever, it is critical to have an overarching strategy to guide the work of the partners. In the absence of a strategy, it appears that for some of the partners, it has been difficult to define:

    - A comprehensive list of opportunities (identify priorities and gaps)

    - An agreed upon work plan, based on the efficient sharing of responsibilities (eliminate overlap)

    - Valid performance tracking, capable of meeting the test of "we did what we said we would do".

9. **MTMA role leading Muskoka strategy and brand:** The MTMA is best positioned to lead in the creation of the strategy and definition of the Muskoka brand. The MTMA will need to ensure that this work is respectful of and retains a place for local initiatives to define the brands of local communities.

Findings (4)

10. **Not every shared area is evidence of duplication**. We have found that overlap and duplication amongst tourism stakeholder partners is more perception than reality. However, it appears that there are some areas for improvement in this regard, in highly visible areas of activity:

    - Production of visitor guides and maps

    - Delivery of visitor centres

11. **Improve digital through better coordination:** It also appears that there are opportunities to improve the customer/visitor experience through improved web and social media activities – although given the strategic importance of such activities to all organizations, this may better be seen as a matter of coordination rather than and overlap.

Recommendations

It is recommended that Muskoka tourism stakeholder partners focus to start on developing shared solutions to the following three fundamental areas:

1. **Collaborative Strategy:** MTMA lead in the collaborative development of a shared, Muskoka-wide tourism marketing strategy that sets out core directions, priorities, key markets and demographics, initiatives and investments to be supported by all stakeholders.

2. **Partnerships:** There is opportunity to achieve greater success through partnerships that build economies of scale and scope. Partnerships need to be a core competency of all tourism stakeholder organizations.

3. **Eliminating Overlap and Duplication in the Customer Experience:** Streamline and differentiate information and services being offered to potential customers, with a focus on visitor centres, print and web materials, as and when possible.

4. **Performance Measurement:** Develop and agree to a framework of shared Key Performance Indicators to allow all partners a common means of communicating their relative role and results in executing on the shared tourism strategy.

Appendices

Sources Consulted

Explorers' Edge. *RTO12 Destination Development Plan: April 1 2014 – March 31 2017*. www.explorersedge.ca

Explorers' Edge. 2014-2015 Business and Operational Plan. www.explorersedge.ca

Muskoka Tourism Marketing Agency. *2014 Marketing Plan*. http://www.discovermuskoka.ca/about-us.html

Sorbara, Greg. *Discovering Ontario: A Report on the Future of Tourism*. The Ontario Tourism Competitiveness Study. Queen's Printer for Ontario. February 2009.
http://www.mtc.gov.on.ca/en/publications/Discover_Ontario_en.pdf

Tourism Summit Data. June 9, 2014.

Websites for each of the 11 stakeholder organizations who responded to the Tourism Summit Survey.

Definitions

Term	Definition
Market Planning	
Strategic Tourism Planning	• Strategic planning for the overall district 's tourism in terms of core directions, priorities, markets and demographics, initiatives and investments.
Market Research & Development	• Research into target markets (geographies and demographics), industry and customer trends for the purpose of identifying and segmenting markets to focus and prioritize marketing initiatives and investments.
Labour Force Development	• Development and investment in training and education research and programs, as well as attraction of talent, to ensure equilibrium in demand and supply for skilled labour.
Marketing	
Tourism Brand Management	• Development, promotion and curation of a brand identity for Muskoka.
General Advertising	• Tourism advertising and marketing that is not specifically targeted to a market or demographic and appears in general tourism publications and on-line sources.
Media Relations	• Engagement of various media outlets to provide earned media coverage related to tourism in Muskoka to attract tourists.
Product Development	• Development of attractions and events designed to attract tourism activity to Muskoka.
Destination Management	
Infrastructure	• Private and public infrastructure related to the tourism in Muskoka. Infrastructure is often an attraction in and of itself.
Quality and Service Monitoring	• Monitoring and measurement of performance against stated Key Performance Indicators (KPIs) related to the overall tourist experience in Muskoka for the purposes of refining tourism offerings and expanding market penetration.
Way-Finding	• Investments in local signage to promote tourist attractions.