

**Explorers' Edge Board of Directors Meeting Minutes**  
**Tuesday, January 13, 2015**  
**3 Guys and a Stove, Huntsville**

**Present:** Jeff Suddaby, Michelle Berry, Anthony Rizzo, Jackie Leung, John Miller, Andy Vitch, Don MacKay, Nicole Saulnier, Hilary Chambers (via phone)

**Regrets:** Andrew Ryeland, Curt Dunlop, Kim Loader, Jerry Feltis, Drew Rachar

**Staff:** James Murphy, Erin Smit

**Resource:** Peter Coish – Kuration Inc., Chris Lund – Deerhurst Resort, Laura Hernando - MTCS

**Welcome and Introductions:** Jackie Leung called the meeting to order at 9:35am

**Approval of Agenda – January 13, 2015**

**Motion:** Don MacKay moved by that the Agenda for January 13, 2015 Board of Directors meeting be approved.

**Seconded:** Jeff Suddaby

**Discussion:** n/a

**Carried.**

**Approval of Minutes – December 9, 2014**

**Motion:** Nicole Saulnier moved by that the Minutes from December 9, 2014 Board of Directors meeting be approved.

**Seconded:** Don MacKay

**Discussion:** n/a

**Carried.**

**Financial Presentation – Andy Vitch**

**Discussion:** Vitch spoke to balance sheet, \$320k from Ministry has come in, with half being used against accounts payable. Financial position is good, waiting on another \$160k from Ministry when reports are delivered. Income statement reflects monies from Ministry and from partnership funding; by March 31<sup>st</sup> budget will be met for fiscal year. MacKay asked about status of HST return; ED Murphy has phoned and spoken with Revenue Canada, waiting on return by cheque; to look into direct deposit options. ED Murphy discussed expression of interest for new auditor for upcoming AGM. Board discussed benefits of moving services, options around the region.

**Approval of Financials**

**Motion:** Andy Vitch moved that the financials presented at the January 13, 2015 Board of Directors meeting be approved.

**Seconded:** Don MacKay

**Discussion:** n/a

**Carried.**

**Consent Agenda – n/a**

**Round Table – Business Outlook for the 2015 Fiscal Year**

John Miller: 2014 was a challenge; weather large factor; working to squeeze profitability from every department. Discussed theme change in the museum, looking to highlight families and focus on that market in 2015, broaden audience and demographic. Museum sees high numbers in poor weather; because of the ships.

Don MacKay: discussed golf's outlook across the country; spoke to discounting, its prevalence across the industry and the negative impact. Introducing a major Facebook initiative, engine of record right now, keen to develop information base and attitudes behind what's going on; a research year. Biggest problem in 2014 was not enough people even coming up to the region to make sense of the market; heavily weather dependent industry. Discussed the opportunity to get a marine operator to come to the board, insight would be helpful.

Jeff Suddaby: within the restaurant things are strong, shoulder seasons are making a huge impact on his business successes overall. Challenges have historically been April and November, now in a position to run 12 months a year with no losses. Local market is 20% of business, tourist trade and location draws business (location en route to Algonquin Park, new Arrowhead Ice Trail, partnerships with local resorts and area accommodators). Discussed the current Canadian dollar, Christmas season saw 30% Americans coming through the door. Discussed outside catering for the restaurant; weddings and special events good business.

Andy Vitch: 2013 was best year ever, 2014 down 8%, attributes to the weather – still second best year ever. Discussed predictions for the year; early winter weather and its impact on consumer's disposable income, current gas prices, how Canadian dollar will affect tourism, etc. Discussed experience with Google AdWords, TripAdvisor, Facebook advertising; spoke to analytics. Sunny Point is seeing half of the traffic to their website come from Facebook, two years ago was less than 10%; spoke about consumer engagement on Facebook, who is ready to buy? Discussed rejoining Resorts of Ontario.

Anthony Rizzo: poor weather saw attendance in the campground lacking for transient guests, marina business suffered dramatically due to water levels. Marine fuel is at a high premium, came down to economics, that in combination with weather was detrimental. Discussed trends he sees in cottage rentals, guests and their desire for technology; flat screen TVs, satellite TV with hundreds of channels, DVD players, WiFi access, etc; how to adapt his outdoor experience type resort to the desire of travellers to stay that connected (volume of usage, service levels, etc).

Nicole Saulnier: excited about the current gas prices; huge portion of her expenses. Spoke to similar issues for 2014, business is weather dependant; fall 2014 was worst they've seen, can't fly if weather is bad. Is hoping Americans will travel more, is not raising her prices this year as a result of low gas prices; passing savings on to consumers.

Michelle Berry: echoes sentiments of low gas prices being favourable to her travellers, hoping that will result in increased travellers. 2014 was 25<sup>th</sup> year, was best year to date. Weather in 2014 forced campers into roofed accommodations on site, 10% less cancellations last year than in the past. Parry Sound KOA is putting in a new reservation system at the desks. Expects to see a lot of locals (GTA) in 2015, hopeful Americans will travel north of the border to the region.

Hilary Chambers: SunDog Gallery is opening end of May, going to trade shows looking for new product, in the works to bring a new product to her gallery from California. Customer jewellery is going really well, is in process of completely redoing their website, and will be selling her photography in the gallery as a result of consumer demand. Organization in the UK has asked her to write for their nature journal, exciting opportunity for Northern Ontario. At Pine Grove Resort, winter enquires up 75%. Going to 4 sports shows, takes up month of February. Discussed the poor Nipissing fishing situation; good for her business on the Pickerel River. Will be increasing push with pet friendly aspects of resort; author from writer's retreat is coming back for retreats in Summer and Fall; once is already full. Discussed Pine Grove's response to the technology requests of guests; they market themselves as a no tech zone, her customers appreciate that. Hoping sports shows will fill up spring bookings, 2015 looks spectacular for them.

Chris Lund: Deerhurst had a good 2014 financially, expecting a good 2015, lots of events planned. Leisure side of the business is tough, thinks lower gas prices will help. Discussed their indoor leisure options, rock climbing wall, arcade, decades show, movie screenings in new theatre; one of the main challenges at Deerhurst is staffing; working to fill positions with local workers.

Jackie Leung: Fern Glen Inn bucking the trend for 2014, up 22%. Bookings not as robust for 2015; looking to boost summer packages this year to increase business. Is confident that lowered dollar will bring Europeans back; Europeans choose Canada because it is easier to get into in terms of travel and security than the United States.

**Strategist Presentation – Continues Strategic Refinement in the Shifting Consumer Market Reality:  
Peter Coish**

Coish to discuss three main areas to focus on in 2015; changes in economic trends, consumer trends, and marketing trends.

**Economic Trends:**

Oil prices are defining the Canadian economy in 2015. Discussed the implications of cheap oil; we are a commuter economy, residents of Toronto are one of the heaviest commuters in the world, this cheap oil is putting extra money in people's pockets; Ontario is poised for a great couple of years. Spoke to equity markets, disruption to North American markets, effects on those with investable assets, how market correction will impact spending and purchase behaviour. However, mainstream spending is strong. Discussed correlation between our dollar and American travel to Canada (see diagram). Discussed other factors to consider; strengthening US economy, terrorism going mainstream, stock market correction, weather, and the 2015 PanAm games. Spoke to the American traveller; despite the strong dollar and

weak Euro, Americans are not big international travelers; Canada is seen as a safe destination for travel, will mean increase in US visitors. Spoke to product challenge in the region, we must address the perception that there is nothing to do other than outdoor adventure opportunities. Discussed how funding is dispersed based on heads in beds, but that forces us to ignore another audience we have not paid a whole lot of attention to; cottager economy brings business to operators (attractions, dining establishments, tourism retail outlets, etc); we put resources against it because the funding system discourages it. Coish spoke about how the PanAm Games creates a siege mentality; presents an opportunity to introduce to new travellers our region and its offerings, includes international and domestic travellers.

#### Consumer Behaviour Trends:

Working in a post desktop era; smartphone growth driven by design and experience, not by functionality, consumer trends imply its no longer about platforms, now about app economy (Google who believes everything is about the web, and Apple who believes everything is about the ecosystem that they've built). Apple offers a unique user experience, only medium that is growing is mobile. Discussed the need to get smarter about digital marketing, direct mail is not useful. Graph (see slide) describes percentage of time spent on devices by consumers; Gaming is #1, Facebook is #2; 92% of time on Facebook is on the mobile app, not the browser. Consumers stay in their news feed, read an interesting piece of content, go back to their news feed; do not head on to that content's site. Vitch spoke to his customers, are they where the digital age is?; his customers come from desktop (based on his analytics). Discussion began about trends moving forward, desktop vs mobile. Leung asked about the consistent push with Facebook, should we be looking at other social media platforms? Coish spoke to Twitter engagement dropping, prevalence of Facebook messaging and its increased popularity (more messages sent through Facebook messenger than all cellular companies combined). Board discussed how we encourage engagement based on our content; resist the urge to sell on Facebook, good content drives business. Spoke to the path to purchase; mobile use puts you farther down the purchase funnel. Discussed need for more Special Offers on the site, how that will push mobile traffic, last piece of the puzzle to make the sale. ED Murphy spoke to JackRabbit and its role in making the sale.

#### Marketing Trends:

Concentration has been on bringing people to the website, now to focus on the customer journey; more personalized and old school direct marketing. If we can get your email address from the website, we can nurture your data collection, learn about the consumer and draw an ROI from an interaction to the purchase. Technology now; marketing automation software, can have a one on one interaction based on consumer interests; smart emails close the sale. Booking engine is now in place, an objective measure in that success, are they purchasing? Focus for this year needs to be building the email database, 34% open rate on the Sojourner; can stop doing one quarterly email and communicate based on specific interests. ED Murphy discussed YTD hits to the website, page views, up 250% from this time last year; moving forward converting page hits to sales; how packaging and special offers converts to a purchase. ED Murphy spoke to large jump in site traffic with push of content marketing; testing content to see what is working and what isn't. Board discussed need for transparency between the RTOs, sharing of

information; key learning objectives, “wish list” to be created for Hernando. MacKay asked what Coish foresees as the next step following the push of content marketing; discussed what can’t be ignored is messaging, functionality of messaging platforms (Facebook has 700million users on their messaging platform). Content remains key, you need something to interact with, but how that is distributed will change and see new growth. MacKay asked about link with GPS, location services while in the region; Coish spoke to ensuring your website is mobile friendly. Also discussed was the importance of encouraging consumers to review, use your device while on property, write a review, create content for the operator. The board discussed Instagram, how hashtags can draw new interest from a variety of consumers, using an umbrella to reach new visitors.

### **Governance Committee Update – Anthony Rizzo**

Rizzo discussed the board self-assessment survey; returning directors, possible extensions, retiring directors. Highlight to board structure, any changes to board selection criteria; based on a 50/50 split of males and females, geographical distribution throughout the region, encompassing range of businesses (accommodations & spas, arts & entertainment, attractions & events, culinary, golf, tourism retail, outdoor adventure), and individual skill set (legal accounting, marketing, human resources, technology, communications), stakeholders with a vested interest in the development of tourism receipts. ED Murphy sent survey (self-assessment and meeting feedback) via email to board members; also available in paper format at meeting; outcome will determine how many seats need to be filled by nomination committee. Rizzo spoke to request for board feedback on structure of meetings; is restructuring required with the general discussion underscoring status quo. MacKay encouraged the importance of ensuring meat on the bone at every meeting; guest speakers, productive round table discussions, learning opportunities and a take away from every meeting; don’t meet simply to discuss financials. Rizzo discussed high level work back schedule; rough timeline draft. Spoke to next steps; self-assessment survey, returning directors, nomination committee, board meeting questionnaire.

### **Executive Director Update – James Murphy**

ED Murphy discussed:

- administration; mid-term report was approved and funds deposited
- new bookkeeper as well as new auditor are required
- partnership projects still ongoing; Resorts of North Muskoka, Muskoka Futures, Loring Restoule Business Association, Muskoka Tourism, RTO13 Visit Program w/ FedNor & Ministry of Natural Resources Development and Mines
- Community Relations; involved with Parry Sound Chamber of Commerce tourism committee (developing current offices into tourism information centre), Georgian Bay Biosphere Reserve amazing places

Berry spoke to deputation previous night in Parry Sound, Chamber positioning themselves as a place of visitor information in Parry Sound; discussed status since closing of Georgian Bay Country; could not move forward with township support until GBC was officially a non-entity and had folded. Spoke to moving forward with visitor information facility at Chamber office in Parry Sound; has staff in place,

office has been rearranged to house TIC, includes racks for brochures, and will facilitate both Chamber and TIC under one roof; tagline “mixing business with pleasure”. Berry also spoke to the mobile information kiosk and its successes to date. ED Murphy continued discussing:

- Muskoka Tourism Summit, first week of February.
- Transacting Committee; Spring and Fall Fuel & Fun programs will go ahead, dates and budget to be set by the committee (coincides with changeover of TPA).
- Georgian Bay Biosphere Reserve’s Amazing Places has requested either James Murphy or Kate Monk to sit on their committee
- JackRabbit; attractions are loaded and its being tweaked, discussed frustration with process required in making necessary changes, in the works to have EE staff gain access to back end and make necessary changes in more time efficient manner. Spoke to importance of rates being posted; how that affects click through rate.
- Product Development; Fish the Edge program, finish content and mapping. Ride the Edge, market readiness survey being prepared. Discussed upcoming FAM tour, webcam has been put on snowmobile route.
- Group of Seven product development project moving forward; consent has been acquired to market the trail, EOI has been posted on RTO12.ca for development of mobile mapping for the trail
- Success to date of branded content
- Breakfast Television will be at Arrowhead Provincial Park on January 16; will feature snowmobiling, dogsledding, the ski hill, snow tubing and the ice trail; six 2 minutes segments.
- Niche marketing; PanAm games in 2015, targeting athletes and their families, extend stay to the region; will be embedded into content, “My Ontario”.
- FAM tours; 3 key OTMPC staff will travel to the region to learn more about our offerings.
- Winter FSI is out; digital strategy to go along with print copy, 80,000 copies being distributed. Discussed staff travelling to Union Station on February 25<sup>th</sup> to disperse to commuters.
- Direction Ontario; RTO content must be used.
- Research Committee; dashboard for the Fall.

**Laura Hernando – OTMPC:**

Hernando spoke to assessments for celebrate Ontario; events and dollars behind it, Laura to review for the region and other areas as well. Spoke to industry changes, Bill Kenny at OTMPC is retiring, replacing with Trisha Grant. Discussed the TDF and tourism industry partner program (TIPP) funding application deadlines; main focus is marketing to the US. Spoke to TRIP (tourism region information portal) site going live. Hernando discussed our interest in having a member of Ontario Parks sit on the board, contact she had has finished their contract, working towards finding a suitable replacement with someone actively engaged in the tourism community outside of the park itself. Discussed attractions study; hired a consultant and surveys have been distributed.

ED Murphy, on the topic of the Ministry, prompted the board to consider what an RTO funding formula might look like. The board discussed options and decided to provide our MTCS representative with a an

overview and broad ideas of what a funding formula may look like if and when the MTCS were to re-examine the formula.

**Motion to Adjourn 1:25pm**

**Motion:** Michelle Berry

**Seconded:** Nicole Saulnier

**Discussion:** n/a

**Carried.**

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