



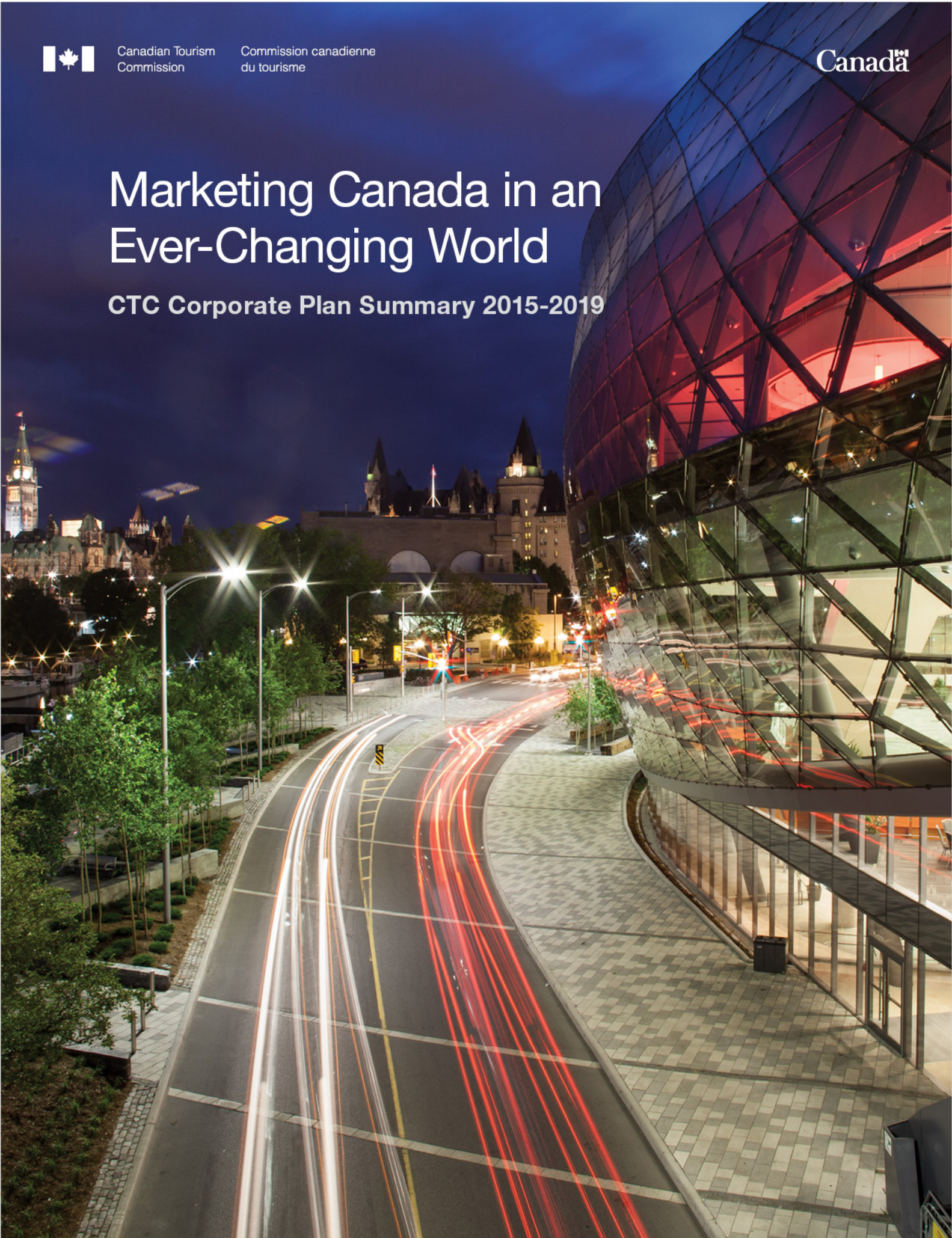
Canadian Tourism  
Commission

Commission canadienne  
du tourisme

Canada

# Marketing Canada in an Ever-Changing World

CTC Corporate Plan Summary 2015-2019





As one of the world's fastest growing sectors, tourism presents a strong global opportunity for Canada's economic growth. Tourism dollars do not stop at the airport, restaurant, hotel or convention centre. Tourism dollars spread to schools and industries across the country. Indeed, tourism acts as a catalyst, setting off a flurry of interest and activity around all other industries.

The tourism industry is vital to the social and cultural identity of Canada. As an export, tourism enables businesses to become internationally competitive and thrive, in turn making an essential contribution to the economic well-being of Canadians. In addition to these direct benefits, economic growth through tourism offers significant value to Canada in terms of driving international trade and investment.





Canadian Museum for Human Rights  
Winnipeg, Manitoba  
© Travel Manitoba



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Porteau Cove  
Howe Sound, British Columbia





## EXECUTIVE SUMMARY

Miles Canyon  
Whitehorse, Yukon  
© Paddy Pallin

The global tourism industry has been growing at unprecedented rates. In 2012, the industry welcomed its billionth traveller, and an estimated 1.8 billion global travellers are expected by 2030. With an increasing number of destinations worldwide investing in the industry, it has quickly become a key driver of fundamental export growth objectives for countries supporting socio-economic progress, job creation and infrastructure development. Export-led growth represents an unparalleled opportunity for Canada to optimize its competitiveness and tourism performance in the global marketplace.

With an ever-expanding travel network and new places to discover, the world is getting smaller and intensely competitive. The importance for Canada to stand out above the rest is paramount. Canada is poised to take advantage of the world's growing demand for international travel and of our recognition as a centre of excellence in many trade sectors.

As Canada's national tourism marketer, the Canadian Tourism Commission (CTC) works hard to position Canada as a compelling tourist destination. We know that Canada's strong tourism brand is only one driving force in a consumer's "where to visit" decision. Partnerships are critical to our success, and an industry armed with exciting travel experiences, distinct marketing and unified messaging only serves to elevate Canada's appeal and position relative to our competitors. This is a fundamental priority of Canada's *Federal Tourism Strategy* which the CTC is proud to support, and is directly tied to the federal government's priority of stimulating the economy.

Complementary to our role as a tourism marketer is being a privileged supporter of entrepreneurship. The CTC understands that many of the industry's smaller businesses lack the means necessary to reach lucrative global markets that would enable long-term success. There is a strong desire and need within the industry to increase support to Canada's small- and medium-sized tourism enterprises so that they can become active exporters of their product offerings.

The CTC's plan for 2015-2019 is to continue generating economic growth and prosperity for Canada through tourism. We know that the US market offers a tremendous opportunity for Canada's tourism industry, and in 2015, we will seek to pursue this opportunity through new ways of marketing. We will focus on marketing Canada as an exciting travel destination by leveraging the latest technology and "big data" to engage consumers directly through our marketing, in a way no other national tourism organization is doing. This initiative that we call "Follow the Global Customer" directly links with the federal government's *Digital Canada 150* policy which seeks to encourage Canada's businesses to embrace digital opportunities. It also supports the government's efforts to foster a knowledge-based economy and the desire that Canada will continue to be a global leader in the digital arena. This pilot will also serve as the basis for a more significant

US marketing campaign to begin in late 2015.

Going forward, we will also continue our work on drawing international meetings and conventions to Canada. By focusing on key industry sectors where Canada is seen to have a competitive advantage, we will encourage the international meetings held here to be the catalyst in introducing Canada's export business interests to key influencers, business stakeholders, entrepreneurs and investors from around the world. This will help to foster growth for Canada's other business sectors, and is supportive of the federal government's interests in expanding Canada's international trade efforts through its Global Markets Action Plan.

Throughout 2015-2019, the CTC will also expand our role in helping small- and medium-sized Canadian tourism businesses so that they are ready and able to promote their products and travel experiences in international markets of promise. Connecting with the federal government's desire for entrepreneurship and a strong economy, we will support businesses to become exporters of their product. This, in turn, will help to support local communities in Canada and stimulate economic prosperity.

As a strategy-focussed organization, the CTC places a tremendous value on developing, executing and measuring our strategies. We will continue to invest in and measure consumer direct activities in those markets where our budgets allow, but will seek to transform how we market in those countries where our budgets are smaller. This will mean a shift in the CTC's marketing effort away from more expensive consumer direct advertising which supports our objective to generate demand for Canada's visitor economy through immediate returns on investment, to leveraging new marketing and digital technologies to compel and inspire travellers to choose Canada. Our marketing effort will also focus on developing platforms for our industry partners – small- and medium-sized enterprises (SMEs) and international tour operators selling Canada – to help close the sale in support of our objective to support Canadian tourism businesses to sell Canada.

This transformation will require new measures that better reflect this shift. In some cases, those measures will be benchmarked in 2015 in order to help guide our performance estimates for 2016 and beyond.

The tourism marketing activities stemming from our strategy for the next five years will continue to push creative boundaries to develop leading edge tools and concepts to inspire travellers to visit and explore Canada. We will continue to focus on the strength of our public and private sector partnerships to showcase to the world that Canada is an exciting place to visit and a great country to do business with. Our desire is to make the tourism industry in Canada stronger than it ever has been, and to achieve results that benefit all Canadians.

## CORPORATE PROFILE



The CTC is a federal Crown corporation wholly owned by the Government of Canada, operating at arm's length from the core public service. We are accountable to Canada's parliament through the Minister of Industry.

### MANDATE

The mandate of the CTC is to work with the governments of the provinces and the territories and the Canadian tourism industry to promote the interests of that industry by growing tourism export revenue for Canada, and to market Canada as a desirable tourist destination. Specifically, the CTC has a legislated mandate to:

- sustain a vibrant and profitable Canadian tourism industry;
- market Canada as a desirable tourist destination;
- support a cooperative relationship between the private sector and the governments of Canada, the provinces and the territories with respect to Canadian tourism; and
- provide information about Canadian tourism to the private sector and to the governments of Canada, the provinces and the territories.

### ROLE

As Canada's national tourism marketer, we market Canada as a desirable tourist destination in order to advance the economic well-being of Canadians and the priorities of the Government of Canada. We focus on actively marketing Canada internationally to leisure travellers and incentive travel planners, and to meeting planners for the pursuit of corporate level meetings and other business events to be held in Canada.

In addition to direct marketing, we actively support Canadian tourism businesses, and in particular, SMEs, by providing them with key expertise and tools for effective product development. We further connect them to select international markets in order to promote and export their products.



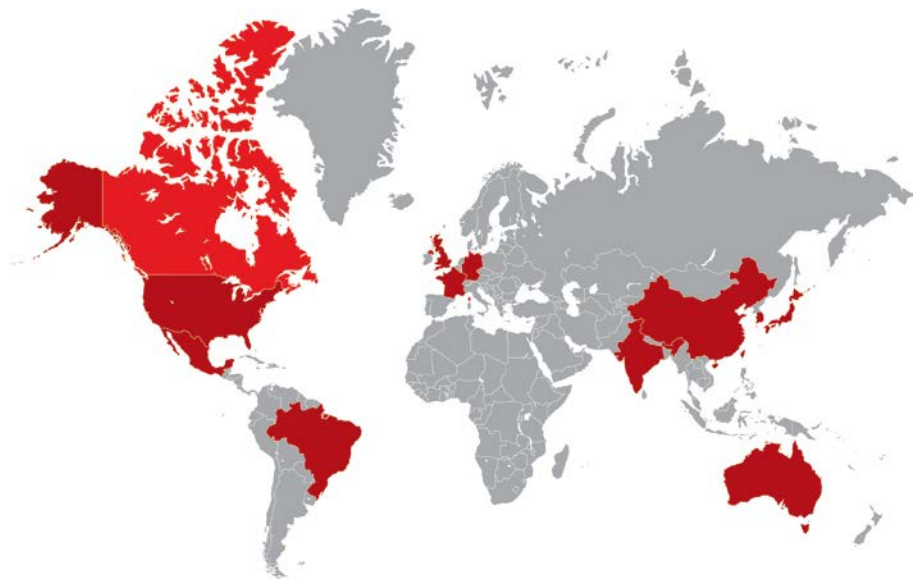
## FINANCING

The CTC is financed mainly through parliamentary appropriations. Through marketing partnerships with Canadian tourism industry organizations and international travel trade businesses, we leverage our core appropriations with other levels of government and the private sector in a public-private partnership to extend our global marketing reach.

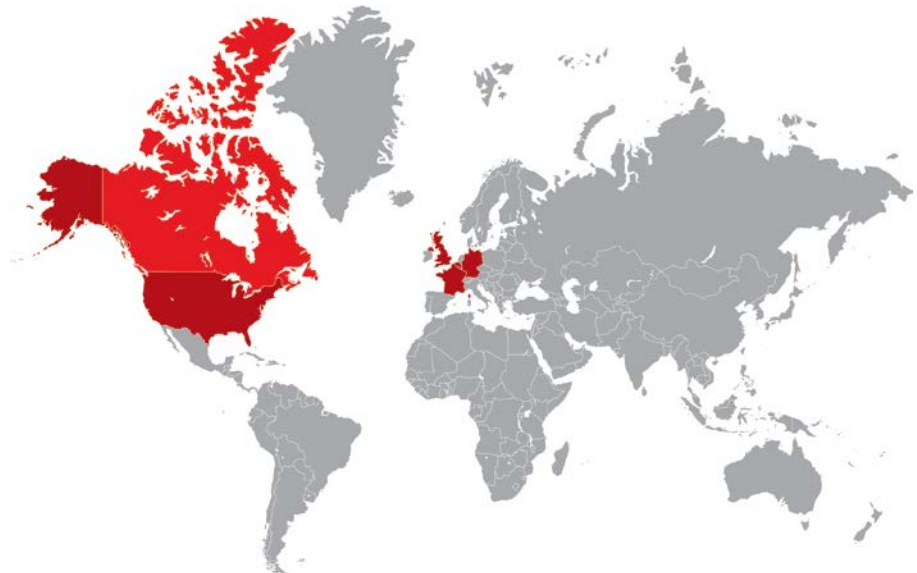
## GEOGRAPHIC PRESENCE

The CTC is invested in 11 leisure markets around the world, and five business markets for the purposes of bringing meetings, conventions and incentive travel programs to Canada.

### Leisure Markets



### Business Events Canada Markets



## HIGHLIGHTS OF 2013 RESULTS

Eagle Plains  
Yukon

VISITORS	2.9%	Growth in arrivals from the CTC's 10 leisure markets
	398,000	How many travellers the CTC inspired to visit Canada directly through its leisure marketing activities
REVENUE	\$425 million	Tourism revenue to Canada as a result of the CTC's leisure marketing activities
	\$120 million	Tourism revenue to Canada as a result of the CTC's business events sales activities
	\$72 million	Federal tax revenue as a result of the CTC's marketing activities
JOBS	618,300	Numbers of jobs in Canada's tourism industry
	4,416	Numbers of tourism jobs supported by the CTC's marketing efforts
PARTNERS	\$48 million	Contributions by partners to CTC marketing activities
	92%	Partners' satisfaction with the CTC's work



The CTC was founded on the principle of public-private partnership, and it is this type of partnership that strengthens the Canada brand internationally and intensifies the marketing power of Canada.

On average, industry partners have nearly doubled the value of our annual appropriation – both cash and in-kind, and this is an impressive demonstration of mutual commitment and collaboration. In 2013, partner contributions to the CTC totaled nearly \$48 million, boosting our collective marketing muscle to \$109 million. Our partners include provincial, territorial and municipal governments at all levels, regional and destination marketing organizations, members from the private sector, and international travel trade and meeting professionals.

The Canadian tourism industry is vital to the social and cultural identity of Canada, above and beyond its contribution to the economy and the well-being of Canadians. It is an industry the CTC and partners are privileged to support. The CTC is very proud of all the industry partners who join us at the table, at every level, to match dollars and collaborate on marketing programs and initiatives.

### Partner Contributions

In 2013, partner contributions totalled nearly \$48 million as follows:

- \$9.3 million in cash contributions for CTC-led marketing campaigns
- \$7.2 million in in-kind contributions for CTC-led marketing campaigns or media tours
- \$31.3 million in contributions by partners where the CTC bought into partner-led campaigns

These partnerships resulted in a contribution ratio of 0.8 : 1 against our appropriations of approximately \$61 million and exceeded our target of 0.6 : 1. This result demonstrates the continued relevancy of our programs to partners.

## WORKING IN PARTNERSHIP



Tombstone Territorial Park  
Yukon

## OPERATING ENVIRONMENT



### WORLD TOURISM CLIMATE

Each day, tourists spend \$3 billion. Tourism is becoming one of the largest and fastest growing economic sectors in the world, and despite occasional shocks, the sector has seen virtually uninterrupted growth over the last 60 years<sup>1</sup>. In fact, the growth in global tourism revenue has exceeded GDP growth in recent years.

This positive trend is expected to continue, and countries around the world are taking note. The number of destinations investing in tourism continues to climb, fueled by the desire to capitalize on tourism's powerful ability to create jobs, drive socio-economic progress, encourage infrastructure development and garner export revenue.

This power of tourism is not limited to leisure travel. Business tourism plays a crucial role in bolstering a nation's economic prosperity, particularly as international meetings, including conferences and conventions, represent the "high end" of visitor spending.

Aside from the meetings industry's enormous contribution to tourism revenue, non-leisure travel supports a country's international business goals. International meetings and conferences attract global expertise and create a forum for the development and exchange of ideas worldwide. Additionally, such business events often provide delegates with their first look at a country's future growth and investment opportunities, helping to promote and support other business sectors.

### LOOKING AHEAD

Despite financial crises, recessions, political turmoil and civil unrest in various parts of the world, demand for global tourism is solid and is expected to remain so. The positive outlook for the global economy will undoubtedly contribute to increased tourism; currently, one-third of the human race is already travelling and spending increasingly more during their visits<sup>2</sup>.

Contributing to this growth are two demographic pivots currently underway: a rising middle class in emerging economies, and an increase in youth travel.

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<sup>1</sup> UNWTO Tourism Highlights, 2014 Edition.

<sup>2</sup> ITB World Travel Trends Report 2013/2014, December 2013.



World tourism can expect to see continued strong demand out of emerging economies, including China and India. In fact, Asia and the Pacific experienced a strong 6% rise in arrivals in 2013, surpassing the average world growth rate in arrivals of 5%<sup>3</sup>. With increasing levels of disposable income, first-time visitors are projected to fuel this growth in tourism arrivals and revenue. Although improving economic situations in advanced markets are forecast to give rise to encouraging growth, emerging markets will remain the primary growth drivers next year.

Youth travel has long been characterized by cheap prices and low spending. Today, however, youth travellers are a driving force of global tourism, and predictions by the United Nations World Tourism Organization are that the number of trips this segment is expected to take will grow by 50% – 300 million trips a year in 2020 from the current 200 million trips<sup>4</sup>. They are more likely to travel abroad than their non-youth counterparts, and compared against the typical tourist, the young traveller is more likely to travel for leisure in organized groups, with extended family or with friends. They are also likely to stay longer and spend more.

A fast growing subset of the travelling population, young people make up 20% of the global travel market<sup>5</sup>. Promising repeat visitation over their lifetimes, youth travellers are quickly becoming a valuable and attractive demographic for many countries.

With the explosion of mobile technology, consumers are living in a much more interconnected world. By 2018, wireless and mobile devices will eclipse computers as the way to access the internet<sup>6</sup>, and social media undoubtedly will play a greater role in the travel purchase process going forward.

## **SPOTLIGHT ON CANADA**

These two demographic pivots – the rise in travellers from emerging economies and the growing momentum of young visitors – are already trends that the CTC is working to capitalize on. Over recent years, the CTC has directed marketing investments to emerging markets, including China, India and Brazil, and to a youth travel program. These shifts bode well for the future growth of Canada's share of global tourism, but the opportunity isn't guaranteed. As such, the CTC will continue to focus on growing tourism revenues from these markets.

Increased competition from other destinations, both traditional and emerging, is fierce, and continues to threaten Canada's market share. It becomes vitally important for Canada to stand out in a crowded marketplace. Furthermore, a weakened Canadian currency limits the extent of our marketing dollar to reach the lucrative international traveller.

Despite these challenges, Canada still has what it takes to compete, but will need to be clever in adapting its marketing strategy in order to capitalize on the phenomenal surge in world travel currently underway. To stay ahead of the competition, Canada's tourism industry is always looking for new ways to compel travellers and bring exciting new product to market. Leveraging mobile technology and social media will be paramount when identifying and targeting prospective visitors. Additionally, delivering highly personalized

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<sup>3</sup> UNWTO Tourism Highlights, 2014 Edition.

<sup>4</sup> ITB World Travel Trends Report 2013/2014, December 2013.

<sup>5</sup> Ibid.

<sup>6</sup> Cisco Visual Networking Index: Forecast and Methodology, 2013–2018, June 10, 2014.

content relevant to an individual's interests will be key when convincing travellers to choose Canada.

In parallel with understanding how consumers absorb information is the manner in which Canada's tourism partners work together for the benefit of the industry as a whole. Working in collaboration to appeal to the international traveller in new ways and to present Canada as a destination with unique character, exciting culture and dynamic cities will be important now more than ever. The global outlook for tourism is positive and there are ample opportunities for Canada to seize the momentum and showcase all it has to offer.

## FEDERAL INITIATIVES

Launched in 2011, the *Federal Tourism Strategy* (FTS) enhances the federal government's role as an effective partner with industry and other levels of government in support of an internationally competitive sector. It formalizes a whole-of-government approach to facilitate the collaborative efforts of some 20 departments and agencies.

The strategy has produced sound results in four priority areas:

- Increasing awareness of Canada as a premier tourist destination;
- Facilitating ease of access and movement for travellers while ensuring the safety and integrity of Canada's borders;
- Encouraging product development and investments in Canadian tourism assets and products; and
- Fostering an adequate supply of skills and labour to enhance visitor experiences through quality service and hospitality.

The CTC is a member of the Steering Committee of senior federal executives that oversees the strategy's implementation and also meets regularly with industry stakeholders. In particular, the CTC plays a crucial role in delivering the first FTS priority, "increasing awareness of Canada as a premier tourist destination", in cooperation with stakeholders and federal partners.

Tourism remains a priority for the Government of Canada as reiterated in the Speech from the Throne (October 2013).

### CAN+

CAN+ is a recent Government of Canada initiative that allows Mexican, Indian and Chinese nationals, who have travelled to Canada or the US within the past 10 years, to access an expedited visa processing system that will process applications within a few days. The program provides fast and easier options for international travellers to come to Canada to do business, visit family or friends, or attend major events, like the Pan Am Games.





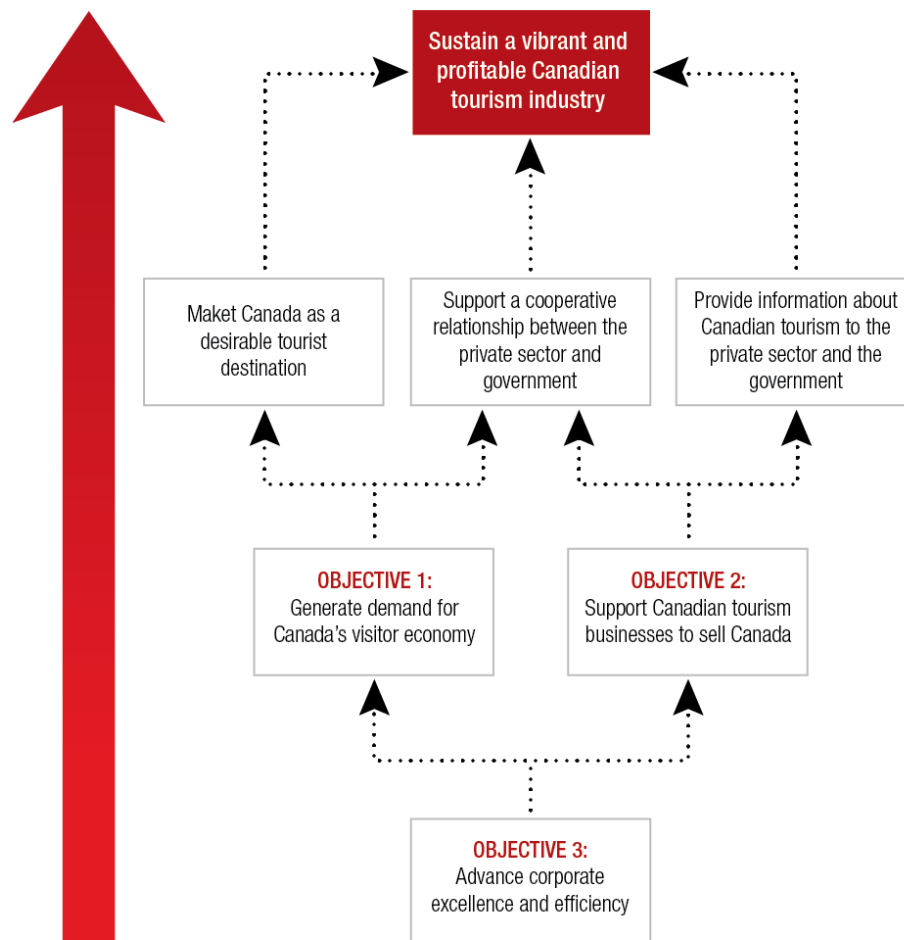
Montreal, Quebec



## STRATEGIC PLAN

Our strategic plan for the 2015-2019 period lays out our objectives for the next five years and the initiatives and activities to attain them. The plan reflects our mandate and our dual role of marketing Canada as a desirable tourist destination to support Canadians and the visitor economy, and to support Canadian tourism businesses to compete and thrive internationally.

The diagram below illustrates how our objectives for the 2015-2019 period support our legislated mandate.





## LOGIC MODEL

The Logic Model on the following page provides a visual depiction of the CTC's main outputs and how they drive measurable results at all levels of the organization over the short, medium and long term. This model also demonstrates how the CTC's activities and outputs provide information, tools, resources and opportunities that Canadian businesses can leverage to help export their tourism products more efficiently and effectively. The specific measures and targets are identified and reported on in either the enterprise balanced scorecard or in unit level balanced scorecards.

In terms of time horizons, the CTC Goal (Ultimate Outcome) and Objectives (Intermediate Outcomes) are the core business of the CTC and are delivered over the life of the 2015-2019 Corporate Plan. The Activities (Immediate Outcomes) are the strategic priorities of the CTC in the short-term and are to be delivered in 2015. These also contribute to the longer term objectives and to the government priorities outlined at the bottom.

**CTC GOAL**  
Ultimate Outcome

**TO GROW TOURISM EXPORT REVENUE FOR CANADA IN MARKETS OFFERING THE HIGHEST RETURN AND WHERE THE CANADA BRAND LEADS**

**OBJECTIVES**  
Intermediate Outcomes

- |  |  |   |
|--|--|---|
| <p><b>1. GENERATE DEMAND FOR CANADA'S VISITOR ECONOMY</b></p> <ul style="list-style-type: none"> <li>• Grow visitation and tourism revenue to Canada</li> <li>• Make Canada a "visit now" destination</li> <li>• Maximize partner investments</li> </ul> | <p><b>2. SUPPORT CANADIAN TOURISM BUSINESSES TO SELL CANADA</b></p> <ul style="list-style-type: none"> <li>• Strengthen Canada's tourism brand</li> <li>• Improve Canadian tourism industry's offer to the world</li> <li>• Support effective market access</li> </ul> | <p><b>3. ADVANCE CORPORATE EXCELLENCE AND EFFICIENCY</b></p> <ul style="list-style-type: none"> <li>• Demonstrate value for money</li> <li>• Exemplify CTC's core values</li> <li>• Foster a climate of staff engagement</li> </ul> |
|--|--|---|

**ACTIVITIES**  
Immediate Outcomes

- |   |  |   |   |   |  |
|---|--|---|---|---|--|
| <p><b>CORE BUSINESS</b></p> <ul style="list-style-type: none"> <li>• Marketing where Canada's tourism brand leads through consumer direct marketing, social media and public relations</li> <li>• Business Events Canada</li> <li>• Youth Travel Program</li> </ul> | <p><b>NEW FOR 2015</b></p> <ul style="list-style-type: none"> <li>• Follow the Global Customer</li> <li>• Partnership pilot program in Germany</li> <li>• Content marketing</li> </ul> | <p><b>CORE BUSINESS</b></p> <ul style="list-style-type: none"> <li>• Tradeshows and marketplaces</li> <li>• Marketing asset development</li> <li>• Provide market research and tool kits to make businesses more competitive</li> <li>• Canadian Signature Experiences</li> </ul> | <p><b>NEW FOR 2015</b></p> <ul style="list-style-type: none"> <li>• Path to Export</li> <li>• Platforms for businesses</li> </ul> | <p><b>CORE BUSINESS</b></p> <ul style="list-style-type: none"> <li>• Allocate key proportion of CTC budget to programming</li> <li>• Utilize effective systems</li> </ul> | <p><b>NEW FOR 2015</b></p> <ul style="list-style-type: none"> <li>• Pay for Performance</li> <li>• Review HQ office space requirements</li> <li>• Adjust business model in select markets</li> <li>• Operational partnerships</li> </ul> |
|---|--|---|---|---|--|

**2015 GOALS & TARGETS**

- |   |  |  |
|---|--|--|
| <p><b>In 2015, the CTC will strive to:</b></p> <ul style="list-style-type: none"> <li>• Convert and book 180,000 leisure travellers in select markets</li> <li>• Generate 300,000 delegates through business events</li> <li>• Generate \$421 million in attributable tourism export revenue</li> <li>• Generate \$55 million in federal tax revenue</li> <li>• Support 3,085 jobs</li> </ul> | <p><b>In 2015, the CTC will strive to:</b></p> <ul style="list-style-type: none"> <li>• Attain a partner contribution ratio of 0.6:1</li> <li>• Attain a partner brand alignment level of 84%</li> <li>• Ensure its platforms are important to industry</li> <li>• Optimize attendance at its tradeshows, media shows and business events</li> </ul> | <p><b>In 2015, the CTC will strive to:</b></p> <ul style="list-style-type: none"> <li>• Allocate 61.5% of its total budget to programming</li> <li>• Attain a ratio of corporate services to marketing and sales costs of 15.2%</li> <li>• Attain a systems effectiveness score of 65%</li> <li>• Attain a core values index of 73%</li> </ul> |
|---|--|--|

**IN LINE WITH GOVERNMENT PRIORITIES**

- |  |  |   |
|--|--|---|
| <ul style="list-style-type: none"> <li>• Stimulating our economy</li> <li>• Expanding Canada's international trade</li> <li>• Digital Canada 150</li> <li>• Fostering the knowledge-based economy</li> </ul> | <ul style="list-style-type: none"> <li>• Stimulating our economy</li> <li>• Supporting communities</li> <li>• Supporting businesses</li> </ul> | <ul style="list-style-type: none"> <li>• Returning to balance / demonstrating value for money</li> <li>• Ensuring sound management</li> </ul> |
|--|--|---|



# OBJECTIVE 1:

Generate demand for Canada's visitor economy



In 2015, the CTC will strive to:

- Convert 180,000 leisure travellers
- Generate 300,000 current and future delegates through business events
- Generate \$421 million in attributable tourism export revenue
- Generate \$55 million in attributable federal tax revenue
- Support 3,085 jobs
- Attain a marketing campaign ROI of 74 : 1
- Attain an aided destination interest level of 79%
- Attain an active consideration of visiting Canada level of 19%
- Attain a social engagement rate of 0.7

The CTC plays a critical role in generating demand for Canada's visitor economy, for the benefit of the larger Canadian economy. Our focus is to sustain a profitable tourism industry by growing tourism export revenue for Canada. This is accomplished through our core business of marketing Canada as a tourism destination abroad and generating demand for Canadian tourism product in order to bring new dollars into the country. This revenue helps support jobs and revenue for Canadian tourism businesses and the Government of Canada.

The CTC works together with Canada's provincial, territorial and destination marketing organizations and private sector entities under a unified *Canada. Keep Exploring* brand to efficiently reach the lucrative international traveller. The tourism private sector, largely comprising small businesses and entrepreneurs, values the access to global markets offered by a national coordinating body which many would not reach if working independently. We work to provide marketing opportunities in markets of highest return, while also providing key platforms to engage travel agents in markets where most bookings are still done via an agent.

In recent years, our marketing strategy has evolved to better suit the economic and technological context. We have increasingly shifted our resources to a more progressive and leading-edge approach to marketing, away from costly ad buys to more targeted digital engagement and relationship building with key media, public relations and travel agent partners. The internet and proliferation of social media has introduced a wealth of consumer data available to marketers. Winning brands will be those who capture, model, assess and leverage this "big data" to engage travellers, move them closer to making a trip purchase, and rely on their word-of-mouth over the course of their entire decision-making journey to influence future sales.

Going forward, the CTC will create, curate, cultivate, and optimize relevant travel information in order to inspire positive engagement against Canada's tourism brand promise and point of view. This will require us to sustain a level of publishing activity across our priority channels year-round that provide reach and engagement with our fragmented media audiences, regardless of where in the world our potential customers live.

Our content strategy will position us for success in telling a consistent story across the media landscape. It will help draw parallels between which tourism activities are important to our customers and what our tourism brand stands for. In 2015-2019, our marketing team and marketing partners will create more relevant content and improve on paid media based on analytics and insights. Our customers are already at the heart of the global travel story; we just need to get them to be part of ours. Employing a digital approach to tourism marketing is one way we are making sure that as a tourism industry, we're in the right place, at the right time and with the right message, and our work in this area is aligned to the government's priorities under *Digital Canada 150*.

The CTC is also pursuing new global markets of opportunity. We have invested more significantly in key markets such as China which have experienced significant growth and express strong intent to visit Canada. We are also pursuing new demographic segments of travellers. In 2014, the CTC began developing a strategy for a Youth Travel Program that would focus on inspiring a new generation of travellers to visit Canada. Research on factors motivating youth travel has been completed to help inform this strategy, and a brand position to appeal to young Canadians is in the development phase.

The CTC recognizes the important role we can play in bolstering trade and investment for Canada. Pursuing business events will continue to be an increasingly important activity for us to generate demand for Canada's visitor economy and build stronger trade relationships, in line with the federal priority. In 2014, our Business Events Canada (BEC) division began refining its sales strategy to align with the federal government's Global Markets Action Plan, and began working in cooperation with the Department of Foreign Affairs, Trade and Development. In 2015, BEC will focus on a trial of this new sales approach in the Life Sciences sector in a unique effort to tap into the thousands of global conferences this sector holds, and compel and inspire



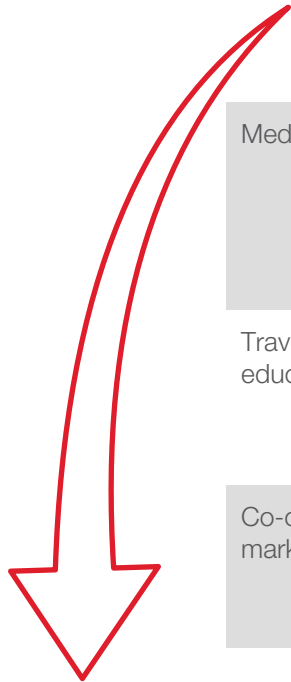
meeting planners to hold their events in Canada. Through our activities, we can work to not only introduce travellers to the exceptional experiences one can have while visiting the country, but also expose travellers to Canada's great lifestyle and business environment.

## CORE ACTIVITIES

### Marketing where Canada's Tourism Brand Leads

To move target travellers closer to booking Canada, the CTC practices a global marketing approach that communicates the *Canada. Keep Exploring* brand uniformly across all our markets and consumer touch points. We deploy a mix of consumer direct advertising and content marketing, media relations, social media and travel trade sales and education in each market which is tailored to accommodate regional nuances. In combination, these channels connect emotionally with travellers to communicate the essence of what exploring in Canada could look and feel like, and thereby increase the likelihood of visiting Canada.

Marketing Channel	What is it?	Why do we do it?
Consumer direct marketing	Advertising directed to consumers such as TV, radio, print, online and public displays	To position Canada as an interesting and appealing travel destination and keep Canada's tourism industry close to the sale
Social media	Being active in conversations on social media networks such as Facebook, Twitter and Instagram	To distribute content and engage with consumers so that they can be advocates for Canada and help to influence travel perceptions of Canada
Media relations	Building relationships and engaging with print, broadcast and online media outlets to pitch story ideas about Canadian travel experiences	As journalists and other media personalities can be extremely influential in a consumer's travel decisions, the CTC works to effect positive media coverage for Canada
Travel agent education	Education of in-market travel agents on Canadian experiences and products	To enable travel agents to be advocates of Canada and support them to better promote and sell Canada travel packages
Co-operative marketing	Joint advertising with in-market travel agents and tour operators to sell travel packages to Canada	To increase direct sales to Canada by our tour operator partners





**CTC Gets Social**

1 million+ Facebook fans in 8 languages	10,000 YouTube subscribers in 3 languages
225,000 Twitter followers in 7 languages	3,000 Pinterest followers in 2 languages
240,000 Google+ followers in 2 languages	2,000 Tumblr followers in 3 languages
100,000 Instagram followers in 3 languages	... plus Wechat and Weibo followers in China

As the effectiveness of specific marketing channels to reach consumers evolves, so too does the CTC's channel marketing strategy. As peer to peer advocacy becomes a key influencer in people's travel decisions, we've shifted focus from paid media to engaging the most influential of audiences through social media networks that will advocate on our behalf. Additionally, the boom in digital technology has enabled us to shift focus from traditional marketing tactics (which deliver messaging to a broad audience) to a more targeted approach using content marketing, enabling us to deliver highly customized content relevant to each individual consumer.

The market profiles below and on the following pages illustrate key characteristics of CTC markets<sup>7</sup> and the marketing and sales approach adopted in each country.

MARKET CHARACTERISTICS		
	<b>UK</b>	<p><b>2014 gross domestic product (GDP) growth:</b> 3.1%</p> <p><b>2013 tourism statistics:</b> long-haul traveller population of 20.9 million; 589,000 visitors to Canada; average annual change of -4% since 2009; visitor revenue to Canada of \$788 million (+0.4% since 2012); average trip spend of \$1,338</p> <p><b>Tourism profile:</b> Strong air capacity; high awareness of Canada; value unique and authentic travel experiences; desire to visit natural wonders, parks and mountains, view wildlife, and have urban experiences</p> <p><b>Primary marketing objective:</b> Driving trip bookings to Canada</p> <p><b>Marketing activities:</b> Consumer direct marketing, trade engagement, trade/airline co-operative marketing, media relations, social media</p>
	<b>FRANCE</b>	<p><b>2014 GDP growth:</b> 0.6%</p> <p><b>2013 tourism statistics:</b> long-haul traveller population of 15.3 million; 426,500 visitors to Canada; average annual change of +4% since 2009; visitor revenue to Canada of \$537 million (+1.4% since 2012); average trip spend of \$1,260</p> <p><b>Tourism profile:</b> Strong air capacity; high awareness of Canada and especially Quebec; Canada perceived as top destination; long-stay traveller; family vacations are important; look for once-in-a-lifetime experiences; desire to view nature and wildlife, visit natural wonders and historical and cultural attractions</p> <p><b>Primary marketing objectives:</b> Awareness of holiday opportunities outside Quebec and driving trip bookings to Canada</p> <p><b>Marketing activities:</b> Travel trade, media relations, public relations, social media, advertising partnerships</p>

High volume markets where Canada competes vigorously to protect or grow its position

The foundation of Canada's lucrative international tourism business

<sup>7</sup> Sources: GDP growth based CTC estimates; long-haul population based on 2010 and 2013 Global Tourism Watch Omnibus Study; visitation and trip spends are estimates based on Statistics Canada's International Travel Survey.



## MARKET CHARACTERISTICS



CHINA

**2014 GDP growth:** 7.4%

**2013 tourism statistics:** long-haul traveller population of 28.9 million; 334,100 visitors to Canada; average annual change of +20% since 2009; visitor revenue to Canada of \$603 million (+24.2% since 2012); average trip spend of \$1,805

**Tourism profile:** Rising incomes and growing economy; increasing air capacity; relaxed visa restrictions; high online usage; prefer experiencing culture, visiting historical sites and attractions, and viewing nature

**Primary marketing objective:** Driving trip bookings to Canada

**Marketing activities:** Integrated consumer co-operative and trade campaigns through dedicated video content channel (CTC-TV)



GERMANY

**2014 GDP growth:** 1.8%

**2013 tourism statistics:** long-haul traveller population of 18.1 million; 276,200 visitors to Canada; average annual change of -1% since 2009; visitor revenue to Canada of \$421 million (+1% since 2012); average trip spend of \$1,524

**Tourism profile:** Stable air capacity including into northern Canada; Canada perceived as top destination; high awareness and top-of-mind consideration of Canada; adventurous travellers; enjoy viewing wildlife, visiting natural wonders, parks and mountains, cruise and recreational vehicle holidays

**Primary marketing objective:** Driving trip bookings to Canada

**Marketing activities:** Consumer direct marketing, trade engagement, trade/airline co-operative marketing, social media, media relations



AUSTRALIA

**2014 GDP growth:** 3.1%

**2013 tourism statistics:** long-haul traveller population of 8.3 million; 224,600 visitors to Canada; average annual change of +5% since 2009; visitor revenue to Canada of \$398 million (+1.2% since 2012); average trip spend of \$1,771

**Tourism profile:** Stable air capacity; 60% of visitors enter via US, long-stay traveller; enjoy viewing wildlife, visiting parks and mountains, urban experiences, and strong interest in cruise and train holidays

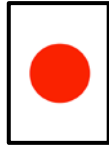
**Primary marketing objective:** Driving trip bookings to Canada

**Marketing activities:** Consumer direct marketing, trade engagement, trade/airline co-operative marketing, social media, media relations

High volume markets where Canada competes vigorously to protect or grow its position

The foundation of Canada's lucrative international tourism business

## MARKET CHARACTERISTICS



JAPAN

**2014 GDP growth:** 1.1%

**2013 tourism statistics:** long-haul traveller population of 18.1 million; 188,900 visitors to Canada; average annual change of +1% since 2009; visitor revenue to Canada of \$302 million (+3.1% since 2012); average trip spend of \$1,601

**Tourism profile:** Increased air capacity; one-third of visitors enter via US; growing number of school trips; enjoy visiting historical sites and attractions, seeing natural scenery with city amenities nearby, local culinary experiences

**Primary marketing objective:** Refreshing travel perceptions through new product exposure to drive trip bookings to Canada

**Marketing activities:** Trade engagement, trade/airline co-operative marketing, social media, media relations



SOUTH KOREA

**2014 GDP growth:** 3.4%

**2013 tourism statistics:** long-haul traveller population of 11.8 million; 141,800 visitors to Canada; average annual change of +2% since 2009; visitor revenue to Canada of \$247 million (+5.4% since 2012); average trip spend of \$1,739

**Tourism profile:** Reduced air capacity; long-stay traveller; travel agents are primary booking source; enjoy viewing natural wonders, visiting parks and mountains, seeing natural scenery with city amenities nearby

**Primary marketing objective:** Refreshing travel perceptions through new product exposure to drive trip bookings to Canada

**Marketing activities:** Trade engagement, trade/airline co-operative marketing, social media, media relations



MEXICO

**2014 GDP growth:** 2.4%

**2013 tourism statistics:** long-haul traveller population of 3.9 million; 139,700 visitors to Canada; average annual change of -4% since 2009; visitor revenue to Canada of \$216 million (+10.8% since 2012); average trip spend of \$1,544

**Tourism profile:** Stable air capacity; over half of visitors enter via US; recent improvements to visa processing; enjoy shopping, multicultural and winter experiences, viewing wildlife, visiting parks and mountains

**Primary marketing objective:** Driving trip bookings to Canada

**Marketing activities:** Trade engagement, trade/airline co-operative marketing, consumer direct marketing, social media, media relations

Vital for the diversification and profitability of Canada's tourism economy

Expected to deliver future growth

## MARKET CHARACTERISTICS



INDIA

**2014 GDP growth:** 4.8%

**2013 tourism statistics:** long-haul traveller population of 3.8 million; 162,700 visitors to Canada; average annual change of +7% since 2009; visitor revenue to Canada of \$171 million (+0.8% since 2012); average trip spend of \$1,053

**Tourism profile:** Expanding middle class; preference to travel during cooler months; extremely high rate of booking through travel agent; enjoy viewing natural wonders, visiting parks and mountains, luxury shopping and multicultural experiences

**Primary marketing objectives:** Awareness of holiday opportunities and driving trip bookings to Canada

**Marketing activities:** Trade engagement, trade co-operative marketing, consumer direct marketing, social media, media relations



BRAZIL

**2014 GDP growth:** 0.7%

**2013 tourism statistics:** long-haul traveller population of 3.4 million; 78,600 visitors to Canada; average annual change of +8% since 2009; visitor revenue to Canada of \$160 million (+5.2% since 2012); average trip spend of \$2,036

**Tourism profile:** Increased air capacity; highest yield traveller among CTC markets; recent improvements to visa processing; increased adoption of social media; gap in knowledge of holiday opportunities; perceived difficulty in securing visas; prefer experiences geared to shopping, multicultural, urban and winter, enjoy train travel

**Primary marketing objective:** Awareness of holiday opportunities and driving trip bookings to Canada

**Marketing activities:** Trade engagement, trade/airline co-operative marketing, consumer direct marketing, social media, media relations

Rapidly growing economies with growing arrivals to Canada



## Business Events Canada

Business Events Canada (BEC) is the division of the CTC charged with bringing international meetings, conventions and incentive travel programs to Canada. The BEC brand reflects the growing significance of the meetings industry to Canada's economy, one that goes far beyond filling hotel rooms and convention centres. Not only do conventions and meetings held in Canada introduce international travellers to the unique experiences that Canada has to offer, but they can also be the first spark that ignites interest in conducting international business and investment with our country.



Meetings can be the catalyst in introducing Canada's export business interests to key influencers, business stakeholders, entrepreneurs and investors from around the world. As visitors become acquainted with Canada and our high quality products, services and facilities, they can become advocates for our country, uncovering investment and trade opportunities, identifying business partnerships and creating a foundation for trade relationships. The BEC team focuses on key industry sectors, including agriculture and food, clean technologies, infrastructure/engineering, life sciences, and natural resources, that represent the greatest potential for export revenue growth and in which Canada is internationally recognized as a centre of excellence. In each sector, Canada either holds a competitive advantage or is seen as a key player for job creation or investment for the future.

BEC targets five markets: Belgium (Brussels), France, Germany, the UK and the US. Meetings, conventions and incentive travel from these countries attract almost two million visitors each year to Canada, who spend \$1.8 billion. While almost 80% of this comes from the US, Canada's market share is steadily increasing in BEC's four other target markets. Along with Canada's BEC partners, the CTC will continue to execute strategic programming to establish the Canada brand as a leader in the global meetings marketplace.

## Youth Travel Program



International youth travel is breaking wide open. Young travellers stay longer, like to go off the beaten path and are resistant to economic downturns. Though they spend on par with the average long-haul traveller, they spend differently than the typical traveller – less on transportation and accommodation and more on experiences. With a backpack of unforgettable memories, young travellers spread the word and return again and again over their lifetimes with family and friends, increasing a country's wealth and supporting a vibrant and profitable tourism industry for generations to come.

In 2017, Canada will mark the 150<sup>th</sup> anniversary of Confederation. This is an extraordinary milestone and a golden opportunity for Canadians and global youth to discover the Canada they may not know. In 2014, the CTC seeded the youth program by developing a strategy to capitalize on this opportunity to inspire this global force of young travellers to explore our amazing country and stimulate demand for Canada’s visitor economy.

Our plan to facilitate a movement of youth travellers in 2017 and beyond is to refresh our brand story to ensure youth perceive Canada as a fun travel destination, with adventurous and transforming experiences. We can leverage this natural high-energy occasion by working with public and private sector partners to deliver major, time-limited travel deals, special programs and co-investment of marketing dollars.

In 2015, the CTC will focus on consumer marketing to build awareness of Canada. Additionally, we will work with the international travel trade, including buyers and sellers of youth travel products, to familiarize them with Canada travel product that would appeal to a younger demographic. We will also work to bring together Canada’s travel industry to deliver a single youth travel campaign across 2016 and 2017.

<b>PLANNED EXPENDITURES</b>	\$750,000
<b>KEY ACTIVITIES FOR 2015</b>	<ul style="list-style-type: none"> <li>• Refresh our brand story to enhance youth travel perceptions</li> <li>• Work with public and private sector partners to deliver major, time-limited travel deals, special programs and co-investment of marketing dollars</li> <li>• Focus on consumer marketing to build awareness of Canada</li> <li>• Work with the international travel trade, including buyers and sellers of youth travel products, to familiarize them with Canada travel product that would appeal to a younger demographic</li> </ul>
<b>EXPECTED RESULTS</b>	<ul style="list-style-type: none"> <li>• Youth perceive Canada as a fun travel destination</li> <li>• Youth expect adventurous and transforming Canadian experiences</li> <li>• Increase in awareness of Canada as a travel destination</li> </ul> <p><i>(specific targets to be benchmarked in 2015 and set for 2016 and beyond)</i></p>

## Media marketplaces

Our media marketplaces allow Canadian tourism partners, such as destinations and SMEs, to meet with magazine, newspaper and online editors, social media bloggers and influencers, as well as with television and radio producers from international markets to share their latest news, ideas, projects and travel stories. Working to bring story ideas to influential journalists and producers helps to shed a positive spotlight on Canada and motivate consumers’ travel decisions.

Our Canadian GoMedia Canada Marketplace and our US-based Canada Media Marketplace (CMM) offer one-to-one appointments, and additionally feature workshops, information booths and other networking events for members of the Canadian tourism industry to meet directly with travel journalists and bloggers.



Our recent CMM brought together 129 industry partners to deliver Canadian story ideas to 184 American journalists, bloggers and broadcasters through more than 2,600 appointments.

### Canada Specialist Program



Canada places a premium on investing in travel partners that can effectively advocate for the destination. The Canada Specialist Program (CSP), an online training and agent certification tool, provides Canada with a sales force advantage. The tool is designed to assist travel agents in becoming knowledgeable on Canadian experiences and in promoting travel and tourism to Canada, which helps to grow consumer interest in Canada and ultimately increase visitation. There are currently more than 8,500 certified CSP agents in our ten leisure markets, the US and Canada. In addition to new agent recruitment, the CSP focuses on conversion activity by CSP agents.

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## NEW INITIATIVES

Finding new ways to collaborate with our partners and promote Canada under a unified tourism brand underpins our work to build business for Canada. It is this leadership and our marketing that our colleagues in the tourism industry tell us they value most.

Beginning in 2015, the CTC will embark on two new pilot projects designed to reach target audiences in a new way: Follow the Global Customer and Partnership Pilot in Germany.

### Follow the Global Customer

In 2015, the CTC will begin a three-year pilot project to transform the way the Canadian tourism industry collaborates, engages and interacts with customers online in order to gain a competitive advantage. Different from conventional digital marketing, “Follow the Global Customer” is not bound by geography. This initiative recognizes that as nearly half of the world's population is expected to be connected to the internet by 2017, the future of tourism marketing is the digital arena<sup>8</sup>. It will use new technologies and big data to identify those travellers who are most likely to come to Canada based on their interests, digital profile and online activity, wherever they may live. This initiative will target and deliver personalized content for individuals at key moments in their decision cycles – a departure from traditional marketing tactics that use “one common message for many potential customers”.

Recognizing the importance of the CTC and the Canadian tourism industry to develop online analytical capabilities in order to stay competitive, Follow the Global Customer will seek to transform how Canada as a whole markets internationally, and will seek partner participation in program design, strategic execution and cost sharing.

The first year of this multi-year initiative will focus on program development and testing. Digital marketing tactics will be piloted in Year 2 in English language markets with extensive online consumer engagement and which see strong partner investment. The US leisure market will be included in this pilot, in addition to other English language speaking markets that the CTC is active in, as the US presents an immense growth opportunity for Canada and its tourism industry. Desire to capitalize on this momentum by partners is

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<sup>8</sup> Cisco Visual Networking Index Forecast, Press Release, <http://newsroom.cisco.com/release/1197391>.



strong, and the time is right for the CTC to re-enter this market, but in a new way – capitalizing on the evolution of technology and the trend for consumers to research, buy and share their travel experiences. As the program evolves, the intent of the initiative will be to expand globally to other markets in Year 3.

Under the CTC’s leadership, Follow the Global Customer will be a major research and development initiative whose goal is to change the paradigm of tourism marketing. This shift in marketing tactics will seek to reach out to a new subset of the population, helping to drive interest and conversion prospects. In keeping with the government’s desire to take full advantage of digital opportunities and be a global leader in this arena, the Canadian tourism industry will only thrive by having the most advanced digital marketing of any of its competitors.

The Follow the Global Customer pilot will be the basis for launching a major three year consumer marketing program in the US, beginning in late 2015.

<b>PLANNED EXPENDITURES</b>	\$3,500,000
<b>KEY ACTIVITIES FOR 2015</b>	<ul style="list-style-type: none"> <li>• Build analytical capability within the CTC and our partners to identify customers that are ‘prime’ to come to Canada</li> <li>• Invest in key technologies including content management, audience segmenting and targeting, listening tools, analytics and big data tools</li> <li>• Deliver personalized paid media and content for individuals at key moments in their decision cycle</li> <li>• Focus on English speaking markets in 2015, including the US, and if proven, expand to other CTC markets in 2016 and beyond</li> </ul>
<b>EXPECTED RESULTS</b>	<ul style="list-style-type: none"> <li>• Identification of travellers who are interested in visiting Canada and sell them specific offers</li> <li>• Increase in awareness of Canadian travel opportunities</li> <li>• Increase in travellers to Canada</li> <li>• Increase in tourism export revenue</li> </ul> <p><i>(specific targets to be benchmarked in 2015 and set for 2016 and beyond)</i></p>

**Partnership Pilot in Germany**

Throughout 2015, the CTC will investigate the potential for greater collaboration between us and Canadian partners that are active in the German market. The pilot will focus on strengthening existing partnerships at an operational level, as well as explore the option of delivering a collective marketing program, creating joint marketing strategies that are better resourced and completely aligned.

In late 2014, the viability of such an approach will be explored with partners. Should there be sufficient partner support, joint deployment of marketing activities via a consortium of tourism partners with a vested interest in Germany will serve to increase synergies to compete effectively in the marketplace. This would hold the potential of capturing a wider share of the international traveller market in Germany, and enhance prospects for Canada’s visitor economy.

Should the pilot not go ahead as envisaged, we will continue our current marketing program in Germany and will continue to offer partners pan-Canada marketing opportunities for access to the German traveller market.

<b>PLANNED EXPENDITURES</b>	No additional planned expenditures; to be supported within existing marketing envelope
<b>KEY ACTIVITIES FOR 2015</b>	<ul style="list-style-type: none"> <li>• Investigate the potential for greater collaboration with partners currently active in Germany</li> <li>• Joint deployment of marketing activities via a consortium of tourism partners</li> </ul>
<b>EXPECTED RESULTS</b>	<ul style="list-style-type: none"> <li>• Operational partnerships are strengthened</li> <li>• Increase of synergies among tourism partners to compete effectively in the marketplace</li> <li>• Increase in Canada’s traveller market share in Germany</li> <li>• Prospects for Canada’s visitor economy are enhanced</li> </ul> <p><i>(specific targets to be benchmarked in 2015 and set for 2016 and beyond)</i></p>

**Content Marketing**

In 2015, we will shift towards a strategy based on content marketing. This approach recognizes that in order to differentiate Canada in a crowded marketing landscape, we need to adjust how we connect with potential travellers. Instead of only marketing to travellers who are showing an interest in visiting Canada, we will actively reach out and intercept people before they start thinking about their next trip. Our content marketing will reveal Canada’s inspirational experiences through a brand narrative filled with stories about the promise of the unexpected. Creating inspiration outside the travel space means that consumers will have a stronger emotional link to Canada. The stronger these ties to Canada’s tourism brand, the more likely consumers will be to visit.

To achieve this end, the CTC, along with industry partners, will begin the strategic transformation from a passive advertiser to an active publisher with a globally engaged audience.

Our content strategy will position us for success in telling a consistent story across the media landscape, and will help draw parallels between which tourism activities are important to our customers and what our tourism brand stands for.

## KEY RISKS FOR OBJECTIVE 1:

### Generate demand for Canada's visitor economy

#### PERFORMANCE MEASUREMENT

Inability to measure the attributable results of efforts using new marketing communications technologies. This risk has emerged as travellers move from traditional sources for travel information and inspiration, such as newspapers and billboards, to digital content such as blogs and websites. The CTC's increased focus on content marketing and the pilot "Follow the Global Customer" initiative will seek to respond to these data-driven, digital, content-focused customers. Techniques to appropriately measure the CTC's impact with these new methods will evolve with the initiative.



**Mitigation activities:** The CTC will explore new approaches for measuring the impact of its activities and marketing in 2015.





2014:   
 2013: N/A  
 Change: New

#### MARKETING EFFECTIVENESS

Marketing effort is not effective / relevant and has no impact on the tourism industry. This risk has increased from low to a medium risk since last year due to the shifts in global marketing as outlined in the new Performance Measurement risk above.

**Mitigation activities:** Maintain strong brand and agency; use path to purchase model; use key balanced scorecard metrics (campaign return on investment, partner brand alignment and partner satisfaction); recruit, develop and retain the right talent; focus on opportunities for integrating innovation (core value) into our core business and measure against it; perform evaluations on results of conversion studies; use insights to inform decisions; better communicate the CTC's value and impact to the tourism industry by explicitly stating this as a Strategic Objective and measuring its impact in the balanced scorecard and focus efforts and resources optimally.

2014:   
 2013:   
 Change: ↑

Very high residual risk 	↑	Increase from previous year
High residual risk 	↓	Decrease from previous year
Medium residual risk 	↔	No change from previous year
Low residual risk 	New	New risk identified in current year
	N/A	Not applicable



## **Link to Federal Priority: *Stimulating our economy***

Canada's Economic Action Plan saw the launch of the *Federal Tourism Strategy* (FTS), a whole-of-government initiative to help position Canada's tourism sector for long-term growth and competitiveness. The FTS strives to position Canada's tourism sector to take advantage of international growth opportunities, increase tourism revenue and create jobs in Canada.

The CTC has been an active supporter of the FTS since its launch in 2011, and is focused on increasing awareness of Canada as a premier tourist destination and on highlighting outstanding Canadian experiences for international travellers through its CSE.

Additionally, through our marketing efforts, the CTC strives to grow visitor spending to benefit businesses, support tourism-related jobs in the sector and generate tax revenue for investment in infrastructure development. We actively monitor the effectiveness of our activities with respect to the impact on Canada's visitor economy; in 2013, our marketing directly generated an estimated \$545 million in visitor spending and \$72 million in federal tax revenue, and supported over 4,400 tourism jobs.

## **Link to Federal Priority: *Expanding Canada's international trade***

Business tourism plays a crucial role in strengthening Canada's international trade interests. Business events, including meetings and incentive travel, often provide delegates and visitors with their first look at Canada and present opportunities to forge valuable relationships, generate new investment and offer future growth potential for the country.

This precursor to commercial activity in other sectors signifies the importance of the meetings industry to Canada's international trade agenda. This led our BEC division in 2014 to establish a three-way action plan supported by the Department of Foreign Affairs, Trade and Development, Industry Canada and the CTC, and to align with the federal government's Global Markets Action Plan which identifies Canada as a centre of excellence in priority trade sectors. This alignment raises the profile of Canada's capabilities abroad, and paves the way for Canadian businesses to take further advantage of the tremendous opportunity foreign markets represent.

In addition to the core business of generating leads and prospects for Canada's meetings and events business, BEC has increased its sales emphasis on key trade areas to promote economic development. BEC focusses on demonstrating how meetings held in Canada can lure international delegates from different industries to directly invest in Canada's economy, thereby enhancing Canada's competitiveness around the world and naturally helping to drive international trade.

## **Link to Federal Policy: *Digital Canada 150***

A fundamental shift has been taking place over a number of years in how consumers access information. Advances in internet and mobile technology have necessitated significant changes in government policy and in business marketing.

The federal government's *Digital Canada 150* is a visionary plan to guide Canada's digital future. It charts a strategy to provide Canadians with the tools, skills and protections needed to embrace digital opportunities, and enable Canada to become a global leader in the digital arena.

The CTC's Follow the Global Customer initiative links strongly to *Digital Canada 150* as it seeks to adopt new technologies and big data to transform how we market Canada to international travellers. We will speak to consumers in new ways through an approach based on online behaviour and digital preferences. The approach will deliver highly customized digital content reflecting Canadian travel experiences and products. As a leader of Canada's tourism industry, the CTC will strive to enable Canadian tourism businesses to capture a greater share of the growing international travel market.

## **Link to Industry Canada Priority: *Fostering the knowledge-based economy***

Making sure that Canada's tourism businesses have what it takes to compete internationally helps to drive sustained economic growth.

The CTC's Follow the Global Customer initiative will seek to adopt new technologies and big data to transform how we market Canada to international travellers. Premised on innovation and advances in marketing technology, the approach will leverage in-depth knowledge of our target audiences to assist the public and private tourism sector to reach consumers in a new way.

## OBJECTIVE 2:

Support Canadian tourism businesses to sell Canada in international markets



In 2015, the CTC will strive to:

- Attain a partner contribution ratio of 0.6 : 1
- Attain a partner brand alignment level of 84%
- Ensure that its trade shows, media shows and business events are important to industry partners' marketing and sales goals
- Optimize attendance at its trade shows, media shows and business events
- Deliver marketing programs and assets that are valued by partners

The CTC is working to encourage SMEs be export driven. Marketing Canada internationally requires a collaborative effort. This translates into providing tourism businesses with the tools and resources to effectively and efficiently bring their experiences to international markets.

Recognizing that many of Canada's tourism businesses, particularly SMEs, do not have the resources needed to reach lucrative international markets, the CTC makes available a range of programs which are designed to meet their marketing and sales goals. These programs and tools give destination marketers and tourism businesses alike a competitive advantage in a crowded marketplace, and can be delivered efficiently and effectively by a tourism marketing organization that holds national leadership and international reach.



Industry business leaders and other levels of Canadian government have expressed the tremendous value they place on the tools, events and platforms we offer, and have strongly encouraged the CTC to continue developing and refining these offerings. Therefore, in 2015, the CTC will launch an initiative called “Path to Export”, designed to help tourism businesses refine their product offering, and increase their international exposure so they can reach the lucrative traveller in a more compelling way. This work builds on the commitment made in 2014 to develop branded platforms to give Canadian tourism businesses an edge in a highly competitive marketplace.

One key aspect the CTC will continue to focus on is measuring our impact under this objective. In 2014, we committed to further developing branded platforms for industry in the interest of both immediate and potential returns, as well as work to more holistically define the value of the CTC to industry beyond traditional return on investment measures. Although these two objectives have been refined under a single objective for 2015-2019, work on these two commitments is currently underway. In 2014, we identified three niche tourism sectors – ski, luxury travel and angling and hunting – that hold a high potential in terms of visitation from new customers who are seeking authentic, experiential travel. This work lays the foundation for benchmarking the value of these tools in the 2015 Enterprise Balanced Scorecard and setting targets for the 2016-2020 Corporate Plan. Additionally, going forward, we will look at identifying programming specific to these niche sectors which are designed to drive sales for Canada’s tourism business operators.

## CORE ACTIVITIES

### Tradeshows

We host a number of tradeshows every year that provide Canadian tourism industry partners with opportunities to connect with travel agents, tour operators and media from international markets in order to export their travel products. Based on a proven format that matches tourism product buyers and sellers in one-to-one, business-to-business appointments, these tradeshows are vehicles for Canadian tourism businesses to access world markets which would otherwise be difficult to reach. Facilitating access to foreign markets enables Canada to extend the reach of its tourism offerings and drive increased sales for tourism businesses.

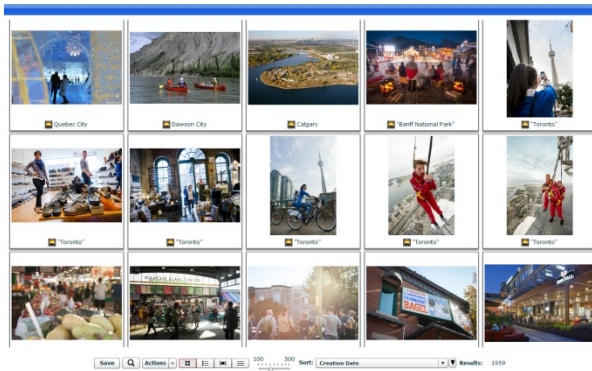
In 2015, the CTC will play host to many tradeshows in market:

- Canada Corroboree in Australia
- Showcase Canada-Asia in China for the Chinese and South Korean markets
- Focus Canada-India in India
- Focus Canada-Japan in Japan

Additionally, the CTC participates in a number of industry events and shows, such as World Travel Market in London, ITB in Berlin, and the business event IMEX in Frankfurt. The CTC’s attendance at these events and shows enables members of the tourism industry to participate and access these markets under the CTC’s umbrella brand.

The CTC also aims to bring together sellers of Canadian tourism experiences and destinations with tour operators seeking to package Canadian product from across the country at our flagship event in Canada. The exposure of Canadian tourism businesses to international buyers through our recent Rendez-vous Canada (RVC) was tremendous – this annual signature event broke attendance records in 2014, with over 1,600 tourism industry representatives taking part in over 24,000 one-to-one appointments. They were joined by 477 representatives from 366 buyer organizations, representing 28 international markets.

## Multimedia library



Our Brand Canada Library offers media and marketing partners easy access to over 13,500 professional images and video clips featuring Canada's urban and natural landscapes, and the most compelling tourism experiences. The digital library reflects the essence and diversity of Canada, and is the best resource to add an authentic Canadian flavour to stories and marketing materials designed to help Canadian businesses lure the international traveller. In 2013, over 200,000 digital assets were downloaded from the Brand Canada Library.

## Canadian Signature Experiences



An extension of our tourism brand is our Canadian Signature Experiences (CSE) program. Boasting 183 Canadian tourism experiences from coast to coast to coast, the collection reflects those experiences most in demand by our target customers and gives Canada the edge to stand out in a crowded marketplace. By differentiating ourselves from competitors,

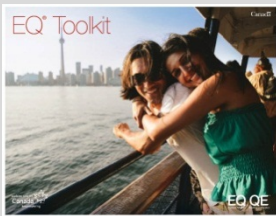
CSE enables tourism businesses in the collection to promote their experiences internationally, and gives travel trade partners a tangible focus when selling Canada.

## Market Research and Practical Toolkits

The CTC undertakes a variety of initiatives aimed at supporting the growth of Canadian exports and increase in the number of tourism SMEs competing internationally. We pride ourselves on supporting Canadian tourism businesses with marketing tools designed to grow their business for export markets while advancing Canada's tourism brand. Our research and intelligence, such as international macroeconomic data, traveller profiles and market conditions, allow Canadian businesses to better understand the fundamentals of competing globally. Through national initiatives like the International Travel Survey and the Travel Survey of Residents of Canada, we work with federal partners to provide information to the industry on who is travelling in Canada, when they are coming, what they are doing when they arrive and what they spend their money on, providing critical information for policy makers and industry alike. Additionally, by providing export-ready businesses with expertise in product positioning through resources such as brand guides and experience toolkits, we help them to better understand mechanisms to address opportunities and challenges. These resources also allow them to develop powerful and consistent messages for the marketplace that enable their businesses to grow and prosper.

### Explorer Quotient® Toolkit

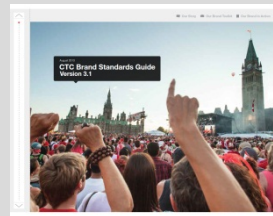
Learning everything we can about what Canada’s prospective travellers are looking for in a vacation is key when developing targeted marketing campaigns. Our consumer segmentation tool, Explorer Quotient®, goes beyond traditional demographics to examine travellers’ personal beliefs, social values, world views and the role travel plays in their lives. This



helps us to better understand the motivations for travellers selecting exceptional travel experiences.

### Brand Toolkit

Tourism partners big and small can adopt the essence of Canada’s tourism brand to drive business and help update dated perceptions about Canada. These guidelines show how marketing communications can adopt the look and feel of Canada’s tourism brand, and increase marketing reach and market potential in the process.



### Experiences Toolkit

Global demand for tourism “experiences” is on the rise. The Experiences Toolkit helps businesses make the shift from selling a tourism product to selling an experience that will stand out in the international marketplace.



### Training Videos

Our series of 23 short videos cover marketing topics such as doing business in international markets, how to make the most of trade shows and media marketplaces, how working with the international travel trade pays off, and tips on getting more out of existing travel media relations and familiarization tours.



## NEW INITIATIVE

### Path to Export

Growing tourism revenue from international markets is premised on Canadian tourism businesses being equipped with the tools and resources they need to reach and appeal to the lucrative international traveller. The CTC is focussed on supporting the local tourism community, particularly SMEs, to grow and prosper in their business ventures.

Beginning in 2015, the CTC will embark on a new initiative to better understand what support is required to encourage more Canadian tourism businesses to become exporters of their products or services. This “Path to Export” will become a framework used for gap analysis and as a tool from which to develop an industry approach to serve the SME tourism community.

The first phase of Path to Export will involve exploratory research to define the path framework and to establish an inventory of existing export readiness initiatives. Following this first phase, we will establish a strategy to address any gaps and any communications requirements.

Path to Export is envisioned to act as a gateway to facilitate market entry, and will be an addition to the variety of other tools and resources we currently offer which are aimed at supporting and increasing the number of tourism SMEs competing internationally.

<b>PLANNED EXPENDITURES</b>	No additional planned expenditures; to be supported within existing marketing envelope
<b>KEY ACTIVITIES FOR 2015</b>	<ul style="list-style-type: none"> <li>• Exploratory research to document best practices</li> <li>• Establish an inventory of existing CTC ‘Export Readiness’ programs, initiatives, and research, and map them against the Path to Export</li> <li>• Reach out to stakeholders to explore which tools are most useful and where there are gaps</li> </ul>
<b>EXPECTED RESULTS</b>	<ul style="list-style-type: none"> <li>• More SMEs have information and tools to become export ready</li> <li>• Increase in partner satisfaction with CTC tools and assets</li> </ul> <p><i>(specific targets to be benchmarked in 2015 and set for 2016 and beyond)</i></p>

**KEY RISK FOR OBJECTIVE 2:  
Support Canadian tourism businesses to sell Canada in international markets**

<p><b>GLOBAL ECONOMIC ISSUES</b></p> <p>Global economies (where the CTC invests) suffer significant halts in growth or experience geo-political issues which could impact international travel and the Canadian tourism industry.</p> <p><b>Mitigation activities:</b> Maintain a balanced country investment portfolio; ensure country budgets are flexible to allow reallocations if necessary. Offer support, tools, assets and sales opportunities to industry to withstand economic issues, facilitate their export readiness and help grow their business.</p>	<p>2014: </p> <p>2013: N/A</p> <p>Change: New</p>
<p>Very high residual risk </p> <p>High residual risk </p> <p>Medium residual risk </p> <p>Low residual risk </p>	<p>↑ Increase from previous year</p> <p>↓ Decrease from previous year</p> <p>↔ No change from previous year</p> <p>New New risk identified in current year</p> <p>N/A Not applicable</p>



## **Link to Federal Priority: *Supporting Communities***

In a highly competitive environment, tourism businesses must maximize all resources available to them and focus on what sets them apart from the competition.

The CTC's range of widely available tools and resources helps tourism SMEs to refine and position their products in an appealing way to grow their businesses. From toolkits on targeting customers, branding and experiential marketing, to access to our extensive online library of videos and imagery for promotional use, the CTC offers an array of knowledge and tools designed to enable tourism businesses to attract travellers and increase sales. Additionally, CTC programs such as the CSE collection and events such as the highly successful RVC provide invaluable access to international markets.

The CTC actively supports tourism businesses in regions across Canada to access international markets to promote and sell their tourism products, particularly those located in communities that are reliant on tourism for their economic development, prosperity and livelihood.

## **Link to Federal Priority: *Stimulating our Economy***

Ensuring that Canada is competitive internationally supports sustained economic growth. The CTC's Path to Export initiative will help to position Canadian tourism businesses, particularly SMEs, so that they can respond to changing consumer demands in the tourism marketplace.

Through product development support and assistance in the development of marketing acumen, the CTC will enable business operators to expand their reach into new international markets. By creating opportunities for exporters of Canadian tourism product, we are a direct supporter of entrepreneurship. As a result, successful businesses contribute to a higher standard of living, generate economic investment and create new jobs.

## **Link to Industry Canada Priority: *Supporting Businesses***

The CTC's breadth of marketing tools helps to advance the marketing acumen and the international reach of Canadian tourism businesses. Our tools on product positioning and customer segmentation assist SMEs in developing compelling messaging, enabling business growth. Our extensive library of market research equips tourism businesses with the knowledge they need to appeal to new customers. This market knowledge enables them to compete on an international scale, helping to foster longevity and contribute to a higher standard of living for Canadians.

Lastly, our Path to Export initiative will encourage more Canadian tourism businesses to become exporters of their products or services by easing the path for companies to start trading abroad. This initiative encourages entrepreneurship, while fostering long-term success and promoting regional economic development.

## OBJECTIVE 3:

### Advance corporate excellence and efficiency



In 2015, the CTC will strive to:

- Allocate 61.5% of its total budget to programming
- Attain a ratio of corporate services to marketing and sales costs of 15.2%
- Attain a systems effectiveness level of 65%
- Attain a core values index of 73%

Over the past several years, we have transformed our business to be a lean and focussed marketing organization. We are dedicated to delivering superior results against our strategy in an efficient manner, and continue to seek ways to streamline operations and maximize programming budgets.

We view efficiency as an ongoing process at the CTC. Through a series of initiatives over the last four years, we've streamlined our operating and governance models with a critical eye on reducing costs. Adopting a leaner and more scalable business model permits us to adapt quickly to changing market conditions and leverage new market opportunities as they arise.

Similarly, over the years we have centralized various marketing functions at our headquarters office in Vancouver. Centralizing this work has not only created brand consistency, while still allowing for local cultural adaptation, but it has also eliminated duplication of processes in several international offices, leading to enhanced efficiencies. In 2015, we will continue to deliver on this efficient model by centralizing event and tradeshow planning at headquarters.

In 2013, we completed the installation of a new office suite of cloud-based systems for internal business functions, providing our staff with effective, easy-to-use-tools that saved money and freed up time and resources for our marketing work. In 2015, we will continue to monitor the effectiveness of these systems at meeting organizational needs.

Going forward, we will also continue to take measures that enhance efficiencies, aiming to keep our ratio of corporate services to marketing and sales costs at approximately 15%. Measures include reviewing our office space requirements for our headquarters location in Vancouver, Canada, and continuing to reduce costs associated with business travel.

## CORE ACTIVITIES

### Recruitment and Staffing

To achieve our corporate objectives and lead the Canadian tourism industry, the CTC requires the combined efforts of dedicated and engaged people at all levels and in all functions. To support this, our recruitment and staffing practices serve as a foundation to ensure that the CTC has the right people, with the right skills, in the right places, at the right time. Our programs designed to support managers and leaders in their professional development help to foster an effective and engaging environment. Also, our merit-based rewards and recognition program recognizes, validates and values outstanding performance which is tied to the achievement of business outcomes and the demonstration of our core values.

### Corporate Culture

The success of our business strategy is premised on a solid corporate culture. Embodying the CTC's core values of innovation, collaboration and integrity in everything we do, along with having a workforce that is engaged and aligned with the mission of the organization, are critical in attaining success. As such, the CTC takes regular pulse surveys on staff resonance with our core values, employee engagement and organizational commitment.

### Headquarters' Office Space

## HQ OFFICE PROJECT



Building on an initiative which began in 2014, the CTC will continue to explore viable options related to office space requirements for our headquarters located in Vancouver, Canada as our lease comes due in September 2015.

## NEW INITIATIVES

### **New Business Model in Select Markets**

In 2015, we will be moving from a direct employee structure to a General Sales Agent (GSA) model for our offices in Mexico and South Korea. Both remain important markets for the CTC, along with the other international markets in which we operate. However, these two markets, given their programming activities, are well suited for such an operating structure where our headquarters office in Vancouver, Canada will serve as the hub. This business model replicates that adopted in Brazil, India, France, Australia and Germany in 2011, and has proven successful in these markets in terms of enhanced efficiencies and cost containment. Adoption of a GSA model has enabled us to maximize marketing investments, and this move will further support our goal to be a flexible and scalable organization. Due to market complexities, the international markets of China and Japan will continue to operate under a direct employee structure, along with the UK which will continue to serve as the CTC's overseas hub.

### **Operational Partnerships**

The partnership pilot project in Germany will seek to enhance operational partnerships. The integration of resources under a consortium approach will optimize marketing reach, while bringing further cost efficiencies to the operations of both the CTC and partners.

### **Pay for Performance**

Coupled with being an organization of efficiency is our desire to be an organization of excellence. Ensuring that staff is aligned to our corporate directions enhances the CTC's overall performance, and increases the chances of executing a successful strategy. As such, beginning in 2015, the CTC will link compensation directly to the achievement of corporate and individual goals at all levels of the organization, including unionized staff represented under a collective agreement. A pay for performance model is one of the most widely accepted methods to encourage and recognize meritorious job performance. With this change, the CTC will become one of a handful of federal public sector organizations to employ such a model for its unionized and non-unionized staff members.



## KEY RISKS FOR OBJECTIVE 3:

### Advance corporate excellence and efficiency

#### STAFF RETENTION

Loss of key talent because of the CTC's financial situation and leadership instability and uncertainty.

**Mitigation activities:** Continue to develop interesting projects and initiatives, fully involve and empower staff and make them part of finding solutions to continue to excel and deliver results with less budget. Keep the line of communication open.

2014:   
 2013: N/A  
 Change: New

#### KEY TALENT

Lack of some specific key talent and skills to meet needs in the future.

**Mitigation activities:** Human Resources team will map the CTC's current talent against future needs to develop 2015 training needs or short/long term, temporary staffing. Staff vacant positions with the right talent on a short or long term basis.



2014:   
 2013: N/A  
 Change: New

#### DISASTER RECOVERY PLANNING / BUSINESS CONTINUITY PLANNING

Inability to continue critical operations in the event of an emergency or disaster.

This risk has decreased due to the update of the Business Continuity and Disaster Recovery Plans.

**Mitigation activities:** Maintain current crisis communication plan, business continuity plan and disaster recovery plan. Test the plans from time to time.





2014:   
 2013:   
 Change: ↓

#### CONTRACTING PROCESS IN NEW FINANCIAL SYSTEM

Staff may not fully understand the new process in the system which could result in poor financial management.

**Mitigation activities:** Procurement to provide further training; ensure that budget owners are running and reviewing the relevant reports on a monthly basis.

2014:   
 2013:   
 Change: ↔

Very high residual risk		↑	Increase from previous year
High residual risk		↓	Decrease from previous year
Medium residual risk		↔	No change from previous year
Low residual risk		New	New risk identified in current year
		N/A	Not applicable

## **Link to Federal Priority: *Returning to Balance/Demonstrating Value for Money***

As the federal government continues to restrain growth in spending in order to protect Canada's long-term prosperity, we at the CTC are doing our part to curtail spending in non-essential areas and find ways to increase operational efficiencies.

Over the years, the CTC has worked hard to establish a lean and scalable business model which allows us to maximize the allocation of our budget to programming activities. We've identified savings in maintenance costs by upgrading to cloud-based systems for our internal business functions, and we've reduced costs associated with business travel. In addition to our move to a GSA model for our operations in Mexico and South Korea, going forward, we will continue the process of identifying cost-effective options for our headquarters office space location in Vancouver, Canada.

## **Link to Industry Canada Priority: *Ensuring Sound Management***

Sound management practices are a matter of ongoing business for the CTC. Our past initiatives dedicated to enhancing efficiencies, such as replacing cumbersome and costly legacy computer systems, and instituting fiscal approaches to minimize operational costs and shift additional resources to marketing, have ensured that the CTC remains committed to fostering the long-term prosperity of Canada's tourism industry in the current fiscal environment.

Beginning in 2015, we will enhance our stewardship and management practices by extending our pay for performance model to all employees in order to optimize performance and ensure commitment to the organizational strategy.



## MEASURING PERFORMANCE

Glacier Skywalk  
Jasper National Park, Alberta  
© Brewster Travel Canada

The CTC places tremendous value and effort on the measurement of our strategy. Having a framework in place to understand the impacts of our strategy and guide decision-making is key to achieving success.

For a number of years, we have followed the Balanced Scorecard (BSC) as our framework for measuring performance, and in 2013, the CTC was awarded the Palladium Balanced Scorecard Hall of Fame™ distinction for strategic performance management and executive leadership.

The BSC articulates key performance measures, identifies targets and reports on results achieved on an annual basis. This tool is cascaded to every individual throughout the organization to provide superior operational focus and alignment, and enables refinement of key performance metrics as our strategy evolves.

While still investing in consumer direct marketing where budgets allow, the CTC will seek to leverage leading-edge technology in order to gain a competitive advantage. In 2015, we will be making a significant transition in our marketing activities. Given our investment realities, we will begin to shift our marketing focus from directly generating demand for Canada's visitor economy to helping our tourism industry achieve their goals to sell Canada. We will also collaborate more with the industry in order to deliver marketing platforms that Canadian tourism businesses value most.

This change in how we market necessitates a corresponding shift in how we measure the effectiveness of our marketing activities, and this shift is reflected in our BSC performance metrics. Consumer direct evaluations will only be conducted in those markets that have a significant investment in consumer direct advertising such as print, digital and out-of-home advertising. For 2015, these markets are Australia, Germany and the UK. In 2014, consumer direct evaluations were conducted in Australia, France, Germany and the UK. In 2015, an evaluation study will also be conducted in China which is intended to produce a benchmark for traveller conversion as a result of our advertising activities, as well as provide additional insights into the travel patterns and motivators of Chinese travellers.

Also in 2015, we will commission a study to assess the effects of our media relations, public relations and social media activities in Japan. Japan is the only market where these activities are solely conducted, and therefore, such a study would yield a benchmark for measuring the impacts of these activities on traveller behaviour. In other markets which have a greater focus on creating a strong pool of potential customers for our partners, metrics reflect our ability to influence consumers' interest in and likelihood of visiting Canada. As our investment levels in the marketplace guide our programming efforts and, hence, the resources dedicated to measuring those programming efforts, it should be noted that the full impact of our marketing efforts goes beyond what can be adequately captured by cost-effective measurement efforts.

## 2015 ENTERPRISE BALANCED SCORECARD

OBJECTIVE	MEASURE and PERSPECTIVE	2013 TARGET	2013 RESULT	2015 TARGET	
<b>1. Generate demand for Canada's visitor economy</b>	Number of leisure travellers converted through consumer direct marketing in select markets	Cust	282,768	259,900 <sup>a</sup>	150,000 <sup>b</sup>
	Number of leisure travellers booked through travel trade co-operative promotions	Cust	N/A	30,500	30,000
	Attributable tourism export revenue from leisure travel	Fin	\$488 million	\$425 million	\$271 million
	Number of delegates generated through business events	Cust	New for 2014		300,000
	Attributable tourism export revenue from business events	Fin	\$60 million	\$120 million	\$150 million
	Total attributable tourism export revenue	Fin	\$548 million	\$545 million	\$421 million
	Attributable federal tax revenue	Sh	\$72.6 million	\$72 million	\$55 million
	Attributable jobs supported	Sh	4,439	4,416	3,085
	Marketing campaign ROI	Cust	37 : 1	38 : 1	74:1
	Aided destination interest	Cust	74%	80%	79%
	Active consideration of visiting Canada	Cust	New for 2014		19%
	Social engagement rate	Cust	New for 2015		0.7
<b>2. Support Canadian tourism businesses to sell Canada</b>	Partner contribution	Ops	0.6 : 1	0.8 : 1	0.6 : 1
	Partner brand alignment	Ops	65%	87%	84%
	Importance of trade shows, media shows and business events to industry partners' marketing and sales goals	Ops	New for 2015		Benchmark
	Attendance of media, tour operators and other buyers at trade shows, media shows and business events	Ops	New for 2015		12,000
	Proportion of marketing programs and assets that are valued by partners	Ops	New for 2015		75%
<b>3. Advance corporate excellence and efficiency</b>	Proportion of total budget allocated to programming	Ops	≥ 66%	67%	≥ 61.5%
	Ratio of corporate services to marketing and sales costs	Ops	14.9%	14.4%	15.2%
	Systems effectiveness	Ops	65%	59%	65%
	Core values index	L & G	70%	79% <sup>c</sup>	73%
	Employee engagement index	L & G	65%	74% <sup>d</sup>	N/A <sup>e</sup>

<sup>a</sup> Based on results for markets of Australia, Brazil, France, Germany, Mexico and the UK.

<sup>b</sup> Based on targets for markets of Australia, Germany & the UK.

<sup>c</sup> Result reflects change in data collection methodology and assessment on updated values.

<sup>d</sup> Result is for 2012 as associated study is conducted biennially.

<sup>e</sup> No target identified as next study is planned for 2016.

### BSC Perspectives

Cust = Customer

Fin = Financial

Ops = Operations

Sh = Shareholder

L & G = Learning & Growth



## 2015 ENTERPRISE BALANCED SCORECARD DEFINITIONS

### **Number of leisure travellers converted through consumer direct marketing in select markets**

Number of people who converted as a result of CTC's measured marketing campaigns over those who recalled the CTC campaigns. Calculated as the proportion of travellers who recalled seeing the advertising against the size of the long-haul population, aged 18 and over.

### **Number of leisure travellers booked through travel trade co-operative promotions**

The actual number of people who booked a trip as a result of CTC's travel trade co-op promotions.

### **Attributable tourism export revenue from leisure travel**

Export tourism revenue that is attributable to CTC's leisure programs.

### **Number of delegates generated through business events**

Number of individuals estimated to come to Canada as a result of CTC's BEC leads having been converted into definite business.

### **Attributable tourism export revenue from business events**

Export tourism revenue that is attributable to CTC's BEC sales activities. This is revenue expected in future years based on the value of contracts for business events that were booked and signed in the current year.

### **Total attributable tourism export revenue**

The sum of export tourism revenue that is attributable to CTC's leisure programs and BEC sales activities.

### **Attributable federal tax revenue**

Estimated attributable federal tax revenue generated by CTC's marketing, travel trade and BEC programs. Calculations are based on data from CTC's advertising tracking and conversion studies data and Statistics Canada.

### **Attributable jobs supported**

The estimated attributable employment from tourism revenue generated by CTC's marketing, travel trade and BEC sales activities.

### **Marketing campaign ROI**

Value of tourist receipts generated by CTC's direct-to-consumer marketing campaigns per dollar spent to execute the campaign. This form of conversion counts those individuals who were considering travelling to Canada but had not yet booked a trip prior to being exposed to the campaign, and were positively influenced to visit or book a trip to Canada upon seeing the advertising.

### **Aided destination interest**

Percentage of long-haul travellers in CTC markets who are somewhat or very interested in visiting Canada in the next two years when prompted about Canada among a set of competitive destinations.

### **Active consideration of visiting Canada**

Percentage of long-haul pleasure travellers who are at the "creating a vacation movie", "detailed itinerary planning", "finalizing travel arrangements" or "booking a trip" stage in the Path-to-Purchase.

### **Social engagement rate**

A percentage of our Facebook fans (on our English page) that take action with the content that the CTC publishes. "Action" is defined as a comment, a like or a share..

### **Partner contribution**

Ratio of total partner contributions (cash, in-kind, third party) versus CTC parliamentary appropriations.

### **Partner brand alignment**

Percentage of partners that have aligned with at least one element of the CTC brand: visual identity (e.g. logo, colour palette, typography, pattern bar graphics); tone and writing style; experiential photography style; and/or assets (video, text, social media).

### **Importance of trade shows, media shows and business events to industry partners' marketing and sales goals**

As measured through the CTC's biennial Partner Survey, an indication of the quality and relevance of the CTC's marketing platforms to partners' business goals.

### **Attendance of media, tour operators and other buyers at trade shows, media shows and business events**

Full capacity at CTC shows and business events is an indication of the reach and relevancy of CTC's programs to industry.

### **Proportion of marketing programs and assets that are valued by partners**

Percentage of marketing programs and assets that are rated as "valuable" or "highly valuable" by at least three-quarters of users.

### **Proportion of total budget allocated to programming**

Percentage of CTC's total budget, exclusive of partner contributions, allocated to programming. Programming excludes overhead costs, operating expenditures and compensation.

### **Ratio of corporate services to marketing and sales costs**

Corporate services costs divided by marketing and sales costs.

### **Systems effectiveness**

Employee satisfaction with the support provided by applicable IT applications.

### **Core values index**

Average value of three employee survey questions regarding how the CTC effectively demonstrates CTC's core values of Act with integrity; Be creative and seek opportunities to innovate; and Collaborate to achieve common goals.

### **Employee engagement index**

An index measuring an employee's belief in the CTC's mission and vision, and their commitment to the CTC as demonstrated through their hard work, passion and organizational pride.

## REVISIONS TO 2014 ENTERPRISE BALANCED SCORECARD TARGETS

Over the years, our approach to setting targets and measuring results evolves, particularly as best practices change, systems are improved, and information available is more robust. Keeping a pulse on the performance of our strategy throughout the year enables us to not only monitor progress, but also to make refinements to planned activities or methodologies as needed.

Two recent and notable changes in internal practices have impacted our approaches to setting targets and measuring results:

### 1) Sales Revenue from Business Events

As indicated in the CTC's 2013 Annual Report, the implementation of upgraded systems in late 2012 led to a refinement in our ability to count the sales revenue generated through business events.

In prior years, the value of contracts that were signed in a given year could only be based on leads that were generated in the same year. Under our new system, the value of business events that are confirmed as "definite" is now based on contracts that are signed in a given year, regardless of the year in which the lead materialized.

Recognizing the common practice for the bookings of meetings and conventions to be a multi-year process, the CTC can now report the full breadth of the economic value generated through booked business events.

### 2) Results from Consumer Direct Marketing in China

Upon Canada being granted Approved Destination Status in 2010, the CTC began consumer direct advertising, and for the first time, the CTC conducted an advertising evaluation study in China in 2013.

Conducting consumer research in China has proved difficult, affecting the integrity of obtaining accurate advertising impact results. This has led to the conclusion that visitation and tourism revenue targets should not be estimated for the China market, and nor should study results be factored into overall performance results for 2014.

China remains an important source market for Canada with promising future growth. As such, although 2014 aggregate targets and results will exclude visitation and revenue from Chinese travellers, the CTC will continue with an evaluation study in China to further our understanding of how this market operates.

Given the refined method to determine sales revenue from the booking of business events, as well as with traveller conversion and tourism revenue results from China no longer being counted in the aggregate, 2014 targets for the following measures will be amended as follows:

CTC PERFORMANCE MEASURES	PERSPECTIVE	ORIGINAL 2014 TARGET	REVISED 2014 TARGET
<b>GOAL: Grow tourism export revenue for Canada in markets offering the highest return and where the Canada brand leads</b>			
Marketing campaign ROI	Customer	62 : 1	<b>58 : 1*</b>
Number of leisure travellers converted	Customer	263,000	<b>203,000*</b>
Attributable tourism export revenue from leisure programs	Financial	\$383 million	<b>\$297 million*</b>
Attributable tourism export revenue from BEC sales activities	Financial	\$42 million	<b>\$100 million</b>
Attributable tourism export revenue	Financial	\$425 million	<b>\$397 million*</b>
Attributable federal tax revenue	Financial	\$56 million	<b>\$52 million*</b>
Attributable jobs supported	Financial	3,200	<b>2,960*</b>

\* Based on advertising evaluation studies planned for markets of Australia, France, Germany, and the UK.

All other targets as identified in the CTC's 2014 Enterprise Balanced Scorecard in the 2014-2018 Corporate Plan remain unchanged.



Arctic Bay, Nunavut  
© Michelle Valberg



### CONSTITUTION

The CTC is a federal Crown corporation wholly owned by the Government of Canada (the “Shareholder”). The *Canadian Tourism Commission Act*, the *Financial Administration Act* (FAA) and subsequent regulations provide the legislative basis for the establishment of the CTC and our activities. We are not governed by the *Public Service Employment Act* and are considered a separate employer. However, we are governed by or subject to the requirements of several acts and codes, including the:

- *Official Languages Act*
- *Privacy Act*
- *Access to Information Act*
- *Canada Human Rights Act*
- *Values and Ethics Code for the Public Sector*
- *Canada Labour Code*
- *Employment Insurance Act*
- *Multiculturalism Act*
- *Employment Equity Act*
- *Federal Accountability Act*
- *Public Servants Disclosure Protection Act*
- *Conflict of Interest Act*
- *Alternative Fuels Act*

The Government of Canada primarily regulates Crown corporations through their enabling legislation and the FAA. We are currently listed under Part I, Schedule III of the FAA, and as such are required to submit an Annual Report, a Corporate Plan and an Operating Budget to the responsible Minister, and undergo regular audits by the Auditor General of Canada. A Special Examination is mandated under the FAA and a report on the findings must be submitted to the Board of Directors. The Auditor General of Canada’s Office is currently conducting the corporation’s special examination. The results are officially due in 2015.

## CORPORATE GOVERNANCE

A 12-member corporate Board of Directors oversees the management of the CTC and provides strategic guidance and effective oversight. The members of the board are appointed based on the full range of skills, experience and competencies required to add value to the CTC's decisions on strategic opportunities and risks. The board is supported by three board committees: Governance and Nominating, Audit and Pension and Human Resources.

Also part of our governance structure, our five advisory committees provide strategic advice to the board and President & CEO. These committees – Core Markets, Emerging Markets, Brand Experiences, Business Events Canada and Research – are made up of highly skilled, knowledgeable players mostly from the industry.

### **Roles, Responsibilities and Relationships of Directors, Management and Government**

#### *Government of Canada*

In general, the government provides the corporation with an annual mandate letter that communicates overarching public policy priorities, broad strategic goals and expectations. It appoints the CTC's directors, the Chairperson, the President & CEO and the auditors, approves the corporate plans and budgets and annual reports, and ensures an appropriate governance system is in place.

The Minister of Industry is answerable to Parliament for the CTC's activities. By convention, the Minister of Industry delegated certain powers to the Minister of State (Small Business and Tourism and Agriculture).

#### *Board of Directors*

The CTC Board of Directors oversees the management of the corporation and holds management responsible for the corporation's performance. The board reports to Parliament through the Minister of Industry and is accountable to the Minister of Industry for the stewardship of the corporation. Directors are actively involved in long-term strategic planning, prioritization of objectives, succession planning of senior management, financial oversight and risk management. The board assures itself that appropriate systems of governance, leadership and stewardship are in place while at the same time empowering management to manage.

#### *Management*

The President & CEO is accountable to the Board of Directors and collaborates and communicates on a regular basis with Industry Canada's Deputy Minister and senior officials. The President & CEO is responsible for the day-to-day operations of the corporation. Senior management plays a vital role in strategic leadership, working closely with the board to set objectives, develop strategies, implement actions and develop performance measures. Management also recommends to the board sweeping changes, identifies business risks and manages the complex intellectual, capital and technical resources of the corporation.

#### *Committees of the Board*

The **Governance and Nominating Committee** is an "arm" of the board, advising and supporting directors in applying the CTC's corporate governance principles, and developing best governance practices. The

Committee also assists the Board of Directors in fulfilling its oversight responsibilities regarding recommendations to the Minister on the appointment of qualified candidates to serve on the board (excluding the Chairperson, the President & CEO and the ex-officio director). The Committee has responsibility for establishing criteria for board membership and identifying and evaluating potential board candidates.

In addition to the duties and functions mandated by the FAA, the **Audit and Pension Committee** reviews and makes appropriate recommendations to the board on the adequacy of the corporation's processes for identifying and managing risk, its internal control system and its processes for complying with related laws and regulations. The Committee oversees the administration, financial reporting and investment activities of the corporation's pension plans.

The **Human Resources Committee** reviews as required the President & CEO's annual objectives and the corporation's human resources policies and plans, including succession plan and compensation and benefits plans, and makes recommendations to the board as appropriate.

#### *Advisory Committees of the CTC*

The board may, from time to time, create advisory committees to advise it on how best to deliver the corporation's programs and services. These committees play an important role in linking the CTC to the tourism industry. They must be composed of a majority of tourism private sector representatives. Currently, the CTC has five advisory committees responsible for providing expert industry advice to the board and President & CEO:

- Brand Experiences
- Business Events Canada
- Core Markets
- Emerging Markets
- Research

The committees take their direction from the board and report to both the board and the President & CEO. In consultation with the industry, the committees and the staff develop annual and multi-year strategic plans consistent with the board's strategic direction for each program area. The board approves the strategies.

## FINANCIAL PLAN

Bay of Fundy,  
New Brunswick

### FINANCIAL STATEMENTS AND FORECASTS

The financial analysis includes actual and projected financial information for the 2013 to 2019 period. Specifically, the following CTC financial statements and forecasts are included:

- Statement of Financial Position as at December 31, 2013 to December 31, 2019;
- Statement of Operations for the years ending December 31, 2013 to December 31, 2019;
- Statement of Remeasurement Gains and Losses for the years ending December 31, 2013 to December 31, 2019;
- Statement of Change in Net Financial Assets for the years ending December 31, 2013 to December 31, 2019;
- Statement of Cash Flows for the years ending December 31, 2013 to December 31, 2019;
- Reconciliation of Parliamentary Appropriations to Government Fiscal Year for the years ending December 31, 2013 to December 31, 2019; and
- Operating and Capital Budgets for the years ending December 31, 2013 to December 31, 2015.

As a federal Crown corporation, the CTC is largely funded through appropriations. Base funding for the 2014-15 government fiscal year is \$58.0 million. Funding levels have fluctuated in prior years due to one time funding and other adjustments to base funding but is projected to remain at 2014-15 levels for the period of this Corporate Plan.

The Government of Canada announced in the 2013 Speech from the Throne and Fall Update a freeze on departmental operating budgets and a commitment to reduce the operating expenditures of all federal organizations. The operating budget freeze applies to program and operating votes of departments and agencies, as well as voted payments to Crown corporations. The freeze will apply for two government fiscal years, 2014-15 and 2015-16, which will impact CTC's fiscals 2014-2016 and the related financial statements and forecasts above. In support of the government's commitment to reduce the operating expenditures of all federal organizations, the CTC will continue its efforts to find efficiencies and cost savings by:

- Carefully managing operating expenses;
- Identifying and gaining efficiencies; and



- Proactively reducing discretionary spending to ensure that it manages within its current operating budget.

This has been an ongoing effort at the CTC. In recent years, the CTC has made significant efforts to address cost pressures and reduce overhead:

- In 2005, the CTC established a defined contribution pension plan and closed the defined benefit plan to new members;
- In 2010, the CTC undertook a Strategic Shift which led to significant organization restructuring, including closing offices in the US and other markets and reducing headcount; and
- In 2011, consolidated systems to move to the cloud, leading to a savings of \$500,000 per year.

Through 2015-2019, the CTC will continue efforts to further reduce expenses in key areas that will further advance its cost containment and efficiency:

- Ongoing reduction of travel, hospitality, meetings, training, professional services, IT support services, payroll providers and office related costs;
- Taking advantage of rebates, cost recoveries, and reduced fees through the use of self-service tools;
- Reduce consulting costs by bringing many functions and services in-house and using existing staff complement (i.e. enterprise risk assessment, board and staff surveys, corporate plan and annual report writing and printing); and
- Up to \$4 million in potential savings over 10 years through HQ lease rationalization.

## MAJOR ASSUMPTIONS

The Financial Statements, Operating and Capital Budgets are based on the following assumptions:

- The CTC's base appropriations are utilized for its core operating and capital needs. Efficiency measures implemented in 2012-13 are ongoing to ensure committed savings are achieved.
- Inflationary effects on costs are based on historical inflation rates and contractual obligations.
- Foreign exchange rates have been estimated based on historical trends.
- Pension funding requirements are estimated based on the most recent available valuation results and known trends.

## STATEMENT OF FINANCIAL POSITION

As at December 31, 2013 to December 31, 2019 (in thousands)

	Actual Dec 31, 2013	Estimated Dec 31, 2014	Planned Dec 31, 2015	Planned Dec 31, 2016	Planned Dec 31, 2017	Planned Dec 31, 2018	Planned Dec 31, 2019
<b>Financial assets</b>							
Cash and cash equivalents	\$ 11,918	\$ 13,226	\$ 10,335	\$ 9,845	\$ 9,680	\$ 9,498	\$ 9,136
Accounts receivable							
Government of Canada	474	900	900	900	900	900	900
Partnership contributions	768	768	768	768	768	768	768
Other	48	350	350	350	350	350	350
Portfolio investments	590	530	474	423	330	254	178
Accrued benefit asset	5,677	6,228	7,899	9,570	11,241	12,912	14,583
	<u>19,475</u>	<u>22,002</u>	<u>20,726</u>	<u>21,856</u>	<u>23,269</u>	<u>24,682</u>	<u>25,915</u>
<b>Liabilities</b>							
Accounts payable and accrued liabilities							
Trade	\$ 5,160	\$ 5,099	\$ 5,355	\$ 5,024	\$ 4,976	\$ 4,927	\$ 4,877
Employee compensation	1,787	1,787	1,787	1,787	1,787	1,787	1,787
Government of Canada	0	50	50	50	50	50	50
Deferred revenue	751	634	1,134	1,074	1,014	954	894
Accrued benefit liability	6,144	6,315	6,486	6,657	6,828	6,999	7,170
Asset retirement obligation	521	515	167	167	167	167	167
	<u>14,363</u>	<u>14,400</u>	<u>14,979</u>	<u>14,759</u>	<u>14,822</u>	<u>14,884</u>	<u>14,945</u>
<b>Net financial assets</b>	<u>5,112</u>	<u>7,602</u>	<u>5,748</u>	<u>7,097</u>	<u>8,447</u>	<u>9,798</u>	<u>10,970</u>
<b>Non-financial assets</b>							
Tangible capital assets	688	397	2,028	2,100	1,776	1,445	1,155
Prepaid expenses and other assets	1,008	1,008	1,008	1,008	1,008	1,008	1,008
	<u>1,696</u>	<u>1,405</u>	<u>3,036</u>	<u>3,108</u>	<u>2,784</u>	<u>2,453</u>	<u>2,163</u>
<b>Accumulated surplus</b>	<u>\$ 6,808</u>	<u>\$ 9,007</u>	<u>\$ 8,784</u>	<u>\$ 10,205</u>	<u>\$ 11,231</u>	<u>\$ 12,251</u>	<u>\$ 13,133</u>

## STATEMENT OF OPERATIONS

As at December 2013 to December 2019 (in thousands)

	Actual Dec 31, 2013	Estimated Dec 31, 2014	Planned Dec 31, 2015	Planned Dec 31, 2016	Planned Dec 31, 2017	Planned Dec 31, 2018	Planned Dec 31, 2019
<b>Revenues</b>							
Partnership contributions	\$ 9,271	\$ 8,621	\$ 7,516	\$ 7,516	\$ 7,516	\$ 10,216	\$ 10,216
Other	1,026	1,012	614	614	614	614	614
	<u>10,297</u>	<u>9,633</u>	<u>8,130</u>	<u>8,130</u>	<u>8,130</u>	<u>10,830</u>	<u>10,830</u>
<b>Expenses</b>							
Marketing and sales	61,779	56,373	57,674	68,281	67,662	60,399	57,722
Corporate services	9,220	8,125	8,952	8,883	8,803	8,745	9,082
Strategy and planning	543	565	624	643	661	681	701
Amortization of tangible capital assets	436	346	579	378	454	461	420
	<u>71,978</u>	<u>65,410</u>	<u>67,829</u>	<u>78,184</u>	<u>77,580</u>	<u>70,286</u>	<u>67,924</u>
Net Cost of operations before funding from the Government of Canada	(61,681)	(55,777)	(59,699)	(70,054)	(69,450)	(59,456)	(57,094)
Parliamentary appropriations	62,964	57,976	59,476	71,476	70,476	60,476	57,976
Surplus / (deficit) from operations	<u>1,283</u>	<u>2,199</u>	<u>(223)</u>	<u>1,422</u>	<u>1,026</u>	<u>1,020</u>	<u>882</u>
Accumulated surplus from operations, beginning of period	5,347	6,630	8,829	8,606	10,027	11,053	12,073
Accumulated surplus from operations, end of period	<u>\$ 6,630</u>	<u>\$ 8,829</u>	<u>\$ 8,606</u>	<u>\$ 10,027</u>	<u>\$ 11,053</u>	<u>\$ 12,073</u>	<u>\$ 12,955</u>
<b>Ratio of Corporate Services to Marketing and Sales:</b>							
Corporate services (from Statement of Operations)			8,952	8,883	8,803	8,745	9,082
Exclude impact from:							
Pension solvency payments			(587)	(605)	(623)	(641)	(661)
HQ office project costs			(700)				
Corp Comms costs related to Marketing and Sales			334	334	334	334	334
Translation costs related to Marketing and Sales			479	479	479	479	479
Adjusted Corporate Services			<u>8,478</u>	<u>9,092</u>	<u>8,993</u>	<u>8,917</u>	<u>9,234</u>
Marketing and Sales (from Statement of Operations)			57,674	68,281	67,662	60,399	57,722
Exclude impact from:							
Corp Comms costs related to Marketing and Sales			(334)	(334)	(334)	(334)	(334)
Translation costs related to Marketing and Sales			(479)	(479)	(479)	(479)	(479)
Adjusted Marketing and Sales			<u>56,861</u>	<u>67,468</u>	<u>66,849</u>	<u>59,586</u>	<u>56,909</u>
<b>Ratio of Corporate Services to Marketing and Sales</b>			<u><b>14.9%</b></u>	<u><b>13.5%</b></u>	<u><b>13.5%</b></u>	<u><b>15.0%</b></u>	<u><b>16.2%</b></u>

## STATEMENT OF REMEASUREMENT GAINS AND LOSSES

For the years ending December 2013 to December 2019 (in thousands)

	Actual Dec 31, 2013	Estimated Dec 31, 2014	Planned Dec 31, 2015	Planned Dec 31, 2016	Planned Dec 31, 2017	Planned Dec 31, 2018	Planned Dec 31, 2019
Accumulated remeasurement gains / (losses) at beginning of year	\$ -	\$ 178	\$ 178	\$ 178	\$ 178	\$ 178	\$ 178
Unrealized gains / (losses) attributable to foreign exchange	178	-	-	-	-	-	-
Amounts reclassified to the statement of operations	-	-	-	-	-	-	-
Accumulated remeasurement gains / (losses) at end of year	<u>\$ 178</u>	<u>\$ 178</u>	<u>\$ 178</u>	<u>\$ 178</u>	<u>\$ 178</u>	<u>\$ 178</u>	<u>\$ 178</u>



## STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the years ending December 2013 to December 2019 (in thousands)

	Actual Dec 31, 2013	Estimated Dec 31, 2014	Planned Dec 31, 2015	Planned Dec 31, 2016	Planned Dec 31, 2017	Planned Dec 31, 2018	Planned Dec 31, 2019
<b>Annual surplus / (deficit) for the period</b>	\$ 1,283	\$ 2,199	\$ (223)	\$ 1,422	\$ 1,026	\$ 1,020	\$ 882
Acquisition of tangible capital assets	(9)	(55)	(2,210)	(450)	(130)	(130)	(130)
Amortization of tangible capital assets	436	346	579	378	454	461	420
Net disposition of tangible capital assets	-	-	-	-	-	-	-
	<u>427</u>	<u>291</u>	<u>(1,631)</u>	<u>(72)</u>	<u>324</u>	<u>331</u>	<u>290</u>
<b>Effect of change in other non-financial assets</b>							
(Increase) / decrease in prepaid expenses	1,114	-	-	-	-	-	-
	<u>1,114</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Remeasurement gain	178	-	-	-	-	-	-
Increase / (decrease) in net financial assets	3,002	2,490	(1,855)	1,349	1,350	1,351	1,172
<b>Net financial assets, beginning of period</b>	2,110	5,112	7,602	5,748	7,097	8,447	9,798
<b>Net financial assets, end of period</b>	<u>\$ 5,112</u>	<u>\$ 7,602</u>	<u>\$ 5,748</u>	<u>\$ 7,097</u>	<u>\$ 8,447</u>	<u>\$ 9,798</u>	<u>\$ 10,970</u>

## STATEMENT OF CASH FLOWS

For the years ending December 2013 to December 2019 (in thousands)

	Actual Dec 31, 2013	Estimated Dec 31, 2014	Planned Dec 31, 2015	Planned Dec 31, 2016	Planned Dec 31, 2017	Planned Dec 31, 2018	Planned Dec 31, 2019
<b>Operating transactions:</b>							
Cash received from:							
Parliamentary appropriations used to fund operating transactions	\$ 61,355	\$ 57,976	\$ 59,476	\$ 71,476	\$ 70,476	\$ 60,476	\$ 57,976
Partner revenues	10,341	8,621	7,516	7,516	7,516	10,216	10,216
Other revenues	828	867	499	499	499	499	499
Interest on cash	198	144	115	115	115	115	115
	<u>72,722</u>	<u>67,608</u>	<u>67,606</u>	<u>79,606</u>	<u>78,606</u>	<u>71,306</u>	<u>68,806</u>
Cash paid for:							
Cash payments to suppliers	(56,197)	(51,666)	(52,939)	(63,832)	(62,392)	(54,602)	(51,778)
Cash payments to and on behalf of employees	(16,497)	(14,640)	(15,403)	(15,865)	(16,341)	(16,832)	(17,337)
Cash applied to / (used in) operating transactions	<u>28</u>	<u>1,303</u>	<u>(737)</u>	<u>(91)</u>	<u>(128)</u>	<u>(128)</u>	<u>(308)</u>
<b>Capital transactions:</b>							
Acquisition of tangible capital assets	(9)	(55)	(2,210)	(450)	(130)	(130)	(130)
Cash received from disposal of tangible capital assets	-	-	-	-	-	-	-
<b>Investing transactions</b>							
Acquisition of portfolio investments	-	-	-	-	-	-	-
Disposition of portfolio investments	46	60	56	51	93	76	76
Net remeasurement gain / (loss) for the period	178	-	-	-	-	-	-
Net increase / (decrease) in cash during the period	<u>243</u>	<u>1,308</u>	<u>(2,891)</u>	<u>(490)</u>	<u>(165)</u>	<u>(182)</u>	<u>(362)</u>
<b>Cash and cash equivalents, beginning of period</b>	11,675	11,918	13,226	10,335	9,845	9,680	9,498
<b>Cash and cash equivalents, end of period</b>	<u>\$ 11,918</u>	<u>\$ 13,226</u>	<u>\$ 10,335</u>	<u>\$ 9,845</u>	<u>\$ 9,680</u>	<u>\$ 9,498</u>	<u>\$ 9,136</u>

## RECONCILIATION OF PARLIAMENTARY APPROPRIATIONS TO GOVERNMENT FISCAL YEAR

For the years ending December 2013 to December 2019 (in thousands)

	Actual Dec 31, 2013	Estimated Dec 31, 2014	Planned Dec 31, 2015	Planned Dec 31, 2016	Planned Dec 31, 2017	Planned Dec 31, 2018	Planned Dec 31, 2019
Amounts provided for operating and capital expenditures							
Amounts voted in Government year - prior							
Unrestricted							
Main estimates	\$ 72,033	\$ 57,833	\$ 57,972	\$ 57,976	\$ 57,976	\$ 57,976	\$ 57,976
Budget 2012 Deficit Action Reduction Plan	(537)	-	-	-	-	-	-
Supps B - Compensation adjustment	-	140	3	5,000	12,500	12,500	-
Supps C - Compensation Adjustment		3					
Total	<u>71,496</u>	<u>57,976</u>	<u>57,976</u>	<u>62,976</u>	<u>70,476</u>	<u>70,476</u>	<u>57,976</u>
Total	71,496	57,976	57,976	62,976	70,476	70,476	57,976
Less portion recognized in prior CTC fiscal year	(53,621)	(43,481)	(43,482)	(44,982)	(53,482)	(53,482)	(43,482)
Amounts recognized in current CTC fiscal year	<u>17,875</u>	<u>14,494</u>	<u>14,494</u>	<u>17,994</u>	<u>16,994</u>	<u>16,994</u>	<u>14,494</u>
Amounts voted Government year - current							
Unrestricted							
Main estimates	57,833	57,972	57,976	57,976	57,976	57,976	57,976
Supps B - Compensation Adjustment	140	3	5,000	12,500	12,500	-	-
Supps C - Compensation Adjustment	3						
Total	<u>57,976</u>	<u>57,976</u>	<u>62,976</u>	<u>70,476</u>	<u>70,476</u>	<u>57,976</u>	<u>57,976</u>
Less portion recognized in following CTC fiscal year	(12,887)	(14,494)	(17,994)	(16,994)	(16,994)	(14,494)	(14,494)
Amounts recognized in current CTC fiscal year	<u>43,481</u>	<u>43,482</u>	<u>44,982</u>	<u>53,482</u>	<u>53,482</u>	<u>43,482</u>	<u>43,482</u>
Adjustment for adoption of PS3410	1,609	-	-	-	-	-	-
Parliamentary appropriations used for operations and capital in the year	<u>\$ 62,964</u>	<u>\$ 57,976</u>	<u>\$ 59,476</u>	<u>\$ 71,476</u>	<u>\$ 70,476</u>	<u>\$ 60,476</u>	<u>\$ 57,976</u>
Parliamentary appropriation receivable / (deferred), opening	\$ (1,609)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)	\$ (0)
Parliamentary appropriations received	(61,355)	(57,976)	(59,476)	(71,476)	(70,476)	(60,476)	(57,976)
Parliamentary appropriations recognized in net income for operations	<u>62,964</u>	<u>57,976</u>	<u>59,476</u>	<u>71,476</u>	<u>70,476</u>	<u>60,476</u>	<u>57,976</u>
Parliamentary appropriations receivable / (deferred), ending	<u>\$ (0)</u>	<u>\$ (0)</u>	<u>\$ (0)</u>	<u>\$ (0)</u>	<u>\$ (0)</u>	<u>\$ (0)</u>	<u>\$ (0)</u>

## OPERATING AND CAPITAL BUDGET

For the year ended December 31, 2013

	<b>Actual</b> <b>Dec 31, 2013</b>	<b>Planned</b> <b>Dec 31, 2013</b>	<b>Variance</b>
<b>Partnership income</b>	\$ 9,271,494	6,000,000	\$ 3,271,494
<b>Other revenues</b>	1,026,157	562,447	463,710
<b>Operating and capital costs:</b>			
Marketing and sales	61,721,273	56,818,361	(4,902,912)
Strategy and planning	542,512	602,720	60,208
Corporate services	10,721,062	10,472,775	(248,287)
	<b>72,984,847</b>	<b>67,893,856</b>	<b>(5,090,991)</b>
<b>Net cost of operations</b>	<b>(62,687,196)</b>	<b>(61,331,409)</b>	<b>(1,355,787)</b>
<b>Funded by:</b>			
<b>Parliamentary appropriations</b>	61,355,777 *	61,331,409	24,368
<b>Surplus carry over from prior year</b>	2,197,080		2,197,080
<b>Net surplus / (deficit)</b>	<b>\$ 865,661</b>	<b>-</b>	<b>\$ 865,661</b>

**\* Reconciliation of Parliamentary appropriations to SOO:**

Amount of parliamentary appropriations from above:	61,355,777
Revenue recognition adjustment for adoption of PS3410	1,608,594
	<u>62,964,371</u>

**Note:** Expenses include amounts funded by partnership income.



## OPERATING AND CAPITAL BUDGET

For the year ending December 31, 2014

	<b>Estimated *</b> <b>Dec 31, 2014</b>	<b>Planned</b> <b>Dec 31, 2014</b>	<b>Variance</b>
<b>Partnership income</b>	\$ 8,621,143	\$ 5,000,000	\$ 3,621,143
<b>Other revenues</b>	1,011,501	573,000	438,501
<b>Operating and capital costs:</b>			
Marketing and sales	56,627,819	54,335,362	(2,292,457)
Strategy and planning	565,251	617,579	52,328
Corporate services	8,434,563	8,592,448	157,885
	<b>65,627,633</b>	<b>63,545,388</b>	<b>(2,082,245)</b>
<b>Net cost of operations</b>	<b>(55,994,989)</b>	<b>(57,972,388)</b>	<b>1,977,400</b>
<b>Funded by:</b>			
<b>Parliamentary appropriations</b>	57,975,770	57,972,388	3,382
<b>Surplus carry over from prior year</b>	865,661		865,661
<b>Net surplus / (deficit)</b>	<b>\$ 2,846,443</b>	<b>\$ (0)</b>	<b>\$ 2,846,443</b>

**Note:** Expenses include amounts funded by partnership income.

\* Estimate is based on 6 months of actual data, 6 months of forecasted data

## OPERATING AND CAPITAL BUDGET

For the years ending December 31, 2013 to December 31, 2015

	<b>Actual</b> <b>Dec 31, 2013</b>	<b>Estimated *</b> <b>Dec 31, 2014</b>	<b>Planned</b> <b>Dec 31, 2015</b>
<b>Partnership income</b>	\$ 9,271,494	\$ 8,621,143	\$ 7,516,190
<b>Other revenues</b>	1,026,157	1,011,501	614,040
<b>Operating and capital costs:</b>			
Marketing and sales	61,721,273	56,627,819	58,349,037
Strategy and planning	542,512	565,251	624,358
Corporate services	10,721,062	8,434,563	11,479,047
	<b>72,984,847</b>	<b>65,627,633</b>	<b>70,452,442</b>
<b>Net cost of operations</b>	<b>(62,687,196)</b>	<b>(55,994,989)</b>	<b>(62,322,212)</b>
<b>Funded by:</b>			
<b>Parliamentary appropriations</b>	61,355,777	57,975,770	59,475,770
<b>Surplus carry over from prior year</b>	2,197,080	865,661	2,846,443
<b>Net surplus / (deficit)</b>	<b>\$ 865,661</b>	<b>\$ 2,846,443</b>	<b>\$ 0</b>

Note: Expenses include amounts funded by partnership income.

\* Estimate is based on 6 months of actual data, 6 months of forecasted data

## CAPITAL BUDGET

For the year ended December 31, 2013

	<b>Actual</b>	<b>Planned</b>	<b>Variance</b>
	<b>Dec 31, 2013</b>	<b>Dec 31, 2013</b>	
Tangible capital assets			
Leasehold improvements and decommissioning	\$ 4,842	\$ 50,000	\$ 45,158
Office furniture	-	50,000	50,000
Computer equipment and software	4,000	200,000	196,000
	<b>\$ 8,842</b>	<b>\$ 300,000</b>	<b>\$ 291,158</b>

## CAPITAL BUDGET

For the year ending December 31, 2014

	<b>Estimated</b>	<b>Planned</b>	<b>Variance</b>
	<b>Dec 31, 2014</b>	<b>Dec 31, 2014</b>	
Tangible capital assets			
Leasehold improvements and decommissioning	\$ 10,000	\$ 50,000	\$ 40,000
Office furniture	5,000	50,000	45,000
Computer equipment and software	40,000	200,000	160,000
	<b>\$ 55,000</b>	<b>\$ 300,000</b>	<b>\$ 245,000</b>

## CAPITAL BUDGET

For the years ending December 31, 2013 to December 31, 2019

	Actual Dec 31, 2013	Estimated Dec 31, 2014	Planned Dec 31, 2015	Planned Dec 31, 2016	Planned Dec 31, 2017	Planned Dec 31, 2018	Planned Dec 31, 2019
Tangible capital assets							
Leasehold improvements and decommissioning	\$ 4,842	\$ 10,000	\$ 1,687,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Office furniture	-	5,000	463,000	50,000	50,000	50,000	50,000
Computer equipment and software	4,000	40,000	60,000	350,000	30,000	30,000	30,000
	<b>\$ 8,842</b>	<b>\$ 55,000</b>	<b>\$ 2,210,000</b>	<b>\$ 450,000</b>	<b>\$ 130,000</b>	<b>\$ 130,000</b>	<b>\$ 130,000</b>





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