



DESTINATION  
BRITISH COLUMBIA™

# **2017/18 – 2019/20 SERVICE PLAN**

**September 2017**



**BRITISH  
COLUMBIA**

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## Board Chair Accountability Statement



The 2017/18 - 2019/20 Destination BC Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of August 25, 2017 have been considered in preparing the plan.

A handwritten signature in black ink, appearing to read 'Andrea Shaw', followed by a long horizontal line extending to the right.

Andrea Shaw  
Chair, Board of Directors  
Destination BC

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## Strategic Direction and Operating Environment

### Strategic Direction

Tourism is a critical sector within B.C.'s economy. In 2015, the tourism industry generated \$15.7 billion in revenue, an increase of 5.3 per cent from 2014. In addition, tourism contributed \$7.4 billion to provincial GDP and employed over 127,700 people. The tourism industry also generates social and cultural benefits for all British Columbians by supporting the viability of community amenities and increasing international exposure to our values, education system, trade opportunities and immigration prospects. For more information on tourism industry performance and data sources, please see the [Industry Performance](#) section of Destination BC's corporate website.

The tourism sector is comprised of thousands of businesses hosting millions of consumers, some of whom only visit once, while others visit many times. Destination BC plays a critical role in maximizing long-term industry growth by providing a unifying and consistent brand and marketing strategy for the province. The marketing strategy motivates travellers from around the world to visit and encourages British Columbia's residents to explore every region of B.C. Destination BC also provides leadership for the expansion and strengthening of British Columbia's tourism products and experiences. Coordination, collaboration and alignment between Destinations BC, all levels of government and industry is needed to fully realize the potential of B.C.'s tourism industry and the rural communities that depend on it.

Destination BC was established on November 2, 2012 under the [British Columbia Business Corporations Act](#) as the province's tourism marketing organization. The [Destination BC Corp. Act](#), which was passed with unanimous consent by the British Columbia Legislature in March 2013, continued Destination BC as a Provincial Crown corporation. Destination BC began operations on April 1, 2013 with the transfer of staff, assets and programs from the Tourism Division of the then Ministry of Jobs, Tourism and Skills Training. With advice from the tourism industry, through the Tourism Marketing Committee, Destination BC developed its first three year corporate strategy and marketing plan in early 2014, which led to a significant refocus and restructure of the organization, enhancing international marketing and rural and business development programs and driving much greater collaboration and alignment within the tourism sector. Destination BC's second three year strategy, again developed with industry engagement and support, was released on March 31, 2017. During this period tourism business operators' approval of Destination BC's activities, as measured by an annual stakeholder survey, has improved significantly, from 6.09 (out of 10) in 2014, to 7.27 in 2017<sup>1</sup>.

This Service Plan, Destination BC's [2017/18 – 2019/20 Corporate Strategy](#), related *Global Marketing* and *Destination Development Strategies*, and the revitalized *Super, Natural British Columbia*® brand all align with Destination BC's mandate, as articulated in the [Destination BC Corp. Act](#) and with the direction given in the organization's [2017/18 Mandate Letter](#) to assist government to achieve three key commitments the government has made to British Columbians:

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<sup>1</sup> Tourism business operators strata only. Approval by other strata is higher and has also risen since 2014. See [Annual Stakeholder Satisfaction Survey Report](#) for more details.

1. To make life more affordable. Destination British Columbia will conduct business efficiently, contain costs and make programs and services more accessible and user-friendly;
2. To deliver the services that people count on. Destination BC delivers important programs and services to tourism organizations and visitors throughout British Columbia and will work to continuously improve levels of services; and
3. To build a strong, sustainable, innovative economy that works for everyone. Destination BC plays an important role supporting broad-based economic growth, driving tourism sector innovation and helping create good-paying jobs in every region of the province.

Destination BC embraces government's commitment to true, lasting reconciliation with First Nations in British Columbia, and will incorporate the United Nations Declaration on the Rights of Indigenous Peoples and the Calls to Action of the Truth and Reconciliation Commission in the context of Destination BC's programs and services.

Destination BC is committed to working with the Minister to achieve the following specific objectives outlined in the [2017/18 Mandate Letter](#):

- Champion tourism as a job creator in British Columbia and work to expand tourism marketing efforts internationally.
- Work with the Minister of Jobs, Trade, and Technology to include British Columbia's tourism sector in trade missions.

## **Operating Environment**

In 2016/17, Destination BC made further organizational changes, transferring WorldHost Training Services to [go2HR](#) and shifting management of the visitor centre at Mt. Robson Provincial Park to BC Parks. In 2017/18, Destination BC will continue to review its activities to ensure that taxpayers' dollars are spent as cost-effectively and efficiently as possible.

In the long run, tourism industry growth is the key indicator of the success of the province's tourism strategy and Destination BC's activities. However, from year to year, many factors may affect the tourism industry's performance. In 2017/18, these factors may include the lingering impacts of the depreciation of the Canadian dollar between 2014 and 2016 as well as a possible rebound during 2017/18, fluctuations in the price of oil, uncertainty about the Chinese economy, the potential impact of Brexit on the British and European economies and travel patterns, any disruptions in traveller access, the impact of wildfires on tourism during the summer of 2017, and any weather events that may occur during the remainder of the year. Destination BC tracks such factors and adjusts its strategy to capitalize on opportunities and manage risks as they occur.

## Performance Plan

This *Service Plan* outlines Destination BC's goals for the 2017/18 to 2019/20 fiscal years and the strategies to achieve them. The goals, strategies, performance measures and targets are reflective of Destination BC's mandate and the advice of Destination BC's [Tourism Marketing Committee](#) which provides advice to the organization on marketing matters. More details on the goals, objectives and strategies can be found in Destination BC's [Corporate Strategy](#) and related *Global Marketing* and *Destination Development Strategies*.

The Corporation's goals and strategies are designed to support the industry to generate economic and social benefits for all British Columbians and are derived from the three pillars of Destination BC's [Corporate Strategy](#):

- 1. Build a Powerful Marketing<sup>2</sup> Network:** The nature of tourism marketing and global competition has changed dramatically in recent years. To compete and win British Columbia's tourism industry must be sophisticated marketers using advanced marketing technology – which can best be achieved by working together. By driving strategic alignment of the over 100 tourism organizations and nearly 19,000 tourism businesses in British Columbia, the wealth of skills, knowledge and resources of the industry are coming together to collectively achieve much more by working as a collaborative network rather than in isolation. Strategic alignment is being driven by creating a shared vision through a provincial destination development framework and regional destination development plans, sophisticated marketing partnerships, a brand platform and tools available to all partners, shared research and consumer insights, data management and analysis platforms, as well as other means.
- 2. Foster Remarkable Experiences:** Destination BC assists tourism businesses and governments at all levels to strengthen British Columbia's long-term tourism competitiveness through destination development strategies and planning. In addition, Destination BC helps tourism operators and communities provide remarkable experiences to their visitors by offering businesses enhanced professional development and learning tools and resources and by supporting communities that provide visitor information services through innovative on-line channels which complement visitor centres. Visitors who have remarkable experiences in British Columbia are much more likely to return for future visits and to recommend B.C. through their social networks, becoming effective advocates and marketers for the province, which drives tourism industry growth, creating new jobs and businesses.
- 3. Engage our Collective People Power:** The long-term success of Destination BC in fulfilling its mandate depends on attracting, retaining and cultivating a diverse workforce of talented and engaged employees. Destination BC strives to continually enhance the capabilities of its team to provide leadership to the tourism industry through a strong network oriented culture that is highly engaged, collaborative, insights driven and results focused. By cultivating strategic alignment among tourism stakeholders and providing partners with access to powerful marketing tools, Destination BC is elevating the collective power of people across the industry so that British Columbia can compete more effectively in the global marketplace.

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<sup>2</sup> The term 'marketing' is used in the broad sense, including destination and product development as well as distribution and advertising and promotion.

## Goals, Objectives, Strategies and Performance Measures

### Goal 1: Lead Canada in growth of overnight visitor expenditures: assist industry to increase revenue by attracting more visitors.

Strategies	Performance Measures	2016/17 Actual	2017/18 Target	2018/19 Target	2019/20 Target
Inspire travel to B.C. by amplifying and strengthening B.C.'s world-wide reputation.	Serious intent to visit B.C. from key North American markets.	28.8%	29.0%	29.2%	29.4%
	B.C.'s share of those with serious intent to visit Canada from key overseas markets.	58.6%	58.8%	59.0%	59.4%
Engage with travellers online to increase brand engagement and advocacy.	Size of Destination BC's global social media community of brand advocates.	999,782	1.1 M	1.3 M	1.5 M

**Data Source:** Destination BC, Destination Canada.

### Discussion

Destination BC has three key marketing strategies to attract more visitors and contribute to the province's goal of increasing tourism revenue across every region of the province. These are:

1. *Captivate*: create emotional urgency to visit British Columbia;
2. *Advocate*: amplify travelers' advocacy for British Columbia as a destination among their family, friends and colleagues; and
3. *Generate*: create leads for tourism businesses and the travel trade to sell British Columbia to their clients.

'Serious intent to visit British Columbia' measures success in creating emotional urgency to visit the province. The size of Destination BC's community of brand advocates affects the volume of peer-to-peer recommendations which inspire visits to the province. Once interest is captured, Destination BC then facilitates purchases by connecting visitors directly, or through third parties, to B.C.'s tourism products and services by our "Generate" initiatives. Destination BC will also work with and support:

1. B.C.'s Aboriginal cultural tourism sector by working with Aboriginal Tourism Association of BC (AtBC) and assisting AtBC in reaching its goals of increasing Aboriginal tourism revenues, jobs, and the number of market-ready cultural tourism businesses; and
2. B.C.'s creative industries by exploring options with Creative BC to capitalize on B.C.'s vibrant creative sector to grow tourism visitation and revenue.



**Goal 2: Remarkable Guest Experiences: assist industry to deliver a world-class guest experience and secure the highest Net Promoter Score® in North America for British Columbia.**

Strategies	Performance Measures	2016/17 Actual	2017/18 Target	2018/19 Target	2019/20 Target
Improve the guest experience through integrated visitor information services.	Visitor satisfaction with visitor information services. (1)	90.4%	N/A	Maintain <i>or</i> Improve	N/A
Assist tourism businesses to meet and exceed guest needs and expectations.	Net Promoter Score of visitors to British Columbia. (2)	58.3	Improve by 0.5 pts.	Improve by 0.5 pts.	Improve by 0.5 pts.
	Net Promoter Score of organizations participating in Remarkable Experiences program.	34.2	Improve by 5.0 pts.	Improve by 5.0 pts.	Improve by 5.0 pts.

**Data Source:** Destination BC and 3<sup>rd</sup> party independent research firm.

1. Visitor satisfaction with visitor services is measured every second year.
2. Net Promoter Score® measures the likelihood of visitors to recommend B.C. to their friends or family.

## Discussion

The delivery of outstanding experiences for guests from anywhere in the world, including British Columbia residents travelling within the province, is critical to achieving higher revenues via increased spending, longer stays, repeat visits and visitors' recommendations through their social networks. In 2017/18, Destination BC will continue to:

1. Work with the community-based Visitor Services Network to expand the delivery of visitor services for the future, by creating more contemporary and innovative approaches to meeting guests' information needs as they travel throughout the province. Destination BC will continue to work with communities to evolve their visitor information services to anticipate and meet consumer demands for visitor information through online and offline channels, as appropriate to each community.
2. Deliver the Remarkable Experiences program in regions across the province. The program provides small and medium sized businesses (SME) with the knowledge and tools to support experience innovation, digital and social media marketing excellence, and to support SME competitiveness by encouraging repeat visitation and referrals. After running a pilot program during 2015/16 and refining the program elements, a second pilot was offered in 2016/17 with six programs running across the province. Destination BC will continue to deliver the program in multiple regions across the province during 2017/18 and beyond, including rural communities that are diversifying, growing and strengthening their economies.
3. Promote travel within British Columbia to residents with a particular focus on the shoulder season and encouraging travel to all areas of the province. Destination BC will continue to forge new relationships with both tourism and non-tourism partners to increase awareness and distribution of the [Explore BC](#) message promoting travel within the province by B.C. residents.

Destination BC will also encourage communities to continue to adopt visitor services that include enhanced accessibility for those whose senses or mobility are hindered, and ongoing marketing and awareness efforts via various online and marketing channels, and by promoting the hiring of people with disabilities into the tourism sector.

**Goal 3: Create a Powerful Marketing<sup>3</sup> Network: collaborate with stakeholders, partners and communities to align and focus collective efforts, amplify British Columbia’s marketing message in a competitive global marketplace and use resources more effectively for destination development.**

Strategies	Performance Measures	2016/17 Actual	2017/18 Target	2018/19 Target	2019/20 Target
Strengthen relationships with key industry stakeholders and cross-government partners.	Tourism businesses’ satisfaction with Destination BC programs and services. (1)	7.27	Improve	Improve	Improve
Work across government with regional and community organizations, and tourism business operators to create and implement a provincial destination development strategy.	Progress on developing and implementing a provincial destination development strategy.	8 planning area destination development processes initiated and 4 destination development processes completed.  Preliminary identification of provincial destination development priorities.	Phase 2 destination development strategies completed.  Provincial destination development priorities updated.	Provincial destination development strategy implemented.  Implementation measures TBD (2)	Implementation measures TBD (2)

**Data Source:** Destination BC and 3<sup>rd</sup> party independent research firm.

1. Tourism businesses comprise one of the six stratas whose satisfaction is tracked through the corporate stakeholder survey. Scores of the other stratas are reported elsewhere and used to inform corporate planning and program evaluation.
2. This measure will link with the provincial destination development strategy, which is currently under development.

<sup>3</sup> The term ‘marketing’ is used in the broad sense, including destination and product development as well as distribution and advertising and promotion.

## Discussion

A key objective of Destination BC is to increase collaboration, coordination and alignment of marketing and destination development activities across the B.C. tourism industry.

To this end, Destination BC will continue its work to align provincial, regional, and community tourism-related actions and investments, and advance regional and community tourism priorities and needs by sharing market intelligence and business plans; providing access to data collection and management platforms; providing access to marketing tools (such as Destination Canada's [Explorer Quotient®](#)); and proactively promoting cooperation and information sharing. To ensure that these programs and activities provide value for tourism stakeholders and are easily accessible, an independent third-party survey of tourism stakeholders is conducted at the end of each fiscal year. This survey allows Destination BC to evaluate and improve the quality of programs and services delivered and the effectiveness of communications with stakeholders.

Destination BC recognizes that a strategic approach to destination development is critical to ensure that all regions and communities of the province are able to take full advantage of the opportunities that tourism offers them today and in the future. In 2017/18, in consultation with other parts of government and regional and community organizations, Destination BC will continue:

1. To lead the creation of destination development strategies across the province to enhance tourism experiences, businesses and jobs in British Columbia. These strategies will consider the unique opportunities and needs of each region. They will help to both amplify the benefits of tourism to local economies, particularly rural economies that have been impacted by a rapidly changing global environment, and develop emerging sectors, like Aboriginal tourism, while elevating British Columbia's competitiveness as a destination for travel and investment. In addition, they will assist with the preliminary identification of provincial destination development priorities in 2017/18, which will inform the implementation of a provincial destination development strategy in 2018/19.
2. To build on the success of the first year of the Co-Operative Marketing Partnerships Program launched in 2016/17 to effectively leverage public and private funds. The program will continue to enhance the Corporation's marketing capacity and drive greater alignment and coordination across each of the six tourism regions. Destination BC will ensure that communities and sectors are working collaboratively, and in alignment with Destination BC's corporate strategy. Ongoing dialogue will be facilitated among sectors and community consortia to share information, resources and best practices.

**Goal 4: Business Efficiency: conduct our business efficiently in a changing environment.**

Strategy	Performance Measure	2016/17 Actual	2017/18 Target	2018/19 Target	2019/20 Target
Ensure cost effective provision of support services that meet business requirements.	Percentage of Destination BC funds allocated to support services.	7.3%	<10%	<10%	<10%

**Data Source:** Destination BC Annual Financial Statements (Corporate Services expenditures)

**Discussion**

Destination BC is committed to maximizing the funds available for tourism marketing through innovation and the careful management of human and financial resources. Monitoring corporate support costs provides an important indicator of cost management and informs the business operation decisions of senior management and the Board of Directors. Support services costs for accounting operations, facilities, administration, human resources, the CEO's office and Board of Directors expenses are measured as a percentage of total annual expenditures. Lowering support services costs increases the funds available for tourism marketing.

Destination BC is also committed to making programs, systems and knowledge more accessible, user-friendly and shareable for tourism stakeholders while simplifying application processes and accountability reports to make it easy to do business with us.

**Goal 5: Our People: Build a collaborative, insights driven, results focused team.**

Strategy	Performance Measure	2016/17 Actual	2017/18 Target	2018/19 Target	2019/20 Target
Attract, retain and develop highly skilled and engaged people.	Employee engagement	4.12 (out of 5)	4.20	4.25	Maintain <i>or</i> Improve

**Data Source:** Annual Employee Engagement Survey executed by an independent 3<sup>rd</sup> party research firm.

**Discussion**

The long-term success of Destination BC depends on talented and engaged employees dedicated to the success of the organization and its goals. The annual evaluation of employee satisfaction and engagement assists the Board of Directors and senior management in identifying opportunities to build employee engagement, improve accessibility, and ensure the creation and maintenance of a stable and thriving workplace.

## Financial Plan

### Summary Financial Outlook

(\$m)	2016/17 Actual	2017/18 Budget	2018/19 Budget	2019/20 Budget
<b>Total Revenue</b>				
Government Transfers <sup>1-2</sup> .....	51.838	50.916	50.989	51.030
Deferred Government Contributions .....	0.579	0.760	0.760	0.109
Other Revenue <sup>3</sup> .....	0.735	0.362	0.362	0.362
<b>Total.....</b>	<b>53.152</b>	<b>52.038</b>	<b>52.111</b>	<b>51.501</b>
<b>Total Expenses</b>				
Marketing <sup>2</sup> .....	32.076	32.473	32.546	32.587
Destination & Industry Development.....	14.510	12.378	12.378	12.378
Strategy, Research & Communications .....	1.965	2.525	2.525	2.525
Corporate Services .....	3.844	3.902	3.902	3.902
Amortization .....	0.579	0.760	0.760	0.109
<b>Total.....</b>	<b>52.974</b>	<b>52.038</b>	<b>52.111</b>	<b>51.501</b>
<b>Net Income .....</b>	<b>0.178</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Liabilities <sup>4</sup> .....</b>	<b>8.011</b>	<b>5.541</b>	<b>4.781</b>	<b>4.672</b>
<b>Accumulated Surplus / Retained Earnings .....</b>	<b>0.561</b>	<b>0.561</b>	<b>0.561</b>	<b>0.561</b>
<b>Capital Expenditures.....</b>	<b>0</b>	<b>1.309</b>	<b>TBD</b>	<b>TBD</b>
<b>Dividends/Other Transfers.....</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

### Notes

- Government transfers include an increase of \$503,000 effective 2017/18 in addition to increments received for bargaining unit employee wage increases (2016/17: \$49,000, 2017/18: \$90,000, 2018/19: \$73,000, 2019/20: \$41,000).
- 2016/17 Actuals includes an increase Government transfer of \$100,000 for the Explore BC marketing campaign and \$1,415,000 for distribution to successful applicants in government's Tourism Events program during the year. These amounts have not yet been confirmed for 2017/18 and are not included in the forecast.
- Other Revenue will drop from 2016/17 to 2017/18 due to divestiture of non-core lines of business such as WorldHost Training Services, merchandising, listings and reservations.
- Total Liabilities for 2016/17 are from the 2016/17 audited financial statements.

## **Key Forecast Assumptions, Risks and Sensitivities**

Revenue and Expense forecasts budgets for 2017/18-2019/20 include conservative estimates of Other Revenue. Destination BC will manage any fluctuations by implementing sound financial management practices that help ensure government-funded program spending remains affordable and flexible within Destination BC's business planning. There have been no changes in assumptions from the 2016/17-2018/19 Service Plan. The sale of BC Magazine led to decreases in associated revenues and costs for the planning years relative to the 2016/17-2018/19 Service Plan. There are no substantive forecast risks to Destination BC's financial plan.

## **Management's Perspective on the Financial Outlook**

Destination BC is primarily funded through Provincial government appropriations. With an increase in government transfers of \$593,000 in 2017/18, provincial funding is expected to remain consistent over the next three years, as identified in the 2017/18-2019/20 Summary Financial Outlook, thus limiting financial risks to Destination BC. As described in this Service Plan, Destination BC allocates this funding to programs that deliver on its mandate. Destination BC generates a small (less than one percent of total budget) amount of revenue through cost recovery training programs provided to the tourism industry. Any variation from forecast training program revenue will be managed within the program.

Destination BC is subject to significant financial pressures from the effects of increasing costs of digital marketing world-wide and the depreciation of the Canadian dollar on the cost of marketing in the US and other international markets. Destination BC works to mitigate these pressures by investing in continual improvement of workforce productivity, developing innovative new marketing partnerships and ensuring efficient program delivery.

## **Appendix A: Hyperlinks to Additional Information**

### **Corporate Governance**

Destination BC is governed by a Board of Directors that is responsible to the Minister of Tourism, Arts and Culture for the implementation of government direction. The Board's direction is implemented by management, which carries out the day-to-day operations of Destination BC under the supervision of the Chief Executive Officer. For more information on Corporate Governance, please see our web pages on [Leadership](#).

### **Organizational Overview**

For an overview of Destination BC, please see Destination BC's [Organizational Overview](#).