

eMarketing and eTourism

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Agenda

- 1. Tourism, eTravel, and eMarketing Trends**
2. OTMPC TCIS Initiative
3. Online

Ontario Tourism Trends

- 2001
 - Spending and visitation below 2000 levels
 - Contributed approx. \$16B to economy
 - Employed approx. 400K people
 - Brought approx. \$7.4B in foreign exchange
- 2002, 2003
 - Visitation expected to rise 11%
 - Increased travel by Ontario residents
 - Foreign visitation expected to increase 2003

Tourism: The Future is Electronic

- 1999
 - Travel became number 1 retail e-commerce internet category (32% of all sales)
 - 2000: \$13.4B U.S.
 - Projection for 2005: \$46.2B U.S.
- 2000
 - 59M U.S. users sought travel-related information online
 - 25M people made travel-related purchases online

source: estimates by the Travel Industry Association of America (TIA)
- 2002
 - 53% of U.S. leisure travelers sought information online
 - 32% made reservations online

source:Yankelovich Partners
- Online travel sites # 1 research tool for online travelers
 - displacing friends, family & agents as channels of choice

Tourism: The Future is Electronic

- 59% of Canadian adults with internet access have gone online to research an upcoming trip - 18% have booked online

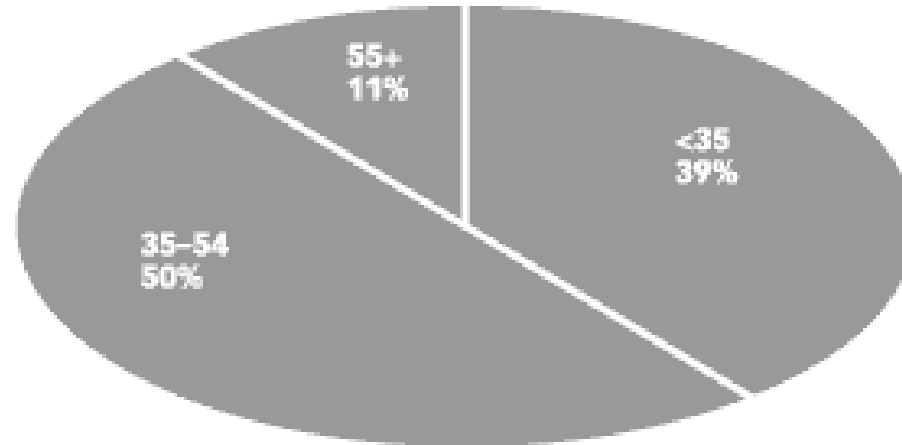
source: Ipsos-Reid

- 2001
 - Traffic to travel web sites grew by 75% in Western Europe - UK represents the biggest online travel market
- Jan., 2002
 - Traffic to travel web sites hit a new record at 94.3M visitors
 - 30% of worldwide Internet audience visited a travel web

Source: VisitEarth Article, Online Travel Continues to Grow (March 25, 2002)

Online Travel Consumers

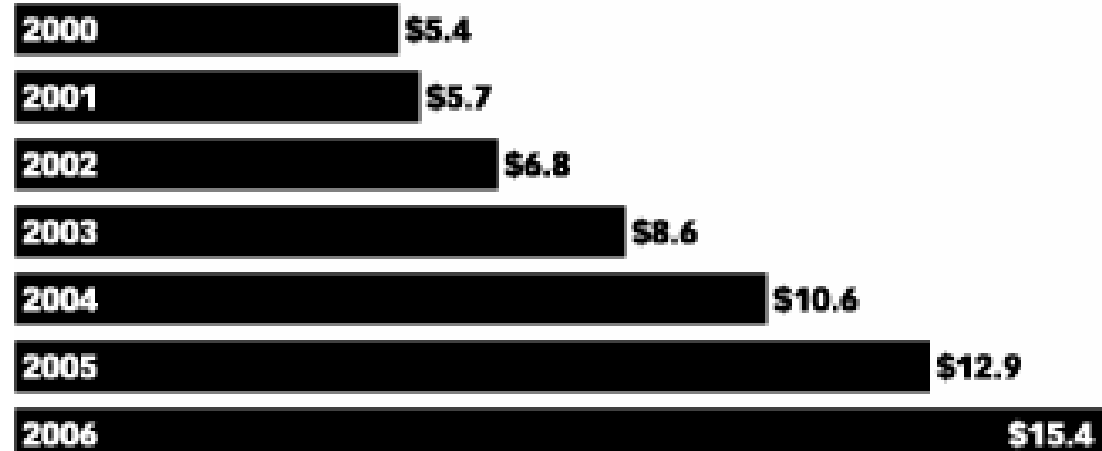
US Online Travel Consumers, by Age, 2000



Source: Travel Industry Association of America (TIA), 2001

Online Advertising Projections

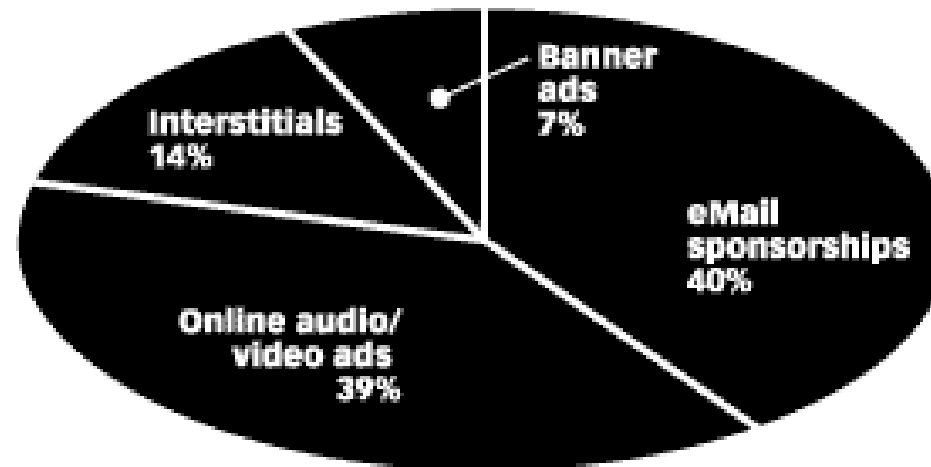
US Online Advertising Spending, 2000-2006 (in billions)



Source: Jupiter Media Metrix, August 2001; CyberAtlas, August 2001

Online Advertising Effectiveness

Most Effective Method of Delivering Online Branding Messages, 2001



Source: MeasureCast/The Yankee Group, January 2001

Acquisition Vs. Retention Costs

US Advertising Conversion Costs for Retention and Acquisition Goals, by Online and Offline Media, 2001

E-Mail



Direct mail



Banner ads



■ Retention

■ Acquisition

Source: IMT Strategies, September 2001

CRM Defined

Customer Relationship Management (CRM)

- CRM is a business strategy to select and manage the most valuable customer relationships
- Establish relationships with customers on an individual basis, and then use the information you gather to treat different customers differently
 - Identify Customers
 - Differentiate them in terms of needs and value to the company
 - Interact with them in ways that improve cost efficiency and effectiveness
 - Customize some aspect of the product or service you offer - treat different customers differently
- Source: Peppers and Rogers Group

Evolution of Marketing

How US Marketers would invest the majority of their marketing dollars if budget were not an issue:

- CRM 28%
- Mass Media Advertising 22%
- Sales Promotion 12%
- Public Relations 12%
- Direct Marketing (non CRM) 7%
- Retail Trade 6%

Source: Reveries.com, May 2002

CRM Primer

Objectives:

Customer/Consumer

- Identification
- Acquisition
- Retention
- Optimization

Strategy:

- Segmentation
- Personalization
- Execution
- Response Measurement
- Refinement

“The true business of every company is to make and keep customers”
- Peter Drucker, 1954

Resources

Web Sites (WWW)

- emarketer.com
- Marketingprofs.com
- 1to1.com
- crmguru.com
- Reveries.com

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TCIS Vision

The TCIS will provide an integrated, multi-channel solution that will act as an information portal for consumers and partners, a research source for OTMPC, and a vehicle to promote the Ontario brand world-wide.

Consumer-Centric: Comprehensive, designed by research and results

Evolving: Innovative, dynamic

Intelligence driven: Defines, promotes, evaluates and refines business strategies and value propositions

Marketing and sales channel: Attracts, distributes, and tracks programs, sales and performance

Customer-Centric: Affordable worldwide advertising & promotional platform

Integrated: On-line / off-line strategies and tactics

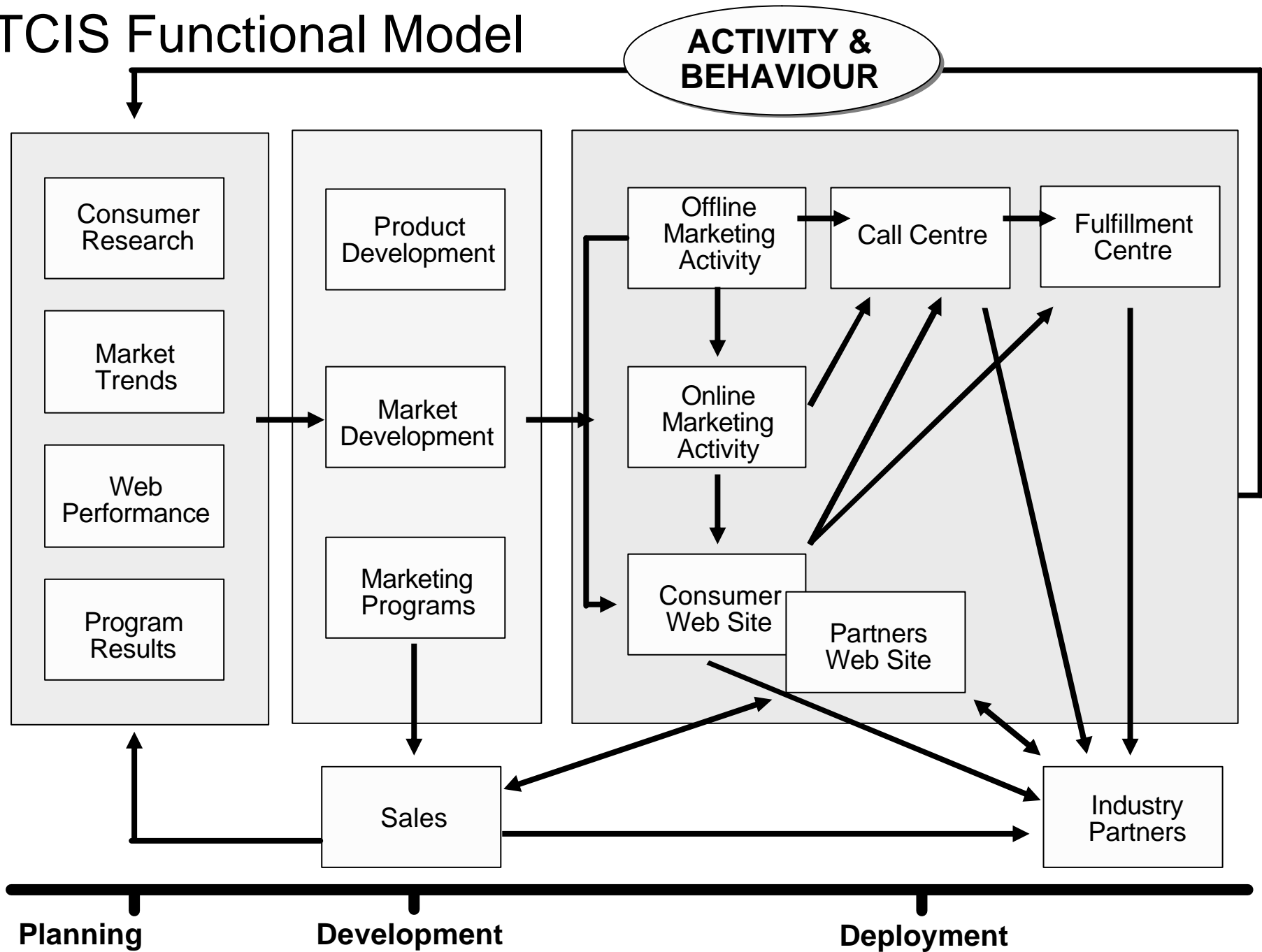
TCIS Components

- Web Sites
 - B2C (www.ontariotravel.net)
 - B2B (www.tourismpartners.com)
- Call Center
 - 1-800-ONTARIO
- Fulfillment Center
- Ongoing CRM/eMarketing Campaigns

TCIS Approach

- Facilitates Customer Relationship Management (CRM)
 - An ongoing, informed dialogue with consumers and partners via multiple channels that attracts, retains and optimizes those relationships
- Extends and integrates online / offline marketing efforts – to influence travel decisions at key planning stages
- Enables ongoing targeted marketing activities
- Tracks / captures consumer preferences, behaviours and trends
- Enhances marketing program performance measures

TCIS Functional Model



Implications: OTMPC

Facilitate organizational vision:

- Expand tourism economy, generate revenues, and provide greater depth in the measures of business results
- Utilize power of CRM to identify and package tourism experiences tailored to consumer preferences
- Develop stronger ties with consumers
- Develop more consumer focused products and marketing programs
- Provide a vehicle for the Government and industry to better compete for tourism dollars in global economy
- Develop stronger ties with industry

TCIS Live Dates

- Call Center, Fulfillment Center, Database
 - May 1, 2002 all calls and fulfillment by EDS
- Consumer Web Site (B2C)
 - Live June 30, 2002
 - French version Oct, 2002
- Industry Web Site (B2B)
 - Live July 31 2002
 - French version Oct, 2002
- Launch Event
 - Oct 18, 2002

TCIS Results

- Call Center
 - July YTD – 15% vs. YAG
- Consumer Web Site
 - July YTD + 60% vs. YAG
- Industry Web Site
 - Aug visits: 3.2K
 - 420 registered users

Industry Participation

Opportunities:

- Web Listings
 - 3 tiers of participation
 - free
 - 2 enhanced options for additional cost
- Sponsorship Opportunities
- Banner Advertising
- Direct eMail Campaigns
- eNewsletter Campaigns
- eBrochure Campaigns

Implications: Tourism Industry

- Strategic partner/operator information will be integrated and easily accessed
- Operators and partners of all sizes can participate in OTMP initiatives and benefit from global reach as well as segmentation and targeting efforts
- Consumers directed to strategic partners/operators will be “prescreened”
- The partners web site will be developed and provide greater interaction with and support to the industry
- Research synopses will be available to partners/operators

Implications: Consumers

- TCIS is consumer expectation driven
 - Instant Gratification
 - Relevant Information/Added Value
 - Choice of Channels for Interaction
 - Multi-Channel Gap is Closed
 - Relationship with Consumer is Ongoing and Interactive
- Overall consumer experience is improved
- Ontario brand is strengthened

