

VANCOUVER ISLAND

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Tourism Vancouver Island

Marketing Vancouver Island to the World

Introduction to the Stakeholder Model

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Tourism Vancouver Island:

Introduction

Tourism Vancouver Island is one of the six regional destination marketing organizations in British Columbia that are contracted by Tourism B.C. to deliver destination marketing programs. The association is presently membership based and currently has more than 400 members.

Tourism Vancouver Island's vision statement is "to position Vancouver Island as a premier destination" and its mission is "to execute cost-effective strategic marketing initiatives for the economic benefit of our stakeholders."

Over the past eight months a task force appointed by the Chief Executive Officer has been evaluating the membership structure of the association to determine the best model for the association. At the regular meeting of the Board of Directors held in March 2003, the task force presented a recommendation to change the membership structure of the organization to that of a stakeholder model. The recommendation was based on the research and analysis of this task force. The intent of the recommendation was to strengthen the relationships between Tourism Vancouver Island and the tourism industry stakeholders, as well as with the travelling consumers. The Board of Directors have approved support of the new model and have passed a motion to take this recommendation to the membership for approval at the next Annual General Meeting of the association, which will be held on May 22, 2003.

The New Model

The intent of the Stakeholder Model is for Tourism Vancouver Island to embrace all tourism industry participants in the region by considering them as stakeholders, without a requirement to pay membership fees. By removing the fee structure the association will accomplish two significant goals:

- * Tourism Vancouver Island will be able to fully represent the breadth of tourism product available in the region to the consumer, and
- * Participation in the Tourism Partner programs with Tourism B.C. will be available to all eligible tourism businesses within the region.

Increased stakeholder base, resulting in greater participation in marketing initiatives and consequently more frequency and a greater impact in the marketplace.

The Process

Leading up to the task force's presentation to the Board of Directors, the seven-person group met eight times between September 2002 and February 2003, as outlined in the CEO's Terms of Reference. In addition, the group obtained feedback from members and non-members regarding the current membership structure. Members of the task force represented a diversity of tourism industry perspectives and they agreed to abide by the

organization's Code of Conduct and Conflict of Interest Guidelines.

Building Relationships with Tourism Organizations

In the past it has been difficult for other tourism associations to work within the membership restrictions applied to the Tourism Partner Program. The stakeholder model will provide much greater flexibility and more opportunities for partnership with other tourism associations, industry groups and Chambers of Commerce, etc. These associations will be in a position to build cooperative programs within Tourism Vancouver Island partnered programs without the previous membership restrictions. This will create a win-win situation with the tourism associations throughout the region.

More partnership opportunities with Tourism Associations, Industry Associations and Chambers of Commerce, etc.

Founding Members

In the inception of Tourism Vancouver Island it was the original founding members (municipal and regional districts) who recognized the need for a representative tourism body to promote the destination and it was these founding members that created the Tourism Association of Vancouver Island. Over the years there has been an evolution of the marketing bodies on Vancouver Island with tourism associations emerging in several areas. This has necessitated numerous changes to the fee structure as it relates to tourism organizations, Chambers of Commerce and founding members. Some founding members question why they are assessed an annual per capita fee when they also support a local tourism association. In the new structure it is recommended that the founding member dedicate the fees that would have been paid to Tourism Vancouver Island to their local tourism marketing organization so that they can leverage those dollars through Tourism Vancouver Island programs.

Governance

In order to maintain an industry-owned and industry-led organization, a governance model must be in place. In the stakeholder model, tourism businesses who financially participate in Tourism Vancouver Island initiatives will be considered voting stakeholders of the association for the 12 months following the purchase of any TOURISM VANCOUVER ISLAND program and those voting stakeholders will govern the association.

Broader and more diverse range of tourism product to offer the consumer.

Timelines for Implementation

If adopted, the new stakeholder model will be implemented on April 1, 2004, for the 2004/2005 fiscal year.

Key dates are as follows:

March 26th – May 15th, 2003
May 22nd, 2003
April 01st, 2004
Fiscal 2005
Fiscal 2006

Industry Consultation
Approval by Membership at AGM
Implement Stakeholder Model
Operate a Deficit Budget
Operate a Balanced Budget

Marketing Vancouver Island to the World

Financial Implications

The greatest challenge of implementing the stakeholder model will be to replace the present membership revenues which are in excess of \$114,000 annually. It is anticipated that with a larger stakeholder base (3000+ versus 400+ members) Tourism Vancouver Island will be able to build considerably more cooperative programs resulting in increased administrative revenues and increased market presence. Projections indicate a deficit in the first year of implementation which will be absorbed with present retained earnings of the association.

Optimized relationships with all association groups.

Summary

The proposed stakeholder model is a Win-Win-Win opportunity. It is good for the consumer because it enables Tourism Vancouver Island to represent the entire tourism product on Vancouver Island. It is good for Tourism Vancouver Island because with greater numbers of programs being initiated there will be greater market penetration and increased awareness of the destination. It is good for the industry and tourism associations because all will be able to participate in Tourism Vancouver Island programs.

Stronger voice with a greater stakeholder base.

Greater opportunity to build more diverse and dynamic marketing initiatives.

Q & A

The following questions and answers are designed to help tourism business operators, founding members and industry associations better understand the new system.

Q. **Why is Tourism Vancouver Island interested in moving to this new way of doing business?**

A. Prior to the change, Tourism Vancouver Island represented about 400 of the 3000+ tourism businesses on Vancouver Island. It is anticipated that there will be considerably more participation with the elimination of the membership fee.

In the proposed model other industry associations on Vancouver Island will be in a much stronger position to build marketing programs with their respective members that are partnered by Tourism Vancouver Island.

Another advantage to the new model is that Tourism Vancouver Island is now able to represent the broader base of the tourism industry of Vancouver Island, while providing the consumer with a vastly greater range of product than was previously represented by Tourism Vancouver Island.

Representing an industry stakeholder group of over 3,000 businesses/organizations also gives the association a much stronger voice with all levels of government.

More opportunity to share resources and capitalize on the strength of the entire industry.

Q. **What is a tourism “stakeholder” under the new model?**

A. To be considered a tourism industry stakeholder your business must fit into one of the categories identified for stakeholders and must meet the criteria that are set out by the association for that category. Chances are you qualify! A Tourism Vancouver Island representative can quickly help you make that determination.

There are two categories of stakeholders: voting and non-voting.

- **Voting Stakeholder:** A voting stakeholder is a stakeholder that has financially invested in at least one Tourism Vancouver Island program in the past 12 months. Voting stakeholders will be entitled to all the benefits of a regular stakeholder in addition to being entitled to attend and vote at meetings of the association. Tourism Vancouver Island programs are highly leveraged and entry level rates may begin with website participation starting at \$95.00 per year.
- **Non-Voting Stakeholder:** As a non-voting stakeholder you will receive regular communications from the association such as newsletters, COTA alerts and program opportunities by email. You will be included in the association's database of stakeholders and you will be entitled to participate in Tourism Vancouver Island's marketing initiatives. To be eligible for Tourism Partner Program rates your business must also meet the Tourism B.C. definition of a tourism business. Non-voting stakeholders will be entitled to attend meetings of the association but will not be entitled to vote at any meetings of the association.

- Associations and Governments: Tourism Associations, Chambers of Commerce, Industry Associations and Municipalities will be considered industry stakeholders and will be entitled to the same benefits as other stakeholders. Voting privileges will also be contingent on investment in initiatives of the association.
- Community Partnerships: Tourism Associations, Industry Associations, and Chambers of Commerce will be able to develop cooperative advertising initiatives without the restriction of membership.

Increased flexibility when working with the media and travel trade.

Q. As a qualified stakeholder, how do I participate in Tourism Vancouver Island marketing campaigns and promotions?

A. Tourism Vancouver Island posts its annual marketing strategy on our website, www.islands.bc.ca. You will also receive regular updates of program opportunities and of course the knowledgeable staff is always interested in helping you with program inquiries.

Q. How can Tourism Vancouver Island continue to operate without charging membership fees? What's the catch?

A. With the ability to increase the client base of the association and the diversity of the programs that the association offers to stakeholders, the association will replace the revenues initially lost through the elimination of membership fees. Over time, that will increase operational revenues of the association. In addition, through greater stakeholder resources there will be a considerable increase in the amount of advertising and promotion to better position the Vancouver Island Region as a premier tourism destination in our key markets.

Of course the leverage created by an increased number of participating businesses gives Tourism Vancouver Island much greater buying power with the media.

Greater revenue generating opportunities.

For more information on this proposal contact:

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