

A wide-angle photograph of a fjord. The foreground is filled with calm, dark blue water. In the middle ground, a range of mountains with rugged, light-colored peaks rises from the water's edge. The sky above is a clear blue with scattered white and grey clouds. The overall scene is serene and natural.

Labrador's Uncommon Potential
Dare to be Different
2014-2017

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1.0 Executive Summary

Destination Labrador (DL) is an established Destination Management Organization (DMO) in the province of Newfoundland and Labrador. The Destination Labrador DMO represents a diverse tourism sector with substantial public and private investments in the fishing/hunting, outdoor adventure, cruise and sight-seeing tourism product sectors. Destination Labrador is a private-sector led, customer focused, partnership-based, regional, incorporated not-for-profit organization with a mandate to partner on marketing, product development and market readiness for Labrador tourism Stakeholders.

In recent years (2006-2014) DL has been actively engaging industry partners in the launch of new tourism product, establishing and expanding marketing partnerships , enhancing the brand awareness of the province and in particular Labrador in the marketplace through marketplace attendance and fam tours. A particular focus has been on building capacity in regional tourism product delivery and generating new business for its Labrador tourism stakeholders.

This current three year proposed business plan represents continued realignment of previous workplans for DL and reflects the new public/private leadership goals of the provincial tourism Vision 2020: *Uncommon Potential* and the most recent *Labrador Tourism Destination Visitor Appeal Appraisal: Dare to be Different* report - a formative review process to assess Labrador's appeal, identify gaps and opportunities and ensure alignment for investment and development of the destination with all Tourism Board partners over the near and long term.

2.0 Introduction

Destination Labrador is the regional tourism organization for Labrador, responsible for the regional delivery of the key priorities and objectives of Vision 2020. Through capacity building initiatives such as training assistance, product development and advocacy support, Destination Labrador works closely with other provincial and pan-Labrador organizations such as Hospitality Newfoundland and Labrador, regional chambers of commerce, regional heritage societies/corporations, Nunatsiavut Government (NG) along with other NG agencies, and many others provincial sector-based tourism related industry organizations.

DL provides support to clients of local Labrador operators, Hospitality Newfoundland and Labrador, Parks Canada, the Department of Tourism Culture and Recreation, the Canadian Tourism Commission and other tourism stakeholders. Marketing services are provided to tour operators, receptive tourism operators, travel media, consumers seeking trip counselling, and Labrador tourism stakeholders.

The Board of DL is comprised of regional representatives from each of the four major regions of Labrador (North, West, Central, and Straits/South). Accordingly, the

regions each appoint 2 members to form the governing body of DL. One of these two appointments is a member of the private-sector.

In the past 7 years DL has re-established itself as a lead tourism industry organization in Labrador. DL is an active participant in many tourism marketing initiatives and in the past four years raised in excess of \$130,000 in stakeholder investments for its marketing and business plan¹

This current three year proposed business plan represents a significant enhancement to previous workplans for DL and promises to deliver \$133k in Labrador stakeholder investment on total project costs of \$858k cost-shared between the department of Tourism Culture and Recreation (\$450k), ACOA (\$194k), and Innovation Trade and Rural Development (\$61k).

3.0 Vision and Mission Statement

DL is a private-sector led, customer focused, partnership-based, regional tourism organization with a mandate to partner with Labrador tourism Stakeholders on marketing, product development and market readiness that supports the growth of a viable and sustainable world class travel destination.

The goals of the Company are:

- To be the primary marketing agency for the promotion of tourism in Labrador;
- To be an advocate of the tourism industry in building public awareness of economic development generated by the industry;
- To coordinate the available tourism services and resources from public and private sectors in order to maximize impact through partnership-based initiatives;
- To be a key point of contact in providing information to tourists, meeting planners, tour operators, travel agencies, travel media and transportation companies; and,
- To be a support agency to all tourism stakeholders in Labrador engaged in marketing and destination development initiatives.

Destination Labrador envisions
**Labrador being recognized as a distinct and
compelling northern travel experience.**

¹ Destination Labrador Inc, (June 2014) *Final Report : Uncommon Potential 2011-2014*

4.0 Situational Analysis

4.1 Relevant Trends

- Travel globally is increasing (growing market); also increasing in Newfoundland and Labrador.
- Strong experience-based travel (choose the experience first, then the destination).
- Nature travel experiencing strong growth (10 - 30% growth per year last 10 years).
- Travelers want to experience local environments and cultures (more involved in the destination than in the past).
- Sustainable tourism important for visitors, as is protection of the local environment and culture; people ,planet, profit.
- Increase in popularity of aboriginal tourism products.
- The internet is the number one source for travel planning and purchasing (as a result more options available to the customer, especially for last-minute offers and deals).
- Cruise market in growth mode; strong repeat travel (choose to cruise first, then select destination).
- Volume travel is driven by direct access into markets (particularly for travel trade, even cruise travel trending towards home port for departures versus fly/cruise).
- US Travellers considering the Atlantic region tend to be older and more affluent, with a slant towards managerial/professional positions in the workforce;

4.2 National Trends

- In 2012, Canada received 16 million international overnight visitors, up 1.7% on 2011, largely driven by a 2.5% increase from the US market.
- Spending by international overnight visitors increased 2.3% in 2012, contributing \$12.3 billion towards the Canadian economy. US visitors spent 3.3% more than in 2011. Spending in Canada from CTC key's overseas visitors rose 1.8%, well above the incremental spending of 0.3% earned from other overseas visitors.
- While nearly three quarters of all travel to Canada originated from the US, American spending only accounted for just over half (52%) of all international expenditures.
- Although 15.6% of all international travel originated from CTC's key overseas markets, spending by these visitors accounted for nearly 30% of total international spending. China surpassing Germany in terms of spending to become the third most valuable overseas market.
- While 52% of all travel from the US was for pleasure purposes, only 36% of overseas travellers indicated pleasure as their main trip purpose. About one

- third (35%) of visitors from overseas mentioned visiting family and relatives as their primary purpose.
- Just over 40% of international visitors arrived during the summer months of Q3, a proportion nearly identical for US and overseas travellers. However, there was increased interest in shoulder-season trips to Canada, particularly from China, as growth in the other quarters outpaced that of Q3.
- Travellers to Canada are becoming younger. Overseas arrivals from visitors aged 24 and under surged 24% to represent 20% of the total. France had the highest number of youth travellers (99,500) among CTC overseas markets, while Mexico had the highest proportion of travellers 24 and under (34%) among all age demographics (CTC Tourism Snapshot 2012 Year-In-Review)

4.2 Provincial Trends

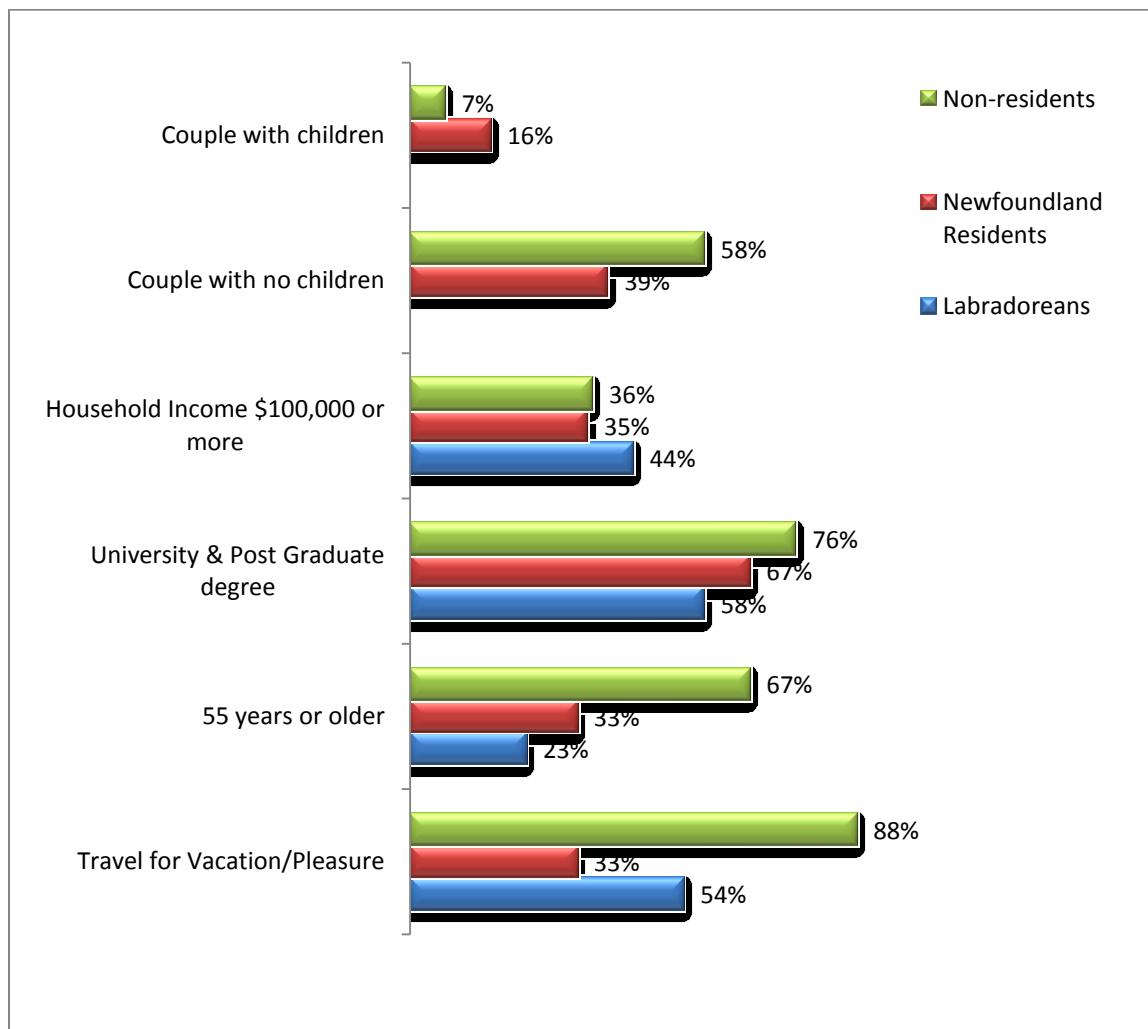
- In 2013, the province recorded a small decrease in visitation received approximately 497,900 non-resident visitors from January 1 to December 31, 2013, representing a decrease of 1.5% over 2012. Associated expenditures are estimated to have reached \$467.4M, a 1.9% increase over 2012 levels
- As in recent years, 2013 once again realized increased passenger levels at the province's seven major airports as airlines boosted non-stop seat capacity and extended many of their services. Non-resident air travel - the largest segment of our market - increased by 2% over 2012 levels to an estimated 367,200 visitors.
- Expenditures for non-resident air visitors are estimated to reach \$372.5 million, up 3.7% over 2012.
- 2013 is the fourth year in a row of declining non-resident auto traffic, with overall visitation declining 5.9% compared to the year before. The number of auto visitors dropped below 100,000 for the first time since 1986.
- The majority of 2013 non-resident auto-travellers to NL is from the Maritimes (46,860) and Ontario (26,942).
- non-resident travellers reporting an overnight visit to the Labrador region were more likely to be travelling as couple(s) without children or as a group of friends and less likely to be travelling alone.
 - Average party size is 1.9 persons;
 - On a per person per night basis, travel parties who reported an overnight trip to the Labrador Region reported an average in province expenditure of \$114
- The province's tourism website www.newfoundlandandlabrador.com shows annual increased visitation since 2008.
- In 2013 www.newfoundlandandlabrador.com had 1.9 million unique visitors (21% increase over 2012) and 286,000 referrals (clicks to operator websites/emails) (Department of Tourism, Culture and Recreation Backgrounder Year-End Provincial Tourism Performance 2013)

4.3 Labrador Trends

- The majority of non-resident traffic to NL is from the Maritimes and Ontario.

- The total estimate of non-resident parties visiting Newfoundland and Labrador during the May to October period (2011) is 158,456, with 4% reporting they had an overnight visit to the Labrador Region; 5,314 travel parties or 10,394 non-residents reported an overnight visit to the Labrador Region (Eco. Zones 1-5).
- UNESCO World Heritage Basque Whaling Station is the most visited attraction
- The demand for ferry traffic continues to soar; In the past 10 years, 2002-2012, there has been a 27% increase in passengers; a 56% increase in passenger vehicles (TEUs); and a 124% increase in commercial vehicles (TEUs) for the Strait of Belle Isle ferry service.

Select Labrador Visitor Demographics²



² Government of Newfoundland & Labrador. (2012, Jan.). Labrador travel survey Final Report 2011. Pg2 14 - 22. A study conducted by MarketQuest Omnifacts Research for the Department of Tourism, Culture and Recreation.

The scenic natural landscape of Labrador is a compelling lure but little market ready product is developed to capitalize a growing market demand for well themed, authentic, educational, and entertaining product experiences that are enriching, hands on and exceed expectations in terms of visitor experiences and value for the vacation dollar

4.5 Strategic Industry Relations

- There is a continued need for strategic regional and provincial partnerships that maximize resources and chances of success
- DL must be an active member of Hospitality Newfoundland and Labrador, regional chambers of commerce and partner with Parks Canada, the Canadian Tourism Commission and other provincial and national industry stakeholders with external incremental resources.
- Similarly, strong and meaningful regional partnerships are critical to the success of DL's goals and objectives and must be established with the Western Region DMO, the Nunatsiavut Government, and Newfoundland and Labrador Outfitters Association.

4.6 SWOT Analysis

Smart organizations know how to find opportunities - but successful organizations know how to go after the right opportunities. They know how to leverage their strengths and allocate their resources in a way that produces results. Destination Labrador must be a smart and successful destination.

Destination Labrador must continue to follow a strategic and change agent leadership style, as individualistic and creative activities will be essential for success. The emphasis will be on creating a market for services while at the same time being entrepreneurial with a business focus (*Labrador Tourism Destination Development Plan*, Pg. 98).

	Positive	Negative
Internal Factors	Strengths	Weakness
	Unspoiled, pristine wilderness Uniqueness of Labrador, distinct product	Lack of market-ready product and experiences Access to Labrador a challenge and expensive, access in Labrador also limited
	Unique vacation experiences	Limited Tourism Infrastructure
	The Nunatsiavut Government is a new emerging partner for Northern Labrador's aboriginal product	Large geographic distribution of tourism industry product and stakeholders
	Recent success strengthens regional partnerships	Limited human resource base focused on Labrador Tourism development
		Lack of IT savvy and online product offer

External Factors	Opportunities	Threats
	Attract defined markets with key products	Industry capacity to deliver market-ready product
	Use the mystic of Labrador to gain media coverage	Consumer disconnect between quality and price (result of high cost of operations)
	Position Labrador as a 'hot' new destination	Low destination awareness
	Use the internet to access the market	Other northern Canada destinations have large scale marketing programs
	Compete on value	Partnership based financial support is a constant necessity to realize budgetary control Robust resource economy may limit private sector tourism investment

Table 4 Destination Labrador and Labrador Tourism SWOT Analysis

5.0 Destination Labrador Management Team

The Destination Labrador Board will maximize its human resource capacity by:

- partnering with the resource capacities of other regional business associations (Chambers of Commerce) and other tourism stakeholders in delivering key components of its business plan.
- Partnering with key industry stakeholders in its capacity building initiatives
- Engaging Labrador stakeholders in its strategic planning process
- Leveraging industry support and collective management skill through active participation of volunteer Board members and marketing partners

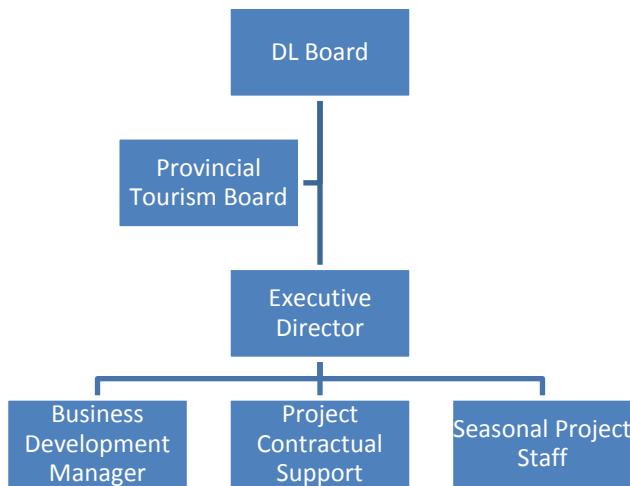
The Destination Labrador team will be a ‘High Performance Work System’ and:

- Must maintain clarity of mission and purpose;
- Strive for innovation in the provision of services;
- Provide clear definition of expected results; and
- Performance will be measured.

Project management will be the responsibility of the Board of Directors of Destination Labrador. Quarterly Board meetings will be held annually as well as an annual stakeholder meeting and Annual General Meeting. Recruitment and orientation of new Board members will be an ongoing. Additional governance activity will include regular participation by the DL Chair and Executive Director at the provincial Tourism board meetings and task teams.

Day to day operations will be managed by the Executive Director and a Business Development Manager, responsible for sales and business development. Contracted and seasonal HR capacity will supplement the DL management team. See attached Appendix A for role and responsibilities of staff.

Figure 1 - Destination Labrador Management Team



Destination Labrador Board of Directors (AGM, Jan 16, 2014)

Carmen Hancock, Chair (Owner, Tour Labrador, Forteau, NL)

Peyton Barrett, Vice-Chair (Owner, Experience Labrador Tours, Cartwright, NL)

Sherry Butt, Treasurer (Owner, Business Management Services, Labrador City, NL)

Vacant, Secretary (Previously Wayne Broomfield, Nunatsiavut Solutions, Happy-Valley-Goose Bay)

Ernie McLean, Director (Director, Labrador Heritage Museum, North West River, NL)

Phillip Earle, Director (President/CEO, Air Labrador, Happy Valley - Goose Bay, NL)

Patty Dicker, Director (Owner, Amaguk Inn, Hopedale, NL)

6.0 Strategic Direction

The vision for Destination Labrador is to be recognized as a distinct and compelling northern travel experience and to establish the organization itself as a vibrant private sector-led, partnership based, and industry supported destination management organization with a mandate to partner with Labrador tourism stakeholders on marketing, product development and market readiness that supports the growth of a viable and sustainable world class travel destination.

Primary roles and responsibilities for DL:

- Facilitate marketing activities of operators in the region with the Department of Tourism, Culture, and Recreation (DTCR) that will help push the path to purchase;

- Provide market readiness and product development advice and assistance to operators that will help push the path to purchase; and,
- Coordinate and communicate with tourism stakeholders in the region on Tourism Board strategic directions.

6.1 Overall Goals and Project Measurables

Goal #1: Lead Regional Marketing Initiatives and support Provincial Brand

Objectives:

- I. develop and execute short and long-term marketing plans
- II. build awareness of the provincial marketing brand
- III. improve information delivery to trip planners, visitors, travel trade and media

Measure: industry partnerships in regional and provincial marketing plans (online packages, feature packages, regional highlights, advertorials, tradeshow/marketplaces, fam tours, social media)

Indicators: level of industry investment in regional and provincial marketing plans, number of tourism operators engaged and investing in marketing initiatives, number of new tour operators and new product placement in the market, and level of industry operators' adoption of social media platforms, media coverage and number of consumer enquiries at Destination Labrador

Goal #2. Market Readiness and Product Development Support

Objectives:

- I. communicate marketing plans and programs;
- II. maximize tourism resources from private members and public partners;
- III. facilitate and deliver business and community-based market readiness and training workshops; and
- IV. facilitate regional stakeholder task teams and opportunity management workshops.

Measure: industry partnerships and engagement, workshops, established private/public sector partnerships, tourism stakeholder sessions,

Indicator: number of new tourism operators/product in market, stakeholder participation in training initiatives and market readiness workshops, market readiness assessments, partnership resources leveraged, industry representation

Goal #3. Industry Coordination and Advocacy

Objectives:

- I. establish meaningful regional tourism development partnerships;
- II. support HNL in the coordination of training and best practices;

- III. provide professional development assistance to Labrador tourism stakeholders;
- IV. communicate to key stakeholders the value of the industry ;
- V. ensure Labrador representation on provincial tourism initiatives of the provincial Tourism Board; and
- VI. become key point of contact for tourism in Labrador.

Measure: Best practices, training workshops, Tourism Awareness Week, Regional and provincial working groups/task teams

Indicator: monthly newsletters, *Tourism Times* articles, industry participation, attendance at provincial Tourism Board, TCR and HNL led initiatives , coordination and representation at regional stakeholder meetings and workshops

6.2 Marketing Priorities

Consumers have choices and other destination competitors are offering travel experiences much closer to the market and in most cases at cheaper rates. Numerous challenges like quality and price, limited marketing resources and travel access are very compelling reasons to execute targeted marketing programs.

If you don't know exactly who your target market is, all the creative ideas in the world won't do anything for your marketing campaigns.

Key priorities include:

- compete on value;
- use compelling messages that elicit responses;
- highlighting the unique products and regions;
- Use existing provincial Tourism Brand to showcase Labrador 'Things to See and Do' ;
- use social media channels (Trip Advisor, YouTube, Flickr, Facebook, and Twitter) to highlight tourism experiences; and
- leverage the provincial Brand by elevating Labrador's unique product offer.

7.0 Marketing Plan

A consistent message and promise is critical to ensure our targeted marketing efforts get results. Destination Labrador will work closely with Department of Tourism Culture and Recreation and its suite of marketing programs to deliver Labrador focused content to NewfoundlandLabrador.com. In addition, 'below the line' and partnership marketing tactics will leverage private-sector resources. External tactics

will rely heavily on the internet and social media channels to reach the customer. Effective internal and trade related tactics will ensure regular communications to its members and tourism stakeholders in Labrador through the Destination Labrador newsletter the *Kamutik* and DestinationLabrador.com

7.1 Target Markets

Target Market	Customer Profile	Geographic Scope			Positioning
		Consumer	Trade	Media	
Fishing/Hunting	<ul style="list-style-type: none"> - Males, aged 30-60 years of age, educated, mid to high HHI - Avid Fishermen and hunters who take regular fishing and hunting trips in North America - Value quality of experience (species, size and quantity), natural landscape and lack of crowds - Will sacrifice convenience and comforts for a quality experience Looking for a truly unique experience and willing to spend money to get it 	Eastern USA	Europe	Canada	Labrador offers one of the best and most distinct fishing and hunting experiences in North America
Outdoor Exploring	<ul style="list-style-type: none"> - Couples, 25-55, educated, high HHI. - Active nature enthusiasts. - Value: the natural setting, activities available, respect for the environment. - Seeking a diversity of experiences and enjoy parks and protected areas. - Satisfied with a rugged vacation experience. 	Canada - Ontario - Quebec	Niche	Eastern USA	Labrador offers a rugged outdoor vacation experience with a diversity of outdoor activities (soft to hard adventure) set in a pristine wilderness setting.
Cultural/Aboriginal Touring	<ul style="list-style-type: none"> - Couples, 40+, educated, mid-high HHI. - Enjoy passive travel experiences - Interested in cultural and historic products and experiencing local life. - Value amenities and service. - Strong sightseeing group – visitors to NL or NLers themselves. 	Canada - Ontario - Quebec - NL	Canada - Ontario - Quebec - NL	Canada - Ontario - Quebec - NL Eastern USA	Labrador offers a diversity of peoples and cultural backgrounds that co-exist along dramatic coastlines and are born from a storied history.

Table 5 Target Market Matrix

The geographic scope of Destination Labrador's target markets are:

- Media
- Travel Trade
- Consumer

Emphasis will be placed on areas where the product is the most market ready, where markets have the distribution channels to generate sales in all areas of Labrador. Given the resource limits it is critical that target markets are accessible and represent the 'low hanging fruit' of Destination Labrador's market opportunities.

7.1.1 Media

The focus is to build destination awareness. Effective media relations activity will provide opportunities to enhance the Labrador brand and increase exposure to Labrador travel experiences within core target markets.

- Primary targeted at publications in each experiential area (Canada and USA) and travel sections of major news media in Canada.
- Secondary targeted at travel sections of major news media in USA and targeted publications in each experiential area (Europe)

7.1.2 Travel Trade

Destination Labrador will work in partnership with existing tour operators to grow their business in Labrador. Thorough partnerships and targeted marketing programs, Destination Labrador will work directly with cruise lines, tour operators and media outlets to introduce Labrador into international trade markets

- Primary targeted at small adventure tour operators in North America, European tour operators, and northern expedition cruise lines.
- Secondary partnerships will be the focus for large North American tour operators and airlines

7.1.3 Consumer

The focus will be on positioning Labrador as a unique travel experience among competitive options using an experiential approach with a focus on fam tours, marketplace attendance and web-based tactics. Consumer reach in distant markets is best achieved through marketing partnerships under the provincial Newfoundland and Labrador brand.

Love of Untamed Nature

- the heart and soul of Labrador's product offering
- unique from other competitor tourism destinations
- makes the trip worth the extra effort and cost

Key regional product attributes include:

- Rugged coastline seascapes
- Mountainous terrain - Torngat National Park reserve
- Raging rivers
- Icebergs
- Wildlife and marine life



- Northern Lights and big clear skies

Drive to Explore Further

- Ways you can experience wilderness product
- Allows visitors to be engaged by the environment in a positive way
- Makes for an active Labrador vacation versus other passive experiences
 - Fishing
 - Hunting
 - Kayaking/canoeing
 - Hiking
 - Snowmobiling
 - Snowshoeing
 - Skiing
 - Camping
 - Boat Tours/Expedition Cruises
 - Wildlife viewing
 - Berry Picking



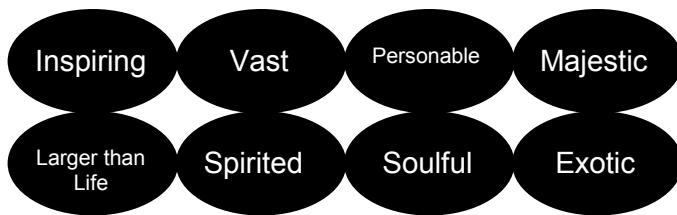
Passion for a Different Way of Life

- Connecting with the people of Labrador and their unique culture and history
- The Labrador people are the heart of visitor experiences and lifetime memories
- At its purest, visitors are touched every time they interact with Labradorians
 - Distinct cultures
 - Aboriginal peoples
 - Guided Tours/walks
 - Traditional crafts and art works
 - Exhibits
 - Archaeological sites and artifacts
 - Museums
 - Drum Dancing
 - Festivals
 - Traditional Cuisine



The tone of the ‘Labrador’ promise will be inspiring and soulful, vary from larger than life to personable, from majestic and vast to spirited and exotic.

By utilizing each tone, the ‘internet’ personality will inspire a journey from consumers in our target market.



8.0 Stakeholder Relations

Destination Labrador will continue to host annual stakeholder meetings for its various stakeholder partners. Labrador's four major tourism regions include:

1. Northern Labrador - from Goose Bay to remote communities north along the Labrador Sea to as far north as the Torngat National Park Reserve.
2. Labrador West - comprised of traditional mining towns of Labrador City, Wabush and Churchill Falls
3. Central Labrador - the towns of Happy Valley-Goose Bay, Sheshatshiu, North West River and Mud Lake.
4. Coastal Labrador Drive - comprised of those towns and communities connected by highway route 510 from L'Anse au Clair in the south to Cartwright in the north.

The following is a list of major stakeholder groups:

North Coast

- Nunatsiavut Government
- Torngat Mountains NP (Parks Canada)
- Inuit Community Governments

Labrador West

- Cain's Quest Inc

- Menihek Ski Club
- Towns of Labrador City/Wabush and Churchill Falls
- Labrador West Chamber of Commerce

Labrador Central

- Labrador North Chamber of Commerce
- Towns of Happy Valley-Goose Bay and North West River
- Great Labrador Canoe Race
- Trapline Marathon Event
- Labrador Heritage Society
- Them Days Inc
- Nunacor
- Nunatukavut Community Council

Labrador South/Straits

- Labrador Coastal Drive Levy Partners
- Combined Councils of Labrador
- Battle Harbour Historic Trust
- Labrador Straits Historic Development Corporation
- Red Bay Town Council (post UNESCO Visitor Experiences Plan)
- Local municipal governments

Other

- Tourism Culture and Recreation
- HNL
- Parks Canada
- ACOA
- Labrador and Aboriginal Affairs
- Innovation Business and Rural Development

While continuing to update our stakeholders on a regular quarterly basis, DL will also issue its electronic newsletter, the 'Kamutik'. Currently there are over 500 subscribers receiving each edition.

9.0 Product Development

Since 2006, Destination Labrador has been on the ground in Labrador engaging industry, providing a project management role with stakeholder organizations, consulting with and supporting community-based stakeholders in product development in addition to building on award-winning marketing tools and innovative partnerships with industry.

As part of the ongoing DMO realignment by the provincial Tourism Board to rationalize public/private leadership structures, there has been an acceptance that DMOs would play a larger role at the regional level in Product Development. Hence, DL has taken the industry lead to compliment that new role in product development and its current board structure and human resources compliment this enhanced mandate.

9.1 Role and Responsibility

A recent internal review of roles and responsibilities for Destination Labrador with respect to product development confirms the following mandate:

Through Regional Consultation...

- Engage industry in the planning process
- Identify gaps in product development based on consumer, supplier and buyer needs
- Engage stakeholders with sub regional development plans to rationalize one plan for the region
- Minimize duplication and provide strategic direction for public investment
- Facilitate and communicate overall plan to Labrador stakeholders and the Tourism Board

Support Product Development...

- Working on improving industry profitability through customer satisfaction and the delivery of the new Tourism Assurance Plan

- Working with not-for-profit organizations operating key travel influencers on identifying consumer needs, enhancing product experiences and new product development

- Working with municipalities, not-for-profit organizations and industry to identify, develop or enhance destination USPs

9.2 TDVAA Labrador

Labrador has four distinct regions. Each region of Labrador offers its own set of unique travel experiences, opportunities, challenges related to capacity building initiatives and ensuring Labrador tourism product is market ready. To maximize the potential for each region, Destination Labrador will lead/facilitate tourism development by working in partnership with all stakeholder groups.

Over the past year, Destination Labrador and its partner stakeholder groups have organized a series of industry consultation sessions as part of the Tourism Destination Visitor Appeal Appraisal (TDVAA) project. Completion of this project and the execution of key findings and recommendation /actions will further define the scope of projects and destination development priorities in the context of this business plan (2014-2017).

10.0 Partnerships, Memberships and Governance

There is no previous or existing industry membership base from which DL can leverage private-sector investment in its marketing plans. Its governance is determined by regional representatives from each of the four major regions of Labrador (North, West, Central, and Straits/South). Accordingly, the regions each appoint 2 members to form the governing body of Destination Labrador. Clearly there was a need for an innovative partnership model, one that would allow for strategic investment from Labrador tourism stakeholders.

10.1 Marketing Partnerships

The Destination Labrador marketing partnerships program was launched in October 2007. The program is a regional-based partnership allowing tourism stakeholders to customize regional-based marketing projects while at the same time:

- a) utilizing DL marketing resources;
- b) benefiting from cost-sharing (50-50) in project costs;

- c) ensuring a professional marketing resource through DL staff and provincial tourism partners (TCR and HNL);
- d) supporting each other by delivering marketing and product development projects complimentary to the overall business plan of DL.

Since inception dozens of marketing partnership projects were completed, involving dozens of partners, for a total value of over \$250,000! Destination Labrador will continue to engage the industry in actively participating in its marketing projects.

10.2 Marketing Partnership Criteria

The Destination Labrador Marketing Partnership program criteria will ensure set standards for business/stakeholder participation based on the Tourism Assurance plan while at the same time encourage tourism operators to increase their quality of product and service excellence for the benefit of being more responsive to emerging tourism trends and customer needs.

DL 'partners' means a Tourism Assurance Plan (TAP) compliant Labrador tourism stakeholder listed in the provincial Tourism Destination Management System (TDMS) in the province of Newfoundland and Labrador, that invested in at least one DL partnership program in the previous 12 months and being entitled to vote at the Annual General Meeting of the company.

10.3 Stakeholder Partnership Model

In researching other DMO and regional tourism association business models in North America, it is clear that the emerging trend is more towards marketing partnerships than membership-based structures. Following a recent review of best business models, Destination Labrador adopted its new stakeholder partnership model.

In the new model, tourism businesses who financially participate in Destination Labrador (DL) initiatives will be considered voting stakeholders of DL for the 12 months following such partnerships and those voting stakeholders will govern the organization's policies. An annual general meeting will provide all voting members with the opportunity to provide key stakeholder input, debate policy, and more importantly ensure active financial participation in the programs and services of DL.

Through marketing partnerships and incremental marketing initiatives, the result will be a broader and more diverse range of tourism products to offer the consumer and more awareness for the destination.

The proposed Stakeholder Model is a Win-Win opportunity;

- Consumer benefits because it enables Destination Labrador to represent the entire tourism product in Labrador.

- Destination Labrador benefits because with financial stability and greater numbers of programs being initiated there will be greater market penetration and increased awareness of the destination.
- All industry and tourism businesses benefit because all will be able to leverage the full value of the provincial marketing plan and participate in Destination Labrador programs, which ensures a stronger voice with a greater stakeholder base.
- All stakeholders benefit from a greater opportunity to build more diverse and dynamic marketing initiatives.

10.4 Proposed Industry Contributions Based on Partnership Model

Destination Labrador will work with industry partners to maximize industry contributions to the annual business plan. A key focus on those partnerships will be based on the existing external marketing tactics identified within the business plan and based on the following:

- Projected revenue based on a marketing partner benefit valued at or less than \$5,000: \$250/business or \$1,000/region
- Projected revenue based on a marketing partner benefit valued more than \$5,000: is a 50-50 partnership

In the past three years, DL partners invested a total of \$132k; average of \$44k/year. Projected industry partnership investment for 2014-17 is \$133k or ~\$40k/year.

<u>Destination Labrador Partnership Programs</u>		
<u>Projected Revenue Summary - Year one 2014/15</u>		
Marketing Revenue		
TRC Programs		
NL Tourism Website		Total
Packages		\$750
Feature Packages		\$11,500
Regional Highlights		\$3,000
Regional News Advertorial		\$700
	Total Website	\$15,950
Travel Guide		
Advertorial		\$6,000
	Total Travel Guide	\$6,000
	Total TCR Programs	\$21,950
DL Programs		
Marketplaces / Trade Shows		
Trade		\$5,750
Consumer		\$950
Media		\$0
	Total Trade Show	\$6,700
Social Media		
		\$2,500
Fams		
Trade		\$4,500
Media		\$4,500
	Total Fams	\$9,000
	Total DL Programs	\$18,200
	Total Marketing Revenue	\$40,150
	Total Other Revenue (WiFi Pilot)	\$17,850

Report Period: Projected Apr 1 2014 to Mar 31, 2015 - UPDATED July 2014

11.0 External Marketing Tactics

External Markets is the primary focus with a major concentration on electronic marketing initiatives, social media content, travel trade, sales calls and fam tours. All marketing tactics require partnership investment and most are in partnership with the TCR and other provincial DMOs.

11.1 Website and Social Media

DL launched an award-winning new website in Feb 2008. See www.OnlyLabrador.com and www.DestinationLabrador.com for detail. While the overall site visitation has

reached over 60,000 absolute unique visitors per year or 1,600 visitors per month, the traffic and benefit to our partners pales in comparison to the 1.9 million unique visitors to www.newfoundlandlabrador.com which is by default the major trip planning tool for visitors to Labrador.

Focus over the next 3 years will be realigning both DL URLs

onlylabrador.com - possible WiFi portal site application
destinationlabrador.com - member and travel trade site

Primary consumer demand to www.newfoundlandandlabrador.com will be supported by package offers, news and blogs, social media channels and content provided by DL to the Labrador regional section of this provincial website. Regional content will be provided through staff travel, fam tours, social media channels and ongoing maintenance of www.onlylabrador.com.

Project includes:

- Ongoing website hosting and maintenance for destinationlabrador.com
- the possible purchase of a DMO TripAdvisor account to support trip planning associated with the Trans Labrador Highway journeys; years two and three pending any provincial solution/capacity for the same from Dept BTCRD in year one.
- Social media and business support plan

Features

- Thoroughly review existing partners' TripAdvisor, Facebook, Twitter social media platforms and provide report inclusive of a strategy and action plan for improvements
- Provide up to 12 hours of hands on contractual assistance (Two weekends at 6hrs each weekend)
- Redesign or create up to 2 social media channels
- Provide 3 hrs of mentoring to help improve customer engagement results(6 sessions at .5hrs each in a two week period)

Benefits

- Implementation of best practices to maintain a social media platform for partner businesses
- Incorporation of social media into a marketing strategy that maximizes business exposure
- Up to 2 redesigned or 2 new social media channels (TripAdvisor, Facebook, Twitter)

Budget \$10,000/yr

Projected Revenue - \$2,500/yr

11.2 Trade Shows and Marketplaces

Regular attendance at key tradeshows with an affinity for business in Newfoundland and Labrador will be the focus for DL and its partners. Tradeshows and marketplaces include Rendez-Vous Canada, the Ottawa Travel Show, GoMedia, Atlantic Canada Showcase, Educational Travel Conference and Saltscapes Travel and Lifestyle Show. Typically, DL will send one representative to each of these shows each year, with the exception of the Atlantic Canada Showcase (2014 and 2016 only) and Saltscapes Travel and Leisure show (2015 and 2017 only).

Budget \$23k-26k/yr.

Projected Revenue - \$9k-10k/yr



11.3 Sales Calls

Sales calls will be a key component of DL's travel trade strategy. All sales calls will be conducted by DL staff through existing online platforms used for DL Board and project meetings (Meeting Burner, Google Hangouts, Clarity Conferencing etc) with the exception of annual participation at the provincial VIC staff training workshop. No additional expenses are anticipated for this primarily online marketing tactic.

Budget \$0/yr

- "Investments in the development of the Trans Labrador Highway must continue with understanding and emphasis on servicing the needs of tourist as well as commercial traffic, therefore infrastructure to support safe and reliable travel of leisure travellers must be considered if this asset is to be leveraged for the benefit of tourism stakeholders, (VIC, WIFI stops, enhanced visitor signage etc.)"

- "The capacity of small businesses in rural areas to stay on top of technology is extremely limited as consumer expectations continue to soar. As well, the time, skills and knowledge of small businesses to research online booking engines such as www.bookeo.com and implement, what for the tech savvy may be quick and easy tools, is a challenge for many businesses. There are many options in the marketplace and the government does not want to compete with online booking engines. To assist operators and generate a commission-based revenue for DL, they should determine which operators would be interested in collaborating to establishing this regional capacity"

- Excerpts from the most recent Labrador travel tourism research titled ***Labrador Tourism Destination Visitor Appeal Appraisal: Dare to be Different report***

11.4 WiFi Pilot

There is no cell coverage along the isolated sections of the TLH. Recent tourism research (TCR, Labrador Travel Survey 2011)³ indicates that over one-quarter of all travelers on the TLH are using smart phones; mobile phone coverage, availability of Wi-Fi Hot Spots and access to the Internet received the lowest of experience ratings for this same survey. Furthermore, in a Prosper Mobile Insights study earlier this year, only 2.2% of respondents said they left their smartphones or tablets at home while they traveled. And nearly 80% of those surveyed said they took their mobile device with them and used it "all the time."⁴

DL partners involved with a voluntary room-levy, the Tourism Initiatives Fund (TIF), along the Labrador Coastal Drive have identified the need for this investment in response to in-destination consumer demand and known research on existing travel trends in Labrador and the province as a whole. This project will be cost-shared as a 50-50 partnership with DL and forms the beginning of a more ambitious plan to roll the TIF levy (formally a project of the Labrador Coastal Drive Tourism Association) into a new provincially registered Co-op.

This WiFi pilot project includes the creation of a WiFi hotspot portal using an existing DL brand 'Where on Earth'. and highlighted by the main travelers journey routes to Labrador:

- The visitor journey along the Labrador Coastal Drive from L'Anse Aux Clair to Cartwright including the entry at the Viking Trail on the island; and
- the east-west visitor journey along the Trans-Labrador Highway form Labrador City

The portal will feature important in-destination trip planning information (basic visitor services such as weather, ferry schedules, road conditions, etc) and links to a partnership online cloud-based booking engine. The pilot

³ Government of Newfoundland & Labrador. (2012, Jan.). Labrador travel survey Final Report 2011. Pgs. 45-46. A study conducted by MarketQuest Omnipacts Research for the Department of Tourism, Culture and Recreation.

⁴ See more at: <http://www.emarketer.com/Article/Travelers-Look-Smartphones-Real-Time-Travel-Guides/1009254#sthash.9T79MeEL.dpufneed>

will run for a period of 12 months and will be located along the Labrador Coastal Drive. An outside contracted company will provide for the research and the project management support required to complete this pilot project.

Project Measurables:

- consumer interest and use of the Visitor Information, measured by Google Analytics
- the reliability of the technology
- system viability for a much larger expansion across Labrador, cost-benefit analysis by DL

A project report by Destination Labrador will hopefully demonstrate the business case for a future much wider expansion and coverage.

Budget \$36k, year one only

Projected Revenue - \$17,850 year one only

11.5 Fams

DL's fam tour support is available to travel trade, media and itinerary planners in return for enhanced sales strategies, new product placement, published travel stories, feedback on service quality and media credit for DL and its partners. Where possible, DL will work closely with local receptive/tour operators and Labrador suppliers, as well as the Department of Tourism Culture Recreation, CTC and Parks Canada to maximize resources. Anticipated fam tours will include:

Sightseeing Touring Market Segment - ~10 Fams/yr, ~10-15 pax
Adventure Market Segment - ~4 Fams/yr, 5-10 pax

Year one will be an exception to the remaining two years as a hot fam lead prospect, in concert with TCR, will lead to a major tv/film opportunity associated with both the Labrador Coastal Drive product and the Torngat Mountains National Park.

Budget Year one only \$38,000

Budget \$24,000/yr

Projected Revenue \$9k/yr

12.0 Internal Marketing Tactics

Internal tactics will focus on stakeholder relations and general public relations for Destination Labrador within Labrador.

12.1 Public Relations and Newsletters

DL's newsletter the 'Kamutik' is an online newsletter designed and delivered in-house by DL staff using the Constant Contact software. The newsletter provides Destination Labrador partners with regular updates on DL programs and services and relevant industry news. Monthly newsletters will be distributed, tracked and managed by DL.

Budget \$1,500/yr

12.2 Staff and Board Travel

Staff and DL Board travel within NL and in particular Labrador is required to maintain active partnerships and stakeholder relations. Regular regional trips to the four regions of Labrador are required by the Executive Director and Business Development Manager and a minimum of 4-6 Board meetings (Conference calls, Clarity Conferencing, and online service for video conferencing, Meeting Burner, are included) per year.

Budget \$26,000/yr

14.0 Budget

A detailed budget of projected revenue and anticipated expenses for the project is in Appendix C.

Revenue projections for Destination Labrador are based on its Marketing Partnership policy. See section 10 for a detailed explanation of the partnership program and projected industry contributions.

Three year project totals \$858k. DL partner contribution totals \$133,000. The proposed balance will be a partnership of the province (TCR and IBRD) and ACOA as per the budget summary below.

Budget Summary 2014-17					
Budget Item	Year 1 - 2014/15	Year 2 2015/16	Year 3 2016/17	Total	Percentage of total
Marketing Activity	\$73,597	\$58,407	\$61,891	\$193,895	23%
Product Development	\$46,000	\$0	\$0	\$46,000	5%
Administrative	\$41,049	\$36,576	\$36,353	\$113,978	13%
Salary and Benefits	\$140,682	\$143,264	\$143,264	\$427,210	50%
Board /Staff Travel and Int. Comm.	\$25,802	\$25,802	\$25,802	\$77,407	9%
Total	\$327,130	\$264,049	\$267,310	\$858,489	100%
Financing			\$0		
DL & Industry Partner	\$54,000	\$38,500	\$40,500	\$133,000	15.5%
BTCRD- TCR	\$150,000	\$150,000	\$150,000	\$450,000	52.4%
ACOA (% of eligible costs)	\$87,557	\$52,496	\$54,438	\$194,491	22.7%
BTCRD-IBRD(% of eligible costs)	\$20,438	\$20,438	\$20,438	\$61,315	7.1%
Other (GST, interest)	\$8,577	\$5,375	\$5,562	\$19,514	2.3%
Total					100.0%

15.0 Long-Term Considerations

Much as been accomplished yet we have a tremendous tourism resource base from which to grow the tourism industry in Labrador.

By remaining focused on the current business plan and protecting our marketing investments in market, we will no doubt achieve better return on our investments while at the same time delivering award-winning travel experiences in Labrador.

As we move forward there are some issues we must always consider. If we are to be strategic and long-term in building destination awareness strategies, retaining professional staff, and deliver consistent support to the buyers of our tourism product than access to an annual source of funds is necessary to secure industry investment and DL's resources.

Product Development and capacity building are vital to the ensuring Labrador's tourism product matches recent travel trends and consumer demand for enriched travel experiences. A tremendous amount of product development is necessary especially as a result of completion of the TLH highway, the UNESCO status for Red Bay Basque Whaling Station, the pending Mealy Mountains National Park and to support the existing 10,000 visitors annually.

There needs to be more market ready product in all sectors of the industry (Aboriginal Product, Coastal Cruising, Outdoor Exploring, Cultural Touring, Festival and Events). There is a big need for financial resources to conduct meaningful professional development, provide for technical expertise, conduct best practices, and support product innovation etc. Just as important, partnership support programs will be necessary to ensure industry partners place these new products online and generate incremental sales through e-marketing initiatives. The successful realization of the Tourism Assurance Plan are vital to the success of this business plan.

There are a number of visitor information centers operating near the major gateways to Labrador (L'Anse au Clair, Happy-Valley-Goose Bay, and Labrador City) and in addition to those a few others have a significant impact on the provision of professional visitor trip counselling services regarding Labrador tourism product; the ferry terminal in St. Barbe, NL, and the Visitor's Center in Gros Morne National Park. All of these VICs require full-time trained staff and a dedicated third-party delivery organization with the appropriate financial resources to delivery effective visitor services.

More importantly, continued investment in transportation infrastructure such as the Marine ferries for the North and South Coast as well as the trans Labrador Highway will enhance greatly the continued growth of the visitor economy in Labrador for the benefit of the entire province.

Appendices

Appendix A

DL Management Team

Executive Director - the following is a summary of main duties:

- Accountable to the Board of Directors and supervises staff
- Administers the day to day operations of the organization.
- Implements policies and programs.
- Strategic planning, including overall business and marketing planning
- Identifies resources needed to achieve goals and objectives of the Business Plan
- Facilitates evaluations of programs and services.
- Financial management and reporting of progress on the work plans to the DL board and its key financial stakeholders
- Public relations and Travel Media relations
- Attend regional and provincial stakeholder meetings

Business Development Manager - the following is a summary of main duties:

- Accountable to the Executive Director
- plan, direct and evaluate travel trade sales activities of
- initiate market research studies and analyze their findings
- assist in new product development and capacity building, and direct marketing
- programs and projects
- work closely with DL marketing partners in the day to day operation of marketing
- campaigns to promote the sales of Labrador tourism products and services
- develop and maintain travel trade relations
- assist the Executive Director in the design, development and maintenance of EMarketing initiatives and manage the DL Website and regional content on
- NewfoundlandLabrador.com including internal marketing and communications
- assist in website design, interactive media development, managing content management systems, data administration and establishment of an integrated reservations system related to DL's E-marketing initiatives

Board of Directors

Carmen Hancock, Chair (Owner, Tour Labrador, P.O. Box 46, Forteau, NL);
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Sherry Butt, Treasurer (Owner, Business Management Services, Labrador City, NL);
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Vacant, Secretary (Previously until June 4/14 Wayne Broomfield, Manger, Nunatsiavut Solutions, Happy-Valley-Goose Bay)

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