

# MANITOBA TOURISM STRATEGY



MANITOBA  
CHAMBERS OF  
COMMERCE



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### **Acknowledgement:**

A visit to Manitoba means travelling through Treaty 1, 2, 3, 4 and 5 Territory and through communities who are signatories to Treaties 6 and 10. It is the original lands of the Anishinaabeg, Anish-Ininiwak, Dakota, Dene, Ininiwak and Nehethowuk and the homeland of the Métis.



# Introduction

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“Tourism is vital for the success and growth of Manitoba’s economy, not only for its contribution to annual tax revenues and direct spending. Equally important is tourism’s role in providing valuable jobs, particularly for youth and first time workers. I’m confident that the tourism industry has the resiliency to recover and come back even stronger, to welcome visitors once again.”

**Honourable Ralph Eichler**

*Minister of Economic Development and Training  
Province of Manitoba*







In 2019, Travel Manitoba, the Manitoba Chamber of Commerce and the Manitoba Government came together in the spirit of collaboration to create a new vision for tourism in the province, recognizing that a whole-of-government approach and private sector input would be required to increase tourism's contribution to the provincial economy. The result: the Provincial Tourism Strategy for Manitoba, a document built with the consultation of industry stakeholders and core customers, and informed by the tourism industry trends influencing future visitors.

Early accomplishments in delivering on the strategy included:

- The recognition of tourism's importance as a key economic driver, as evidenced by Travel Manitoba's inclusion as one of seven strategic partners in Manitoba's Economic Growth Plan to achieve incremental growth.
- The determination that Manitoba's strengths as a destination include significant community and marketplace engagement, placing it in the Trailblazer category of DestinationNEXT's assessment criteria.
- Adoption by the province of a whole-of-government approach in order to achieve growth in the tourism economy.

Then, in early 2020, the worldwide outbreak of COVID-19 brought the global tourism industry to a standstill. COVID-19 has had significant impacts on Manitoba's tourism economy and in some cases, has forced businesses to close. It is likely that Manitoba has yet to feel the full impact of COVID-19, and further challenges lie ahead. Visitation levels seen in 2019 may not return until 2024.

With this in mind, an updated strategy that recognizes the far reaching impacts of COVID-19, and provides leadership for the future, is required. The updated strategy outlines 27 initiatives to be implemented over the next few years, as well as a re-examination of the original long term goals. As with the original strategy, success will be dependent on the alignment of efforts toward the common goals. The plan will be regularly reviewed and adapted, as circumstances warrant and as progress is made. By working together, we can achieve the vision for Manitoba to be a must-visit, four season destination, generating sustainable economic growth by delivering inspiring and authentic experiences in our unique, urban and wild settings.

## A pathway forward

**In any significant crisis, it is natural to want things to go back to normal or to the way they were before. Manitoba has a window of opportunity to take immediate and bold action if it is to emerge as a thriving and more resilient destination that enriches the lives of our residents and our visitors. It is fair to say the decisions made now will shape the industry for many years to come.**

The priority, then, is to reenergize the industry—to act rather than react. Even as the COVID-19 crisis continues to create a world of uncertainty, the goal must be to rebuild for the longer term, with the resumption of travel remaining a key objective. While this vital work progresses, the immediate focus needs to be on stimulating local demand, by appealing to Manitobans to explore their own backyard in order to build confidence in the visitor economy.

As visitor confidence builds, Manitoba can then be actively promoted to the rest of the world. The domestic market presents the greatest market opportunity to actively encourage first, as we need to get Canadians experiencing Manitoba.

However, Manitoba will continue to maintain a presence in international markets to enable quick activation of promotional activities when the opportunity arises.









# Approach & Process

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# APPROACH

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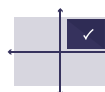
This Strategy is based on extensive research, analysis and community engagement. Input from tourism industry leaders, elected officials, residents, visitors and clients, as well as involvement from the next generation of tourism industry and community leaders, was instrumental in creating the plan's initiatives and recommendations. The Manitoba Tourism Strategy also considers key recommendations found in other planning initiatives that are underway or were recently completed.

Manitoba's tourism industry and stakeholders are poised to partner in coordinating the next phase of the Manitoba Tourism Strategy. As this strategy incorporates numerous ideas and proposed actions that transcend the tourism industry, initiative planning and implementation will be shared responsibilities among local governments, the provincial government, the tourism industry, economic development organizations, and communities at large throughout all regions of the province. The effective engagement and alignment of all stakeholders to develop solutions and outcomes together is critical to the success of the Manitoba Tourism Strategy.

## Strategic Assessment



Extensive Review of Existing Plans & Documentation



National & International Trends Analysis



10-Year Economic Forecast for Manitoba's Tourism Sector



Visitor & Industry Research

## Stakeholder Engagement



5 Industry Focus Groups with more than 90 Participants



40+ One-on-One Interviews with Industry and Government Stakeholders



Resident Survey with over 2,700 Responses



Client Survey with Travel Trade & Meetings/Sports/Events Organizers



## Industry & Stakeholder Consultations

An extensive series of consultations were held with Manitoba's tourism industry, other partners and stakeholders as a critical input in building this Manitoba Tourism Strategy. A broad range of ideas have been considered based on this input.

In total, more than 90 participants were involved in five industry focus groups held virtually, and an additional 40 individuals representing various industry sectors, regions, and stakeholder groups were interviewed in a one-on-one interview setting.

The consultations provided rich feedback for consideration in terms of the potential long-term impacts of COVID-19 on Manitoba's visitor economy and the unique challenges and opportunities for province.

## Resident & Client Surveys

In consultation with the Travel Manitoba team, MMGY NextFactor developed an online survey to identify and gauge Manitoban's travel preferences and behaviours as well as openness to visitors in their respective communities. The survey was in the field from October 2-16, 2020 and more than 2,700 residents from across the province participated.

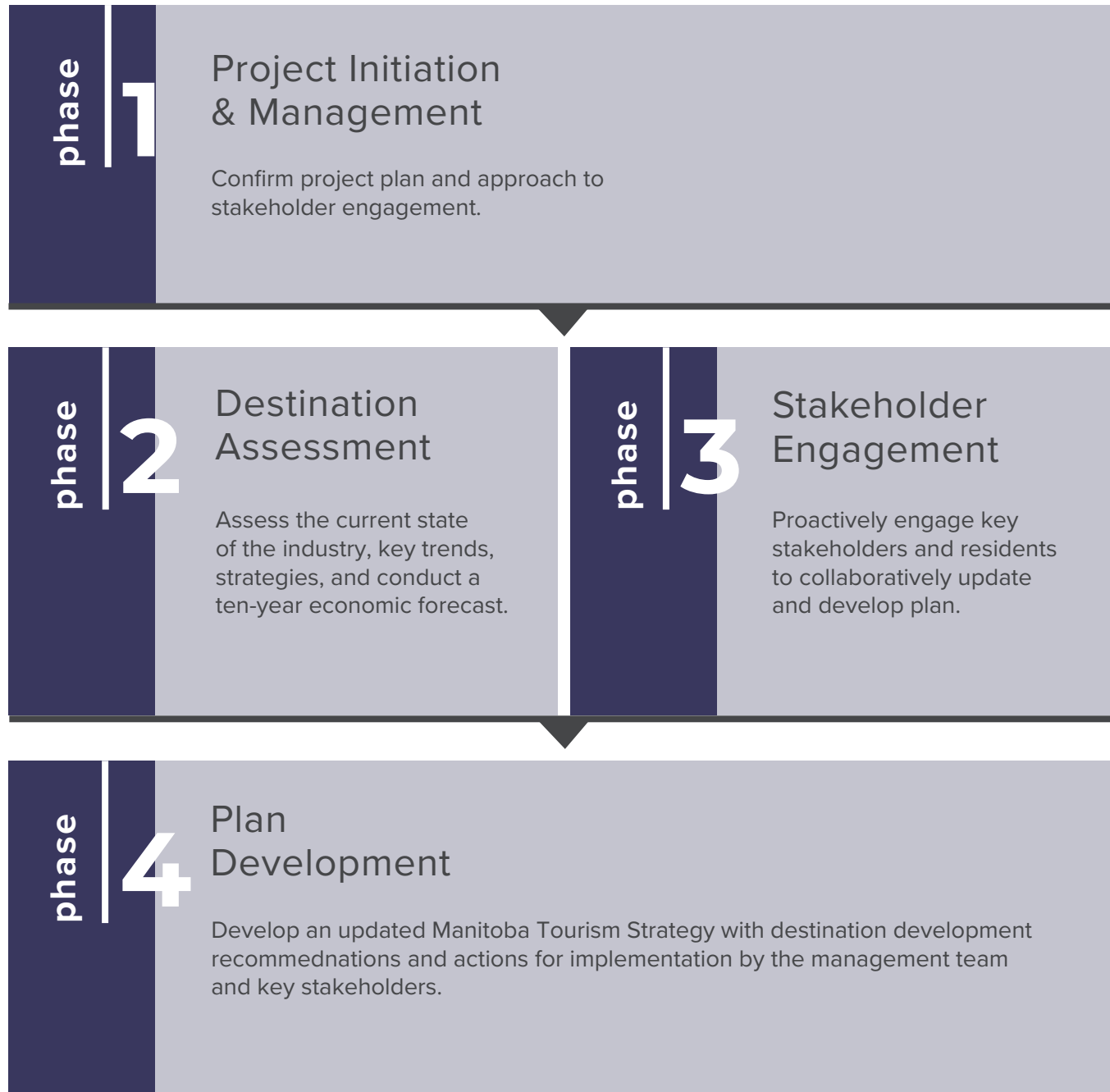
A separate survey was sent out to members of the travel trade as well as meetings, sports and event organizers to understand changes to their perceptions of Manitoba as well as changes to their respective business models and strategies.

✓ WHITESHELL PROVINCIAL PARK



# PROJECT PLAN

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A person is sitting on a wooden dock in the foreground, looking out over a body of water. In the background, a city skyline is visible at night, with several tall buildings illuminated. A cable-stayed bridge is also visible, its lights reflecting in the water. The sky is dark with some clouds.

# State of the Industry

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“It is only through the collective commitment of all stakeholders to the realization of the vision that we will be able to build the momentum for a lasting impact on this industry.”

**Stuart Murray**

*Board Chair  
Travel Manitoba*



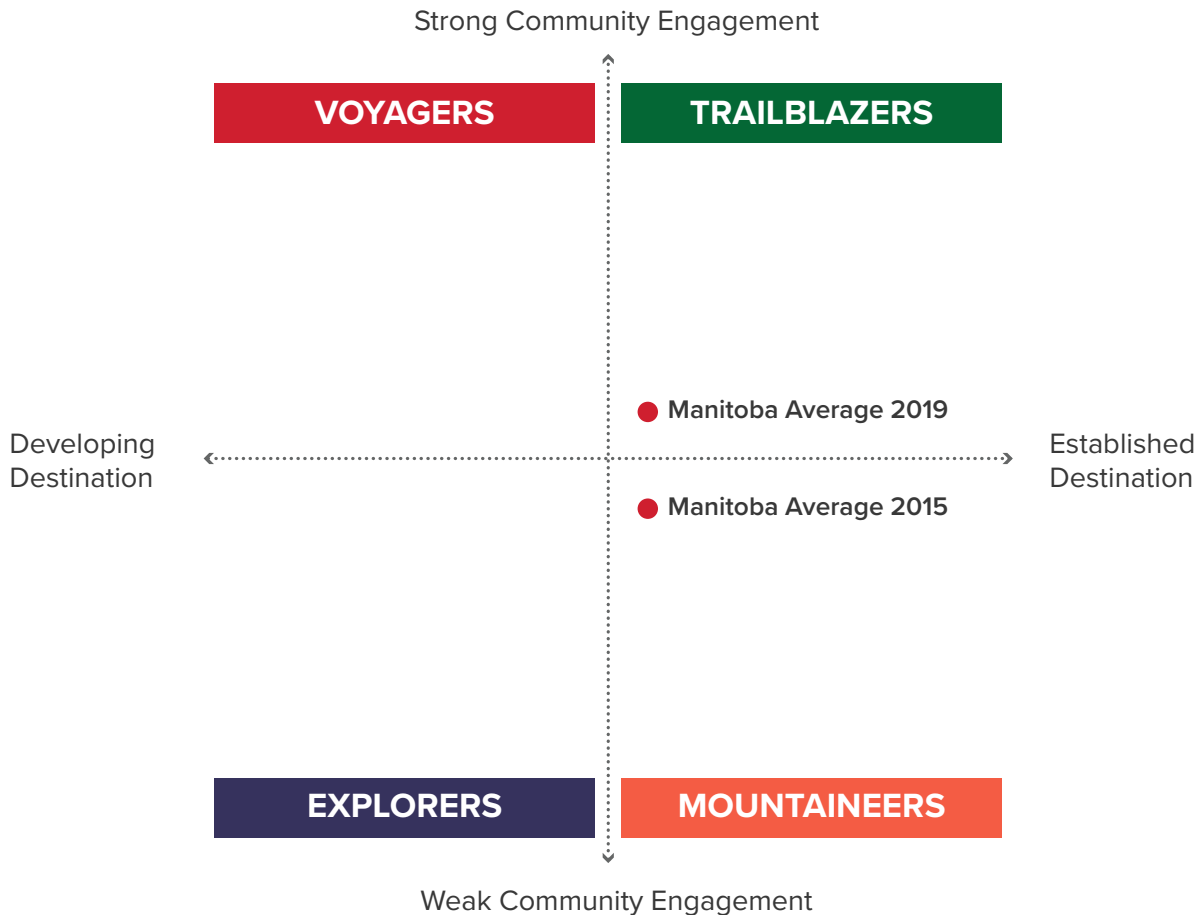


# Destination N E X T

Travel Manitoba worked with MMGY NextFactor to conduct a DestinationNEXT assessment for Manitoba in 2015 and 2019. The survey of tourism industry stakeholders measures perceptions of Manitoba's tourism strengths and community engagement. Manitoba shifted from Mountaineer in 2015 to the Trailblazer category in 2019, which indicates stronger community alignment and increased destination strength.

## Manitoba's scores in destination strength and community alignment are above industry average.

- From a destination strength perspective: Manitoba's perceived performance in convention and meeting facilities improved, but performance decreased for communications and internet infrastructure and accommodation.
- From a community engagement perspective: Increases were achieved in several areas which included funding support, policy and regulatory environment, industry support, economic development, partnership strength and organizational governance model.





# VISITOR PROFILE

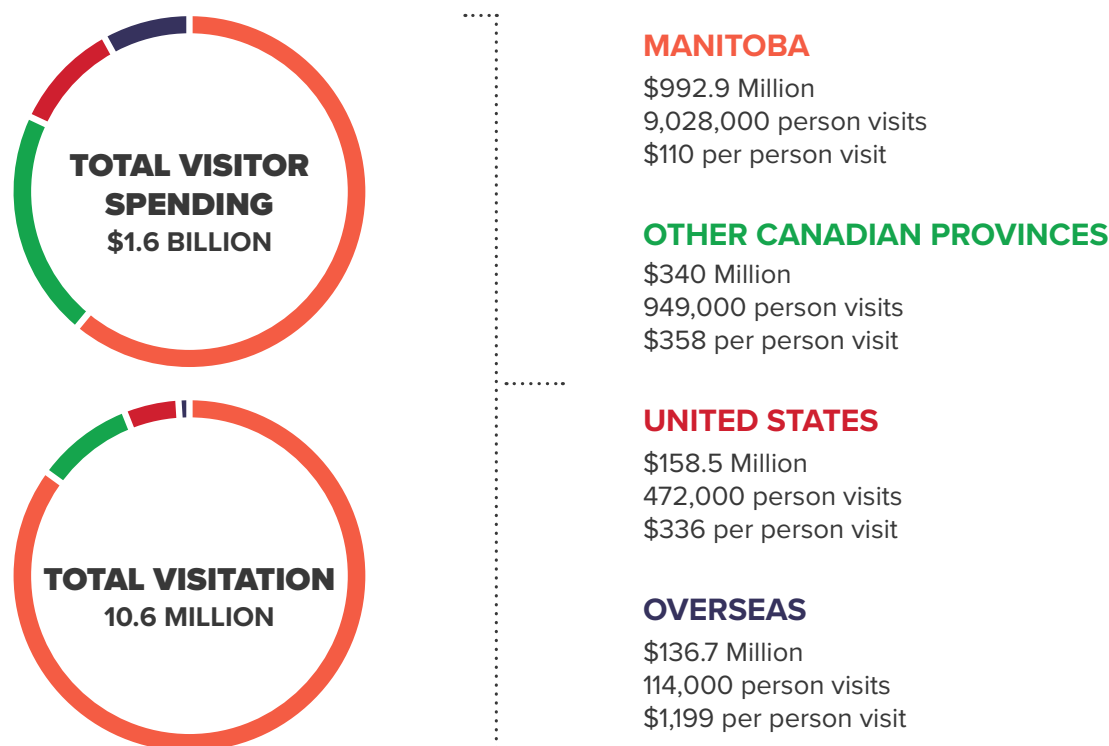
In developing this Manitoba Tourism Strategy to set the path for a successful future, it is important to take stock of Manitoba's performance in delivering travel market visitation and expenditures. Manitoba welcomed 10.6 million visitors in 2019, who spent \$1.6 billion throughout the province.

The vast majority (94%) of visitors to Manitoba in 2019 were Canadian, including Manitobans. A total of 5% were from the U.S., with 1% arriving from international markets. U.S. visitors accounted for 10% of visitor spending however, while overseas visitors accounted for 8%, spending roughly \$1,200 per person visit.

Manitoba's reliance on the Canadian market, including same-day visitors from the province itself had been seen as a potential issue in the past. However, relying less on U.S. and international visitors has been advantageous during the COVID-19 pandemic, as these markets have suffered the greatest setbacks. With that said, they still represent a significant portion of visitor spending in the province, and certain businesses and destinations rely on these critical markets.

Diversifying market segments will be crucial to ensuring the future resiliency of Manitoba's visitor economy. By further developing and enhancing its tourism and business events offerings, Manitoba should be able to attract more visitors from further afield who tend to spend more. As well, elevating the diversity of experiences available throughout the province will enable each region to make greater contributions to generating increased visitation and visitor spending in Manitoba.

## Preliminary 2019 Visitor Spending & Visitation by Area of Origin



Source: National Travel Survey (NTS), 2019 preliminary estimates, Statistics Canada; Visitor Travel Survey (VTS), 2019 preliminary estimates, Statistics Canada.

# COVID-19 IMPACTS

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The travel, tourism, and hospitality industry has been decimated by the impact of the COVID-19 outbreak, with the World Tourism Organization estimating that the pandemic could set the global tourism industry back 20 years.

The devastating impacts to tourism will affect the lives of millions of Canadians. According to Statistics Canada, tourism is expected to lose between 300,000-400,000 jobs in 2020, plus an additional 100,000-140,000 jobs in other sectors that provide goods and services to tourism such as farmers, millers and bakers. While Manitoba as a whole has only lost 2% of the jobs it had pre-pandemic or 13,700 jobs, employment in the lodging and restaurants sector is down 15%, or 6,500 jobs. These 6,500 lost hospitality jobs account for almost half of all lost jobs in Manitoba.

- Tourism industry in Canada expected to lose between 300,000-400,000 jobs in 2020
- Lost hospitality jobs account for almost half of all lost jobs in Manitoba
- 80% of businesses in the tourism sector are at risk of failure

Tourism businesses are uniquely impacted by the COVID-19 pandemic. Destination Canada's models show that 80% of businesses in the sector are at risk of failure—this means that 58,000 businesses ranging from 5 to 500 employees in Canada are at risk of closing, and that represents 10% of our SMEs in this country. Financially stressed hunting and fishing lodges face a particular risk in Manitoba. Large investor/operators in the hospitality sector will be more reluctant to invest in these businesses due to a lack of institutional knowledge of how these businesses operate, the heavy reliance on operator-client relationships, more complex due-diligence exercises, and lack of a high financial upside. A 50% loss of hunting and fishing lodges would cost the province \$33 million in business sales, 404 jobs, and \$5 million in provincial and local tax revenue.





Manitoba hotels have been devastated since lockdowns began in March, with occupancy levels at just over 30% in the month of October, compared to 76% for the same month in 2019. Hotel room revenue across Canada was down 74% in September, and the recovery will be slow. Tourism Economics estimates that room revenue will still be down 22% next spring and will not fully recover to 2019 levels until 2025. Overall, while hotel closures have so far kept to a minimum in Manitoba, the sector is under heavy financial stress and will need continued government support to prevent widespread bankruptcies.

The situation is compounded by border restrictions. The number of U.S. residents entering Manitoba by land dropped 92% in September 2020 compared to September 2019. U.S. direct entrants by air to Canada via Winnipeg dropped by 98% during the same time period, and direct overseas entrants by air to Canada via Winnipeg fell by 99%.

This is particularly devastating for destinations such as Churchill, which rely heavily on international travel. 80% of all visitors to Churchill are international, and these leisure travellers may be hesitant to book an international trip until the border is open and all restrictions on international travellers (such as a mandatory quarantine) are eliminated. The economic costs of not supporting Churchill's visitor economy are plainly apparent: \$42 million in GDP annually for the province and \$10 million in provincial/local tax revenue. However, there are additional factors to consider. The visitor economy is the primary source of income for Churchill, and this town of 899 individuals will struggle for existence without a strong rebound in the travel sector.

Despite the devastating impacts to the visitor economy, Canadians still believe tourism is vital, with roughly nine in ten (88%) of Canadians stating that tourism is very important to Canada's economy.

## Recovery Forecast

Manitoba's tourism industry is facing a roughly four-year recovery period according to Tourism Economics. The Oxford Economics company developed baseline, upside and downside forecasts for the next 10 years of travel to and within the province. The baseline scenario points to a return to 2019 visitation levels by 2023 and a return to 2019 visitor spending levels by 2024.

In the Baseline Scenario, \$1.8 billion in lost visitor spending over four years results in the losses of:

- \$3.5 billion in business sales;
- \$1.6 billion in GDP;
- \$900 million in wages;
- \$372 million in local and provincial tax revenue; and
- an annual average of 3,978 jobs.

## Visitor spending in Manitoba, three scenarios

Dollars, millions, losses compared to 2019

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	19-'30 growth	
													\$	%
<b>Upside Scenario</b>														
Visitor Spending	\$1,628	\$863	\$1,225	\$1,523	\$1,710	\$1,828	\$1,970	\$2,099	\$2,229	\$2,356	\$2,490	\$2,631	\$1,003	62%
Losses		\$765	\$404	\$105	--	--	--	--	--	--	--	--		
<b>Baseline Scenario</b>														
Visitor Spending	\$1,628	\$780	\$1,021	\$1,368	\$1,541	\$1,653	\$1,791	\$1,917	\$2,046	\$2,174	\$2,309	\$2,452	\$825	51%
Losses		\$849	\$607	\$260	\$87	--	--	--	--	--	--	--		
<b>Downside Scenario</b>														
Visitor Spending	\$1,628	\$691	\$809	\$1,030	\$1,311	\$1,548	\$1,685	\$1,813	\$1,945	\$2,077	\$2,216	\$2,366	\$738	45%
Losses		\$937	\$819	\$598	\$317	\$80	--	--	--	--	--	--		

Sources: Statistics Canada; Tourism Economics





In the short-term, the downside risk outweighs the potential upside opportunity, with reimposed lockdowns and a global financial crisis posing the biggest risks. Compared to the Baseline Scenario, this Downside Scenario would cost the province an additional \$949 million in spending, \$822 million in GDP, and \$163 million in provincial taxes. Recovery will come in waves. The first set of small gains made in the second half of 2020 were inconsistent, with surges in cases and reimposed lockdowns hindering significant recovery. More consistent recovery will begin in spring and summer of 2021 as vaccines become available, the fear of travel abates, and international travel picks up. By the end of 2021, Tourism Economics expects hotel room demand to have recovered roughly 80% of its 2019 levels. The last wave of growth will require more time as the economy rebuilds, supporting leisure (and especially) corporate and group travel recoveries. This brings us to 2024 when travel has fully recovered its prior peak.

## Economic losses in Manitoba associated with lost visitor spending

*Dollars, millions, losses compared to 2019*

	2020	2021	2022	2023	2024	2025	Total
<b>Upside Scenario</b>							
Visitor Spending	\$765	\$404	\$105	--	--	--	<b>\$1,274</b>
GDP	\$662	\$350	\$91	--	--	--	<b>\$1,103</b>
Provincial taxes	\$131	\$69	\$18	--	--	--	<b>\$218</b>
<b>Baseline Scenario</b>							
Visitor Spending	\$849	\$607	\$260	\$87	--	--	<b>\$1,803</b>
GDP	\$735	\$526	\$225	\$75	--	--	<b>\$1,561</b>
Provincial taxes	\$145	\$104	\$44	\$15	--	--	<b>\$309</b>
<b>Downside Scenario</b>							
Visitor Spending	\$937	\$819	\$598	\$317	\$80	--	<b>\$2,752</b>
GDP	\$811	\$710	\$518	\$275	\$69	--	<b>\$2,384</b>
Provincial taxes	\$160	\$140	\$102	\$54	\$14	--	<b>\$471</b>

The recovery of the tourism sector in coming years will vary across destinations. This variation in part will be affected by reliance on travellers from more resilient source markets and the opportunity for gaining more of these travellers due to changing preferences.

Provincially, recovery of travel demand will depend on economic factors, the speed with which travel restrictions are lifted, the health of the aviation industry, and the risk aversion of potential travellers. For individual destinations, the pace of recovery will vary depending on the above, as well as on their source market composition.





For instance, the pace and stability of a destination's recovery (and, conversely, the risk of a more volatile recovery) can be affected by the extent to which they rely on travellers from more resilient markets, such as domestic and short-haul markets. It is also worthwhile to consider the opportunity for travel demand to increase due to changing travel patterns and preferences, such as residents choosing to take a domestic trip instead of an international holiday.

The resilience – likelihood of a stable and quick recovery – of travel demand is likely to be greater for destinations that rely more heavily on domestic and short-haul travellers, due to the following:

- Lower cost of travel for domestic and short-haul visitors, given shorter distances and more transportation options. This is especially relevant during a period when household incomes are being squeezed alongside large job losses.
- Travel restrictions are almost universally being eased first for domestic trips, and next for short-haul cross-border travel, while restrictions on longer-haul visitors will remain in place for longer.
- Uncertainty around transport availability and costs is much greater for long-haul travel, which relies almost exclusively on air travel, while modal switch is an option for short-haul trips. This is particularly relevant given concerns about the financial viability of many airlines.
- Other factors may also contribute, such as the availability of travel insurance for longer-haul travellers and a preference for travelling closer to home (as part of heightened risk aversion among travellers).

# STAKEHOLDER INSIGHTS

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## Stakeholder Engagement – Summary Findings

### Urban/Rural Divide

The outbreak of COVID-19 brought the tourism industry to a standstill and the repercussions are being felt by businesses and destinations across the province. However, the impacts of the global pandemic have not been evenly distributed and the recovery paths for business and destinations vary dramatically based on their geography, market segments, and government regulations.

Urban destinations such as Winnipeg and businesses which rely heavily on international markets such as operators in Churchill have felt the brunt of COVID-19's impact. Shifting to a local audience is often not a viable solution for these businesses and therefore require government relief and assistance.

The big questions therefore facing the industry is, "Who can survive on local tourism and who can't?" The answer to this question will dictate to very different recovery paths and strategies.

### Public Policy

Clarity and consistency from government and public officials will be key to the industry's recovery. Business and operators require an indication of what factors will dictate the public response to the pandemic in order to develop their strategies in a world of uncertainty. Inconsistency in operational restrictions with competing jurisdictions also puts Manitoba at a competitive disadvantage and results in lost business.

Other provinces within Canada have allocated significant relief funds to support their tourism industries. If Manitoba is to remain competitive, it will be incumbent upon the provincial government to demonstrate a similar level of support.

Finally, the potential loss of businesses within the hospitality and tourism sector represents a significant challenge for Manitoba. It was estimated that up to 70% of hunting and fishing lodges would not survive if they were forced to sacrifice another season without government support. The cost of rebuilding Manitoba's visitor economy must therefore be considered when advocating for relief funds.

### Brand & Marketing

Restoring consumer confidence and providing assurance to residents and visitors will be the critical challenge from a marketing and messaging perspective. The short-term focus must be appealing to Manitobans to explore their own backyard in order to build confidence in the visitor economy. As visitor confidence builds, Travel Manitoba can begin actively promoting Manitoba to the rest of world. However, it will be essential to maintain a presence in international markets in order to quickly activate efforts in these markets when the opportunity arises.

The *Manitoba, Canada's Heart...Beats* brand is well positioned to appeal to travellers in the current environment, and the perception of Manitoba as a safe destination with an abundance of outdoor recreation opportunities bodes well for the province. An opportunity also exists to continue to build off the success of Travel Manitoba's place branding work to help communities, large and small, maximize on their tourism potential.



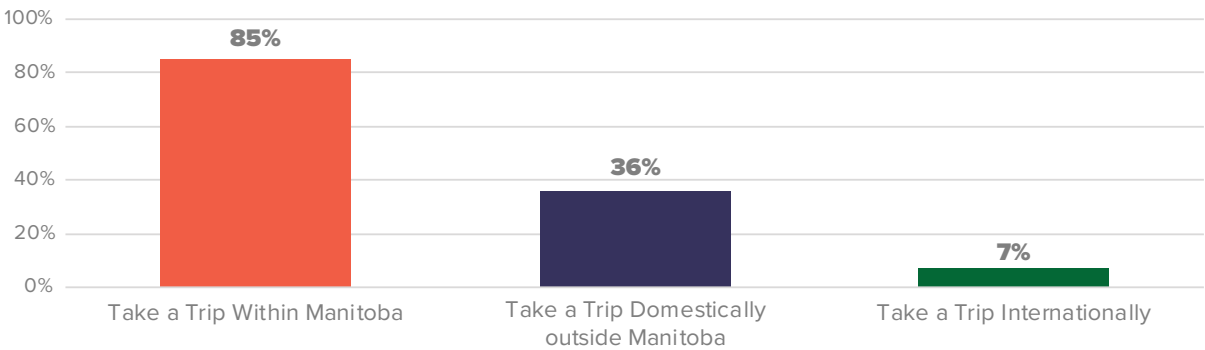
# Residents

Only 35% of Manitobans feel confident they can travel safely in the current environment and roughly nine in ten (89%) say the travel experiences they are seeking have changed as a direct result of COVID-19.

Other key findings include:

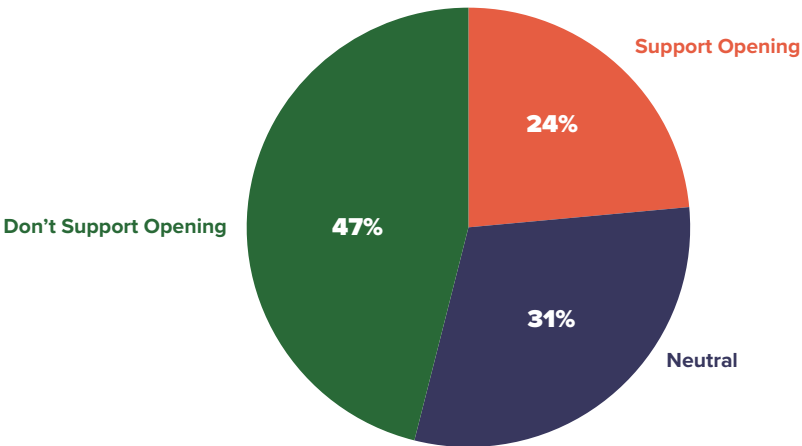
- The majority (85%) of Manitobans said they were likely to take a trip within the province in the next 12 months.
- Winnipeg was the preferred destination for 86% of travellers who were planning a trip within the province.
- Personal automobile was the preferred mode of transportation for 95% of Manitobans travelling in the next 12 months, demonstrating the “road-trip” market as a low-hanging fruit opportunity.
- More than half (56%) of those who were likely to travel by personal car indicated they would be willing to travel more than 500 kilometres (one-way).
- One in four (24%) Manitobans supported opening their communities to visitors at the time of the survey, while roughly half (47%) did not.

Using a scale of 1 (not at all likely) to 5 (extremely likely), based on how you feel today, how likely are you to engage in each of the following activities during the next 12 months?\*



\* Percent who are “Very Likely” and “Extremely Likely”

How Much Do You Agree With The Following Statement? I Support Opening My Community Up To Visitors...





^ FLIN FLON

## Travel Trade and Meeting/Sport/ Event Planners

Prior to the pandemic, travel trade and event organizers ranked Manitoba's hospitality culture near the top relative to other parts of Canada. These clients had differing views of Manitoba's strengths as they look for different factors when choosing a destination.

In the 2020 survey, some 75% of clients (travel trade as well as meetings, sports and event organizers) indicated they were familiar with Manitoba and its product offerings and 55% were regularly booking business to the province prior to the pandemic.

Other key findings include:

- The majority (89%) of clients said they expect to begin rebooking business in the next 12 months, with half expecting to rebook business in the next 6 months.
- The attributes that clients believe distinguish Manitoba from other Canadian provinces and make it authentic are mostly related to polar bears, wildlife, untouched wilderness, and the North, which is consistent with the results of the client study conducted as part of the original Provincial Tourism Strategy.
- When asked to compare Manitoba to other Canadian leisure destinations, the highest relative scores given by clients were for friendliness, service/hospitality, heritage and history, arts/culture/museums and outdoor recreation. Safety and security ranked 15th prior to the pandemic but ranked 8th in October 2020.
- Three of the four lowest ranked destination scores given by clients were associated with transportation and connectivity, with the most common themes related to ease of access and ease of getting around the province. These findings were consistent with the original client survey.
- Clients indicated they are spending their time during the pandemic focused on continuing education (i.e., webinars and specialist programs) and rescheduling client bookings.



## 2018 Client Survey Results

As part of the development of the original provincial tourism strategy, Travel Trade and Meetings/Sports/Event planners were surveyed. The positive impression of Manitoba in the trade and events space along with established relationships are expected to support and expedite recovery for the industry.

### 2018 Travel Trade Survey Highlights

- 88% were very satisfied or satisfied with Manitoba packages and itineraries
- 64% expected the market demand for Manitoba-based vacations to grow
- 64% indicated that the variety of current and future packages and itineraries had increased

### 2018 Meetings/Sports/Events Survey Highlights

- 84% were satisfied or very satisfied with the Manitoba-based meetings/sports events and other group events
- 43% indicated that client satisfaction has grown over the last 5 years
- 50% expected the market demand for Manitoba-based events to grow over the next 5 years

▼ BAKED EXPECTATIONS



▼ CLEMENTINE



▼ CEDAR AND MAIN



▼ TI-BEAUVILLE

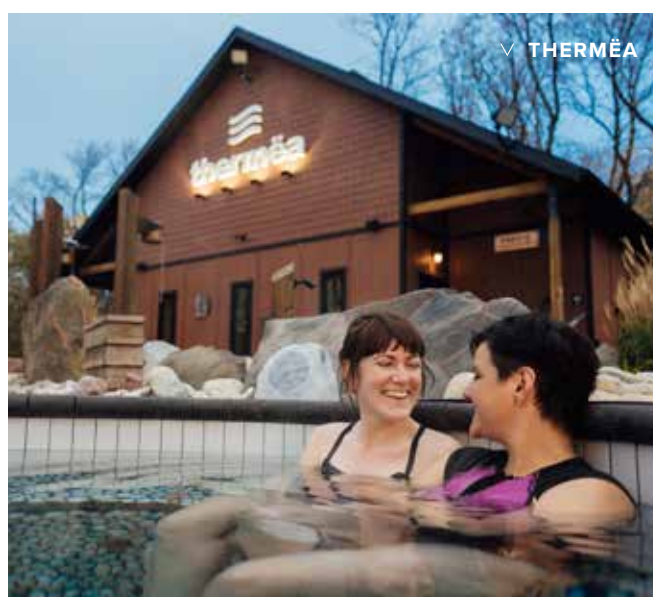




# INVESTING TO STIMULATE THE ECONOMY

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Government and industry interventions may represent an opportunity to move towards an upside scenario with quicker recovery. An assessment from Tourism Economics demonstrated that additional promotional funding for Travel Manitoba would provide a much-needed boost to the visitor economy and generate millions of additional spending while supporting hundreds of jobs. Two scenarios were considered: \$1 million and \$2 million in additional annual promotional spending. Under the \$1 million Scenario, additional funding would generate \$30 million in additional annual visitor spending, and support \$7 million in provincial/local taxes. Over a five-year period this increase would generate \$135 million in visitor spending and \$30 million in provincial/local taxes while supporting 222 jobs annually.



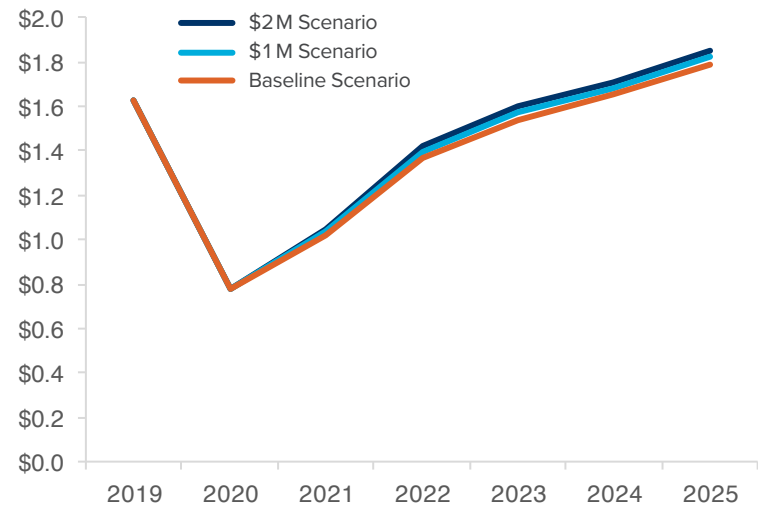


The \$2 million Scenario would generate \$56 million in additional annual visitor spending and support \$12 million in provincial/local taxes. Over a five-year period, the \$2 million Scenario would generate \$252 million in visitor spending, which would sustain \$55 million in provincial/local taxes and 414 jobs annually.

The increases estimated here are relatively small compared to the scale of the visitor economy. The \$2 million Scenario would provide a 3.4% increase in visitor spending in 2024. Yet, when this type of small increase is applied to a billion-dollar sector, the impact on the local job market and provincial finances become substantial. It is critical that a base funding level for Travel Manitoba is maintained until tourism revenues recover. (see Appendix B for full Tourism Economics report)

## Funding For Tourism Promotion

Return on investment



### MANITO AHBEE

“The recovery is going to take time, there’s no question. We don’t expect international travel to fully recover until 2025. However, domestic travel and regional travel should recover more quickly. We’re basically at a plateau right now; we’re not going to see any real acceleration and travel gains until the second half of 2021, when — through a combination of policy measures, therapeutics, and a vaccine — we’ll hopefully see some containment of the virus. It’s at that point we will start to see significant recovery.”

**Adam Sacks**

*President, Tourism Economics*





# Industry Trends

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**Manitoba's opportunity to build upon its current visitor and tourism revenue base will be influenced now and in the near future by a series of tourism trends that have been identified in developing this Manitoba Tourism Strategy.**









# ***DIGITAL MARKETING***

## **Acceleration of digital and e-commerce platforms**

The necessity of doing business online has made consumers significantly more open to digital offerings and experiences—a shift that marketing executives believe will persist even after the pandemic recedes. This suggests digital marketing efforts will command a greater share of total marketing spending moving forward.

At the same time, e-commerce is projected to grow by nearly 20% in 2020 and data from IBM's U.S. Retail Index indicates the pandemic has accelerated the shift away from physical stores to digital shopping by roughly five years.

## **Artificial intelligence offers increased personalization**

The goal of personalized, real-time, digital connectivity with travel and other consumer brands is much more of a reality than it was two years ago. The big shift has been the growing sophistication of artificial intelligence (AI) and its more complex subset, machine learning. AI is the personalization engine powering digital conversion across all industries, giving brands the ability to deliver the right message to the right customer at the right time to drive purchase behaviour.

Some of the primary use cases for AI in travel include destination and product search, social media targeting, the sharing economy, conversational commerce (voice and text chat), augmented reality, autonomous systems, live inventory management, dynamic pricing, and all kinds of hyper-personalized brand messaging.

# ***SHIFT TO LOCALHOOD AND LOCAL AUDIENCES***

Destinations have traditionally relied on their iconic imagery and popular experiences to market themselves to leisure and business travellers. Looking ahead, the next generation of destination marketing is based on building community between locals and visitors around different passion points. The idea is that both travellers and residents can learn from each other to help them achieve their personal and/or professional aspirations by sharing their collective knowledge.

As such, the destination becomes more than a physical environment with a lot of tourist experiences for travellers to enjoy. Instead, the destination is positioned as a living social platform to connect like-minded visitors and locals.





^ RIDING MOUNTAIN NATIONAL PARK

# ***FUTURE OF EXPERIENCES***

## **Travellers seek transformational experiences**

Travellers today are increasingly drawn to travel as a form of self-actualization and personal transformation and growth. They want more than a simple visit to a new destination or days spent relaxing on a beach. Instead, the travel they are seeking is an experience of the world that goes deep — one that changes them in ways they may not even be aware of.

With personal growth now a central goal of many travel experiences, brands, companies, and destinations operating in the travel and tourism space can thrive by helping travellers enrich their inner lives as they explore outwardly.

## **Health and safety are essential**

Health and COVID-19 related safety are front and centre in the minds of travellers. Communicating what steps your destination is taking is important, but consistency and execution is even more critical. Customers will still have reservations about starting to travel again and will need an extra level of assurance beyond a marketing message. For example, a major airline recently turned a flight around when passengers declined to wear a mask — it is this level of authenticity that customers are looking for in order to feel safe again.

## **Shift toward outdoor experiences**

In a recent McKinsey survey on how behaviours are changing because of COVID-19, 18 percent say they are spending more time outdoors, where transmission rates of the virus are believed to be lower. Retailers in the outdoor travel and sports and recreation sectors saw a big boost in spending as people stayed close to home and tried to do more open-air activities. Manitoba has seen a 15 percent increase in sales of recreational fishing licences in 2020 alone. This shift towards a greater demand for outdoor experiences is expected to continue and will shape the destination selection process for consumers.





^ WINNIPEG FOLK FESTIVAL



# CONSUMER BEHAVIOUR

## Long road ahead to rebuild consumer confidence

Canada's quick initial rebound in consumer confidence is showing signs of slowing, suggesting there's a long road ahead for a full economic recovery from the pandemic. This lack of consumer confidence has considerable impacts, most notably:

- People are postponing purchase decisions in many categories due to uncertainty. This will continue after the immediate threat dissipates. A wait-and-see mentality will reign and will affect travel purchase decisions.
- Noise is a problem. There is a lot of information about COVID-19, and speculation, therefore the ability to cut through the clutter and restore consumer confidence with messaging is hindered.
- The familiar will be more valuable. Established brands that handle the crisis well will rise in stature and value. Risk will be less tolerable to most people. Return travel to familiar destinations will drive visitation in the short-term.

## Money-back guarantees and discounts can drive bookings

For travellers, the coronavirus epidemic is spreading fear and uncertainty — and a desire for discounts and refunds. A Google Canada Survey showed money-back guarantees and discounts were the most important things travel companies could offer today to help consumers book a holiday within the next year.





## ***EVENTS: RETHINKING BUSINESS MODELS AND SUCCESS FACTORS***

The value propositions of the current event and association models were created decades ago but they haven't evolved in line with how people — especially younger, diverse generations and audiences — want to gather, engage, learn, and share content today. The impacts of COVID-19 on the events industry are accelerating the need to explore new business models and success factors.

Therefore, industry leaders are examining new approaches that can deliver success in both an in-person and virtual environment while diversifying audiences, taking into account generational and psychographic shifts.



^ FESTIVAL DU VOYAGEUR



# ***EVOLVING BUSINESS MODELS***

Today, a growing number of destination leaders are advocating for a stronger role in “destination management,” which speaks to the industry investing time and resources in community-driven destination development and expanding their networks among a wider breadth of local organizations outside the hospitality and tourism industry.

This greater emphasis on destination management and community building is still very much aligned with the traditional mandates for destination organizations, in terms of driving higher visitor spend and new business development in the region.

## **Greater involvement in advocacy**

The most progressive organizations today are positioning themselves as a shared community value, with an integral role in uplifting a greater scope of different audiences — both local and global. Community advocacy has never been more critical to help onboard residents as destination ambassadors.

## **Stronger collaboration and organizational alignment**

Public policy has a big impact on destinations and tourism organizations. Government policies at federal, provincial, and local levels can have a profound impact on the competitiveness of a destination. This includes critical decisions about how much to fund tourism promotion and development efforts.

Destination leaders are prioritizing greater collaboration and alignment with local government, key industry stakeholders, civic leaders, and the non-industry community. They are increasingly building coalitions among the public and private sectors around a shared vision for the future of the destination, which prioritizes inclusivity, diversity, advanced mobility and connectivity, workforce development, and higher quality of life.

A photograph of two people standing on a wooden dock, fishing. They are silhouetted against a soft, hazy sky at dusk or dawn. The water is calm, reflecting the light from the sky. The overall mood is peaceful and contemplative.

# Vision

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*The following vision responds to all key learnings and inputs gathered throughout the process of updating the Manitoba Tourism Strategy.*

*The vision reflects the aspirations of all stakeholders to maximize Manitoba's opportunities as a key travel destination now and in the future.*

*This vision is founded on the need for progressive partnerships, innovative approaches and industry-wide collaboration.*



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**Manitoba is a must-visit four season destination  
generating sustainable economic growth  
by delivering inspiring & authentic experiences  
in its unique urban, rural & wild settings**

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# Targets

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“While we would certainly not have wished for this, we can view the setbacks of COVID-19 as an opportunity and a challenge: to adjust our focus, clarify our priorities, and then work together to rebuild better than before.”

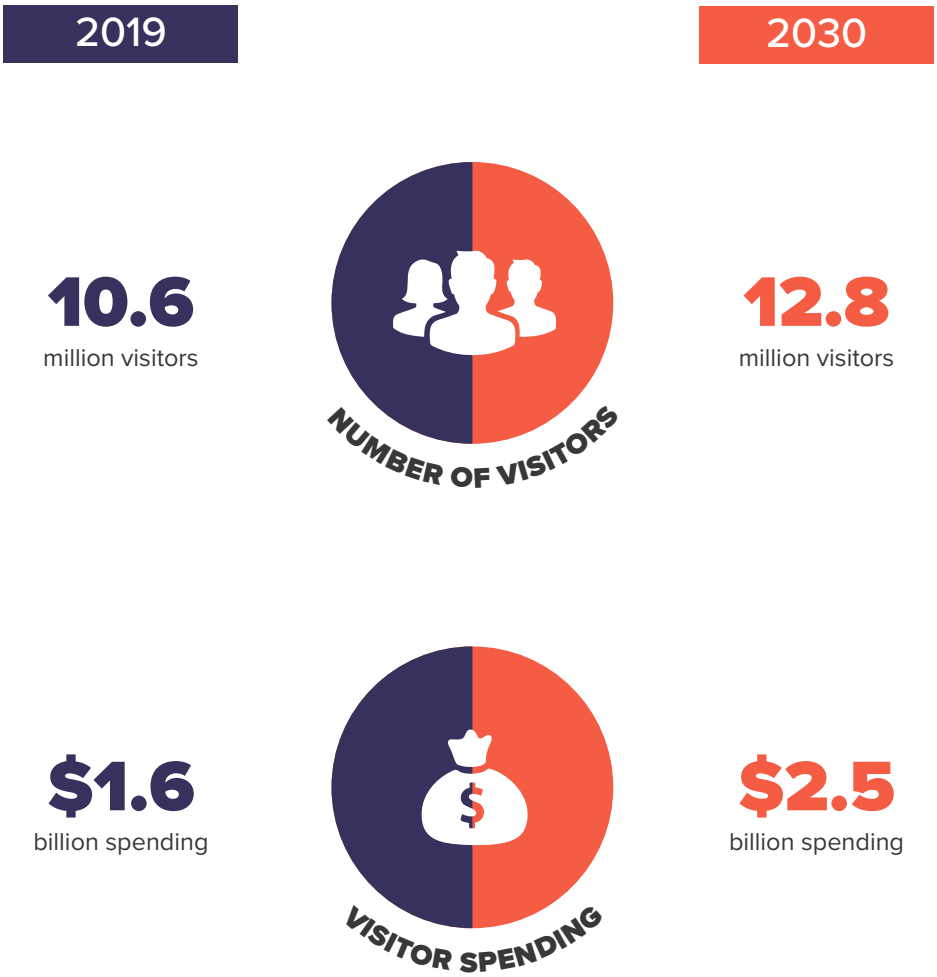
**Colin Ferguson**

*President & CEO  
Travel Manitoba*





Successful execution of the strategic initiatives identified in this plan has the potential to mitigate economic and business losses in Manitoba's tourism industry as a result of COVID-19 and generate transformative economic benefits for the province. Achieving these results will mean rebuilding the visitor economy to 2019 levels by 2024 and generating sustainable long-term growth for Manitoba's visitor economy with a target of \$2.5 billion in annual spending generated by 12.8 million visitors in 2030. This equates to roughly 50% growth in visitor spending levels in 2030 when compared to 2019.



A team of six husky dogs, harnessed together, are pulling a sled across a vast, snow-covered field. The dogs are seen from behind, moving away from the viewer. The field is marked with tracks from previous sleds. In the background, there are snow-covered trees and some buildings under a bright, hazy sky. The overall scene is a winter festival activity.

# Goals & Initiatives

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A series of goals and initiatives were designed for the Manitoba Tourism Strategy to support the delivery of Manitoba's future vision. These goals and initiatives provide a focused framework of tangible actions and desired outcomes for stakeholders to collaborate on and embrace together. Each goal and initiative was carefully crafted, and then validated and prioritized by provincial stakeholders.

The goals in the original Provincial Tourism Strategy have been revised and sharpened to focus on the immediate challenges we face as a sector. This has enabled us to identify those areas where we need to re-orient and re-focus efforts to respond to the financial and economic impacts of COVID-19.

### **Original Strategic Goals**

1. Lead Brand & Market Positioning
2. Invest in Destination & Experience Development
3. Improve Transportation & Connectivity
4. Foster Collaboration
5. Build Public Support for Tourism

Goals #2 and #3 have been combined into a new goal of "Advance Destination Management" which reflects a stronger role in broader destination management. Goal #5 has also been broadened to reflect the understanding that government support will be equally, if not more important as the industry navigates recovery from the global pandemic.

### **New Strategic Goals**



#### **Lead Brand & Market Positioning**



#### **Advance Destination Management**



#### **Foster Collaboration**



#### **Build Support for Tourism**

Each goal has a corresponding set of specific initiatives that have been created to directly address gaps or leverage key opportunities in all goal categories.

# 01

## LEAD BRAND & MARKET POSITIONING

The *Manitoba, Canada's Heart...Beats* brand resonates strongly as the province's national and international signature. Coupled with compelling imagery of polar bears, belugas, northern lights, and other distinctive provincial experiences, the brand clearly differentiates and positions Manitoba in the visitor marketplace. The provincial brand has helped support growth in both market awareness and visitation and has also been wholly embraced and endorsed by the travel trade as a key selling tool to build even more visitor traffic for the province.

The update of this Tourism Strategy creates the opportunity to expand beyond these successes. The *Manitoba, Canada's Heart...Beats* brand can continue to be used to position Manitoba as an attractive destination and highlight and showcase additional destination differentiators and authentic, transformative experiences that can drive significant market demand. These opportunities include: Indigenous and Francophone events and cultural exchanges; embracing and featuring Manitoba's world-class winter experiences; and presenting the signature fishing, paddling and lakeside relaxation experiences offered by Manitoba's unique river systems and lakes.

At the same time, the expansion of the successful province-wide community place branding program must be strongly supported. Emerging demand-generating locations and experiences throughout the province can attract additional visitation with a compelling place brand and a new, focused destination profile that aligns with and is supported by the provincial brand.














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**Significant progress has been made on several important brand and marketing initiatives identified in the original strategy including :**

- To date, eleven place brands have been created across the province: The Pas/OCN, Clear Lake, Gimli, Brandon, Saint Boniface, Neepawa, Portage la Prairie, Morden/Winkler, Flin Flon, Thompson, and Whiteshell Provincial Park.
- Travel Manitoba has been working closely with Economic Development Winnipeg/Tourism Winnipeg on the development of a new Winnipeg place brand.
- In October 2020, 40% of Manitobans correctly identified *Manitoba, Canada's Heart...Beats* as the provincial tourism slogan, edging out “Friendly Manitoba” for the first time.
- Significantly more Manitobans say Travel Manitoba ads have improved their opinion of Manitoba in 2020, compared to 2015 (48% in 2020 and 40% in 2015).
- Travel Manitoba utilized the Environics PRIZM tool to identify target customer segments and restructure the targeting strategy.
- Travel Manitoba entered a partnership with Creator House, a U.S. influencer marketing agency to bring 14 influencers to Winnipeg.
- Travel Manitoba continued to develop blog, video and social content in 2019–20 showcasing Manitoba’s unique Indigenous, Francophone, winter and water-based experiences.

## LEAD BRAND & MARKET POSITIONING

# Key Initiatives & Implementation

INITIATIVE	TIMING			LEAD
	S	M	L	
Develop consumer health and safety messaging in relation to COVID-19 to restore confidence and provide assurance to visitors				Travel Manitoba
Continue the <i>Manitoba, Canada's Heart...Beats</i> brand nationally and internationally as the provincial signature				Travel Manitoba
Build on <i>Manitoba, Canada's Heart...Beats</i> brand to stimulate recovery and showcase Manitoba's: <ul style="list-style-type: none"> <li>i. Indigenous, Francophone and other cultural experiences;</li> <li>ii. Unique and vibrant four seasons, including Canada's home of exceptional and world-class winter experiences;</li> <li>iii. World-class water-based experiences such as fishing, paddling and lakeside relaxation; and</li> <li>iv. Showcase diversity of wilderness and wildlife experiences</li> </ul>				Travel Manitoba
Support ongoing place branding initiatives throughout the province to elevate profile and market position, and to strengthen and align with the provincial brand				Travel Manitoba
Support Winnipeg and Brandon as Manitoba's leading national meetings, conventions, festivals and events destinations				Travel Manitoba
Leverage the opportunity to acknowledge Manitoba's 150th anniversary in 2020 by promoting new assets and experiences in 2021 in Winnipeg and rural communities (e.g., Canada's Diversity Gardens, Gaumajuq, Royal Aviation Museum of Western Canada etc.)				Travel Manitoba
Support Churchill as Manitoba's leading international destination for wilderness and wildlife experiences				Travel Manitoba
Develop ongoing brand alliances with global product players to elevate Manitoba destinations				Travel Manitoba
Engage Manitoba's new Canadians to capitalize on their key connections as tourism ambassadors to their countries of origin				Travel Manitoba

\*Note: S- Short Term (< 1 year); M-Medium Term (1-3 years); L- Long Term (> 3 years)



A photograph of a woman with her back to the camera, reaching out with her right hand to touch a polar bear through a glass barrier. The bear is standing on its hind legs, leaning against the glass. The scene is set in a zoo enclosure with a rocky background and water visible in the foreground.

LEAD BRAND & MARKET POSITIONING

# Key Performance Indicators

^ JOURNEY TO CHURCHILL

- COVID-19 safety messaging implemented where appropriate.
- Reach and engagement of marketing initiatives under the *Manitoba, Canada's Heart...Beats* brand, including promotion of new assets and experiences, place brand communities, Churchill, events, and festivals (blog and website engagement, social media impressions, video views, newsletter click-through rate).
- Development of content featuring cultural, winter, water-based, and wilderness experiences (number of articles/photos/videos/social posts developed).
- Number of convention, meeting, and event bids secured.
- Number of brand alliances developed.
- Development and execution of engagement strategy targeting new Canadians.
- Travel Manitoba's Place Branding program will place emphasis on ensuring place brand communities are aware of business resources and networks that are available to support the development and expansion of tourism experiences that meet emerging market demand.

# 02

## ADVANCE DESTINATION MANAGEMENT

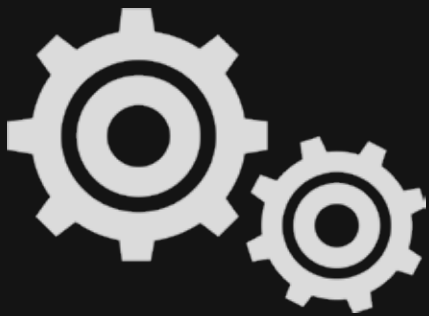
The original Provincial Tourism Strategy included two distinct goals, to “Invest in Destination & Experience Development” and “Improve Transportation & Connectivity.” The two goals have been combined into a new goal of “Advance Destination Management” which reflects a broader role in destination management.

Today, a growing number of destination leaders are advocating for a stronger role in “destination management,” which speaks to the industry investing time and resources in community-driven destination development and expanding their networks among a wider breadth of local organizations outside the hospitality and tourism industry.

This greater emphasis on destination management and community building is still very much aligned with the traditional mandates for destination organizations, in terms of driving higher visitor spend and new business development in the region.

It will be critical to continue to develop Manitoba’s signature experiences and adapt businesses and experiences to be successful in the ‘new normal’. Key differentiators include winter, Indigenous, Francophone, urban, wilderness, and park-based and water-based activities. These types of demand-generating experiences amplify a deep sense of place and destination DNA that enables the province to further grow its distinctive presence in the marketplace.












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**Significant progress has been made on several important destination management initiatives identified in the original strategy including:**

- Completion of a hunting and fishing economic impact study.
- Launch of a province-wide event attraction competitive analysis.
- Launch of an evaluation of Manitoba's provincial parks.
- Launch of a Francophone economic impact study.
- Travel Manitoba provided support to a new northern lights operator in Churchill.
- Travel Manitoba has worked with Northern hunting and fishing lodges to improve their marketing capacity and skills.
- Significant progress has been made in partnership with the Indigenous Tourism Association of Canada in assessing the tourism-readiness levels of authentic tourism experiences in Manitoba. In addition to supporting the development of new and existing Indigenous tourism experiences, the Manitoba Indigenous Tourism Strategy has also advanced priorities to build leadership capacity, to lead marketing excellence and to advance partnerships to grow the Indigenous tourism industry.
- A preliminary examination of wayfinding best practices and associated provincial and municipal regulations has been completed.

## Key Initiatives & Implementation

INITIATIVE	TIMING			LEAD
	S	M	L	
Ensure the tourism industry has access to advice and training on intelligence, best practices, business case formulation, market readiness, business development, and funding sources				Travel Manitoba, MTEC
<p>Increase the number of market and export ready tourism businesses in Manitoba, with consideration of the following world-class demand generating experiences and attractions:</p> <ul style="list-style-type: none"> <li>i. Experiences: Winter, Indigenous, Francophone, Water-Based (Fishing and Paddling), Human Rights</li> <li>ii. Attractions: Canada's Diversity Gardens, Royal Aviation Museum of Western Canada, Qaumajuq, Canadian Fossil Discovery Centre, Brandon's Riverbank Discovery Centre, Thompson's Boreal Discovery Centre</li> </ul>				Travel Manitoba
Advance initiatives that improve the visitor experience in Manitoba's provincial and national parks				Travel Manitoba, Manitoba Parks & Parks Canada
Develop a province-wide events strategy that maximizes the potential of Winnipeg, Brandon, and rural destinations to host meetings, conventions, and major events				Travel Manitoba
Develop province-wide directional signage and wayfinding standards and enhancements within and between communities				Travel Manitoba
<p>Advance the improvement of direct air access:</p> <ul style="list-style-type: none"> <li>i. Leverage the Winnipeg Richardson International Airport's 24-hour operating capacity</li> <li>ii. Address impacts of reduced routes resulting from COVID-19 pandemic</li> </ul>				All Airports
<p>Advance the improvement of transportation and connectivity between communities, including:</p> <ul style="list-style-type: none"> <li>i. Reliable cellular service on major highways and high-speed WiFi in communities and parks</li> <li>ii. Improve transportation and roads between tourism destination areas.</li> </ul>				Manitoba Chambers of Commerce

*\*Note: S- Short Term (< 1 year); M-Medium Term (1-3 years); L- Long Term (> 3 years)*



# Key Performance Indicators



^ STEEP ROCK

- Development of web-based business development resource portal.
- Number of market-ready and export-ready tourism businesses.
- Completion of Evaluating Manitoba's Provincial Parks study. Improve visitor experience in national and provincial parks.
- Completion of Manitoba Event Attraction Competitive Analysis. Development and launch of Manitoba Events Strategy.
- Completion of Tourism Wayfinding Business Case Assessment and implementation of signage program.
- Number of direct flights to/in Manitoba.
- Number of communication initiatives on transportation and connectivity issues.

# 03

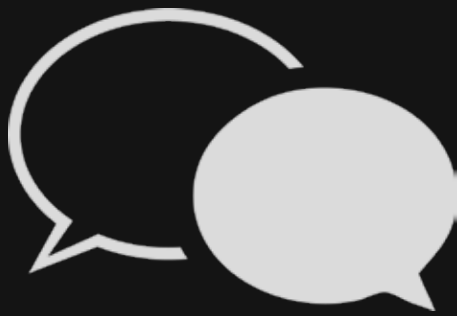
## FOSTER COLLABORATION

Responding to the challenges of COVID-19 demands a whole new way of thinking on how stakeholder organizations should interact and partner on initiatives to realize the collective opportunity.

As tourism is such a key economic driver for the province, a whole-of-government approach is necessary for the industry to remain competitive, maximize visitor experiences, and achieve growth. All government departments and agencies must have a common collaborative approach with the tourism sector to enable critical province-wide destination improvements to areas such as roads, wayfinding, digital connectivity, park season extensions, and park amenities and services.

Other key stakeholder partnerships must also be re-examined, re-invigorated, and in some cases re-invented, to enable and accelerate successful tourism and economic development outcomes for Manitoba. To ensure the survival and resiliency of Manitoba's visitor economy, it is incumbent upon all levels of government, industry representatives, and other stakeholders to foster a new spirit of collaboration and innovation in moving forward together.





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**Significant progress has been made on several important initiatives to foster collaboration identified in the original strategy including:**

- Travel Manitoba and Tourism Winnipeg have strengthened their partnership and are working together on the development of a Winnipeg brand and marketing initiatives.
- Travel Manitoba continues to build relationships with government departments and crown corporations at national, provincial, and municipal levels to encourage a whole-of-government approach to tourism as an economic sector.

# Key Initiatives & Implementation

INITIATIVE	TIMING			LEAD
	S	M	L	
Travel Manitoba and Tourism Winnipeg to continue to collaborate in marketing, branding, market research, and performance measurement				Travel Manitoba & Tourism Winnipeg
Advance a new approach for delivering regional tourism				Travel Manitoba
Ensure a whole-of-government approach to tourism as a key economic sector, and maximize alignment between all provincial government departments and agencies				Manitoba Economic Development and Training
Ensure a whole-of-industry approach to advocacy				Travel Manitoba and Manitoba Chambers of Commerce
Leverage Destination Canada to drive future opportunities for Manitoba				Travel Manitoba
Prioritize diversity and inclusivity in tourism development and promotion				Travel Manitoba

*\*Note: S- Short Term (< 1 year); M-Medium Term (1-3 years); L- Long Term (> 3 years)*



FOSTER COLLABORATION

# Key Performance Indicators

^ CRANBERRY PORTAGE

- Number of collaborative initiatives with Tourism Winnipeg.
- Implementation of new approach for delivering regional tourism.
- Number of provincial government representatives participating in relevant projects. Travel Manitoba's continued recognition as a strategic partner with Manitoba's Economic Growth Plan. Consistent priorities identified within ministerial mandate letters.
- Number of key initiatives where sector associations are engaged. Number of surveys, focus groups and consultations seeking industry input.
- Number of Destination Canada programs/initiatives in which Travel Manitoba participates.
- Number of industry participants in diversity and inclusiveness events and training programs.

# 04

## BUILD SUPPORT FOR TOURISM

The bold vision in this strategy can only be realized if provincial and municipal governments recognize tourism's key role in economic recovery and Manitobans fully embrace tourism's ability to positively transform their communities and enrich their quality of life. Many Manitobans simply do not appreciate the significant role tourism plays in creating sustainable jobs, and in laying the foundation for broader economic development initiatives such as infrastructure investment, and talent retention and acquisition. Residents are also not universally aware of the key role they also play in welcoming and assisting visitors, and their impact in helping to deliver transformative, authentic, unique, and local visitor experiences.

Businesses, universities, and colleges, and community organizations and institutions, also need to be rallied to become strong ambassadors of the destination, continuing to promote the province to colleagues and organizations nationally and internationally. The strategy needs to be aggressively promoted across Manitoba to ensure broad understanding of the power and positivity of tourism, cement maximum support and buy-in, and mobilize Manitobans to become true destination champions.



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**Significant progress has been made on several important initiatives to build support for tourism identified in the original strategy including:**

- In March 2020, 57% of Manitobans indicated that the tourism industry is “very important to the economic wellbeing of Manitoba”. In October 2020, this had risen to 66%.
- The development of research tools and methods that monitor Manitoba’s performance as a tourism destination.
- Travel Manitoba implemented several initiatives across the province, with a heightened focus on Northern Manitoba, designed to increase public awareness of the value of tourism in their region.



## BUILD SUPPORT FOR TOURISM

# Key Initiatives & Implementation

INITIATIVE	TIMING			LEAD
	S	M	L	
Create a public awareness campaign on the province-wide value of tourism and Manitobans' role and connection to tourism, including impact on job creation and retention, residential tax savings, innovation and education, infrastructure improvements, and quality of life				Manitoba Chambers of Commerce and Travel Manitoba
Ensure that provincial and municipal governments recognize and regularly communicate tourism's key role in economic recovery				Manitoba Chambers of Commerce and Travel Manitoba
Build awareness of tourism as a key employer and dynamic career				Manitoba Tourism Education Council and Travel Manitoba
Advocate for improved access to cost affordable insurance for tourism sector				Manitoba Chambers of Commerce and Travel Manitoba
Advocate for regulation and taxing of the sharing economy				Manitoba Chambers of Commerce and Travel Manitoba

\*Note: S- Short Term (< 1 year); M-Medium Term (1-3 years); L- Long Term (> 3 years)

BUILD SUPPORT FOR TOURISM

# Key Performance Indicators



^ WINKLER

- Awareness of public awareness campaign and the role tourism plays in supporting the economy as measured through a resident survey.
- Number of communication tools developed and communicated with government (surveys, reports) on COVID-19 impacts. Number/frequency of meetings with government to communicate COVID-19 impacts.
- Number of students and businesses enrolled in tourism training and post-secondary education programs in Manitoba.
- Number of communication tools developed (surveys, reports) on insurance and the sharing economy. Number of meetings with government to communicate insurance and sharing economy impacts.



# Next Steps & Performance Measurement

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“COVID-19 may have changed our path, but the way forward is clear. Delivering on the initiatives of the Manitoba Tourism Strategy is key to rebuilding a solid base for tourism’s short-term recovery and long-term growth, providing benefits for all Manitobans.”

**Chuck Davidson**

*President & CEO  
Manitoba Chambers of Commerce*







The Manitoba Tourism Strategy is championed by a Steering Committee comprised of stakeholders accountable for key initiatives in the strategy and others who can help accelerate achievement of goals and initiatives. The role of the Steering Committee is to support the efforts of the strategy partners — Travel Manitoba, Manitoba Chambers of Commerce, and the Government of Manitoba — in successful implementation of the strategy by providing input into strategy renewal and reporting. Strategy partners will consider expanding Steering Committee membership to better reflect the tourism industry from a sector and diversity perspective.

The Manitoba Tourism Strategy will continue to be supported by a measurement and monitoring system to ensure the strategy's enduring relevance and success over time. Each partner will review the strategy annually, with updates or changes made as needed. A progress report will be developed annually and shared with industry and government stakeholders.

# APPENDIX A

## Steering Committee & Project Team

## STEERING COMMITTEE

### Manitoba Tourism Strategy Steering Committee

Stuart Murray, *Co-Chair, Travel Manitoba*

Chuck Davidson, *Co-Chair, Manitoba Chambers of Commerce*

Tara Stefansson, *Lazy Bear Expeditions*

Paul Conchatre, *Birdtail Waterfowl Inc.*

Margaret Redmond, *Assiniboine Park Conservancy*

Ginette Lavack, *Centre culturel franco-manitoban*

Dayna Spiring, *Economic Development Winnipeg*

Gary Bell, *Calm Air*

Drew Fisher, *RBC Convention Centre*

Claudette Leclerc, *Manitoba Museum*

Jason Gobeil, *Manitoba Indigenous Tourism Association*

Philip Houde, *Manitoba Economic Development Office*

Barbara Barnett-Fontaine, *Manitoba Infrastructure*

Veronica Dyck, *Manitoba Sport, Culture and Heritage*

Rob Nedotiafko, *Manitoba Conservation and Climate*

### Travel Manitoba Staff

Colin Ferguson, *President & CEO*

Brigitte Sandron, *Senior Vice President, Strategy and Business Development*

Jackie Tenuta, *Director, Strategy & Development*

Mark Remoquillo, *Senior Graphic Designer*

### MMGY NextFactor

Paul Ouimet, *President & CEO*

Jim McCaul, *Senior Vice President, Destination Stewardship*

Greg Oates, *Senior Vice President, Innovation*

Cheryll Girard, *Project Team Coordinator*

### Tourism Economics

Geoff Lacher, *Senior Economist*

### InterVISTAS Consulting Inc.

Jordan Young, *Manager*

Brooks Lai, *Graphic Designer*



# APPENDIX B

## Tourism Economics Study

# COVID-19's Impact on Manitoba's Visitor Economy

December 2020

Prepared for:

*Travel Manitoba*



[WWW.TOURISMECONOMICS.COM](http://WWW.TOURISMECONOMICS.COM)

# INTRODUCTION

The visitor economy is an integral part of the Manitoba economy. Visitors generate significant economic benefits for households, businesses, and government alike and represent a critical driver of Manitoba's future.

This report highlights key areas of the visitor economy that are under stress during the COVID-19 pandemic, and analyzes the potential impact on Manitoba's travel sector and economy as a whole.

This analysis draws on the following data sources:

- StatCan: data on the Canadian economy and tourism sector.
- STR: lodging performance data, including room demand, room rates, occupancy, and room revenue.
- Probe Research Inc.: a pre-pandemic study on the impact of hunting and fishing in Manitoba, with details on lodges.
- WMC: a pre-pandemic study on the impact of Churchill's visitor economy.
- MNP: a study on Manitoba hotel sector during the pandemic.

# STUDY OVERVIEW

Travel Manitoba engaged Tourism Economics ("we") to provide scenarios detailing the recovery of Manitoba's visitor economy, explore sectors in the travel industry that are particularly vulnerable, and estimate the impact of additional funding for Travel Manitoba.

The analysis consists of four main parts:

1. An overview of Manitoba's visitor economy;
2. A review of the current financial stress in the hotel sector;
3. An examination of the impact and particular vulnerability of hunting and fishing lodges;
4. An examination of the impact and particular vulnerability of Churchill as a destination; and
5. An analysis of the potential benefits of increasing funding for Travel Manitoba.

## Data sources consulted





# ECONOMIC IMPACTS

## How visitor spending generates employment and income

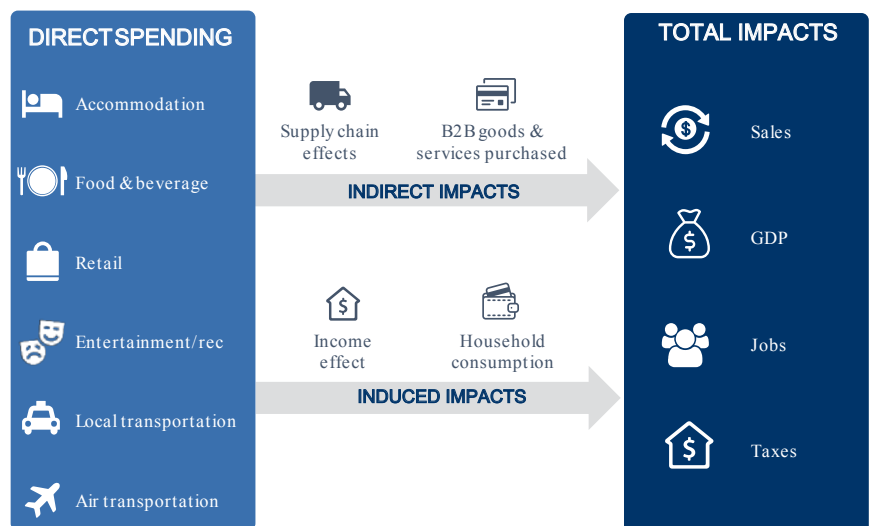
This analysis of Manitoba's visitor economy analyzes spending by visitors and also considers the downstream effects of this injection of spending into the local economy. This means that three distinct types of impact: direct, indirect, and induced are considered.

- 1. Direct Impacts:** Visitors create direct economic value within a discrete group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs, wages, taxes, and GDP within each sector.
- 2. Indirect Impacts:** Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts.
- 3. Induced Impacts:** Lastly, the induced impact is generated when employees whose wages are generated whether directly or indirectly by visitors, spend those wages in the local economy.

## Visitor spending flows through the economy and generates benefits through multiple channels.

I-O models are particularly effective because they calculate these three levels of impact – direct, indirect, and induced – for a broad set of indicators. These include the following:

- Spending
- GDP
- Wages
- Employment
- Federal Taxes
- Provincial Taxes
- Municipal Taxes



# MANITOBA'S VISITOR ECONOMY

## Economic impacts

### Tourism is a crucial part of Manitoba's economy.

This section will review the scope of Manitoba's visitor economy, its historical performance, and its forecasted growth.

The visitor economy supports 20,700 full time jobs and \$310 million in provincial government revenue. It represents 2% of Manitoba's economy if measured by GDP, or 3% if measured by jobs.

Note that these figures do not include the full impact of restaurants, transportation, hotels, etc., but only the impacts of visitor spending (defined by StatCan as spending by an individual 40 km or more one way from place of residence and outside of their normal behavior).

### Economic impacts of tourism in Manitoba

Dollar figures in millions, jobs are full time equivalents

	Visitor Economy	Total Economy	Tourism's Share
Visitor Spending	\$1,628		
Business sales			
Direct	\$1,628		
Total	\$3,171		
GDP			
Direct	\$637		
<b>Total</b>	<b>\$1,410</b>	<b>\$74,817</b>	<b>1.9%</b>
Income			
Direct	\$468		
<b>Total</b>	<b>\$956</b>	<b>\$54,176</b>	<b>1.8%</b>
Jobs			
Direct	12,252		
<b>Total</b>	<b>20,714</b>	<b>653,584</b>	<b>3.2%</b>
Taxes (total)			
Federal	\$329		
<b>Provincial</b>	<b>\$310</b>	<b>\$17,025</b>	<b>1.8%</b>
Municipal	\$86		

Sources: StatCan; Government of Manitoba; Oxford Economics

## Historical growth

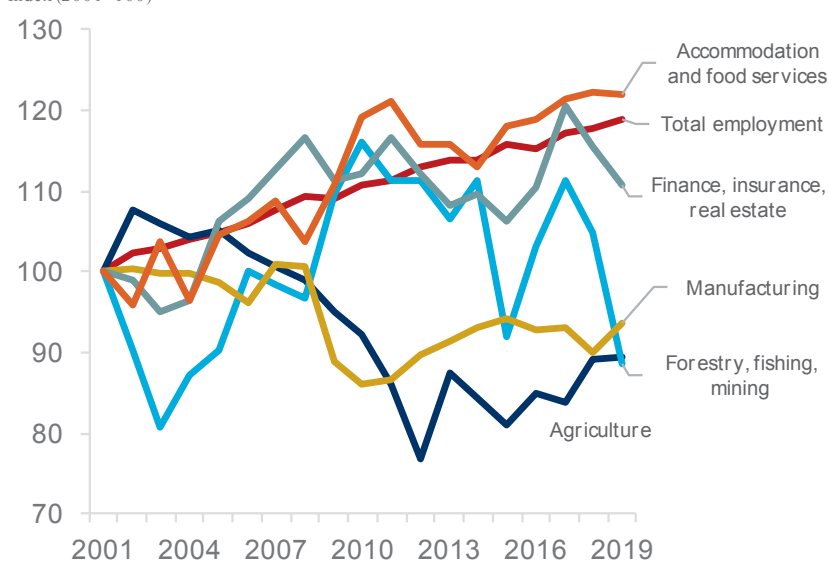
### Tourism dependent sectors are growing faster than the general economy.

Since 2001, employment in the accommodation and food services sector has increased 22%, while total employment in the province grew 19%.

The visitor economy is becoming an increasingly important part of the overall economy and outpaces growth in other major industries.

### Employment in Manitoba

Index (2001=100)



Source: StatCan

# MANITOBA'S VISITOR ECONOMY

## Pandemic impact

**Manitoba's economy has held up well during the crisis, but the visitor economy is suffering.**

While the province as a whole has only lost 2% of the jobs it had pre-pandemic or 13,700 jobs, employment in the lodging and restaurants sector is down 15%, or 6,500 jobs. These 6,500 lost hospitality jobs account for almost half of all lost jobs in Manitoba.

**Clearly, the province's economy will not fully recover until the travel sector recovers.**

## Seasonality

**Manitoba will benefit from the seasonal distribution of travel in 2021.**

There is some hopeful news for the future. Pfizer, Moderna, and AstraZenca have all recently shared the results of clinical trials showing strong vaccine performance. While distribution of the vaccines may start as early as January 2020, a widespread distribution that has a significant impact on the travel sector may not occur until March or April.

Since hotel room demand in Manitoba is stronger in the second half of the year, vaccine distribution will ramp-up in time for the province to benefit from its high season (as opposed to other destinations with high seasons in the spring and early summer).

## Pre- and post-pandemic employment in Manitoba

Seasonally adjusted

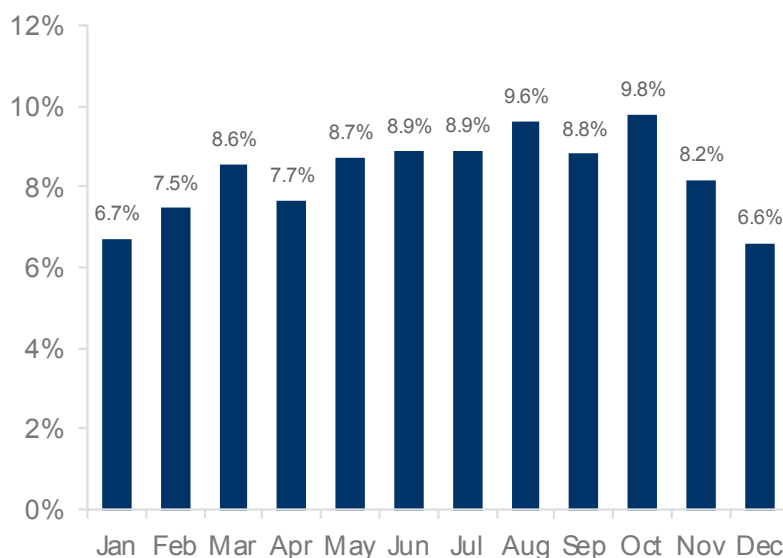
	Total	Lodging and restaurants*
Jobs in February 2020	664,200	43,600
Jobs in October 2020	650,500	37,100
Jobs lost #	13,700	6,500
Jobs lost %	2%	15%
Jobs lost, % of total	--	47%

\*Technically 'Accommodations and food services'

Source: StatCan

## Seasonality of hotel room demand in Manitoba, 2019

Percent of annual hotel demand



Source: STR



# MANITOBA'S VISITOR ECONOMY

## Forecast scenarios

**Total visitor spending losses associated with the COVID -19 pandemic will amount to over \$1 billion.**

We created three scenarios (based on possible paths for virus containment and economic recovery) for visitor spending during the recovery from the pandemic.

In the Baseline Scenario, visitor spending will not recover to 2019 levels until 2024, and total losses will amount to \$1.8 billion.

### Visitor spending in Manitoba, three scenarios

Dollars, millions, losses compared to 2019

	2019	2020	2021	2022	2023	2024	2025	Total
<b>Upside Scenario</b>								
Visitor Spending	\$1,628	\$863	\$1,225	\$1,523	\$1,710	\$1,828	\$1,970	
Losses		\$765	\$404	\$105	--	--	--	<b>\$1,274</b>
<b>Baseline Scenario</b>								
Visitor Spending	\$1,628	\$780	\$1,021	\$1,368	\$1,541	\$1,653	\$1,791	
Losses		\$849	\$607	\$260	\$87	--	--	<b>\$1,803</b>
<b>Downside Scenario</b>								
Visitor Spending	\$1,628	\$691	\$809	\$1,030	\$1,311	\$1,548	\$1,685	
Losses		\$937	\$819	\$598	\$317	\$80	--	<b>\$2,752</b>

Sources: StatCan; Tourism Economics

## Full forecast

**Despite the pandemic setback, our baseline forecast still has tourism spending growing by 51% from 2019 to 2030.**

### Visitor spending in Manitoba, three scenarios

Dollars, millions, losses compared to 2019

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	19-'30 growth	
													\$	%
<b>Upside Scenario</b>														
Visitor Spending	\$1,628	\$863	\$1,225	\$1,523	\$1,710	\$1,828	\$1,970	\$2,099	\$2,229	\$2,356	\$2,490	\$2,631	\$1,003	62%
Losses		\$765	\$404	\$105	--	--	--	--	--	--	--	--		
<b>Baseline Scenario</b>														
Visitor Spending	\$1,628	\$780	\$1,021	\$1,368	\$1,541	\$1,653	\$1,791	\$1,917	\$2,046	\$2,174	\$2,309	\$2,452	\$824	51%
Losses		\$849	\$607	\$260	\$87	--	--	--	--	--	--	--		
<b>Downside Scenario</b>														
Visitor Spending	\$1,628	\$691	\$809	\$1,030	\$1,311	\$1,548	\$1,685	\$1,813	\$1,945	\$2,077	\$2,216	\$2,366	\$738	45%
Losses		\$937	\$819	\$598	\$317	\$80	--	--	--	--	--	--		

Sources: StatCan; Tourism Economics

# MANITOBA'S VISITOR ECONOMY

## Baseline scenario impacts

**Economic losses associated with lost visitor spending are severe and will mount through the years.**

In the Baseline Scenario, \$1.8 billion in lost visitor spending over four years results in the losses of:

- \$3.5 billion in business sales;
- \$1.6 billion in GDP;
- \$900 million in wages;
- \$372 million in local and provincial tax revenue; and
- an annual average of 3,978 jobs.

## Economic losses\* in Manitoba associated with lost visitor spending, Baseline Scenario

Dollars figures in millions, losses compared to 2019

	2020	2021	2022	2023	2024	Total
Visitor spending	\$849	\$607	\$260	\$87	--	<b>\$1,803</b>
Business sales	\$1,653	\$1,182	\$506	\$170	--	<b>\$3,510</b>
GDP	\$735	\$526	\$225	\$75	--	<b>\$1,561</b>
Wages	\$424	\$303	\$130	\$44	--	<b>\$900</b>
Jobs (FTE)***	7,557	5,324	2,268	761	--	<b>3,978**</b>
Taxes	\$329	\$235	\$101	\$34	--	<b>\$699</b>
<i>Federal</i>	\$154	\$110	\$47	\$16	--	<b>\$328</b>
<i>Provincial</i>	\$145	\$104	\$44	\$15	--	<b>\$309</b>
<i>Municipal</i>	\$29	\$21	\$9	\$3	--	<b>\$63</b>

\*Includes indirect and induced impacts

\*\*annual average of jobs lost

\*\*\*Full-time equivalent

Sources: StatCan; Tourism Economics

## Forecast scenario impacts

**The different economic impacts between the different scenarios grow over time.**

Compared to the Baseline Scenario, the Upside Scenario would result in an additional \$529 million in spending, \$458 million in GDP, and \$91 million in provincial taxes.

Similarly the Downside Scenario would cost the province \$949 million in spending, \$822 million in GDP, and \$163 million in provincial taxes.

**Supporting the travel sector in its aim to realize an upside scenario will have major positive impacts for the province.**

## Economic losses in Manitoba associated with lost visitor spending

Dollars figures in millions, losses compared to 2019

	2020	2021	2022	2023	2024	2025	Total
<b>Upside Scenario</b>							
Visitor spending	\$765	\$404	\$105	--	--	--	<b>\$1,274</b>
GDP	\$662	\$350	\$91	--	--	--	<b>\$1,103</b>
Provincial taxes	\$131	\$69	\$18	--	--	--	<b>\$218</b>
<b>Baseline Scenario</b>							
Visitor spending	\$849	\$607	\$260	\$87	--	--	<b>\$1,803</b>
GDP	\$735	\$526	\$225	\$75	--	--	<b>\$1,561</b>
Provincial taxes	\$145	\$104	\$44	\$15	--	--	<b>\$309</b>
<b>Downside Scenario</b>							
Visitor spending	\$937	\$819	\$598	\$317	\$80	--	<b>\$2,752</b>
GDP	\$811	\$710	\$518	\$275	\$69	--	<b>\$2,384</b>
Provincial taxes	\$160	\$140	\$102	\$54	\$14	--	<b>\$471</b>

## Gains or (losses) in Manitoba compared to Baseline Scenario

Dollars figures in millions

	2020	2021	2022	2023	2024	2025	Total
<b>Upside Scenario</b>							
Visitor spending	\$84	\$203	\$155	--	--	--	<b>\$529</b>
GDP	\$73	\$176	\$134	--	--	--	<b>\$458</b>
Provincial taxes	\$14	\$35	\$26	--	--	--	<b>\$91</b>
<b>Downside Scenario</b>							
Visitor spending	(\$88)	(\$213)	(\$338)	(\$230)	(\$80)	--	<b>(\$949)</b>
GDP	(\$77)	(\$184)	(\$293)	(\$200)	(\$69)	--	<b>(\$822)</b>
Provincial taxes	(\$15)	(\$36)	(\$58)	(\$39)	(\$14)	--	<b>(\$163)</b>

Sources: StatCan; Tourism Economics

# MANITOBA'S HOTEL SECTOR

## Economic impacts

### Hotels sustain billions of business sales annually in Manitoba.

In 2019, hotel room demand in Manitoba exceeded 3.4 million, and room revenue reached \$428 million.

MNP conducted a full economic impact analysis that included not only room revenue, but also hotel revenue from restaurants, hosted events, and other sources\*. They then ran a full economic impact analysis that included direct, indirect, and induced impacts. Results demonstrate that hotels in Manitoba support \$1.5 billion in total business sales, 14,400 jobs, and 235 million in provincial and local tax revenue.

### Economic impacts of hotels in Manitoba, 2019

Dollar figures in millions, jobs are full-time equivalents, room demand is rooms booked based on 14,000 hotel rooms in Manitoba

STR data	
Room demand	3,433,000
Room revenue	\$428
MNP data	
Business sales	\$1,490
GDP	\$730
Jobs	14,400
Taxes	
Federal	\$83
Provincial	\$190
Local	\$45

Sources: STR; MNP

## Disastrous results

### Hotel revenue is dropping precipitously.

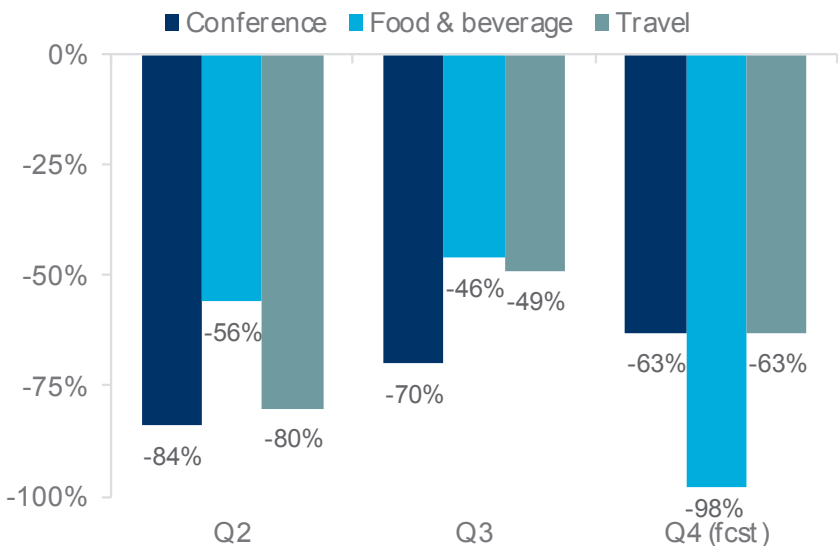
Across all types of hotel (here categorized as conference, food & beverage, and travel), RevPAR (revenue per available room), is down dramatically.

While the situation appeared to have improved over the summer, the fall and winter market typically brings fewer leisure travelers and more business/event guests, and these sectors have lagged in recovery.

This market shift combined with a resurgence of COVID-19 cases have created a bleak outlook that will persist until a vaccine is widely distributed.

### RevPAR change in Manitoba, 2020

Percent loss compared to 2019



Source: MNP



# MANITOBA'S HOTEL SECTOR

## Winnipeg impact

**Urban hotels have been particularly hard hit by the pandemic, and Winnipeg's hotels are no exception.**

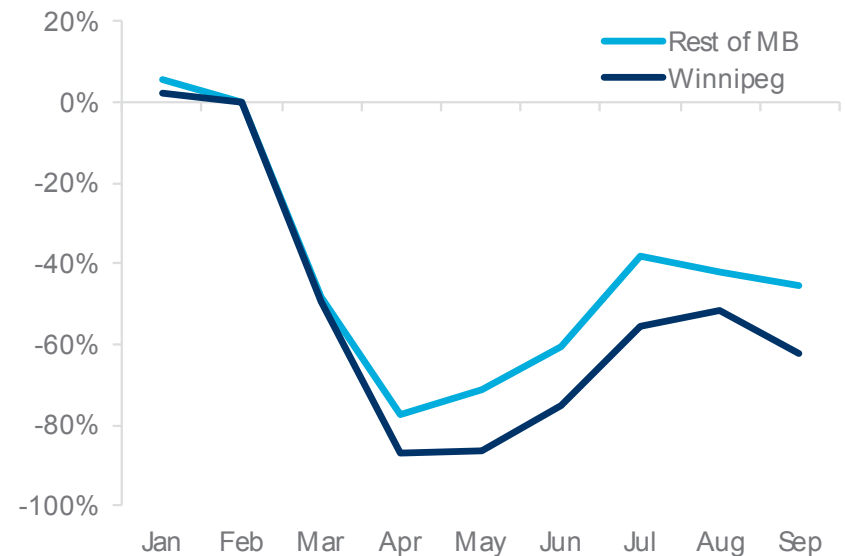
When consumers travel during the pandemic, they have shown a clear preference for rural destinations, and rural hotels have fared better than urban hotels in across Canada and the globe.

Winnipeg is no exception and has consistently fared worse than the rest of the province. Through September, room revenue in Winnipeg is down 55%, while it is down 44% in the rest of the province.

This situation is unlikely to improve after a vaccine is distributed as business and event travel will be slower to recover than leisure travel.

## Room revenue in Manitoba and Winnipeg, 2020

Percent changed compared to corresponding month in 2019



Source: STR

## Gloomy forecast

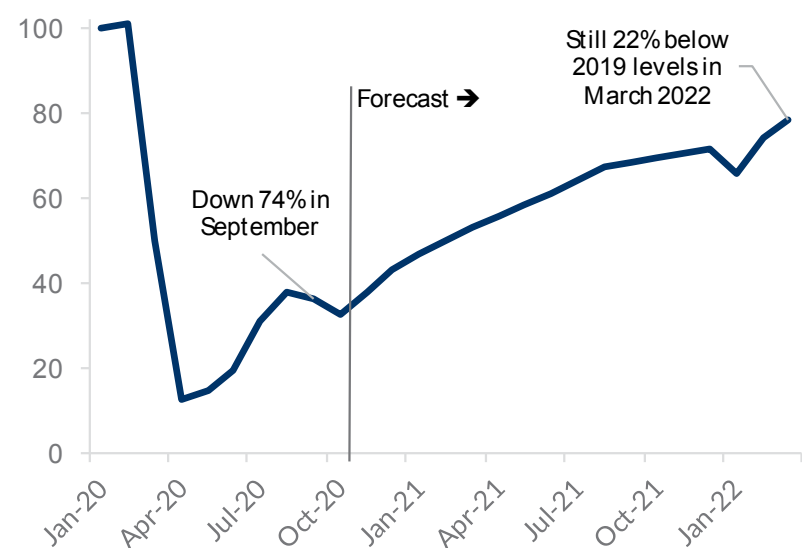
**Room revenue may not recover until 2025.**

Hotel room revenue across Canada was down 74% in September, and the recovery will be slow. We estimate that room revenue will still be down 22% next spring and will not fully recover to 2019 levels until 2025.

Overall, while hotel closures have so far kept to a minimum in Manitoba, the sector is under heavy financial stress and will need continued government support to prevent widespread bankruptcies.

## Hotel room revenue in Canada

Index (corresponding month in 2019=100)



Sources: Tourism Economics; STR

# HUNTING AND FISHING LODGES

## Economic impacts

### Hunting and fishing lodges sustain \$65 million in Manitoba business sales.

Probe Research inc. estimates that in 2019, 313 hunting and/or fishing lodges operated in Manitoba. These lodges support \$65 million in business sales, 808 jobs, and \$9 million in provincial and local government revenue.

Note that these figures are based only on lodges' expenditures and would not include spending on transportation to the lodges or any other purchases made by tourist outside of the lodges.

### Economic impact of hunting/fishing lodges in Manitoba

Dollar figures in millions, jobs are full-time equivalents

	Total
Business sales	\$65
GDP	\$72
Income	\$32
Jobs	808
Government revenue	
<i>Provincial</i>	\$7
<i>Local</i>	\$2

Source: Probe Research Inc.

## Vulnerable clientele

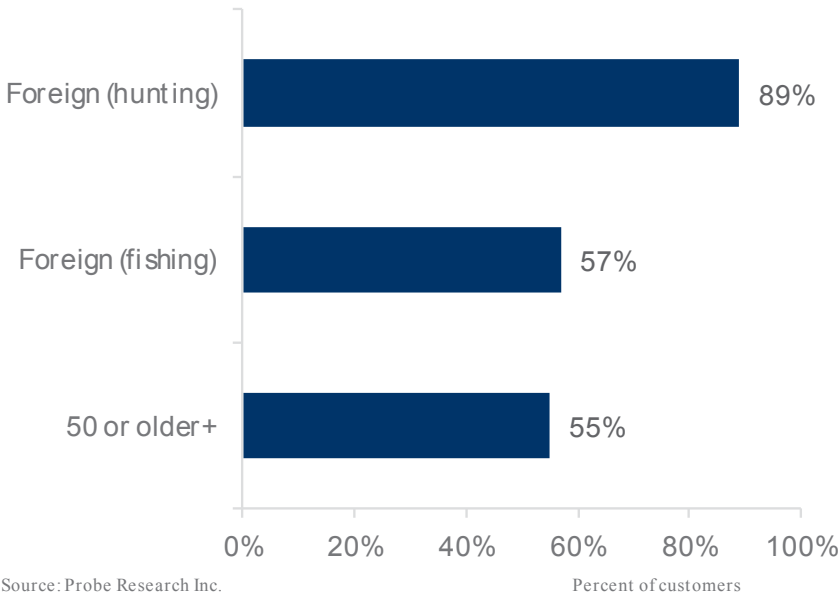
### Lodges are particularly vulnerable in this pandemic.

While lodges do have the advantage of being rural/outdoor oriented destinations, which have fared better than urban destinations in the pandemic, their customer base makes them especially vulnerable.

The majority (and vast majority in the case of hunting and fly-in fishing lodges) of their clientele are foreign and therefore business has been decimated due to the international border closings.

Additionally, most customers are older than 50 and may be less willing to travel during the pandemic.

### Characteristics of hunting/fishing lodge visitors



# HUNTING AND FISHING LODGES

## Seasonality

### A vaccine may not save the 2021 high season.

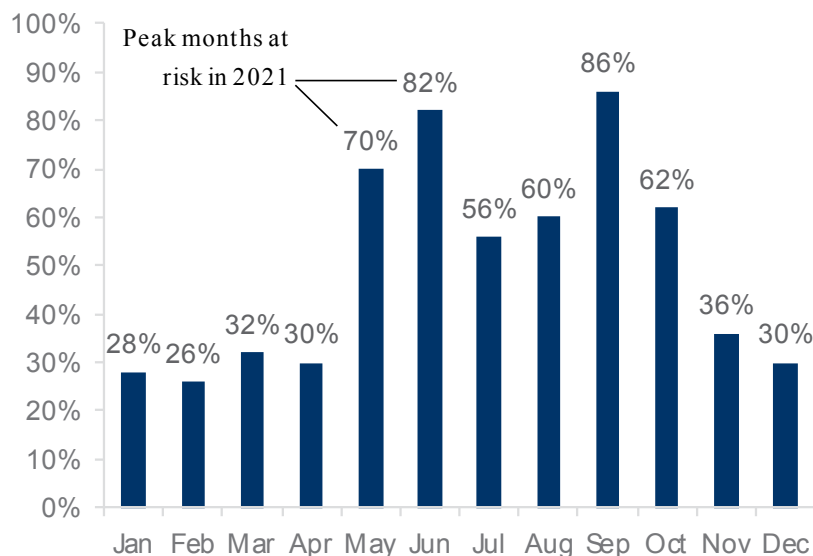
The lodge business is highly seasonal, and the majority of lodges are only open from May to October.

While recent positive results from vaccine trials have given the travel industry hope for a strong rebound in 2021, lodges still face substantial risks.

Widespread distribution of the vaccine appears to be months off (perhaps Q2 2021), international borders may remain closed until after the vaccine distribution, and leisure travelers are generally risk adverse in travel planning. These factors may severely curtail lodging business in two of the three busiest months (May and June).

### Seasonal business of lodges

Percent of lodges open during the month



Source: Probe Research Inc.

## Outlook for closed businesses

### Hunting lodges cannot be quickly replaced.

In their study on Manitoba's hunting and fishing lodges, Probe Research Inc. reports that

- "The tenure of many operators is...18 years in the business"
- "Word-of-mouth continues to be the most significant marketing mechanism"
- "Once a client visits a lodge or camp, they tend to return repeatedly".

The niche nature of these businesses and reliance on relationships with clients means that they cannot be quickly replaced if they are bankrupt or otherwise closed.

Bankruptcy is sure to hit many travel and hospitality businesses during the COVID-19 crisis. We expect that most bankrupt or financially stressed hotels will be purchased by a new investor and spend comparatively little time closed for business.

Financially stressed hunting lodges may face a different fate. Large investor/operators in the hospitality sector will be more reluctant to invest in these businesses due to a lack of institutional knowledge of how these businesses operate, the heavy reliance on operator-client relationships, more complex due-diligence exercises, and lack of a high financial upside.

Overall, these complexities mean that once these lodges are closed-down, they may spend several years not operating, if they ever reopen. They represent a potential long-term or permanent loss of a resource for Manitoba.



# HUNTING AND FISHING LODGES

## Potential impacts

### Losses could mount to thousands of jobs and millions in government revenue.

A 50% loss of hunting and fishing lodges would cost the province \$33 million in business sales, 404 jobs, and \$5 million in provincial and local tax revenue.

These losses would not be quickly recouped when the travel sector recovers as bankrupt businesses are unlikely to find new investors in the short-term.

### Economic impact of hunting/fishing lodges in Manitoba

Dollar figures in millions

	2019 Impact	Annual cost of lost business...		
		25%	50%	75%
Business sales	<b>\$65</b>	\$16	\$33	\$49
GDP	<b>\$72</b>	\$18	\$36	\$54
Income	<b>\$32</b>	\$8	\$16	\$24
Jobs	<b>808</b>	202	404	606
Government revenue				
<i>Provincial</i>	<b>\$7</b>	\$2	\$4	\$5
<i>Local</i>	<b>\$2</b>	\$1	\$1	\$2

Sources: Probe Research Inc.; Tourism Economics

# CHURCHILL'S VISITOR ECONOMY

## Economics impacts

### For a small town, Churchill's visitor economy makes a large impact on the province.

Churchills' visitor economy supports 840 full time jobs with associated incomes of \$31 million. It also supports \$10 million in local and provincial tax revenue.

The majority of these impacts take place in Manitoba's Northern Region.

### Economic impact of Churchill's Visitor Economy

Dollar figures in millions, jobs are full time equivalents

	Manitoba	Northern region
Business sales	\$64	\$39
GDP	\$42	\$31
Income	\$31	\$24
Jobs	840	628
Government revenue		
<i>Provincial</i>	\$8	\$6
<i>Local</i>	\$2	\$1

Source: WMC

# CHURCHILL'S VISITOR ECONOMY

## Economic reliance

**Support for Churchill's visitor economy is more than support for a few businesses, it is support for the town's livelihood.**

Churchill's economy is largely dependent on tourism. While StatCan does not provide statistics on communities this small, we can provide some anecdotal evidence.

Churchill hosts approximately 300 hotel rooms for a population of 899 or 33 hotel rooms for every 100 residents. As a province, Manitoba hosts 14,100 hotel room with a population of 1.3 million, or 1 room for every 100 residents. Therefore, tourism may be 30 times as important for Churchill compared to the province. While this is a rough estimate, it is quite possible that Tourism supports more than half of all wages in Churchill.

## Economic impact of Churchill's visitor economy

	Manitoba	Churchill
Population (2016)	1,278,365	899
Hotel rooms (2019)	14,121	300
Hotel rooms per 100 residents	1.1	33.4
Share of all wages supported by tourism (StatCan)	1.8%	--
Estimated share of all wages supported by tourism*	--	53%

\*Essentially, Churchill had ~30x as many hotel rooms per resident as the province, so we assume tourism supports ~30x of the wages supported by tourism as the province  
Source: StatCan; WMC; STR; Tourism Economics

Other evidence of tourism's importance can be gleaned from the town's website - <http://www.churchill.ca/> - whose primary purpose is to advertise the area to potential visitors. The community revitalization plan states that while the needs of local residents are the first priority, the second is "to support and drive forward a bustling tourism industry".

## Vulnerable clientele

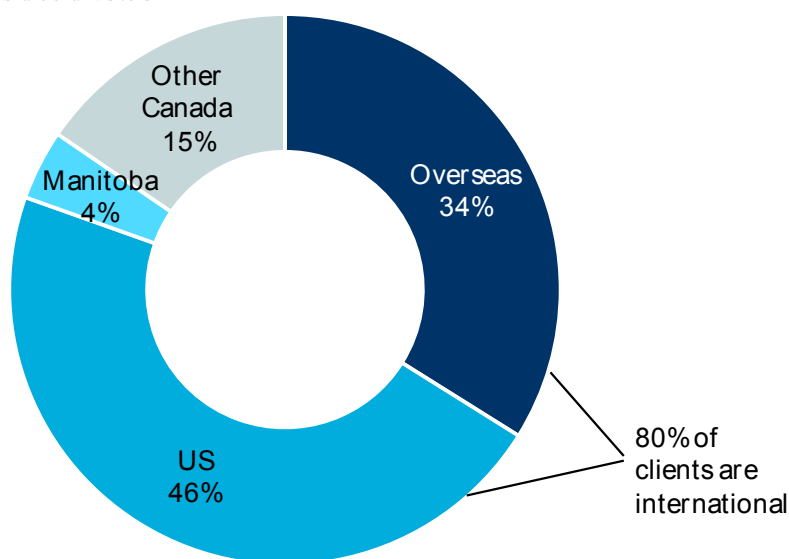
**Churchill's visitor economy is at a severe risk in 2021.**

Even as vaccine distribution becomes widespread in 2021, Churchill's visitor economy may not see major revitalization until 2022.

80% of all visitors to Churchill are international, and these leisure travelers may be hesitant to book an international trip until the border is open and all restrictions on international travelers (such as a mandatory quarantine) are eliminated. Given leisure travelers' risk adverse nature, this reopening may not occur in-time to save the critically important 2021 summer season, and Churchill's visitor economy may languish for another year.

## Churchill's origin markets

Share of all visitors



Source: WMC (estimate by local operators)

# CHURCHILL'S VISITOR ECONOMY

## What is at stake

**Churchill's livelihood and a flagship attraction for Manitoba are at risk.**

The economic costs of not supporting Churchill's visitor economy are plainly apparent: \$42 million in GDP annually for the province and \$10 million in provincial/local tax revenue. However, there are additional factors to consider.

The visitor economy is the primary source of income for Churchill, and this town of 899 individuals will struggle for existence without a strong rebound in the travel sector. Additionally, Churchill is an internationally known flagship for Manitoba's visitor economy. The destination is featured in promotions and advertisements for the province, along with travel and human-interest media across the globe.

# FUNDING FOR TOURISM PROMOTION

## Forecast

**Manitoba's visitor economy will not fully recover from the COVID -19 pandemic until 2024.**

This section will examine the impact that increasing or decreasing public funding to Travel Manitoba would have on the provincial economy.

In our baseline forecast (in which public funding remains unchanged), visitor spending will not recover to its 2019 values until 2024.

### Baseline forecast for visitor spending in Manitoba

Dollars, millions, losses compared to 2019

	2019	2020	2021	2022	2023	2024
Visitor Spending	\$1,628	\$780	\$1,021	\$1,368	\$1,541	\$1,653
Losses	--	\$849	\$607	\$260	\$87	--

Sources: StatCan; Tourism Economics



# FUNDING FOR TOURISM PROMOTION

## 2022 impact

**Additional Travel Manitoba funding could generate \$56 million of visitor spending annually and produce a tax return 6 times the additional investment.**

To evaluate the potential benefit of increasing Travel Manitoba's funding, we created two additional scenarios; the \$2m Scenario and \$1m Scenario in which annual public funding is increased by these amounts in 2021 and all subsequent years.

The stabilized impact of increased funding for tourism promotion would occur in 2022, as 2021 would represent a ramp-up year as there are lags between revenue collection, disbursement, campaign deployment, and visitors arriving.

The \$1m Scenario would generate \$30 million in additional annual visitor spending, and support \$7 million in provincial/local taxes.

The \$2m Scenario would generate \$56 million in additional annual visitor spending, and support \$12 million in provincial/local taxes.

## Baseline Forecast

**The \$2m Scenario would provide \$120 million over five years.**

From 2021 to 2025, the \$1m Scenario would generate \$135 million in visitor spending and \$30 million in provincial/local taxes while supporting 222 jobs annually.

Meanwhile, the \$2m Scenario would generate \$252 million in visitor spending, which would sustain \$55 million in provincial/local taxes and 414 jobs annually.

## Impact of changing Travel Manitoba funding, 2022

Dollars, millions

	\$1m Scenario	\$2m Scenario
Additional Travel MB funding	\$1.0	\$2.0
Visitor Spending ROI*	30-to-1	28-to-1
Incremental visitor spending	\$30	\$56
<b>Visitor spending supported...</b>		
Provincial/local taxes	\$6.6	\$12.2
Provincial income	\$14.1	\$26.3
Provincial jobs	252	470
Provincial/local tax ROI	6.6-to-1	6.1-to-1
Provincial income ROI	14.1-to-1	13.2-to-1

\*Travel Manitoba has not conducted an ROI or advertising effectiveness study. A review of the ROI of tourism campaigns was completed as part of this study. Based on this meta-analysis, we have conservatively placed the ROI for the \$1m Scenario at 30-to-1 and lowered this ROI to 28-to-1 for the \$2m Scenario. These figures would rank near the bottom of our meta-analysis. Sources: Tourism Economics; Statcan

## Key metrics on scenario impacts

Dollar figures in millions, jobs are full time equivalents,

	2019	2020	2021	2022	2023	2024	2025	'21-'25 total
<b>Visitor spending</b>								
Baseline Scenario	\$1,628	\$780	\$1,021	\$1,368	\$1,541	\$1,653	\$1,791	\$6,353
\$1m Scenario	--	--	\$1,036	\$1,398	\$1,571	\$1,683	\$1,821	\$6,473
\$2m Scenario	--	--	\$1,049	\$1,424	\$1,597	\$1,709	\$1,847	\$6,577
<b>Additional impact in \$1m Scenario</b>								
Additional Travel MB funding	--	--	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$5
Visitor spending	--	--	\$15.0	\$30	\$30.0	\$30.0	\$30.0	\$135
Provincial/local taxes	--	--	\$3.3	\$6.6	\$6.6	\$6.6	\$6.6	\$30
Wages	--	--	\$7.0	\$14.1	\$14.1	\$14.1	\$14.1	\$63
Jobs	--	--	126	249	247	245	242	222*
<b>Additional impact in \$2m Scenario</b>								
Additional Travel MB funding	--	--	\$2.0	\$2.0	\$2.0	\$2.0	\$2.0	\$10
Visitor spending	--	--	\$28.0	\$56	\$56.0	\$56.0	\$56.0	\$252
Provincial/local taxes	--	--	\$6.1	\$12.2	\$12.2	\$12.2	\$12.2	\$55
Wages	--	--	\$13.2	\$26.3	\$26.3	\$26.3	\$26.3	\$118
Jobs	--	--	235	466	461	456	452	414*

\*annual average of jobs supported  
Source: Tourism Economics

# APPENDIX C

## Photo Credits

## Photo Credits

Erick Stoen, *cover page*  
Irene Moore, *pages 2–3*  
Build Films, *page 4–5*  
Travel Manitoba, *page 6–7*  
RBC Convention Centre, *page 8–9*  
Wildhouse Media, *page 11*  
Travel Manitoba, *page 13*  
Jerry Grajewski, *page 14–15*  
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Visual Soul Studios, *page 23*  
Travel Manitoba, *page 26*  
*Baked Expectations*, Travel Manitoba, *page 27*  
*Clementine*, Destination Canada, *page 27*  
*Ti-Beauville*, Destination Canada, *page 27*  
*Cedar and Main*, Liliya Medynska, *page 27*  
*Indigenous Day Live*, Travel Manitoba, *page 28*  
*Thermëa*, JP Media Works, *page 28*  
*Inn at The Forks*, Travel Manitoba, *page 28*  
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