



## OTTAWA'S TOURISM CHALLENGE

---

### Purpose of the White Papers

*The City of Ottawa's Economic Strategy Update Steering Committee is seeking input from stakeholders and the public to formulate a common economic vision for the City over the next five years. It is also seeking to determine the mission or role of the municipality in leading, encouraging or contributing to the realization of that shared vision.*

*This is one of a series of White Papers to present discussion topics in a format that will include "Overview," "Current Situation," "Challenges," "Options and Suggestions for Action," and "Questions to Consider" categories. It is hoped that the reader will offer feedback to guide the formation of the shared vision – what "good" would look like in the context of the white paper topic – and creative thoughts and innovative ideas about how to respond to each white paper challenge.*

*White paper feedback will be considered by the Economic Strategy Refresh team and incorporated into the collective Vision and Guiding Principles/Policies for Ottawa's Economic Development Strategy (2010 to 2015). Reader input will also guide decisions about which economic strategies and initiatives should be undertaken to realize the City's vision.*

---

### Overview

Now is not the time to be complacent about tourism development in Ottawa. Traditional destinations are increasingly being identified as "boring" while emerging ones are gaining visitation by offering new and exciting tourism opportunities. The industry is struggling with the global recession, skill shortages, volatile currency exchange rates and new policies on visas or required travel documents. To compete successfully in the global market, Ottawa must respond with a coordinated plan to leverage the existing tourism assets and products and diversify the City's tourism offering to meet the changing market.

As the Capital of Canada – one of the G8 Nations – Ottawa is a natural draw for Canadians as well as international tourists. Urban and federal-level assets create an environment attractive to tourists well beyond Ontario's borders and the vast rural areas of Ottawa appeal to a range of outdoor recreation and agri-tourism interests. While Ottawa is unlikely to ever lose its status as a preferred Canadian destination, an underperforming tourism industry translates to a lost revenue opportunity for the City and the local economy as a whole.

In light of increasing global competition for tourists, how can Ottawa build on its existing position of strength in the tourism market? How should the local and federal-level tourism assets work together? How can Ottawa address existing gaps to develop a more complete or expanded tourism offering?

### Current Situation

As with other large Canadian municipalities, tourism plays an important but underrated role in Ottawa's economy. The city starts from a relative position of strength based on its status as the capital of Canada, holding a strong inventory of national tourism assets and hosting nationally and internationally acclaimed events. The City has these "core attractor" attributes relevant to both mass and niche tourist markets:

- Canada's Capital City
- four-season outdoor recreation opportunities
- professional and amateur spectator sports and events

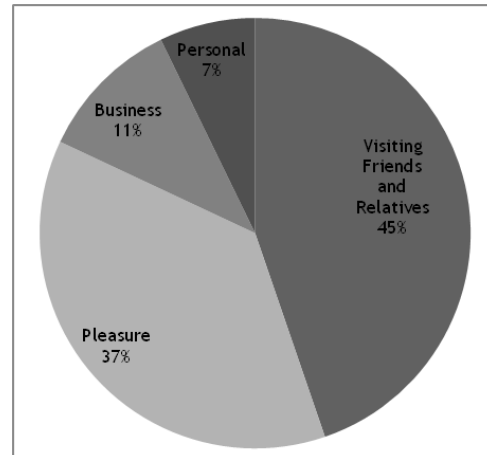
## OTTAWA'S TOURISM CHALLENGE

- culture and performing arts, festivals and events
- Byward Market
- gaming

These core attractors are supported by a network of complementary hospitality operations as well as shopping and retail amenities at a variety of price points.

The Premier Ranked Tourist Destination Framework study completed for Ottawa identified the tourist composition in 2007 (see Figure 1). The results suggest that increasing the visitor hosting capacities of local residents is imperative to tourism development, based on the large proportion of tourists Visiting Friends and Relatives (VFR). Currently there is limited engagement of the local population to access this latent opportunity.

**Figure 1 Ottawa Visitors by Purpose of Trip, 2007**



In terms of “customers,” Ottawa should take note of the target markets identified for Ontario in the background research for the 2009 *Discovering Ontario* report<sup>1</sup>. A common theme among all demographic and economic segments was the desire for active pursuits such as golfing, horseback riding, sailing, cycling and hiking. Some of the older segments, which tended to be well-educated people, favour cultural heritage or intellectual pursuits such as museums, natural and human-built heritage amenities, wine tours, bed and breakfasts and sightseeing. Younger demographics favour active pursuits, but also demand a vibrant cultural scene with opportunities for nightlife, shopping and retail amenities.

When looking at the larger travel motivations for visitors to Ontario, Ottawa appears to cover customer demand in varying degrees, which was reinforced through the conclusions of the recent Premier-Ranked Study. Ottawa offered an adequate supply of outdoor recreation opportunities, rural amenities, cultural amenities and nightlife, shopping and retail, natural and cultural heritage amenities, and festivals and events.

### Challenges

There is a lack of clear direction across the Capital Region on how Ottawa should be developed as a destination and how products should be developed, integrated and marketed. Many of the tourism operators have “mature” attractions and so are focused on marketing rather than destination development. Therefore, there

<sup>1</sup> Primarily the Ontario Tourism Assessment Research Study, prepared by TNS Canadian Facts in 2009.

## OTTAWA'S TOURISM CHALLENGE

---

are few tourism packages that combine complementary local tourism products with stronger national amenities, or combine local assets for a full experience. Even less integration exists between urban pursuits and those available in the rural areas of the city, such as the events and products marketed by Ottawa's Countryside.

A wide range of stakeholders contribute to tourism marketing and promotion, often with diverse mandates. Ottawa has a well-established Destination Marketing Organization (DMO) that works in coordination with the DMO in Gatineau. The challenge lies in uniting the numerous additional organizations that influence tourism development (BIAs, Chambers of Commerce and other non-profit organizations) towards a common and articulated goal. Stakeholders who participated in the City's Strengths, Weaknesses, Opportunities and Threats (SWOT) assessment identified that leaders exist within the industry but there is no over-arching champion. An additional concern was the DMO focusing too much on the core areas of the city, which potentially affects promotion of the rural areas.

Funding and management offer a glimpse into this lack of coordination. Ottawa Tourism is primarily funded through Destination Marketing Fees that are levied on hotel rooms and managed by a largely industry-represented Board of Directors. They operate independently from the City and lack rural representation. While Ottawa's Countryside is partially member-funded as well, some funding is provided by the City. There are no directors from the urban tourism industry on the board. So in the case of coordination, the two major tourism organizations in Ottawa have little common management or funding.

The inherent attraction of tourists that comes from being the National Capital paired with success in other sectors of the economy has led to an under-appreciation of the importance of tourism infrastructure assets to the economy. Noted product or infrastructure concerns include:

- a lack of public boat slips in close proximity to core attractions
- a lack of major conference capacity (which will be alleviated with the opening of the Ottawa Convention Centre)
- a lack of tourism and way-finding signs for major attractions.

This challenge is highlighted by the fact that Ottawa faces strong competition from other Canadian and U.S. cities that have well established tourism infrastructure including Vancouver, Montreal, New York City and Quebec City.

The Ottawa tourism industry is facing impending labour and skill shortages. The aging population and the strong competition from other sectors and employers in the local economy are creating a competitive market for employees in the tourism and hospitality industry. A major challenge identified through industry consultation was the lack of a unified plan to deal with employee training and labour shortage challenges.

## OTTAWA'S TOURISM CHALLENGE

---

### Options and Suggestions for Action

As part of the Premier Ranked Tourist Destination Framework Study, several recommendations were made for tourism product development in Ottawa. These were focused on the tourism industry as a whole, in addition to the numerous stakeholders that formed the steering committee. Some of the recommendations and actions of the study were:

- Establishment of tourism leadership and strategic partnerships
- Creation of long-term destination development and hospitality industry labour gaps strategies
- Implementation of Region-wide visitor experience tracking
- Increasing awareness of the importance of tourism to all levels of government and the general public
- Engage national institutions to support event attraction (especially during tourism off-seasons)
- Product redevelopment/revitalization of underperforming or underdeveloped assets (Lansdowne Park, extend the length of some events)
- Improvement of visitor services (e.g., tourism information and way-finding)

It is worth noting that some progress has been made with the development of the Tourism Leadership Group, which will begin to address some of these issues. However, roles and responsibilities of each stakeholder organization in actually undertaking tourism development activities remain unclear.

The City can act as an advocate for local tourism operators/organizations, in order to facilitate experience development through product packaging between federal and local assets, or urban and rural assets. The City has the capacity to build relationships with local tourism operators and organizations, and bridge the gap between urban and rural tourism providers. By engaging the broader tourism industry the City can assist in identifying opportunities for integration, and potentially facilitate discussions between the different players.

Similar to the City sponsored Ottawa-Gatineau Film and Television Corporation which assists productions in Ottawa-Gatineau, the City has the potential to develop a single point of contact for major cultural and sporting events. Currently under study and in part operational, this office would develop a close relationship between events rights holders and City government to expedite approvals and permits, and attract investment. The office would also need to be closely aligned with Ottawa Tourism for event planning and bidding, as well as marketing the destination to event rights holders. The City of Toronto's Major International Events organization is a good example of this type of office.

Lastly, the City has certain provincially mandated responsibilities that have an inherent influence on the development of tourism products and destinations in the City; perhaps the best example being those within land use planning responsibilities. Community Improvement Plans (CIPs) provide opportunities for municipalities to offer financial incentives for the redevelopment of underperforming or underdeveloped areas. CIPs can thus be used to provide



## OTTAWA'S TOURISM CHALLENGE

---

incentives for the redevelopment of areas with strategic importance for tourism, such as strategic corridors to tourist destinations. Municipalities also have the ability to impose urban design guidelines at the site plan stage of approvals, which could potentially ensure that sites develop with tourism concerns in mind.

### **Questions to Consider**

- What gaps are there in Ottawa's tourism offerings and how should these be addressed?
- What target markets is Ottawa in a position to attract?
- What should Ottawa be doing to better promote the City as a destination for major cultural, business, and sporting events?
- What role should the City play in tourism marketing, development, and investment attraction?