

STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG



Report to:	Mayor and Council Members	Priority:	<input type="checkbox"/> High <input type="checkbox"/> Low
Submitted by:	Kara Euale, Manager, Marketing and Events Community Services keuale@cobourg.ca	Meeting Type:	Open Session <input checked="" type="checkbox"/> Closed Session <input type="checkbox"/>
Meeting Date:	March 8, 2021		
Report No.:	Community Services-008-21		
Submit comments to Council			

Subject/Title: Research Findings - Economic Benefits of Tourism

RECOMMENDATION:

THAT Council receive the report for information purposes

1. STRATEGIC PLAN

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Pillar: Prosperity, The Town Plans for, markets and develops assets for economic growth and financial security.

Action #4 Explore innovative solutions to improve connectivity between beach/waterfront and downtown Cobourg

2. PUBLIC ENGAGEMENT

With the goal of gaining a better understanding of the impacts of tourism in the region, the Marketing and Events department wanted to work directly with local businesses and tourism stakeholders to ensure that our data was up-to-date and accurate. Working with Laridae, a full-service management consulting firm, we conducted a series of stakeholder engagement activities including focus groups, key informant interviews and an online survey. These tactics allowed for meaningful opportunities to receive data as well as constructive criticism and suggestions for future marketing tactics. A variety of stakeholders were engaged in the process, including small-medium size business owners and operators located in the Town of Cobourg, tourism and/or business support organizations, community members as well as visitors to the community.

3. PURPOSE

To improve upon the level of data and research collected by the Marketing and Events Department. This information will inform and serve as a backdrop for the Department as we re-imagine tourism opportunities post COVID-19 and moving forward.

4. ORIGIN AND LEGISLATION

The Marketing and Events Department has made it a priority to gain annual data and research on tourism. This information is essential to our planning process as it gives us an opportunity to evaluate our current marketing tactics and assess areas for improvement or fresh thinking, as well as is insightful for members of Council to measure the level of impact tourism has on our local economy.

Through our partnerships with the Tourism Industry Association of Ontario (TIAO) we receive insightful reports on tourism trends and spending for the province. On a local level, we have tactics in place to collect data from tourists visiting Cobourg, however, we have struggled to collect information directly from local businesses on the impact they see from tourism spending in the region. As COVID-19 placed a halt on travel plans in 2020, the Marketing and Events department sought an opportunity to engage the local businesses as we felt they may more easily be able to assess the impacts of tourism on their business by comparing a busy 2019 to a tourism vacant 2020.

5. BACKGROUND

The Marketing and Events department collects data on tourism spending in the region each year. Current tactics include visitor surveys, website traffic reporting, cell phone tracking devices and post event questionnaires. In 2020, as part of the Experience Ambassador Summer Student program, the department had budgeted for a research assistant who would work with the Manager of Marketing and Events to update our current survey's as well as work closely with local businesses in order to gain better insight into the impact of tourism spending on the region. Unfortunately due to COVID-19, Cobourg, like many other municipalities across Ontario did not have a tourism season and therefore the summer student program was postponed.

In June of 2020, the Marketing and Events Department was successful in their application to the Federal Economic Development Agency for Southern Ontario's Regional Relief Recovery Fund. The Department set aside a portion of this funding to conduct a research project with local business owners in order to better gauge the impact of tourism spending on the local economy. Through the recommendation of our partners at Northumberland County and the Tourism Industry Association of Ontario, the Town of Cobourg engaged Laridae Communications Inc. (Laridae) to assist with this research project.

6. ANALYSIS

The purpose of the engagement with local, small-business owners was to better understand how tourism impacts their day-to-day operations and contributes towards their company's overall success and sustainability. Laridae also gathered

suggestions from key community partners for future growth, change, and/or improvements as they relate to the tourism sector and small-business community. A total of 135 people responded to the survey and an additional 12 participants took part in focus groups and key informant interviews. Although the primary focus of the survey was on local, small business, the Town did issue out a media release to the public informing them that they could participate and share their feedback.

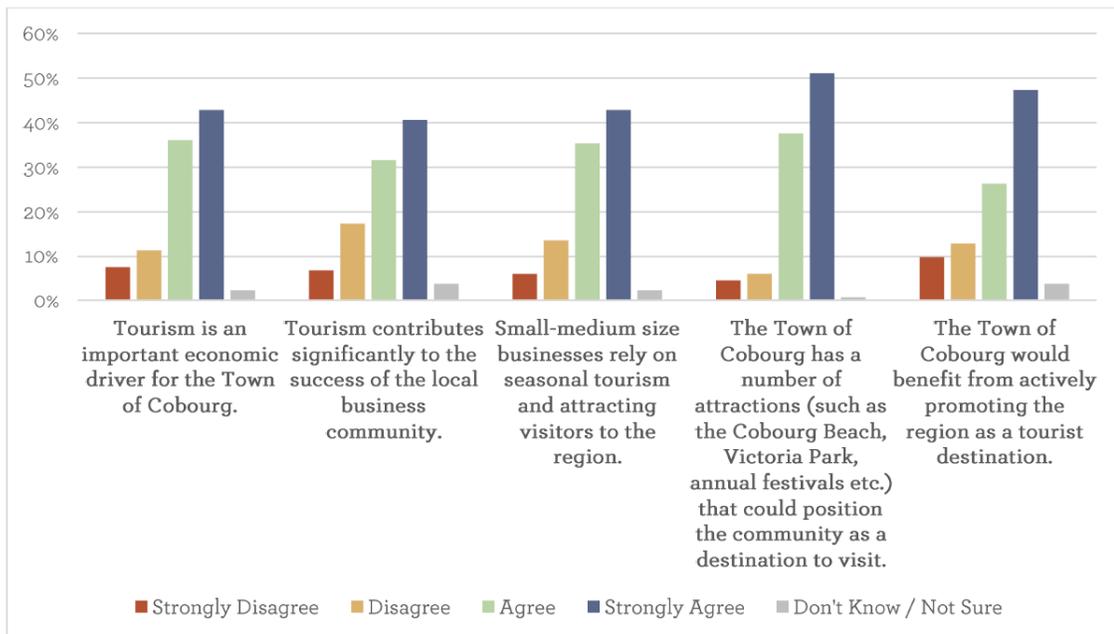
Key Research Findings

Online Survey:

A confidential, online survey was developed and circulated to stakeholders for a total of five weeks. The survey was circulated via Town of Cobourg Media Release, email, social media, through focus groups and in-person, and was available to stakeholders from November 16th 2020 – December 18th, 2020.

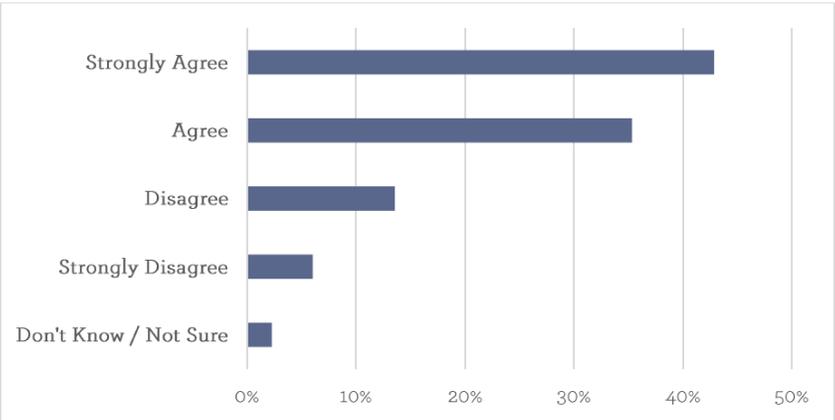
- 68% of business owners stated that they **strongly agree** that tourism is an important economic driver for the Town of Cobourg. 35% of community members stated that they **strongly agree** and 37% stated that they **agree**.

Question 2: To what degree do you agree with the following statements:



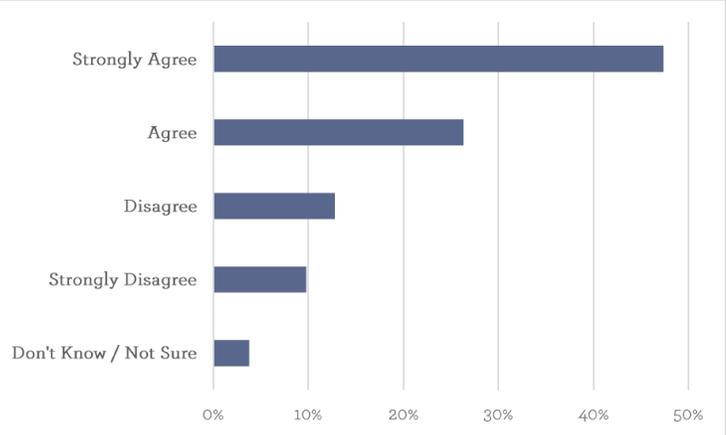
- In response to the statement, “small-medium size businesses rely on seasonal tourism and attracting visitors to the region”
 - 61% of business owners, 80% of business and or tourism organizations and 35% of interested community members stated that they **strongly agree**.

Statement #3: Small-medium size businesses rely on seasonal tourism and attracting visitors to the region.



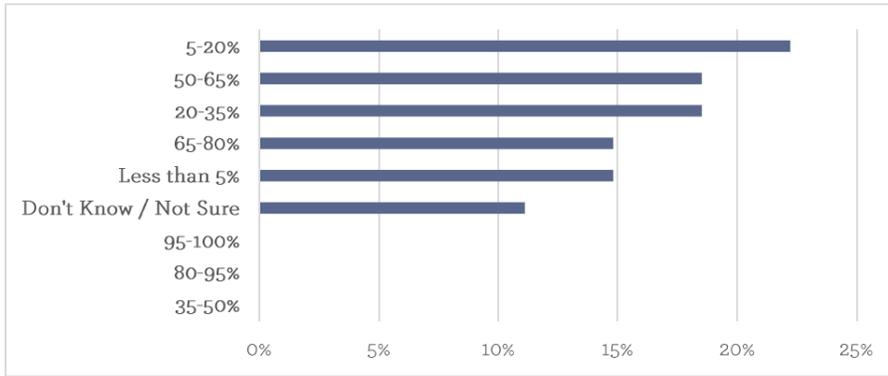
- In response to the statement “The Town of Cobourg would benefit from actively promoting the region as a tourism destination”
 - 64% of business owners, 80% of business and or tourism support organizations and 42% of interested community members stated that they **strongly agree**.

Statement #5: The Town of Cobourg would benefit from actively promoting the region as a tourist destination.



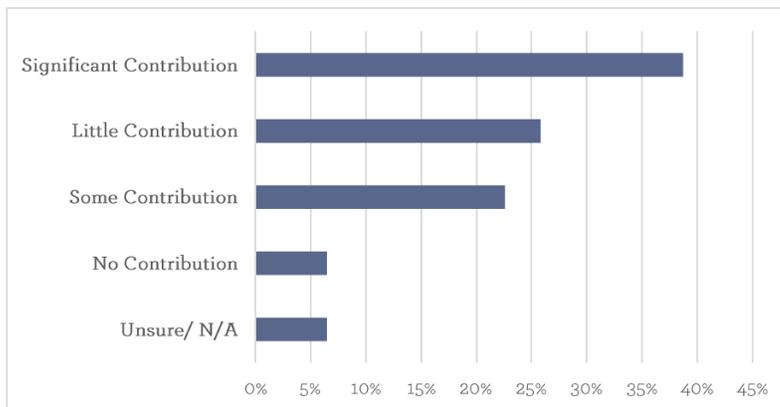
- Businesses were asked the question “in 2019, prior to COVID-19, tourism activity in the Town of Cobourg contributed approximately blank towards my company’s annual revenue”
 - Of the respondents who identified themselves as retail businesses, 23% stated between the range of 20% – 35% and 23% stated between the range of 50% and 65%
 - 29% of Food and beverage businesses stated a range between 20% and 35%
 - 50% of accommodations businesses stated a range between 65% and 80%

*Question 5: Please complete the following sentence: “In 2019, prior to COVID-19, tourism activity in the Town of Cobourg contributed approximately ____ towards my company’s annual revenue.”



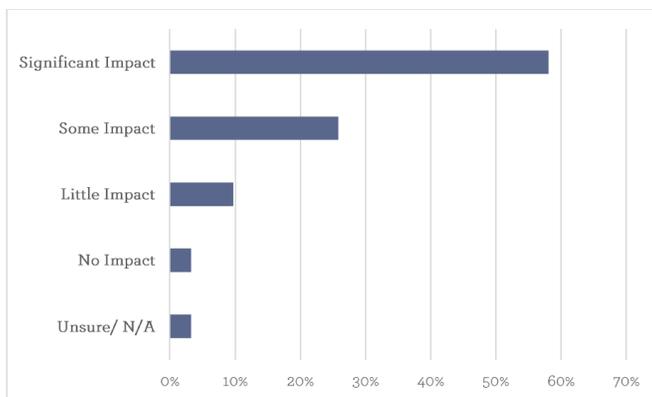
- In response to the question, Prior to COVID-19, how did the Cobourg Beach (and waterfront activity such as the Splash pad, Canteen etc.) contribute towards attracting customers and generating sales for local businesses in general?
 - 54% of retail businesses and 50% of food and beverage businesses stated **significant contributions**. 50% of accommodations stated **some contributions**.

Question 11: Prior to COVID-19, how did the Cobourg Beach (and waterfront activity such as the Splashpad, Canteen etc.) contribute toward attracting customers and generating sales for local businesses in general?



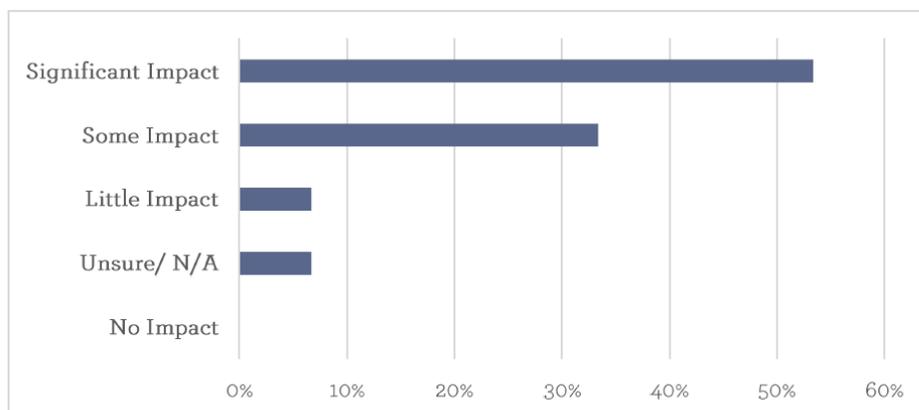
- Local businesses were asked “How do community events, holiday weekends and festivals in the Town of Cobourg impact the sales and customer traffic experience by local businesses?
 - 69% of retail, 50% of food & beverage and 50% of accommodations businesses stated a **significant impact**

Question 12: How do community events, holiday weekends, and festivals in the Town of Cobourg impact the sales and customer traffic experienced by local businesses? (for example: Cobourg's annual Sandcastle Festival, annual Waterfront Festival, Ribfest, activities hosted in Victoria Park, etc.)



- In response to the question, in general, how does the tourism sector impact the economic growth and well-being of the Town of Cobourg?
 - 52% of business owners or operators and 60% of business and tourism support organizations stated **significant impact**.

Question 15: In general, how does the tourism sector impact the economic growth and well-being of the Town of Cobourg?



Focus Groups:

Focus groups were held for small-business owners or operators from the retail, food and beverage, and accommodations sectors, as well as community partners. The participants were engaged during each of the sessions and shared current perceptions and experiences, and offered suggestions for future growth, change and improvements as they relate to Cobourg's tourism sector.

- **Impact of COVID-19:** Prior to COVID-19, one participant noted that their business “thrived” on tourism and even had an international customer base. They estimated that 25% of customer traffic was generated from people coming from the beach.
 - “With a variety of retail options downtown, a vibrant restaurant selection, an active waterfront and many other places to visit, it was noted that, “Tourism is exceptionally important to Cobourg.”

- **Local job creation:** When asked how their business accommodates the influx of tourism traffic in the summer months, many participants commented on the need to hire additional labour and add capacity to prepare for a busy season.
- **Festivals and Events:** Cobourg has always been good at hosting events, on average, around once a month. These events drive consumers into town. It was noted that these need to be promoted even more.
- **Campground:** It was noted that many families who stay in the trailer park represent significant spending power and often have relatives visiting on the weekend.
- **Street Closures:** One participant noted that during sidewalk sales, they bring in an additional two to three staff members to manage the increase in traffic. When discussing the street closures this past summer, the group note that although the closure was intended for the restaurants, the retail industry “benefited tremendously”
- It was noted that tourism impacts businesses located in the downtown core differently than those located outside of the downtown core. Summer tourism is very important to the region. During the summer, due to the downtown’s proximity to the beach, businesses benefit from a significant increase in sales over three months and see a considerable number of tourists coming through.
- It was noted that new events and festivals are a key area of opportunity for the Town of Cobourg.

Challenges/Opportunities/Areas for Improvement:

- **Engagement with overnight/out of area travellers:** From an accommodations perspective, it was noted that tourism has changed “dramatically” over the years. One of the most significant shifts has been the change from overnight tourism to “day trippers”.
 - In particular there use to be a significant portion of American tourists. Overtime, this trend has shifted and they only see occasional visitors from Florida or “Snowbirds”.
- **Local job creation:** It was suggested that leveraging opportunities for “off-season” tourism would help maintain year-round employment
- **Encouraging overnight and multi day travel:** Most participants agreed that there is potential for the Town of Cobourg to host more functions that attract large groups of people over consecutive days. With a specific focus on the off season.
 - Focus should be on attracting people to stay more than one night and encouraging them to visit multiple venues.
 - Helpful to attract visitors to the community on days of the week that aren’t already busy.
- **Community Centre:** One participant felt that the Cobourg Community Centre and Arena is underutilized, noting that there is an opportunity for the Town to leverage this building for tourism by hosting more sports functions and conferences.

- **Tourism Partnerships:** participants suggested working with the County and Port Hope on a larger scale by forming partnerships that benefit tourism.
- **Waterfront:** Some participants felt that the drive-out pier could have been a popular tourism attraction for Cobourg that would have also been a good place to host events such as car shows. “This was a major tourism attraction that could have been developed”
- **Festivals and Events:**
 - For businesses located within the downtown core, many held the opinion that festivals and events are very beneficial, especially the Canada Day Festival. There was a common belief however, that investing money into one-day events does not positively impact local restaurants. It was suggested that the town should focus on creating tourism experiences instead.
 - For businesses located outside of the downtown core, it was noted that local hockey tournaments are very beneficial to their accommodation business, whereas they do not experience the same benefit from waterfront festival.
 - Participants noted that the Ontario 55+ Games, the RBC Cup and other major events that create an enjoyable atmosphere generate traffic for downtown businesses and the accommodation sector.
 - It was noted that the Town would benefit from focusing on the music industry, stating that music-related festivals would attract many people to the area.
 - Participants felt that food festivals and food trucks might also attract people from outside of Cobourg.
- **Cultural Master Plan:** Participants expressed that they would like to see an integration of the Cultural Master Plan with the Town’s Tourism strategy.
- **Funding:** Participants acknowledges that there are many priorities competing for budget, and some were unsure if tourism has received enough funding to make a difference. “It is important to think through the funding required to have an impact, attract people and businesses, and treat it as an investment.”

Key Informant Interviews:

Key informant interviews were qualitative in-depth interviews with individuals considered knowledgeable about the Town of Cobourg and the tourism sector at-large. The purpose of these interviews was to collect detailed information from experts who, with their particular knowledge, and understanding, could provide insight into the challenges, opportunities and potential solutions for the Town of Cobourg.

- **Tourism Spending:** It was noted that the Regional Tourism Organization 8 (RTO8) sees “millions of dollars from tourism” and the location of Cobourg is key for the RTO8.
 - Communities within Northumberland County greatly rely on visitor economy. The agriculture sector is the number one economic driver for the region and tourism is second.
 - Local business owners commonly indicate that 20% of their revenue is generated by visitors. This means they are essentially a “tourism-related business”

- **Business Attraction:** the participant noted that tourism directly impacts economic growth for Cobourg through business attraction.
- **Post COVID-19 Tourism Initiatives:** In the foreseeable future, it will be important to explore outdoor tourism initiatives, domestic travel opportunities and “hyper local tourism”
 - Outdoor experiences such as hiking, cycling, paddling, fishing and outdoor recreation, bike rental programs.

Challenges/Opportunities/Areas for Improvement:

- **Resources:** It was noted that one of the challenges around tourism is a shortage of resources (Including human resources).
 - “Too few people to deliver”
 - The participant shared Peterborough as an example, noting that they have approximately eight staff members. They felt that regional tourism should have at least this number of staff.

Other Research Findings:

According to a recent study commissioned by the Tourism Industry Association of Ontario (TIAO), participant’s reported that concern will drop significantly post COVID-19 within Canada while remaining high internationally. Therefore this is an opportunity for tourism revenue in Ontario.

- Based on the travel spending of Ontarians when visiting international destinations, if TIAO can convince 10% of those people to stay home and spend that money within Ontario, that would translate to a potential \$1.8 Billion revenue opportunity
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7. FINANCIAL IMPLICATIONS/BUDGET IMPACTS

The total cost of the tourism research project was \$6,356.00 of which 100% was covered by the Regional Relief Recovery Fund. Therefore, there was no impact to the municipal budget.

8. CONCLUSION

THAT Council receive the report for information purposes