

CHARTING THE COURSE OF TOURISM IN PEI FOR THE NEXT TWO YEARS

TOURISM STRATEGY



Foreword

Tourism Prince Edward Island (TPEI) first commissioned a five year strategy in late fall 2019. Tourism across Canada and around the globe had been thriving and for PEI, it would be its best tourism year ever. The conditions for the commission of a new five year strategy were premised on taking what was already working effectively for Prince Edward Island (PEI) and making them stronger with the collective understanding that the best time to evolve PEI's tourism industry was when business was good.

In March 2020, the Strategy Steering Committee, the Tourism PEI Board of Directors, Tourism PEI leadership, and Twenty31 Consulting, met in Charlottetown to prioritize many of the strategy initiatives. The future vision, the guiding principles, key themes, and initiatives were discussed and agreed upon. The strategy was almost complete and then tourism came to a grinding halt.

A global pandemic declared. Borders shuttered. Tourism stopped in its tracks. PEI's five year tourism strategy was put on hold. New short-term, season by season strategies were developed with the objective to save tourism supply, support small-to-medium size businesses (SMEs) and demand as movements were allowed—first within the province, then within the Atlantic Canada bubble and then finally, after a year, to less restrictive travel from the rest of Canada.

As vaccination rates began to climb and with effective testing protocols at entry points into the province, visitation from the rest of Canada opened up in July of 2021. For most of the industry, tourism started to rebound alongside optimism from the industry that the worst was behind us. It was time to reconsider the previous tourism strategy but with a new timeline that reflected the expectations of ongoing uncertainty, and the changes to tourism brought about by the pandemic—rules and regulations,

tensions with labour and supply chains, and shifts in traveller behaviour and channels. It was also time to take advantage of this pause in tourism to reflect on and re-consider how tourism in PEI could build back stronger and earn higher revenues for the industry.

An updated tourism strategy was commissioned to reflect two critical objectives to grow revenue for a primarily demand based PEI's tourism industry:

1. To recover tourism as quickly as possible. A largely demand based one year strategic approach to stimulate demand from volume travellers from those short-haul and domestic markets that demonstrated the highest propensity to visit PEI in 2022.
2. To use the massive tourism disruption to begin identifying and then addressing systemic challenges, weaknesses, and threats to PEI's tourism recovery, and to leverage new and previously under-leveraged opportunities.

Furthermore, while the ongoing pandemic will inform much of the strategy, it is important to note that many key initiatives and findings from the previous five year strategy remain important to support the future of tourism in PEI. These include the tourism vision and guiding principles and many key initiatives that remain important to PEI's tourism ambitions.

Finally, COVID is still with us. The Omicron variant threatens new restrictive measures. Border closures, new testing protocols, the need for more booster doses of vaccine, and other regulations will further deflate traveller confidence causing trip cancellations, and resident confidence to welcome back visitors. Tourism's future has never been more uncertain. Any strategy must be evaluated with an ability to be nimble and adapt to whatever that future brings.

Acknowledgements

Tourism is a collaborative effort. It is highly dependent on the industry that it supports from a wide array of stakeholders directly and indirectly engaged in developing and supporting the conditions for tourism to thrive. This strategy has been developed with extensive consultation from a wide variety of tourism stakeholders from all parts of the Island, but with a specific focus on those stakeholders directly engaged in tourism's front lines, entrepreneurs and those who risk their capital. We are thankful for their support, participation, and ideas to help recover tourism as quickly as possible, protect the industry from disruptive forces, and consider new ways for PEI's tourism industry to adapt to a new tourism future.

PEI's 2022-2023 tourism strategy was made possible through the dedication, passion, and contribution of the following individuals:

TPEI BOARD MEMBERS

- David Groom, Chairman, Quality Inn
- Louise Arsenault, Mill River Resort
- Perry Gotell, Tranquility Cove Adventures
- Derrick Hoare, The Table Culinary Studio Inc
- Matthew Jelley, Maritime Fun Group
- Sandi Lowther, Fairways Cottages
- Claus Schmidt, CBDC Central PEI
- Donna Sentner, KOA

TPEI STRATEGY STEERING COMMITTEE MEMBERS

- John Cudmore, The Holman Grand Hotel and The Arts Hotel
- Corryn Clemence, TIAPEI
- Liam Dolan, Peakes Quay Restaurant & Bar
- Don McDougall, Mill River Resort
- Doug Newson, Charlottetown Airport

TPEI STAFF

- Jennifer DeCoursey
- Brenda Gallant
- Keith Hansen
- Chris Jones
- Claudette MacDonald
- Kent MacDonald
- Bradford Rooney

RTAS & TOURISM PARTNER ORGANIZATIONS

- Food Island Partnership
- Golf PEI
- Central Coastal Tourism Partnership
- Discover Charlottetown
- Acadie I.-P.-É Tourism Association

- Explore Summerside
- Island East Tourism Group
- Meetings and Conventions PEI
- North Cape Coastal Tourism Partnership
- Tourism Cavendish Beach
- Tourism Industry Association of PEI

CONSULTATIONS

- Tim Banks, Blackbush Resort
- JJ and Julie Chaisson, The Fiddling Fisherman
- Mike Cochrane, Charlottetown Harbour Authority
- Susan Freeman, Meetings & Conventions PEI
- Bryson Guptill, The Island Walk
- Karen Jans, Parks Canada
- Hon. Matthew MacKay, Ministry of Economic Growth, Tourism and Culture
- David MacKenzie, Red Shore Racetrack & Casino
- Kevin Murphy, Murphy Hospitality Group
- Terry Nabuurs, Wheelhouse In Georgetown
- Jeff Noye, 'The Oyster Man'
- Mike Robertson, Meridian 63
- Kent Scales, PEI Restaurant Association
- Chef Michael Smith, The Inn at Bay Fortune
- Jamie Thomas, Lennox Island Mi'kmaq Cultural Centre
- Kent Thompson, Upstreet Craft Brewing
- Heidi Zinn, Discover Charlottetown
- Evangeline Tourism Association AGM attendees
- TIAPEI 2021 Tourism Conference and AGM attendees

And, a big thank you to the many not mentioned here who have shared their wisdom and guidance along the way.

Introduction

Around the world, COVID has severely disrupted the tourism industry. From national and intra-provincial border closures restricting the ability to move to and across provinces in Canada have severely limited the recovery of tourism.

As restrictions have lifted around July of 2021, PEI has experienced a strong return to tourism and some optimism for the future. As travel patterns have too been disrupted, trends point in the direction of a bright future for tourism in PEI as we see increased global demand for rural, remote, environmentally sustainable and experiential tourism where PEI can thrive.

However, there are also storm clouds on the horizon facing not only PEI but tourism around the world. A new variant of COVID is once again shutting borders and creating fear in prospective travellers. Labour and transportation bottlenecks threaten PEI's ability to provide expected tourism services. Small business lacking the funds to reinvest in tired tourism product and ongoing COVID testing protocols threaten the potential of a return of cruise ships to Charlottetown.

PEI's tourism industry recognizes these challenges and has commissioned this strategy to review short and medium term bottlenecks, challenges, and opportunities to both return to tourism profitability as quickly as possible and to begin to plant seeds for medium- and long-term recovery by leveraging this global disruption in tourism to build back better for the Island's tourism industry.

Build back better means using this disruption to address PEI's current threats and weaknesses to tourism

performance, address systemic issues that impede tourism's revenue potential and opportunities to reposition itself for revenue growth. Some of these weaknesses include addressing seasonal nature of tourism, lack of product investment, underperforming tourism assets, and gaps between what visitors want to experience and those available.

And, opportunities are abundant. New product and destination development by visionary entrepreneurs for four season tourism is already changing the tourism landscape. PEI's effective management of COVID and its significant support to protect tourism small-and medium-size businesses and strong interest in growing revenue is a sign that tourism is a priority of government and an opportunity to re-invest in PEI's tourism potential.

None of this is easy.

Much of PEI's opportunity lies in a change in mindset of what tourism on the Island has always been to what tourism in PEI could be. But if that barrier can be overcome, PEI may have a once in a generation opportunity to change the tourism landscape and create a vision for its own future.

This strategy lays out the blueprint to help pave that future.

Much of PEI's opportunity lies in a change in mindset of what tourism on the Island has always been to what tourism in PEI could be.

How to Read This Document:

A Custom Tourism Strategy Framework

COVID has disrupted everything. From how we travel to even how strategies are developed to anticipate change and support the development of tourism to first support recovery and then set the foundation for tourism to thrive in the future.

Tourism strategies typically rely on historical data, research, insight and information which help to identify challenges and successes. Those that need mitigation and those that need fuel. However, COVID has reduced the efficacy of some of that data. Some of those factors that brought PEI's tourism industry to pre-COVID levels in 2019, may not support the industry in the coming years. With so many unknowns, we can only look into the short-

term to support tourism demand, protect supply and over the longer term, anticipate how the emerging trends in tourism will favour PEI's longer-term strategic direction.

For this strategy, PEI's tourism industry had to start with the end in mind—what needs to be done (the ultimate objectives) to support the tourism industry in the most effective way possible given the current context. The methodology reflects the focus on objectives first, moderated by guiding principles and the vision developed for the previous 5 year strategy, and then a review of the challenges, opportunities, and key initiatives to support recovery and revenue growth for the future.



| | |
|---------------------------|--|
| OBJECTIVES | Intentions PEI has set to protect its tourism economy and businesses and to grow tourism revenue |
| GUIDING PRINCIPLES | Values that guide PEI tourism stakeholders to accomplish their vision |
| VISION | Direction for tourism in PEI that reflects industry needs, potential visitors, operators, and the communities that tourism serves |
| CHALLENGES | Short- and long-term barriers and threats that need to be recognized and mitigated |
| OPPORTUNITY THEMES | Areas of tourism development and growth to achieve the vision |
| INITIATIVES | Actions that: <ul style="list-style-type: none">• Can be supply driven reflecting a certain currently underleveraged competitive opportunity;• Can be demand driven like an under-targeted group of prospective customers; and,• Are prioritized based on impact and ease of implementation |

Strategic objectives

During development of PEI's 2022-2023 tourism strategy, PEI's tourism leaders clearly articulated that its strategic objectives should be:

1

IMMEDIATE OBJECTIVE

OBJECTIVE 1

Optimize recovery potential for 2022

Challenge

- Too many destinations chasing too few travellers for 2022 as we exit several COVID waves
- Need to realize better revenues to enhance and support new tourism supply

Approach

- Address bottlenecks and immediate challenges
- Engage in highest potential return marketing programs with a focus on volume travellers to get more visitors in 2022

2

2-YEAR OBJECTIVE

OBJECTIVE 2

Set in motion conditions to support higher revenues from tourism for the next two years

Challenge

- Too little tourism revenue relative to PEI's opportunity
- Address potential challenges with systemic tourism issues to derive higher revenue from PEI's tourism industry

Approach

- Plant the seeds over the short-term to fundamentally shift tourism to drive higher revenue from tourism for PEI

3

BEYOND 2-YEAR OBJECTIVE

OBJECTIVE 3

Begin to fundamentally shift how tourism is developed and delivered in PEI beyond 2023

Challenge

- Need to shift the tourism mindset from a traditional definition and role to one that is more contemporary and modern
- Optimization of PEI's tourism opportunities to increase revenues, tax dollars, and employment

Approach

- Begin with a blank slate for tourism in PEI to address systemic challenges that hold back PEI from achieving its full tourism potential

Guiding Principles

Guiding principles represent the shared values and beliefs of a destination's tourism industry. For PEI's tourism industry stakeholders, they guide the sometimes difficult decisions that they need to take, and apply in all circumstances, regardless of changes in goals, strategies, type of work, or management.

The first five of these guiding principles were developed during the five year strategy process prior to COVID. The sixth reflects post-COVID opportunities.

1. Vision and evidence-based tourism planning co-created by PEI's tourism stakeholders
2. Advocacy for tourism as a means to develop economic growth and prosperity across PEI
3. Focus on labour and training to support the tourism supply to thrive, expand the tourism season, and target higher yield tourists
4. Philosophy rooted in the power of diversity—honoring local experiences while embracing the Island's inclusiveness
5. Responsible tourism that respects PEI's heritage, people, experiences, land, and environment
6. A shift in mindset from the traditional definition of tourism in PEI to one that embraces a broader concept



Vision

PEI's tourism vision is an aspirational future for tourism in PEI shared by tourism stakeholders across the island. It represents the hopes and aspirations for the kind of tourism that PEI strives for as the industry recovers from the immense challenges from COVID—a future developed by design and strategy, and a tourism that will render PEI more competitive while commanding higher revenues.



CHALLENGES AND OPPORTUNITIES



Challenges

COVID has clearly created challenges for the global tourism industry. While some of these can, and have been addressed, there are many challenges imposed by policy, governments, and health authorities to limit movement, close borders, and restrict businesses. A consequence of these challenges is also the impact on the supply chain affecting transportation and labour which will impede the potential for global tourism recovery.

The challenges that PEI faces as a direct result of the COVID pandemic may seem obvious—especially to tourism industry stakeholders that have been heavily impacted by the pandemic. Nevertheless, the ‘discovery’ conducted to inform this strategy delved deeply into understanding

those challenges caused by the pandemic, and those systemic challenges that preceded COVID, directly from tourism operators and other industry stakeholders across the island as well as from primary research and trends analysis. While the list below does not represent all challenges that PEI’s tourism industry faces, it outlines the most critical ones.

Three kinds of challenges have been emphasized:

1. Challenges that will have an immediate impact on tourism recovery in the short-term (bottlenecks);
2. Challenges due to COVID restrictions; and
3. Longer-term, systemic challenges facing tourism in PEI (impeding potential for revenue growth).



Challenges (Continued)

1. Challenges that will have an immediate impact on tourism recovery in the short-term (bottlenecks)

| Challenge | Description | Potential Impact | Management |
|--|---|---|--|
| Labour | <ul style="list-style-type: none"> • Insufficient labour for immediate season to support tourism operators such as hotels, F&B, and tour providers • Lack of trained seasonal and longer-term professionals to support jobs that require higher-level skillset | <ul style="list-style-type: none"> • If not mitigated in time, tourism season, visitor experience and revenue potential may be severely affected | <ul style="list-style-type: none"> • Committee struck to address and seek funding depending on the need • RFP for labour force assessment • Longer term opportunity to work with education systems as well as seniors and PEI newcomers to encourage training and support |
| Transportation | <ul style="list-style-type: none"> • Lack of transportation options to support visitors getting around the Island (i.e., public or private transportation) • Particular challenge with available car rentals at Charlottetown airport (global 'supply chain' issue) | <ul style="list-style-type: none"> • Potential for air routes to be affected; cancellations • Air routes from non-drive markets in Western Canada may be a challenge to protect and sustain • Possible need to seek alternate modes of intra-provincial transportation | <ul style="list-style-type: none"> • Committee struck to address challenge, identify alternatives including coaches, alternative car sharing, ride sharing services, public transportation; focus on VFR market with access to vehicles, and seek funding depending on the need |
| Cruise | <ul style="list-style-type: none"> • Stringent PEI COVID requirements such as testing upon arrival for all disembarking passengers may cause cruise ships to determine PEI may be too onerous a port of call • CDC recommendation against cruise travel | <ul style="list-style-type: none"> • Cruise ships may bypass PEI • Possibility to discover other ports less onerous for disembarking passengers • Avoidance of cruise travel | <ul style="list-style-type: none"> • Communication to local health authorities regarding potential bottleneck • Development of local communication strategies to share concerns • Planning and operator support in preparation for when cruise returns |
| Group Travel (e.g., coach, M&C, tour groups, etc.) | <ul style="list-style-type: none"> • Stringent PEI COVID requirements such as testing upon arrival for all PEI visitors may cause group travel to be too onerous | <ul style="list-style-type: none"> • Group travel such as through coach may bypass PEI • Possibility to discover other destinations less onerous for group travellers | <ul style="list-style-type: none"> • Communication to local health authorities regarding potential bottleneck • Development of local communication strategies to share concerns • Planning and operator support in preparation for when group travel returns |

Challenges (Continued)

2. Challenges due to COVID restrictions

| Challenge | Description | Potential Impact | Management |
|--------------------------------|---|---|--|
| Response to new COVID variants | <ul style="list-style-type: none"> Additional variants with potential to further disrupt tourism; restrict gatherings, business openings, intra-provincial and national borders | <ul style="list-style-type: none"> Tourism faces another spring/summer under some shutdowns, ambiguous policy that may severely derail tourism confidence, preparations for opening and exacerbated labour shortages | <ul style="list-style-type: none"> Tourism leaders to monitor with health authority Support for science-based solution; possible continued testing at borders to alleviate resident sentiment Leverage PEI's position as a safe destination |
| Viability of supply | <ul style="list-style-type: none"> Decreased number of visitors, operator morale and fatigue, and difficulty in long-term planning cause businesses to shutter during COVID with some never returning or under poor repair | <ul style="list-style-type: none"> Degradation of tourism assets and product reputation in PEI due to lack of use and maintenance; fewer assets and lower capacity to welcome visitors | <ul style="list-style-type: none"> Continue to review/consider government support programs |

Opportunity Themes

Consultations across the Island and a review of key trends revealed a tremendous amount of opportunity that PEI's tourism industry can leverage to achieve both immediate return to tourism profitability, and to begin transitioning to the type of tourism it has always dreamed of.

The opportunities below are not meant to be comprehensive rather, they are meant to highlight themes that PEI can leverage to achieve its tourism ambitions.

Two kinds of tourism themes are listed:

1. Immediate and short-term opportunity themes
2. Medium- and long-term opportunity themes



Opportunity Themes (Continued)

1. Immediate and short-term opportunity themes

| Opportunity | Description | Potential Impact | Management |
|---|---|---|---|
| Leverage momentum/government support for tourism | <ul style="list-style-type: none"> Importance of tourism across public sector recognized with approval and provision of specific sector support Possibility to continue momentum beyond immediate support, to build tourism back better | <ul style="list-style-type: none"> Is it time to reconsider how tourism is delivered, managed in PEI. Does COVID offer that opportunity? | <ul style="list-style-type: none"> Much needed change for tourism in PEI from a traditional definition of tourism to one that can help drive more revenue |
| Effective management of COVID and reputation for safety | <ul style="list-style-type: none"> Perception of PEI as one of the safest places in Canada and among the top safest places in the world Potential to leverage safety, responsibly, to entice certain types of visitors to the Island | <ul style="list-style-type: none"> Communicate in marketing materials, and to residents about the importance of tourism and welcoming visitors | <ul style="list-style-type: none"> Competitive advantage for PEI. Visitors feel that PEI management of COVID and precautions at the border mean it is a safe destination to visit |
| Marketing campaigns to lure high volume visitors | <ul style="list-style-type: none"> Given expected trends in visitation resulting from COVID, PEI owns many factors that are important to lure more visitors such as safety and open spaces; opportunity to use marketing campaigns to attract those visitors | <ul style="list-style-type: none"> Develop marketing campaigns to reach high potential volume travellers in 2022 | <ul style="list-style-type: none"> Rapid potential recovery of tourism in 2022 Marketing and media strategy developed for campaigns in all seasons with focus on high volume and high potential visitors Nimble marketing plans to anticipate and reflect impacts of new COVID variants, border restrictions and other impacts |
| New and ongoing government support for supply viability | <ul style="list-style-type: none"> To support PEI tourism businesses during COVID, PEI government enabled many innovative and supportive programs; opportunity to continue those programs beyond COVID | <ul style="list-style-type: none"> Create new and continue existing programs to help tourism industry remain viable | <ul style="list-style-type: none"> Tourism supply remains viable to support recovery Government continues to support supply through multiple new and continued protection and marketing programs |

Opportunity Themes (Continued)

2. Medium and long-term opportunity themes

| Opportunity | Description | Potential Impact | Management |
|--|--|--|--|
| Tourism investment across Island in traditional & non-traditional tourism products & regions | <ul style="list-style-type: none"> Number of opportunities in traditional and non-traditional tourism products across Island require investment to develop or enhance Investment opportunities can be used to enhance visitor experience, and act as catalyst to support economies | <ul style="list-style-type: none"> Use case studies to demonstrate where investment is currently taking place to develop clusters of products and regions for increased tourism development | <ul style="list-style-type: none"> Strategy and action plan that supports tourism dispersion province-wide Support more product, more community development and more revenue |
| Availability of capital | <ul style="list-style-type: none"> Higher than normal returns from other industries creates availability of capital that can be used to support investment in tourism Opportunity for investment incentive/ tax credit to encourage private sector investment | <ul style="list-style-type: none"> Begin programs to communicate potential for tourism investment, help match capital with entrepreneurs | <ul style="list-style-type: none"> Capital and programs that understands the investment and potential of tourism to help improve current assets and build new tourism assets and regions Entrepreneurs with capital to support their investments |

Key Initiatives

With PEI's tourism strategic objectives clearly defined early on, it made most sense to organize strategic initiatives accordingly.

Through tourism stakeholder and operator engagement and research conducted during the discover phase, many potential initiatives were discovered that the Strategy Steering Committee, the TPEI Board, and TPEI leadership

prioritized based on impact on objectives and ease of implementation. The list below represents the top initiatives grouped by objective. Initiatives falling under the first two objectives are meant to be completed in 2022-2023, while initiatives under objective three need to be considered for the longer-term.

1

IMMEDIATE OBJECTIVE

OBJECTIVE 1

Optimize recovery potential for 2022

1. Create a tourism strategy implementation committee
2. Support bottlenecks in labour, transportation, and cruise and group travel
3. Communicate strategy and improve stakeholder collaboration (private and public sector)
4. Collect and share market and resident sentiment research
5. Develop marketing campaigns for markets that have highest potential in all seasons
6. Seek funding for more significant marketing campaigns in highest potential markets
7. Protect new and existing air routes, specifically from ON and AB
8. Protect operators to support tourism supply
9. Launch Safe Haven Prince Edward Island certification program
10. Support private sector investment in festivals and events
11. Support small meeting and incentive tourism program
12. Support development of sport tourism strategy
13. Re-launch and maximize use of Island Gift Card Program
14. Build tourism operator capabilities for resiliency

2

2-YEAR OBJECTIVE

OBJECTIVE 2

Set in motion conditions to support higher revenues from tourism for the next two years

15. Modernize the Tourism Industry Act
16. Carry out a review of RTA/DMO model
17. Identify soft/experiential tourism needs and support product development
18. Develop and enhance Island walking and biking trails
19. Support more private sector operators through tourism entrepreneurship
20. Attract investment in tourism opportunities and businesses
21. Investment and support for PEI as a premiere meetings and conventions destination
22. Assist with air access expansion to key target outbound destinations
23. Explore, develop, provide training on, and roll-out dynamic pricing program/initiatives
24. Update TPEI's technology/information platforms

3

BEYOND 2-YEAR OBJECTIVE

OBJECTIVE 3

Begin to fundamentally shift how tourism is developed and delivered in PEI beyond 2023

- Identify, develop, and market higher yield products and experiences
- Develop PEI's wellness tourism products and experiences
- Support PEI's "greening" agenda with eco-friendly tourism products and experiences
- Develop PEI's Indigenous tourism products and experiences
- Create desired itineraries and packages and identify innovative ways of promoting them
- Market the "real" and authentic PEI experience
- Study the potential for regional tourism cluster development
- Study additional revenue streams such as tourism levy to fund post-COVID initiatives
- Invest in public-private partnerships to transform crown assets into year-round product

OBJECTIVE 1 INITIATIVES

Optimize Recovery
Potential for 2022



Initiative 1 Details:

Create a Tourism Strategy Implementation Committee

Rationale

- The effort and time to oversee the implementation of this tourism strategy is arguably greater than the effort and time required to implement tourism strategies in 'normal' years.
- To ensure as many initiatives as possible are prioritized, planned, and implemented, it will require coordination, collaboration, and communication from the public and private sectors.
- A tourism strategy implementation committee should be created to oversee the effective implementation of this strategy.

Timeframe/Trigger

- Immediate (0-3 months)

Roles

- TPEI (co-lead)
- TIAPEI (co-lead)
- Public and private sector organizations supporting the tourism strategy (support)

Tactical Actions

- Set up a tourism strategy implementation committee
- Develop a prioritized plan to oversee implementation of the tourism strategy
- Meet on a regular basis to get updates from the various initiative leads, address challenges, and leverage learnings

Outcomes

- Effective implementation of the tourism strategy to meet identified outcomes

Initiative 2 Details:

Support Bottlenecks in Labour, Transportation, and Cruise and Group Travel

Rationale

- Labour, transportation, and cruise and group travel barriers caused by the pandemic and other ‘supply chain’ factors will directly impede PEI from achieving its immediate objectives of recovering visitors and optimizing revenues for all four seasons.
- Failing to address these bottlenecks will lead to lost potential visitation and related revenues. E.g.:
 - Insufficient staff to support accommodation, food and beverage, attraction, and other tour operator businesses, prohibiting visitors from experiencing quality tourism products, or from receiving them altogether because businesses are unable to open due to inability to find skilled and unskilled staff.
 - Lack of transportation options limit visitors to specific tourism areas or deter them altogether due to a lack of car rentals upon arrival.
 - Cruise and group travel operators may not have an interest in organizing trips to PEI due to additional potentially cumbersome requirements like testing upon arrival that may take up limited hours on Island, increasing the possibility for those organizers to discover other destinations less onerous for cruise and group travellers.

Timeframe/Trigger

- Immediate (0-3 months)

Roles

- TPEI (co-lead)
- TIAPEI (co-lead)
- Public and private sector organizations supporting the tourism strategy (support)

Tactical Actions

- Set up a committee to develop and execute a plan to address labour challenges through “made in PEI” solutions
- Set up a committee to develop and execute a plan to address transportation challenges through “made in PEI” solutions
- Communicate cruise and group travel challenges with appropriate health and safety decision-makers and develop a joint readiness plan to prepare for tourism’s return and respond to identified challenges
- Communicate all action/readiness plans with tourism stakeholders to ensure awareness of initiatives and actions being taken to address the most important bottlenecks

Outcomes

- Detailed tourism labour plan
- Increased tourism labour (skilled and unskilled)
- Detailed tourism transportation plan
- Increased transportation options
- Detailed cruise plan
- Detailed group travel plan
- Protected air routes
- Increased revenue with more hotel rooms in inventory

Initiative 3 Details:

Communicate Strategy and Improve Stakeholder Collaboration (Private and Public Sector)

Rationale

- Despite a noted improvement in communication and collaboration reported by tourism stakeholders across PEI's tourism landscape, many tourism stakeholders reported a need for yet more communication and collaboration.
- Most tourism stakeholders showed interest in learning more about tourism programs, especially during COVID and tourism operators and entrepreneurs wanted opportunities to work together as well as with their public sector tourism partners and industry associations. Furthermore, tourism associations noted a desire for more opportunities to work more closely with their counterparts to enhance existing and build new tourism products and experiences.
- There is an opportunity for TPEI to play an even larger successful role for PEI's tourism industry by increasing open communications. For example, sharing the existence and details of this strategy, with its stakeholders, and providing more options for collaboration to connect tourism stakeholders so that they can work together to generate solutions to their most pressing problems and support growth among tourism entrepreneurs.

Timeframe/Trigger

- Immediate (0-3 months)
- Ongoing

Roles

- TPEI (co-lead)
- TIAPEI (co-lead)
- RTAs/DMOs (support)
- Tourism operators (support)

Tactical Actions

- Communicate existence and details of this strategy with all key tourism stakeholders across PEI
- Hold workshops through the RTAs to ensure the strategy is communicated and create additional ways of supporting
- Host more industry events, workshops, and training highlighting new and innovative PEI tourism products and approaches

Outcomes

- Increased communications
- Tourism stakeholder satisfaction with communication and collaboration opportunities
- Opportunities for operators to work together and package more effectively

Initiative 4 Details:

Collect and Share Market and Resident Sentiment Research

Rationale

- COVID has impacted so much of our daily lives including how we travel and the way destinations entice visitors. These changes need to be continuously understood in order to make the best decisions for the destination and its tourism stakeholders. This includes:
 - Trends research to clarify expected shifts in global, domestic, and local tourism
 - Competitive research to position PEI vis-à-vis similar destinations and other threats
 - Consumer research in primary and up-and-coming target markets (e.g., Atlantic Canada, Ontario, Quebec, Alberta, and potential international markets like Japan and Taiwan, where PEI's wellness/spiritual offering is strong), to understand how travel consumers are now behaving
 - Local sentiment research to ensure local perceptions are considered as part of developed strategies
- Research needs to be sophisticated enough to support tourism operators and businesses in understanding nuances, yet practical enough to be able to make decisions based on insights derived.
- Research may be conducted at a point of time (e.g., market segment research) while also providing continuous updates to the industry in a standard format.

Timeframe/Trigger

- Immediate (0-3 months)
- Ongoing

Roles

- TPEI (lead)
- TIAPEI (support)
- RTAs/DMOs (support)
- Tourism operators (support)

Tactical Actions

- Collect and share global, domestic, and local tourism trends research
- Collect and share competitor research
- Conduct surveys and digital listening analysis in primary and up-and-coming target markets and share with PEI tourism stakeholders
- Conduct pulse check of local sentiment, perhaps including community engagement sessions to understand local needs and share with PEI tourism stakeholders

Outcomes

- Research on tourism and competitive trends
- Updated consumer segments; continuous tourism research
- Dissemination of research to stakeholders
- Determine higher yield visitors, most impactful source markets, products/ experiences that drive destination choice and improved marketing, product development and destination development

Initiative 5 Details:

Develop Marketing Campaigns for Markets that have Highest Potential in all Seasons

Rationale

- To recover quickly, PEI cannot rely only on its traditional summer tourism season. Since the pandemic began, PEI tourism operators and businesses have proven that many of PEI's products and experiences can operate in all seasons with some products and experiences generating higher visits and revenues in non-traditional times of the year (e.g., Mill River Resort). Of course, many businesses have not been built for all seasons, nevertheless, there is sufficient supply to entice travellers to visit year-round.
- To generate awareness, consideration and intention to travel to PEI for their next holiday, and to support booking a trip or itinerary, travel consumers, travel trade, and business travel organizations need to be aware of PEI's year-round product with a focus on the upcoming seasons. While markets that have the highest potential for visitation need to be confirmed via market research (see initiative 4) and leadership decisions, they will likely be major urban areas in the Atlantic Canada provinces, as well as Ontario, Quebec, and possibly Alberta. They may also target specific tourist segments like those who enjoy luxury, golfing, and wellness activities, as well as specific off-peak experiences like winter and spring holidays.
- Marketing campaigns need to be developed to facilitate the call to action of booking a trip to PEI as a safe (e.g., through the Safe Haven Prince Edward Island program) getaway destination, and by also focusing on its culinary scene.

Timeframe/Trigger

- Immediate (0-3 months)

Roles

- TPEI (lead)
- RTAs/DMOs (alignment)
- Operators (alignment)

Tactical Actions

- Create a detailed marketing plan based on market research (see initiative 4), to target markets with highest potential for visitation in all seasons
- Execute detailed marketing plan

Outcomes

- Detailed tourism marketing plan
- Implementation of marketing plan
- Increased visitation (vs. 2020, 2021)
- Increased revenue (vs. 2020, 2021)

Initiative 6 Details:

Seek Funding for more Significant Marketing Campaigns in Highest Potential Markets in all Seasons

| | |
|--|---|
| Rationale <ul style="list-style-type: none">• In 2022, many destinations will be vying for the same travellers—competition among destinations will be fierce.• To support marketing campaigns that need to be activated to recover tourism volumes in PEI, including a call-to-action, or visit in non-traditional seasons like winter and shoulder seasons (described in initiative 5), additional funding is required to effectively increase marketing and communications activities to capture potential visitor attention, imaginations, and actions. | Timeframe/Trigger <ul style="list-style-type: none">• Immediate (0-3 months) |
| Tactical Actions <ul style="list-style-type: none">• Plan to increase marketing budget in 2022 to support expanded marketing campaigns• Request additional funding based on marketing plan and budget, along with rationale (i.e., 2022/2023 tourism strategy and detailed marketing plan)• Work closely with RTAs/DMOs open for business with high potential to drive winter and shoulder season tourism to develop and execute programs and campaigns | Roles <ul style="list-style-type: none">• TPEI (lead) |
| | Outcomes <ul style="list-style-type: none">• Additional funds for marketing PEI in all seasons• Improve on seasonality challenges• Support tourism demand in all RTAs/DMOs open for business with high potential to drive tourism in all seasons• Higher year-round revenue for tourism |

Initiative 7 Details:

Protect New and Existing Air Routes, Specifically from ON and AB

Rationale

- Air routes are notoriously difficult to acquire due to the large investments of time, effort, and dollars.
- PEI's Charlottetown Airport has air routes that it needs to continue to protect by ensuring visitors from destinations those routes serve continue to visit the Island throughout 2022, especially air routes from Ontario and Alberta.
- Protecting Ontario and Alberta air routes requires collaboration with Charlottetown Airport to develop the business case for airlines to continue to use and develop those routes, as well as supporting with innovative marketing campaigns for visitors from those inbound markets (see initiative 5).

Timeframe/Trigger

- Short-term (1-6 months)

Roles

- Charlottetown Airport Authority (lead)
- TPEI (support)

Tactical Actions

- Develop and execute a detailed plan to protect new air routes, specifically from Ontario and Alberta, and others as they may arise

Outcomes

- Detailed air route protection and development plan
- Implementation of air route protection and development plan
- Existing routes protected for 2022
- Higher revenue from potentially higher yield travellers visiting PEI as a "trip of a lifetime"
- More seats, more flights, longer season as airlines take notice of successful routes

Initiative 8 Details:

Protect Operators to Support Tourism Supply

Rationale

- PEI's tourism industry relies on tourism operators to support visitation and the visitor experience. Their businesses have undoubtedly been impacted by the drastic decrease in visitation caused by the pandemic.
- While many operators have found ways to survive by minimizing operations or pivoting to other business models, for example, by focusing on all seasons, PEI's tourism authorities need to understand which tourism operators may benefit from operating in different seasons and identify the needs that they may have to provide services during those periods—in addition to how to access and engage in existing programs that can increase their attractiveness to potential visitors.
- Ultimately, a program needs to be developed to support interested tourism operators to provide services across all seasons.
- This serves a dual-purpose in both the short and long-term by protecting some operators maintaining businesses that may otherwise fail, especially when facing another year that may be impacted by COVID, while at the same time continuing to increase tourism supply in non-traditional months.

Timeframe/Trigger

- Short-term (1-6 months)

Roles

- TPEI (lead)
- ACOA/Federal Government (support)

Tactical Actions

- Conduct an inventory of businesses across the Island that may benefit from operating in non-traditional seasons (i.e., winter and shoulder seasons)
- Develop programming to support tourism operators to recover and be more effective year-round. Programming may include identifying funding to support operator development such as tourism business re-activation grants, training/mentorship, adopting technologies, electricity subsidies, marketing support, etc.

Outcomes

- Tourism operator protection program for all seasons

Initiative 9 Details:

Launch Safe Haven Prince Edward Island Certification Program

Rationale

- Strict health and safety policies put in place by PEI's Chief Public Health Office to manage the pandemic have resulted in PEI becoming and gaining a reputation as a safe place for its residents and destination for its visitors.
- To leverage this opportunity, TPEI researched potential programs around the globe and worked with industry to develop the "Safe Haven Prince Edward Island Certification Program" for tourism operators across the Island.
- The program aims to put in place comprehensive criteria for operators to implement a recognized health and safety framework within their operations and provide visitors with health and hygiene assurances.

Timeframe/Trigger

- Short-term (1-6 months)

Roles

- TIAPEI (lead)
- TPEI (support)
- Opearators (alignment)

Tactical Actions

- Launch and communicate Safe Haven Prince Edward Island Certification Program and communications

Outcomes

- Safe Haven Prince Edward Island Certification Program launched
- PEI tourism operators certified in the certification program

Initiative 10 Details:

Support Private Sector Investment in Festivals and Events

Rationale

- PEI stakeholders identified for-profit-organization events as a potential key driver for visitation across the Island.
- Rationale being that private sector operators have the experience, nimbleness, and funds to invest in and hold events effectively.
- To support development of additional events, PEI needs to identify the policies, criteria, and programs required for the types of events that align with visitor wants and needs (demand), and PEI's brand and offering (supply). These criteria can be used to determine partners as well as investment to support.

Timeframe/Trigger

- Short-term (1-6 months)

Roles

- TPEI (lead)

Tactical Actions

- Draft and gain approval for private sector organized event policy and criteria
- Identify private sector operators to invest in developing and launching of events
- Establish possible private sector-led event plan together with key private sector event planners and organizers, seek funding to support plan and budget, and support plan implementation

Outcomes

- Event policy, program, and incentive for more private sector investment
- More private sector organized events with expertise in event management
- Encourage higher levels of visitation, possibly during winter and shoulder seasons
- Higher overall tourism revenue for PEI

Initiative 11 Details:

Support Small Meetings and Incentive Tourism Program

Rationale

- While employees are slowly returning to physical workspaces, employers do not expect that employees will work from a physical office at the same rate they did prior to the pandemic. Technologies like Zoom have demonstrated that many employees can work remotely.
- Add to that the ever-increasing focus on responsible travel and cost savings experienced, the amount of travel and resources spent on trips will drastically decrease.
- Despite these trends, there is a place for business meetings and incentive holidays for strong performers. These meetings will be more focused on teams who may be traveling to destinations for specific meetings— they’ll tend to stay in location longer, and experience more of what the destination offers.
- Given PEI’s business tourism offering, incentive tourism programming was identified as potential to increase visitation in 2022.

Timeframe/Trigger

- Short-term (1-6 months)

Roles

- Meetings & Conventions PEI (lead)
- TPEI (support)
- ACOA/Federal Government (support)

Tactical Actions

- Develop and execute a detailed small meetings and incentive tourism plan
- Work closely with Meetings and Conventions PEI to enhance their plans/strategies
- Work closely with other “incentive” assets in PEI (i.e.. Mill River); new Spa and potentially new higher-end incentive style assets in development

Outcomes

- Detailed small meetings and incentive tourism plan
- Implementation of small meetings and incentive tourism plan
- Increased number of small meetings and incentive tourism trips in 2022-2023
- Increase in annual total tourism revenue and from tourism in all seasons

Initiative 12 Details:

Support Development of Sport Tourism Strategy

Rationale

- Nearly all tourism stakeholders across PEI expressed the importance of the potential of sport tourism to support tourism recovery.
- PEI's infrastructure can support and accommodate a multitude of different sports and sport tournaments including school, amateur, and professional leagues. Atlantic Canada provinces sport leagues and teams, in particular, may find PEI's sport tourism infrastructure attractive to support their league and competition needs.
- Additionally, PEI is already playing host to the Canada Games in 2023. It can build on the momentum leading up to the Games to entice sports teams and associations to leverage PEI's sport infrastructure.

Timeframe/Trigger

- Short-term (1-6 months)

Roles

- TPEI (co-lead)
- Sport PEI (co-lead)
- City of Charlottetown (support)
- City of Summerside (support)

Tactical Actions

- Identify potential sport tourism opportunities for PEI
- Develop and execute a detailed sport tourism plan

Outcomes

- Detailed sport tourism plan
- Implementation of sport tourism plan
- Increased number of sport visitors in 2022-2023
- Address seasonality (winter and shoulder seasons)
- More annual tourism revenue

Initiative 13 Details:

Re-launch and Maximize Use of Island Gift Card Program

Rationale

- PEI’s Island Gift Card Program was established and launched to great success in 2020 and 2021. It enabled residents and visitors alike to go into local establishments (primarily food and beverage, and has been expanded into other sectors), and spend.
- PEI has an opportunity to expand the Island Gift Card Program, including its funding, as well as participating merchants.
- The Island Gift Card Program may be something that can be continued as a “Made in PEI” solution beyond COVID recovery. PEI should investigate its establishment as a longer-term program.

Timeframe/Trigger

- Short-term (1-6 months)

Roles

- Food Island Partnership (lead)
- TPEI (support)

Tactical Actions

- Seek additional funding for PEI’s Island Gift Card Program
- Develop and execute an Island Gift Card Program plan to include additional participants and promote locally and in target markets

Outcomes

- Funding for PEI’s Island Gift Card Program
- Detailed Island Gift Card Program plan
- Implementation PEI’s Island Gift Card Program plan
- Increased number of participating merchants
- Increased number of gift card sales

Initiative 14 Details:

Build Tourism Operator Capabilities for Resiliency

Rationale

- The COVID pandemic has demonstrated to destinations around the world that they need to prepare their organizations, as well as the operators that support tourism in their areas, with tourism resiliency preparedness plans.
- While TPEI adopted a “season-by-season” approach to planning how it would address the challenges set forth by the pandemic, institutionalizing the approach and ensuring its tourism stakeholders are ready with similar approaches in case of future pandemics and other catastrophes.
- The outcome of the pandemic is still unknown and resiliency preparedness may be necessary sooner, rather than later depending on how COVID variants impact tourism in the near future and potentially causing PEI into lockdown or more stringent protections again—the tourism industry needs to be better prepared.

Timeframe/Trigger

- Short-term (1-6 months)

Roles

- TIAPEI (lead)
- TPEI (support)
- RTAs/DMOs (support)

Tactical Actions

- Develop a tourism resiliency preparedness plan to prepare for future crisis and catastrophes
- Communicate tourism resiliency preparedness plan

Outcomes

- Tourism resiliency preparedness plan
- Communication/training tourism operators on tourism resiliency preparedness plan
- Better performance of PEI tourism industry versus peer destinations

OBJECTIVE 2 INITIATIVES

Set in Motion Conditions to
Support Higher Revenues from
Tourism over the Next Two Years



Initiative 15 Details:

Modernize the Tourism Industry Act

Rationale

- Several tourism providers, primarily in accommodations, indicated that they were being limited by the current version of PEI's Tourism Industry Act (the legislation that pertains to the licensing and standards for tourism accommodations). For example, it didn't properly consider more modern accommodation means like "glamping" or tiny home accommodations.
- This initiative is focused on reviewing PEI's Tourism Industry Act to identify ways to modernize it so that it aligns more closely with the type of tourism products and experiences that visitors are seeking today. Rather than revamp the entire Act, which would be time-consuming, PEI's tourism authorities should consider adding amendments to modernize specific elements of the Act.

Timeframe/Trigger

- Medium-term (1-12 months)

Roles

- TPEI (lead)

Tactical Actions

- Based on the product and experience gap research conducted in Initiative 16, identify elements of the Tourism Industry Act that require updating
- Update specific Tourism Industry Act elements and submit for approvals

Outcomes

- Updated Tourism Industry Act
- More diverse product/ experiences in PEI reflecting new demand trends
- Facilitate investment in PEI's tourism industry supporting 4 seasons
- Higher potential revenue

Initiative 16 Details:

Carry out a Review of RTA/DMO Model

Rationale

- There is no doubt that PEI's tourism RTAs/DMOs model has greatly contributed to the success of PEI's tourism industry prior to the pandemic as well as its survival during COVID.
- As destinations stabilize based on whatever the next normal may be, there's an opportunity for PEI to review its tourism RTAs/DMOs model to determine if there are other approaches that would be more effective given future RTAs/DMOs model trends.
- The purpose of this initiative is to conduct a review of possible RTAs/DMOs models in collaboration with RTAs/DMOs to determine the most effective ways to deploy the RTAs/DMOs model across PEI, based on the industry leading practices and what would be most suitable for PEI's context.

Timeframe/Trigger

- Medium-term (1-12 months)

Roles

- TPEI (lead)
- RTAs/DMOs (support)

Tactical Actions

- Work with third party advisor to conduct a study to identify opportunities to improve the RTAs/DMOs model
- Based on study outcomes, develop and execute modernization strategy and plan

Outcomes

- Increased information and responsiveness to tourism industry and operators needs
- Increased tourism revenues for operators
- Increased cost savings due to conducting less redundant activities

Initiative 17 Details:

Identify Experiential Tourism Needs and Support Product Development

Rationale

- More mature tourism areas in PEI have a relatively comprehensive set of tourism products and experiences that serve visitors, in some cases on a year-round basis.
- There are several businesses that have launched, or that are in the process of being launched, in other parts of the Island, yet there are still many opportunities for additional tourism experiences such as soft adventure, boating, and others to serve visitors in the east and west.
- Entrepreneurs that support development of these types of tourism experiences support regional economic development through employment and revenues, as well as improving satisfaction with ,and perception of, the PEI experience.

Timeframe/Trigger

- Medium-term (1-12 months)

Roles

- TPEI (lead)
- ACOA/Federal Government (support)
- RTAs/DMOs (support)

Tactical Actions

- Conduct an Island-wide gap analysis of experiential tourism products
- Develop and execute a detailed experiential tourism plan

Outcomes

- Detailed experiential tourism plan
- Implementation of experiential tourism plan
- Increased number of experiential tourism providers across the Island in 2022-2023
- More 4 season product/experiences and tourism regions
- More revenue

Initiative 18 Details:

Develop and Enhance Island Walking and Biking Trails

Rationale

- PEI has recently garnered attention for its walking and biking trails. In some circles, PEI’s Island Walk is being compared to “Camino de Santiago”, in Spain, a United Nations World Heritage Site, known for its established network of trails and operators that facilitate related visitor experiences.
- While PEI’s walking and biking trails are not yet as established as “Camino de Santiago”, there is an opportunity for PEI to develop a strong and unique product in a similar manner, with an aim to become a prestigious destination for these types of experiential activities and gain more global awareness. Developing a network of hikes and trails requires going beyond grooming to building the products and experiences around them such as accommodations, food and beverage, etc.
- These products require development (e.g., continuing to build the network of trails and supporting operators) and marketing support to effectively develop visitation and growth in the coming months and years, especially as traveller trends continue to point to the desire to conduct such activities due to the social distancing that they allow.

Timeframe/Trigger

- Medium-term (3-12 months)

Roles

- Walking/biking organization consortium, such as Island Trails, Island Walk, or Cycling PEI (lead)
- TPEI (support)

Tactical Actions

- Work with key walking and bike trail organizers to develop and execute a holistic walking and biking trail strategy and plan

Outcomes

- Detailed walking and biking trail strategy and plan which supports trends in demand
- Implementation of walking and biking plan
- Increased number of visitors welcomed in PEI with main activity being experiencing walking and/or biking trails
- Additional revenue from higher yield, longer haul travellers with significant 30+ nights stays

Initiative 19 Details:

Support More Private Sector Operators through Tourism Entrepreneurship

Rationale

- Tourism business opportunities in PEI abound based on the potential for the Island to expand tourism beyond traditional tourism areas.
- Additionally, there are investors and funding available to support PEI's tourism businesses.
- However, there is a challenge in connecting entrepreneurs with potential businesses, as well as funding available.
- PEI has an opportunity to develop tourism entrepreneurship by providing existing and budding entrepreneurs with business opportunities (especially businesses that can run year-round) and connecting them with sources of funding.

Timeframe/Trigger

- Medium-term (1-12 months)

Roles

- Innovation PEI (co-lead)
- TIAPEI (co-lead)
- TPEI (support)
- ACOA/Federal Government (support)
- RTAs/DMOs (support)

Tactical Actions

- Identify tourism business opportunities across the Island; explore opportunity to create a tourism focused "Ignition Fund" mentality together with Innovation PEI
- Create a tourism entrepreneurship program that identifies entrepreneurs and matches them with opportunities and allow pitches for funding to encourage and stimulate ideas

Outcomes

- Tourism entrepreneurship program
- Additional tourism businesses developed
- Higher potential revenue from tourism businesses in the future that currently don't meet demand
- Additional revenue from higher yield product

Initiative 20 Details:

Attract Investment in Tourism Opportunities and Businesses

Rationale

- Throughout the discover phase of the development of this strategy, it became clear that there is no lack of investors and capital across the Island. Rather, what the Island seemed to lack was a mechanism to attract investors to fund tourism industry projects and businesses.
- PEI has an opportunity to support tourism by helping to determine the barriers to attracting tourism investment in PEI and developing a strategy and plan to attract investors and connecting them with the tourism opportunities that abound.

Timeframe/Trigger

- Medium-term (1-12 months)

Roles

- Innovation PEI (co-lead)
- TIAPEI (co-lead)
- TPEI (support)
- ACOA/Federal Government (support)

Tactical Actions

- Conduct study to understand barriers to attracting investment and investors to fund tourism industry initiatives
- Identify potential tourism investment opportunities and tourism investors
- Develop and launch a strategy and plan to connect investors with tourism investment opportunities

Outcomes

- Exemplary tourism investment for PEI (example for the rest of Canada)
- Tools to identify and attract investors and connecting them with tourism opportunities
- Increased investment in PEI tourism opportunities

Initiative 21 Details:

Aid in Returning PEI to Being a Premiere Meetings and Events Destination

Rationale

- While it is still unclear when or how business travel will resume in 2022-2023, there will be a certain amount of travel conducted for meetings and business events, with limited supply due to staffing and cost requirements for re-opening larger meetings and business events, compared to the world-class space and location of PEI's Meetings and Conventions space.
- PEI's safety track record, health policies, and infrastructure that supports COVID-friendly requirements, not to mention world-class facilities, position it as a serious contender for those meetings and events that need to happen in person.

Timeframe/Trigger

- Medium-term (1-12 months)

Roles

- Meetings & Conventions PEI (lead)
- TPEI (support)
- ACOA/Federal Government (support)

Tactical Actions

- Work with Meetings & Conventions PEI to understand PEI's meetings and events strategy and plan
- Support Meetings & Conventions PEI with execution of PEI's meetings and events plan

Outcomes

- Additional meetings and conventions hosted in PEI for 2022-2023

Initiative 22 Details:

Assist with Air Access Expansion to Key Target Outbound Destinations

Rationale

- One of the major medium-term challenges identified by PEI's tourism stakeholders is accessibility to the Island during the summer tourism season, and importantly, other seasons, if it is to develop as a year-round tourism destination over time.
- There are a few primary ports of entry to PEI. They include the Confederations Bridge, which mainly serves the Atlantic Canadian market, Charlottetown Airport which serves domestic and international markets, and Wood Islands with Northumberland Ferries mainly serving regional traffic but important to eastern businesses.
- Despite PEI's advances in developing more air routes across Canada and internationally, COVID has decimated them over the last two years.
- As PEI's tourism industry recovers, it needs to look at re-entering markets it was previously engaged with and look for new routes based on how consumer trends may have shifted due to the pandemic.

Timeframe/Trigger

- Medium-term (1-12 months)

Roles

- Charlottetown Airport Authority (lead)
- TPEI (support)

Tactical Actions

- Identify inbound markets with highest potential to support tourism in PEI in the medium and long-term
- Develop and execute plan to seek, engage, and land air routes from highest potential inbound markets

Outcomes

- Detailed plan for developing new air routes
- Additional air routes added for 2023+

Initiative 23 Details:

Explore, Develop, Provide Training on, and Roll-out Dynamic Pricing Program/Initiatives

Rationale

- Throughout the discovery phase of the development of this strategy, it became evident that there was a mismatch between PEI's product and what visitors would be willing to pay for it.
- Tourism products and experience in PEI are of high quality yet sold inexpensively. Part of the reason for this is due to the need to be able to provide products and experiences at a lower price for residents to enjoy as well as neighboring Atlantic provinces.
- There is an opportunity for PEI, likely through greater use of technology and operator training, to establish a dynamic pricing for tourism products and experiences that optimizes spending of off-Island visitors, while protecting pricing for Island residents.

Timeframe/Trigger

- Medium-term (1-12 months)

Roles

- TIAPEI (lead)
- TPEI (support)
- ACOA/Federal Government (support)

Tactical Actions

- Conduct study to identify opportunities to implement dynamic pricing program/initiatives, including possible off-the-shelf dynamic pricing software that can support small and-medium size tourism operators
- Based on dynamic pricing study outcomes, develop and launch dynamic pricing/initiatives strategy and plan, with a specific focus on elevating small and-medium size operators knowledge/training of dynamic pricing

Outcomes

- Dynamic pricing program/initiatives study
- Dynamic pricing program/initiatives strategy and plan
- Increased tourism revenues

Initiative 24 Details:

Update TPEI's Technology/Information Platforms

Rationale

- Compared with its industry peers, TPEI has been hindered in several ways from meeting tourism industry and operator needs due to its limited, and in some cases outdated technology and information platforms.
- By leveraging new technologies and information platforms such as those that compile tourism metrics from multiple sources into a dashboard that provide more insights for better decision-making and that can be shared across stakeholders, a responsive web platform that can be connected to other tourism industry sites on the net, or simple project management platforms, TPEI can better accommodate the industry by providing more relevant and more timely information. Streamlining business processes through technological automation will free up TPEI staff time to provide more focus on topics that are most important for PEI's tourism industry.

Timeframe/Trigger

- Medium-term (3-12 months)

Roles

- TPEI (lead)

Tactical Actions

- Conduct study to identify opportunities and budget options needed to modernize TPEI's technology/information platforms
- Based on TPEI technology/information platforms study outcomes, develop and execute technology/information platform modernization strategy and plan

Outcomes

- Increased information and responsiveness to tourism industry and operators needs
- Increased staff productivity

OBJECTIVE 3

Begin to Fundamentally Shift
how Tourism is Developed and
Delivered in PEI Beyond 2023



Objective 3 Initiatives

While the purpose of this strategy is primarily to identify ways that PEI can optimize its recovery potential for 2022 and set in motion conditions to support higher revenues for tourism in the next two years, the strategy development approach also led to the identification of a non-comprehensive set of longer-term initiatives to support the fundamental shift required for PEI tourism beyond 2023.

| Opportunity | Description |
|--|--|
| Identify, develop, and market higher yield products and experiences | <ul style="list-style-type: none"> Identify and develop products and experiences that cater to visitors who are willing to spend more and stay longer in PEI. This initiative may focus on developing higher-end experiences, or simply increasing the possible products and experiences on Island that may entice travellers to stay longer and come back more often. |
| Develop PEI’s wellness tourism products and experiences | <ul style="list-style-type: none"> PEI is on its way to developing world-class wellness tourism experiences and products. With additional assets in place, PEI will be put on the map as a health, wellness, and retreat (e.g., Buddhist retreats) destination in addition to its other accolades, which provides an opportunity to market PEI to additional traveller segments regionally, domestically, and globally. |
| Support PEI’s natural environment with eco-friendly tourism products and experiences | <ul style="list-style-type: none"> Despite the fact that PEI is already a green island from many perspectives, it needs to consider keeping up with sustainability trends that more and more travellers require of their destination. Coupled with some of the efforts on Island around agriculture, fishing, sustainability, and environmental support, PEI can position itself as a leading player of sustainable tourism in Canada, and perhaps globally. |
| Develop PEI’s Indigenous tourism products and experiences | <ul style="list-style-type: none"> While Indigenous tourism is a priority for government, the complexity in implementing quality Indigenous tourism products and experiences versus the immediate returns to support optimization of tourism revenue in 2022-2023 is high. Based on expected post-COVID trends for more responsible tourism, there is a tremendous opportunity to continue to develop Indigenous tourism opportunities in PEI with a longer-term perspective. |
| Create desired itineraries and packages and identify innovative ways of promoting them | <ul style="list-style-type: none"> With a clearer view to what the future holds for tourism in PEI beyond 2023, PEI can begin to create unique and enticing itineraries and packages to market them in innovative ways to identified key target segments. |

Objective 3 Initiatives (Continued)

| Opportunity | Description |
|---|--|
| Market the “real” and authentic PEI experience | <ul style="list-style-type: none">• One of the aspects of PEI that both visitors and residents are proud of and that is unique compared to other destinations across Canada, is the uniqueness of PEI’s residents and their authenticity. More travellers are looking for real or authentic experiences and PEI has assets that can help meet their needs, and can also support the preservation of PEI’s authentic experiences. |
| Study the potential for regional tourism cluster development | <ul style="list-style-type: none">• Opportunity to enhance tourism in regions that are beginning to gain momentum because of key tourism drivers that are being set up there. This has the potential of creating additional tourism ecosystems across the Island, with the idea of dispersing visitors and providing products and experiences that can be enjoyed year-round. |
| Study additional revenue streams such as a tourism levy to fund post-COVID initiatives | <ul style="list-style-type: none">• In addition to reviewing PEI’s RTA models, COVID has given PEI an opportunity to review its funding model through additional revenue streams such as an accommodation tax. |
| Invest in public-private partnerships to transform crown assets into year-round product | <ul style="list-style-type: none">• PEI has many assets that can benefit from being transformed into year-round products and experiences more closely aligned with post-COVID visitor needs and behaviours. To transform these assets, PEI should explore opportunities to lean on the private sector through public-private partnerships. |

APPENDIX A

Strategy Development Methodology



Methodology

It is critical that PEI’s 2021-2022 tourism strategy be rooted in evidence and that this evidence comes from triangulating multiple sources of primary and secondary sources. This is necessary to ensure a holistic understanding of the current PEI context, as well as its tourism opportunities, and to gain buy-in from the many individuals who have a stake in the outcome of the strategy.

The discover phase, included a review of existing strategies, plans, research, and more, as well as numerous engagements with private and public industry leaders in a variety of settings from in-depth interviews to dinners, and small and large workshops uncovered the most critical

topics that informed the strategy—some of which couldn’t wait for the publication to address due to their potential to significantly impact the tourism industry (e.g., labour, transport, and group travel).

Phase two of the methodology focused on assessing all the data and insights collected during the discover phase and prioritizing the most important identified initiatives based on the impact they may have in achieving the objectives set forth, and their ease of implementation.

Finally, in phase three of the methodology, the strategy began to take shape, but not without the input of TPEI’s leadership team, the tourism Strategy Steering Committee, and the TPEI Board.

1

DISCOVER

NOV-DEC 2021

- Documents/materials review
- Evangeline AGM feedback
- Familiarization trip (22 places)
- Stakeholder interviews (25 interviews)
- TPEI leadership workshop
- TPEI research and marketing interviews
- Steering committee workshop
- TIAPEI AGM feedback
- Associations survey

2

ASSESS & PRIORITIZE

NOV-DEC 2021

- Inputs assessment
- Prioritization workshop
- Drafting strategy

3

RECOMMEND

DEC-JAN 2021

- Strategy feedback
- Strategy finalization
- Strategy presentations

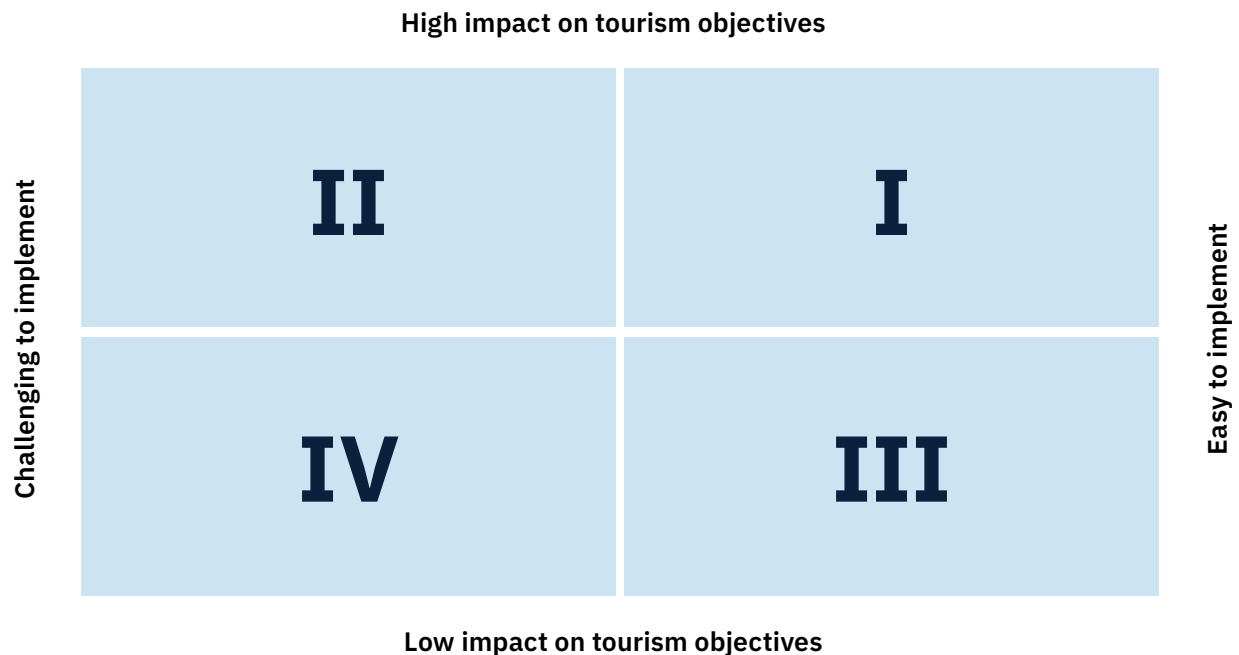
Initiative Prioritization Assessment

With the discover phase completed, PEI had a multitude of possible initiatives that it could undertake to achieve the objectives identified by tourism leaders early on in the development of PEI's 2022-2023 tourism strategy.

The question then was how to prioritize initiatives to identify the ones that would most likely enable PEI to achieve its objectives, given the limited funding and staffing resources available to oversee its implementation.

The TPEI Board engaged in a scoring exercise to rank each initiative identified, ultimately categorizing initiatives in the following way:

- I.** Immediate opportunities that can be accomplished in 2022-2023
- II.** Opportunities requiring development/exploration, with strong likelihood to achieve objectives, that need more time/attention/research and resources
- III.** Opportunities that may have some/niche impact on objectives and are easy to implement
- IV.** Opportunities that may need to be reassessed when conditions improve to make them easier to implement or become more important (e.g., trends become more favourable)



Initiative Prioritization Assessment Results

The results of the prioritization exercise conducted with the TPEI Board resulted in a clear listing of the priorities that had a strong impact on immediate objectives, and that were relatively easy to implement versus others that may require a longer runway for normalized and trimmed for outliers, and implementation. The results of the exercise were quantified, normalized for outliers, and depicted in the following chart.

Initiatives located in the top right-hand quadrant are the ones that are most likely to achieve the immediate strategic objectives set out by PEI and that are the easiest to implement, while those in the bottom left hand quadrant are those that require additional development.

Results of this exercise do not indicate government priorities for these initiatives—they expressly define the importance and ease of implementation of initiatives based on the identified objectives of optimizing recovery potential for 2022, and setting in motion the conditions to support higher revenues from tourism for the next two years.

It is important to note that results of this process are not standalone—meaning additional conversations and expert opinions were required to finetune the importance, order, and timing of the initiatives listed.



APPENDIX B

Defining High-Yield Visitation

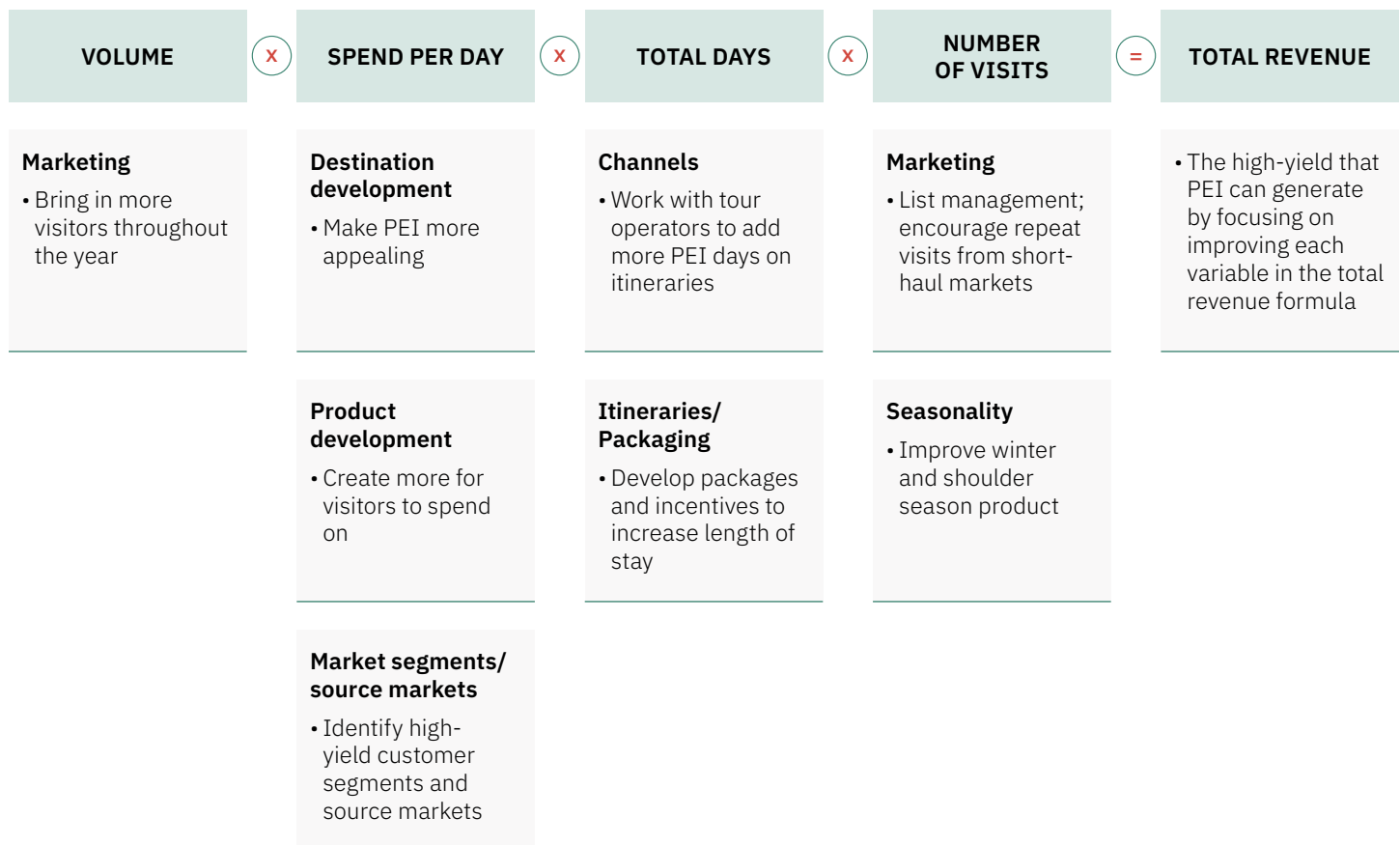


Tourism Math:

Defining High-yield Visitation

High-yield visitation is often confused with “high-income visitors”. It’s important to understand the difference, especially given that PEI is targeting high-yield visitation versus higher-income visitors.

High-yield visitation is rooted in getting more travellers to spend more money on a daily basis, to stay longer, and to return more frequently throughout the year. The tools to support that include marketing, segmentation, destination, product, and channel development, and packaging.



APPENDIX C

PEI Today (Global, Domestic, and Local Trends)



Global Trends

COVID-19 is likely to be deemed the most abrupt shock to the global economy and society in modern history.

The global travel and tourism industry is profoundly impacted and will face a real risk to near-term survival of many tourism operators and a significant disruption to communities, SMEs, trade channels and destinations.

While continued action and vigilance will be required to control further spread of the virus, urgent action is also required to protect the livelihoods of the millions of individuals and businesses impacted.

While most developed countries are on the tail-end of the pandemic and vaccine rollouts are proceeding fairly rapidly, the crisis is far from over and, even once the threat of the virus itself has been significantly diminished, the road to recovery for many sectors, especially tourism, will be a long one.

Global tourism may not return to 2019 levels quickly (e.g., Tourism Economics, a division of Oxford Economics suggests a return to 2019 tourism levels by 2023, under certain conditions). And while tourism may recover, albeit in an altered form, destinations need to develop strategies and action plans with a focus on resilience as a competitive advantage and as much downside management of risk as a first priority, in order to hit the ground running once the pre-conditions for resumption of tourism, as societal and travel restrictions are gradually lifted, are met.

Whatever the specifics of the new normal, the tourism sector will be very different in 2022 from what it was in 2019. This brings challenges for the sector, but also opportunities to encourage innovation, drive new business models, explore new niches and markets, open new

destinations, and move to more sustainable and resilient tourism development models.

An across-the-board deterioration of tourism is not the full story, and a more granular analysis predicts growth in certain specific subsectors and clusters that are able to accommodate the demands of a pandemic environment.

While in the short-term the primary imperative for most sectors is to find the best and most flexible policy solutions to survive the pandemic intact, looking ahead, the post-COVID world presents opportunities to learn from the crisis as well as play an active role in defining the new business landscape.

The following are the top trends identified by the world's most important travel and tourism publications and news sources such as The Economist, Skift, CNN Travel, and more.

Whatever the specifics of the new normal, the tourism sector will be very different in 2022 from what it was in 2019.



#1 TRAVEL WITH INTENTION AND IMPACT

Sustainability will be more than a buzzword as people across the globe consider how to travel with a holistically green conscience; 'Regenerative Travel' continues to gain pre-COVID momentum with both companies and travellers seeking to minimize the negative effects of tourism on the planet while simultaneously making positive impact on their host destinations.

IMPLICATION:

EXPECTATIONS FOR MORE SUSTAINABLE TOURISM



#2

THE SLOW TRAVEL MOVEMENT

After a year of international lockdown, travel agents predict that, overall, travellers have acquired a taste for a slower pace; slow travel aims to give travellers a rich understanding of life in their destination through interactions with local people and opportunities to experience a community on a deeper level. Especially important if the hassle of multiple COVID-19 negative tests are required and long quarantine periods the quick trip is far less likely.

IMPLICATION:

LONGER STAYS - MORE SPEND



#3

WELLNESS TOURISM

It's time to embrace the future of wellness travel; the habits of travellers have changed, and more people are favouring a wellness staycation with demands for immunity boosting retreats, socially distanced trips, private jet journeys and personal health and fitness holidays.

IMPLICATION:

BLENDING OF LIFESTYLE AND VACATIONING; TRAVEL TO REGAIN HEALTH, FITNESS AND REJUVENATION



#4

TRAVEL IS A LUXURY

As travel bans lift and borders open, travel will become one of the most valuable investments of time and money as people now see the ability to fly and explore our planet as a privilege; travel at any level will become more precious, more exotic and more adventurous.

IMPLICATION:

TRAVEL IS A LUXURY. POSSIBLY FEWER TRIPS BUT MUCH HIGHER EXPECTATIONS OF THE DESTINATIONS THEY CHOOSE



#5

THE RISE OF RURAL

Search data is already showing that nearly 90% of overall searches are for trips to rural areas; cottage rentals are expected to be especially popular, accounting for 33% of total accommodation searches in 2021, a drastic +143% increase from 2020.

IMPLICATION:

NEED FOR IMPROVEMENTS TO TOURISM INFRASTRUCTURE,
MORE RENTAL COTTAGES AND EXPERIENCES OUTSIDE THE CORE
TOURIST AREAS



#6

SUPPORTING LOCAL

With a fourth wave still reeling and the struggle for full vaccinations and now third dose recommendations, paperwork, passes and protocols, local tourism will thrive. Locations in national/provincial/regional parks, winter ski and beach towns will gain even more traction as preferred tourist choices; the focus on domestic tourism will continue to signal a massive departure from international and regular seasonal (high-season) travel over the year to come.

IMPLICATION:

RE-TOOLING OFFERINGS AND ENHANCING EXPERIENCES; VISITOR MANAGEMENT AND RURAL COMMUNITY DEVELOPMENT STRATEGIES FOR OUTSIDE MAJOR CITIES AND REGIONS



#7 LAST MINUTE BOOKINGS

When it comes to flexibility, more travellers are booking spontaneous last-minute trips; the average number of days between booking to check-in is now 50 days, down -37.5% from the average pre-pandemic lead time.

IMPLICATION:

FLEXIBLE COMMUNICATIONS; ALWAYS ON ENGAGEMENT; FAITH AND PATIENCE



#8

HYGIENE OVER FEES

Travel decisions will be dramatically influenced by cleanliness standards; with increased scrutiny on hygiene due to COVID-19, search data cites that 45% of travellers included enhanced cleaning within their top three decision-making factors.

IMPLICATION:

ENSURING EFFECTIVE POLICIES MEETING PUBLIC HEALTH REQUIREMENTS (BEYOND SAFE TRAVELS STAMP); CONSISTENCY; CLEAR COMMUNICATIONS



#9

DIGITAL TRANSFORMATION

COVID-19 accelerated the digitization of every industry, including tourism; the capacity for tourism businesses of all sizes to evolve their business models, adopt digital technologies to effectively participate in global value ecosystems, and take up new ways of data-driven working will shape productivity, social and economic wellbeing in the future.

IMPLICATION:

TOUCHLESS ENTRY, QR CODE ENTRY, ELECTRONIC VAX PASSES, GOOD DIGITAL PRESENCE AND ENGAGEMENT WILL POWER RECOVERY AND PROVIDE INCREASED CONFIDENCE



#10

EMBRACING WORK FROM ANYWHERE

With a wholesale shift to remote working and keeping in touch with the office via digital technologies, the world is now everyone's office; 2021 will see an entirely new movement of "untethered" professionals – free from the constraints of offices, commutes and homes in the city – with the opportunity to temporarily relocate to places more beautiful, inspiring and for longer periods of time.

IMPLICATION:

LONGER STAYS; HIGHER REVENUE

Domestic Trends

In June 2021, the number of international arrivals to Canada from other countries fell by 54.2% from February 2020, the largest single monthly drop since 1972.

To reduce the spread of COVID-19, the Canadian government closed its international border to non-Canadian citizens and permanent residents, except for US citizens. Shortly following this, the Canadian-US border was closed to non-essential travel, and various restrictions on non-essential travel to and from Canada were in place for the remainder of 2020 and continued into 2021.

Some restrictions affected domestic travel of Canadians as well, such as the closure of various provincial and territorial borders, restrictions placed on travel between regions of a province or territory, and limitations on non-essential travel.

Under these circumstances, many businesses in the tourism industry have had to reduce their hours, or close temporarily or permanently, which led to laying off employees. In 2020, tourism activities generated about 530,000 jobs.

Tourism jobs fell 28.7% annually in 2020, with most of the drop occurring in the second quarter. All tourism categories were down in 2020, with food and beverage services (-32.3%) and accommodation (-35.2%) contributing most to the overall decline. Tourism's share of employment fell from 3.8% in 2019 to 3.0% in 2020.

Although travel has edged up each month since the record low in March 2020, travel has remained far below 2019 levels.

Despite the challenges businesses in the tourism sector are currently facing, in the long-term, most of these businesses were either somewhat (50.3%) or very optimistic (15.4%) about the outlook of their business over the next 12 months according to Statistics Canada.

Although travel has edged up each month since the record low in March 2020, travel has remained far below 2019 levels.

PEI Tourism Trends

Overview

While the destination was hit hard by the pandemic, Prince Edward Island had the fewest cases of COVID-19 in Canada and has been hailed as one of the most resilient provinces, weathering the crisis effectively.

As of January 31, 2022, Prince Edward Island has reported 7,779 confirmed cases and 10 COVID-related deaths.

PEI's institutions and residents will need to dig into their entrepreneurial, survivalist roots – while domestic and even international tourism are recovering, PEI is likely to face several challenging tourist seasons ahead and businesses will need all the support available.

PEI implemented "Moving Forward", a five-step provincial re-opening plan, that represented a stepwise approach to easing travel and public health measures.

Public health and travel measures will remain in place until 80% of eligible Island residents are fully immunized and herd protection is achieved and the threat posed by the virus decreases.

Destinations like PEI should continue to take a short-term approach to tourism planning. Specifically, for PEI, this entails development and execution of a tactical action plan focused on critical initiatives that will support tourism

basics while maximizing 2021 tourism season returns for operators, and most importantly, prepare the Island for the next 'normal'.

PEI is in a favourable position to recover over many other Provincial Marketing Organizations (PMOs). With a current relatively low infection case count, a tourism season that doesn't begin in earnest until June, and with a traditionally regional visitor base (85% domestic traffic), a reliance on local SMEs and FIT visitors, and less reliance on international channels like flights and tour operators, PEI may be better positioned to emerge from the crisis relative to competitor destinations, with the possibility of using it as a catalyst to adjust the tourism culture and improving the length of its season later into the autumn.

PEI is in a favourable position to recover over many other Provincial Marketing Organizations (PMOs).

PEI Tourism Trends

2021 Tourism Performance Estimates for PEI

By the end of 2021, overnight stays are anticipated to reach 67% recovery to 2019 levels. Visitor volume estimates show PEI at 40% recovery and tourism value at 58% recovery. Overnight Stays and Tourism Value include residents of PEI, which indicates why their recovery level is higher than Tourism Volume, which measures only non-resident visitors.

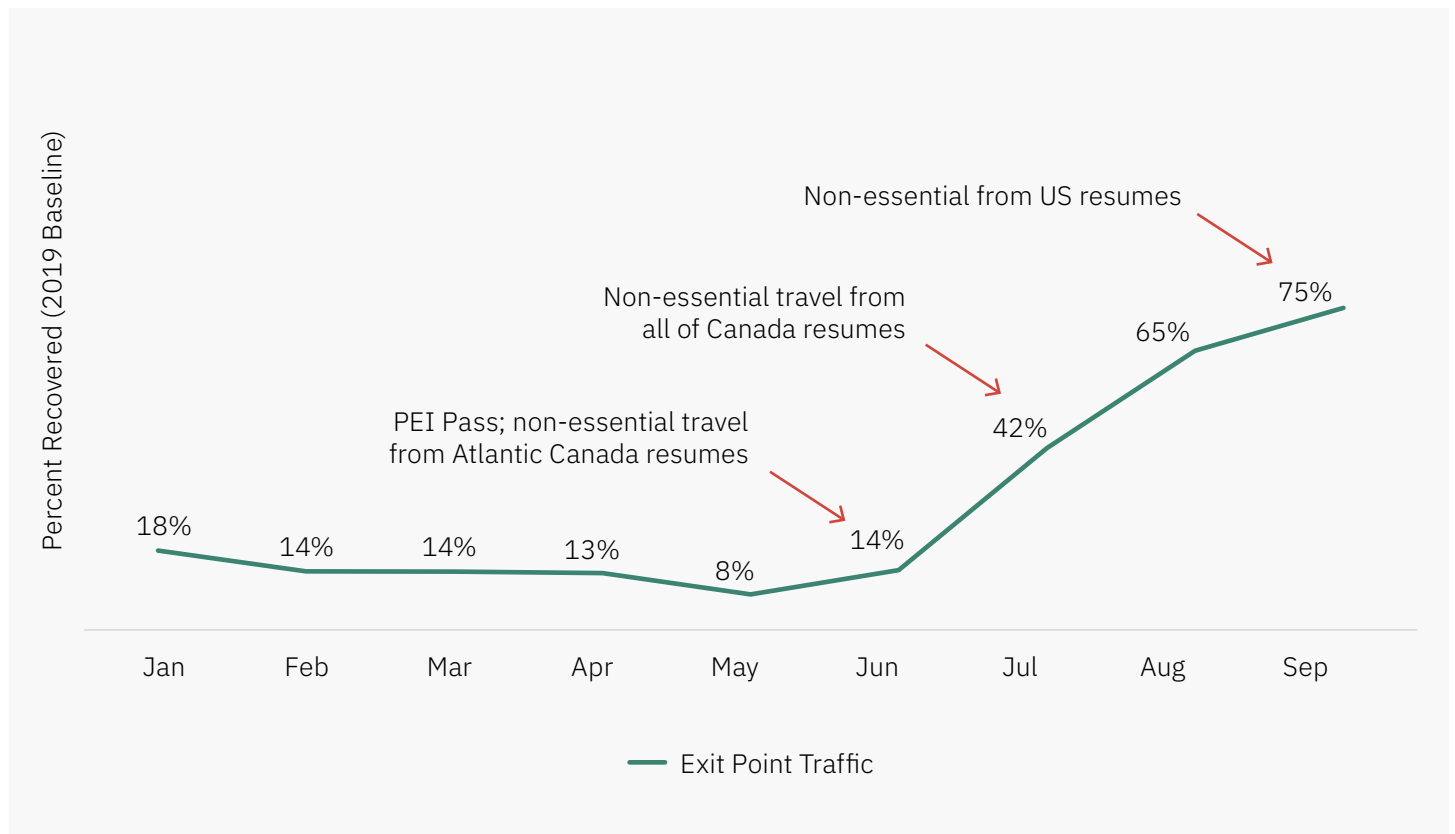
| Performance Estimate | 2021 Forecast | 2019 | % Recovered |
|----------------------|---------------|-----------|-------------|
| Overnight Stays | 686,015 | 1,031,513 | 67% |
| Tourism Volume | 645,894 | 1,632,537 | 40% |
| Tourism Value | \$282.7 M | \$486.5 M | 58% |



PEI Tourism Trends

Traffic Recovery in 2021

PEI has seen a rapid increase in tourism recovery since border re-openings starting in June 2021. Traffic recovery has accelerated greatly since May 2021. As travel measures have been lifted PEI has seen steady increases in the percentage recovered across several traffic measures.



PEI Tourism Trends

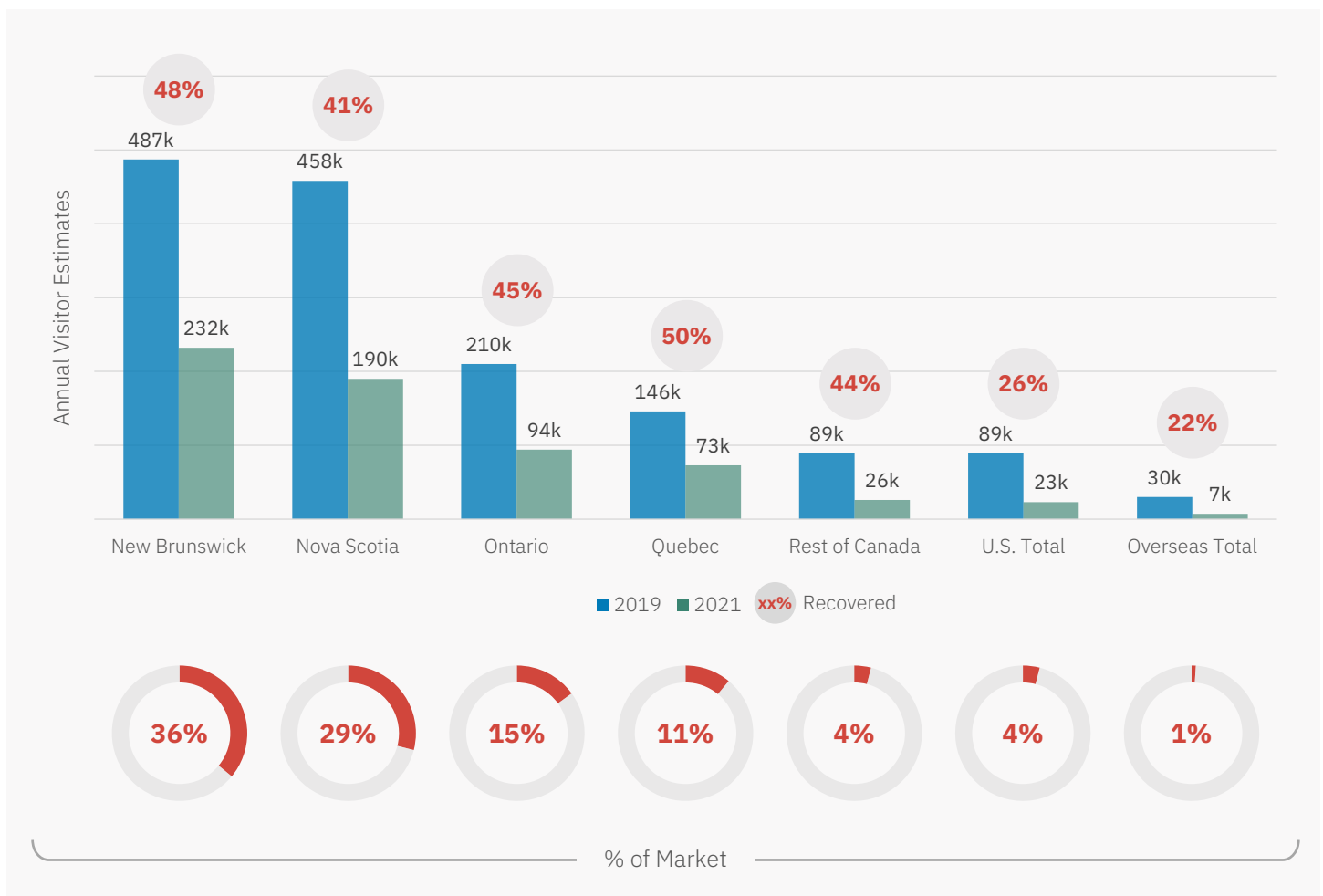
2021 Tourism Recovery Relative to Other Canadian Provinces

As travel restrictions become lifted and PEI continues into recovery, it's important to consider how our key markets are performing under current travel conditions.

Not surprisingly, no market in Canada has recovered fully, however they are seeing relatively even recovery across domestic markets (41-50%), with US and overseas recovery proceeding more slowly.

As seen with traffic recovery, visitor recovery has accelerated since May 2021, therefore it can be expected that PEI will continue to see positive trends in recovery barring any backwards progress related to the pandemic.

Recovery for markets is closely tied to the rate at which travel restrictions being lifted.

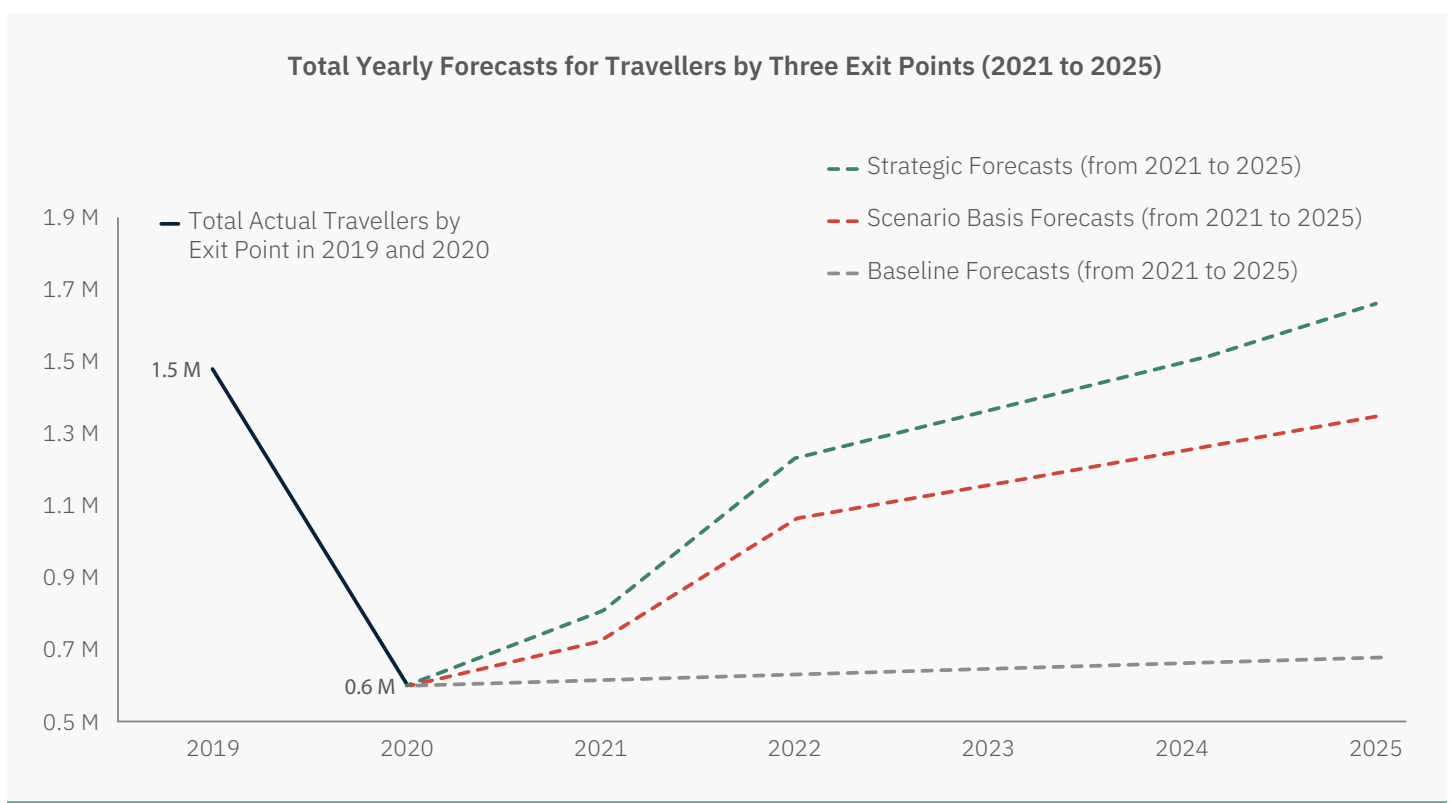


PEI Tourism Trends

Recovery Projections for Tourism in PEI

PEI's current recovery forecast estimates a return to 2019 levels by 2024. As domestic travel will recover faster than international travel, this positions PEI for slightly faster recovery given that most of the tourism to PEI originates in the domestic market.

Total Yearly Forecasts for Travellers by Three Exit Points (2021 to 2025)





Twenty **31** tourism.
by design

Twenty31 Consulting is a research and innovation-based management consultancy working with senior leaders of travel and tourism organizations to define and build sustainable, competitive advantage.

VANCOUVER TORONTO NEW YORK BERLIN CAPE TOWN LONDON

TOURISM. BY DESIGN.
Twenty31.org