Request for Decision

To: Peter de Verteuil  
Meeting Date: March 18, 2019  
From: Allison Boyd, Corporate Services Coordinator  
Reviewed By: Paige MacWilliam, Director of Corporate Services  
Subject: Rack Card Distribution

RECOMMENDATION:
That the following recommendation be forwarded to Council:

That Council approve the renewal of the Victoria/Vancouver Island distribution portion of the Certified Folder Display contract, July 1st to October 31st, 2019 and May 1st – June 30th, 2020;

And That Council approve the new line item in the Tourism Budget, of approximately $5,715 for Social Media/Online Advertising, funded in part from the difference in funds reallocated from rack card revision, print and Certified Folder distribution;

And That Council approve the Tourism Budget as attached to the March 18th, 2019, Corporate Services Coordinator Rack Card Distribution report.

BACKGROUND:
Each year the Tourism Committee reviews their spending priorities and forwards them to Council for approval in the budget.

The City of Duncan has maintained the distribution of rack cards since 2001. This year when the Tourism Committee met on January 25th, they discussed the cost and benefits of proceeding with revising, printing and distributing rack cards. The Tourism Committee recommended to Council that the City not continue the distribution of rack cards and that the funds previously allocated to rack cards ($5,290) be reallocated to fund social media/online advertising.

| Design Revision | $750 |
| Printing (50,000) | $3,500 |
| Distribution: | |
| Certified Folder Display | $5,950 |
| Victoria Airport | $360 |
| Nanaimo Airport | $20 |
| **Total** | **$10,580** |
| City | $5,290 |
| DDIBA | $(5,290) |

Since 2016, the Downtown Duncan Business Improvement Area (DDBIA) has shared the cost of rack card revision, printing and distribution, subject to their board approval.
A revision to the rack card was suggested, as the current rack cards were designed by Hot House Media in 2016 (Appendix A: Small in a Big Way). Quotes were obtained to determine the cost of redesigning the rack cards, which ranged from $360 - $750.

At the time of the last revision in 2016, a print run of 50,000 was completed. Based on circulation stats from Certified Folder Display, the distribution handed out over the past four years has been:

<table>
<thead>
<tr>
<th>Year</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>14,775</td>
</tr>
<tr>
<td>2016</td>
<td>32,750 (new rack card)</td>
</tr>
<tr>
<td>2017</td>
<td>9,000</td>
</tr>
<tr>
<td>2018</td>
<td>8,875</td>
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</tbody>
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There are currently 6,000 rack cards remaining from the last print run, which is not sufficient to get through 2019.

Printing the rack cards from Duncan Print Craft is estimated at:

- 10,000 = $825
- 50,000 = $3,492
- 100,000 = $6,039.

When the Tourism Committee discussed this expense, they may have had the impression that the distribution contract only included major ferry routes due to a misleading label in the draft budget. However, the Certified Folder Display contract (Appendix B) shows that the distribution includes major ferry routes, the Coho Ferry (seasonal) and approximately 197 Victoria/Vancouver hotels (seasonal), lobbies of tourism activity, rental car locations etc. (Appendix C).

Distribution at the Victoria and Nanaimo Airport, at an annual cost of $380, is not included in the Certified Folder contract. This continued distribution was supported by the Tourism Committee, and they felt that the continuation of this distribution could use up the remaining 6,000 rack cards.

The Tourism Committee discussed that rack cards may be a thing of the past, and that an online presence may be better use of these funds. As the Tourism Committee is unsure of how that would look, they requested that the DDBIA Executive Director bring back a report, proposed with costs, indicating what an online presence would look like.

**ANALYSIS:**

The Tourism Committee recommendation to reallocate the funding from rack cards to online marketing may have been made without all the necessary information about the breadth of the distribution contract.

Rack cards target motorists traveling from Nanaimo or Victoria, both of which were identified as priority markets in the 2016 marketing plan. They are tangible, and serve a dual purpose to be distributed at many locations, as well as be passed along to friends or others.

Certified Folder has noted that the City's rack card is one of the more popular ones because of the totem on it being featured, and the way the eyes pop over the top of the other cards.

In 2016, Hothouse Marketing recommended continuing with rack cards on the ferry because it is a rubber tire audience and we know they are hitting Nanaimo and Victoria, both of which are priority markets. The rack cards can also serve a dual purpose and be handed out or distributed in other locations (Tourist info. centres, retailers)
Furthermore, in 2018 the International Association of Visitor Information Providers paired with Bentley University, who created a survey (Appendix E) to understand the effectiveness of tourism brochures. Key findings of the study indicate that tourism brochures remain an effective way of influencing tourists' decisions:

- 7 out of 10 tourists and visitors pick-up brochures at their travel destination
- The influence of brochures from a display stand (69%) has edged ahead of web sites (68%) when a tourist arrives at their destination
- 95% of visitors had their travel plans influenced by information from a brochure
- 83% plan to visit a business or attraction highlighted in a brochure, map or travel guide
- 78% of visitors consider altering their travel plans as a result of a brochure
- 53% of travelers use brochures to plan their trip before they arrive at their vacation spot

As the Tourism Committee noted, they would like to move into an online marketing presence; however, at this time the Tourism Committee is unsure of the staff implications and costs of pursuing online marketing. Staff suggest that until an online marketing plan is in place, it may be appropriate to continue with some rack card distribution.

Staff recommend continuing with a portion of the Certified Folder Distribution contract with Vancouver Island and Victoria (hotels, rental car agencies, etc.) seasonally from July 1 ï October 31, 2019 ($2,440) and May 1 ï June 30, 2020 ($1,220) and complete a limited print run of 10,000 rack cards, at a cost of $825; both of which may be shared costs with the DDBIA, subject to board approval. Note that May 1 ï June 30, 2019 is already paid for under the previous contract.

<table>
<thead>
<tr>
<th>Revision</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Printing (10,000)</td>
<td>$750</td>
</tr>
<tr>
<td>Distribution: Certified</td>
<td>$3,660</td>
</tr>
<tr>
<td>Distribution: Certified</td>
<td>$360</td>
</tr>
<tr>
<td>Distribution: Certified</td>
<td>$20</td>
</tr>
<tr>
<td>Total</td>
<td>$4,865</td>
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<tr>
<td>City</td>
<td>$2,433</td>
</tr>
<tr>
<td>DDIBA</td>
<td>($2,433)</td>
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</tbody>
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These proposed changes would result in $5,715 being available for Social Media/Online Advertising ($2,858 City’s portion) remaining in the draft Tourism Committee budget.

As per the March 4, 2019 report, if the Certified Folder contract and Rack Cards are cancelled in their entirety, $10,200 is available for Social Media/Online Advertising ($5,100 City’s portion).

IMPLICATIONS:

Financial: Draft Tourism Committee Budget, with shared costs with the DDBIA (upon DDBIA board approval).

Policy/Legislation: Tourism Committee Terms of Reference stipulates that the Committee's budget will be approved by Council.

Strategic Priority: #6 Encourage a Thriving Downtown
Sustainability: N/A

Communication: Any change to the Tourism Committee budget will be communicated to Tourism Committee members. There is no public communication requirement for establishing the Committee’s budget.

Staffing Implications:

ALTERNATE RECOMMENDATIONS:

B. That the following recommendation be forwarded to Council:

That Council not renew the Certified Folder Display contract;

And That Council approve a new line item in the Tourism Budget, of approximately $10,200 for Social Media/Online Advertising, funded in part from the reallocation of the funds from rack card revision, printing and Certified Folder Distribution contract;

And That Council approve the proposed Tourism Budget, as amended.

C. That the following recommendation be forwarded to Council:

That Council approve the renewal of the Certified Folder Display contract with the continuation of BC Ferries (annual), Coho Ferry (seasonal) and Vancouver Island/Victoria distribution (seasonal) until June 30, 2020;

And That Council direct staff to review other budget changes to create a new line item in the Tourism Budget for Social Media/Online Advertising;

And That Council approve the proposed Tourism Budget, as amended.

APPENDICES:

Appendix A: Rack Card (2016)
Appendix B: Certified Folder 2018-19 Contract
Appendix C: Victoria & Vancouver Island Distribution
Appendix D: Draft Tourism Budget
Appendix E: IAVIP and Providers Bentley University Survey