

立法會
Legislative Council

LC Paper No. FC87/04-05

Ref : CB1/F/A/7
Tel : 2869 9220
Date : 6 May 2005
From : Clerk to the Finance Committee
To : Members of the Finance Committee

Finance Committee

**Follow-up to visit to the Hong Kong Tourism Board
on 26 April 2005**

At the special meeting of the Finance Committee on 12 April 2005, members were invited to visit the Hong Kong Tourism Board (HKTB) to receive a briefing by HKTB on its request for additional funding of \$437 million. The visit was subsequently held on 26 April 2005, during which HKTB was requested to provide supplementary information on its funding situation over the past few years as well as details of funding allocation for the initiatives to be covered by the additional funding request. In this connection, I forward the following papers for members' reference –

- Appendix I -- Administration's response to the written question on the funding provision for HKTB in 2005-06;
- Appendix II -- Letter from the Legislative Council Secretariat to HKTB relaying members' request for supplementary information on the additional funding of \$437 million for HKTB; and
- Appendix III -- HKTB's response to Appendix II.

(Ms Pauline NG)
Clerk to the Finance Committee

Encl.

Examination of Estimates of Expenditure 2005-06

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

EDLB(ED)038

Question Serial No.

0120

Head : 145 Government Secretariat: Subhead:
Economic Development and Labour Bureau
(Economic Development Branch)

Programme: (7) Subvention: Hong Kong Tourism Board

Controlling Officer : Permanent Secretary for Economic Development and Labour
(Economic Development)

Director of Bureau : Secretary for Economic Development and Labour

Question :

The Hong Kong Tourism Board (HKTB) estimates that both visitor arrivals and their overall spending will increase by 7% in 2005-06. Yet the Board seeks to increase the provision by more than 30%. Please explain the reasons for the increase and how the intended benefits can be achieved.

Asked by : Hon. TAM Heung-man

Reply :

In 2005-06, a series of major tourism projects will come into operation. They include the Hong Kong Disneyland, Hong Kong Wetland Park and Tung Chung Cable Car System. These new projects will turn a new page for Hong Kong tourism and greatly enhance the appeal of Hong Kong as a tourist destination. We must capitalise on this new opportunity in 2006 to reinforce Hong Kong's position as the premier tourist destination in Asia and attract more visitors. We will take this forward through a series of global marketing and strategic promotion campaigns to be conducted by the HKTB to which funds of \$440 million have been earmarked for such campaigns to be carried out in 2005-06 and 2006-07.

The global marketing campaigns include a themed global publicity campaign entitled "2006 Discover Hong Kong Year", which comprises a series of worldwide publicity

and promotional activities targeting consumers, the trade as well as the media; and a publicity programme targeted at family and business visitors with new tourism products and enhanced mega events to stimulate growth in tourist arrivals and tourism spending.

It is expected that these campaigns will bring about 1.2 million additional visitor arrivals, 2 million additional nights of extended stay and \$10 billion economic benefit in the next two years. This is a value-for-money campaign which is equivalent to a \$20 return on every dollar of government funding. The impact of these campaigns will sustain beyond 2006.

In addition, to strengthen Hong Kong's reputation as the "Shopping Paradise" and to enhance consumer protection to visitors, an additional funding of \$30 million has also been earmarked for the HKTB to enhance the Quality Tourism Services (QTS) Scheme in the coming two years. The HKTB aims to increase the number of accredited merchant outlets by 20% to 6 000 by the end of 2006 to provide more quality choices for visitors, expand the scope of QTS Scheme to cover more tourism-related sectors, and increase visitors' awareness of the Scheme by stepping up targeted promotion and publicity, especially in the key markets, such as the Mainland and North Asia.

Signature

Name in block
letters

MS SANDRA LEE

Post Title

Permanent Secretary for
Economic Development and Labour
(Economic Development)

Date

4.4.2005

By fax no: 2807 6411

CB1/F/A/7

2869 9213

2869 6794

email address: byu@legco.gov.hk

27 April 2005

Ms Clara CHONG
Executive Director
Hong Kong Tourism Board
9th to 11th floors
Citicorp Centre
18 Whitfield Road
North Point
Hong Kong.

Dear Ms CHONG,

Finance Committee

Follow-up to visit on 26 April 2005

On behalf of Hon Emily LAU, Chairman of the Finance Committee, I am writing to thank you for arranging the captioned visit which has indeed facilitated a fruitful exchange of views on the Hong Kong Tourism Board (HKTB)'s request for additional funding of \$437 million.

You may recall that during the visit, members have requested the following supplementary information -

- (a) hardcopy of the presentation materials;
- (b) reduction in funding for HKTB over the past few years as a result of the efficiency drive within the Government;
- (c) detailed funding allocation for the initiatives covered by the additional funding request of \$437 million;
- (d) bases upon which the incremental arrivals, nights, and expenditure of 1.2 million, 2 million and \$10.4 billion respectively to be brought about by the additional funding request are arrived at;
- (e) criteria which HKTB has adopted in assessing the cost effectiveness of its initiatives, including those covered by the one-off grant of \$379 million in 2003-04 and the additional funding request.

.../2

I should be grateful if the relevant bilingual response could reach the Secretariat as soon as practicable for timely circulation to members. Please send a soft copy of the papers for the Web Site of the Legislative Council on the Internet. You may wish to note that unless you state otherwise, the papers will be made available to the press and members of the public.

With best regards,

Yours sincerely,

(Miss Becky YU)
for Clerk to the Finance
Committee

cc Hon Emily LAU Wai-hing, JP (Chairman)

香港旅遊發展局 嶄新旅遊推廣項目

2005年4月26日

香港
樂在此·愛在此

簡介會 — 議程

- 達致成功的市場推廣策略
- 2005/06 及 2006/07年度 嶄新旅遊推廣項目
- 內部調控和監察

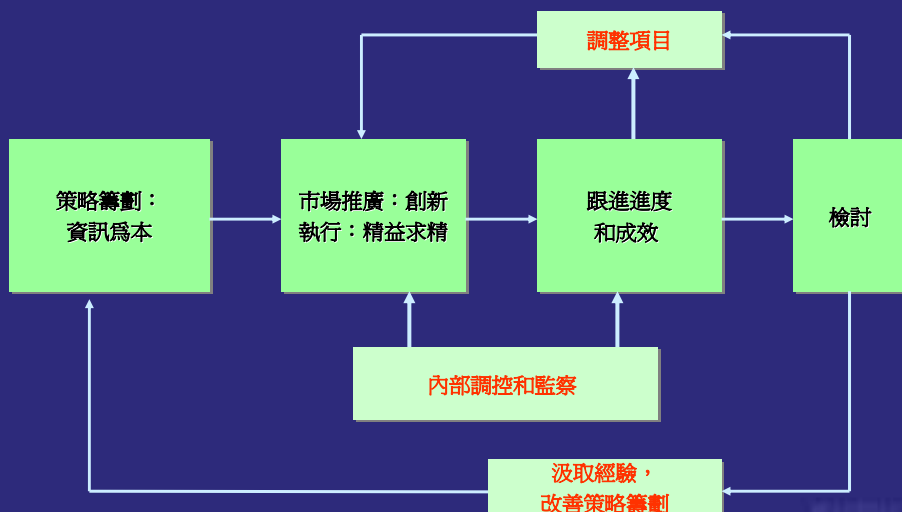
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成功的市場推廣策略

- 正確的旅遊推廣方針
- 參考「全球旅遊推廣計劃」成功因素作出改善
- 掌握機遇，降低風險，進一步推動業績增長

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旅發局的旅遊推廣方針



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資訊為本的策略籌劃

監察和分析宏觀環境

掌握客源市場情況及全球旅遊業趨勢
制訂前瞻性策略計劃
並因應宏觀環境迅速應變

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監察分析宏觀環境

- 客源市場經濟數據
- 旅遊業趨勢
- 市場情報
- 深入研究特定主題

SARS Competitor Recovery Plans

- WTTC Special SARS Analysis Impact on Travel & Tourism (China, Hong Kong, Singapore & Vietnam)
- WTO Secretariat Survey on the Effects and Management of the SARS Epidemic in the Field of Tourism
- Synovate Survey on SARS

Tsunami Impact

- World Tourism Organization Evolution of Tourism in the Tsunami-affected Destinations
- Pacific Asia Travel Association Tsunami Recovery Travel Facts
- Economist Intelligence Unit Economic Implications of the Tsunami

Low Cost Airlines and HK as Gateway of China

- Centre for Asia Pacific Aviation Asia Pacific Low Cost Airline Outlook
- CAPA Hong Kong Faces the Liberalization & Low Cost Challenge
- CAPA Is China Ready for Low Cost Airlines

資訊為本的策略籌劃

市場調查

了解消費者需要及行爲
制訂有效和業績為本計劃

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市場調查

離境旅客

客群類別
(會議展覽及郵輪)

大型活動

全球跟進

特定項目

在客源市場的深入調查

旅發局

- 策略籌劃(客群,產品發展)
- 業績調查及評估
- 新聞公布和刊物

外間組織

- 政府統計處
- 政府經濟師
- 旅遊事務署
- 其他政府部門
- 業界夥伴
- 財務分析師
- 學界
- 世界旅遊組織
- 太平洋亞洲旅遊協會

資訊為本的策略籌劃

過往成績及所得經驗

跟進和分析主要業績指標

- 訪港旅客人次
- 留港時間
- 旅客消費
- 滿意程度

活動評估和檢討 (部分例子)

- 廣告覆蓋面和效力
- 宣傳效益
- 旅業考察團、展覽、巡迴展覽、洽談會數目等
- 盛事或活動的參與情況
- 透過合作計劃售出的行程

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把握成功往績

「全球旅遊推廣計劃」

- 證明旅發局推廣方針奏效
- 汲取寶貴經驗，改善大型推廣活動
- 借助復甦動力，再創高峰

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掌握機遇，降低風險， 進一步推動業績增長

機遇

- 2006年多項旅遊設施落成
- 香港迪士尼樂園吸引家庭客群
- 全球經濟發展,帶動商務旅客增長
- 亞洲國際博覽館開幕，增添展覽場地

充份發揮

風險

- 如不糾正,香港旅遊選擇不足的印象將加劇
- 香港迪士尼樂園的客量限制,令旅客押後來港
- 鄰近旅遊目的地競爭激烈
- 內地門戶城市和航空樞紐的地位被削弱

盡量減低

05/06 和06/07
嶄新旅遊推廣項目

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05/06和06/07 嶄新旅遊推廣項目

策略重點

- 「2006精采香港旅遊年」推廣計劃
- 家庭和商務客群推廣計劃
- 「優質旅遊服務」計劃
- 預計效益

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「2006精采香港旅遊年」 推廣計劃

- 2006年 — 香港旅遊業進入新里程
- 推廣嶄新形象、加強香港吸引力, 爭取更多旅客來港和增加旅遊消費
- 令香港成爲最熱門及「必到」的旅遊目的地

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「精采香港旅遊年」推廣計劃概念

- 鼓勵旅客2006年訪港
- 宣傳香港多元化旅遊優勢
- 爲旅遊業和相關業界建立業務平台
- 採納行之有效的「旅遊年」方針

泰國

	訪泰國旅客人次	按年計的增長率
1985	2,438,270	+3.9%
1986	2,818,092	+15.6%
1987 (旅遊年)	3,482,958	+23.6%
1988 (旅遊年)	4,230,737	+21.5%
1989	4,809,508	+13.7%

資料來源: 2000年TAT 統計報告

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「精采香港旅遊年」推廣計劃概念

- 鼓勵旅客2006年訪港
- 宣傳香港多元化旅遊優勢
- 為旅遊業和相關業界建立業務平台
- 採納行之有效的「旅遊年」方針
- 評估及確定新景點的吸引力

	整體吸引力
香港迪士尼樂園	76.4%
東涌吊車和天壇大佛	60.1%
香港濕地公園	73.5%

註: 2004年在8個亞洲客源市場向6,275名受訪者進行的泛亞洲研究所得的結果

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「精采香港旅遊年」推廣計劃概念

- 鼓勵旅客2006年訪港
- 宣傳香港多元化旅遊優勢
- 為旅遊業和相關業界建立業務平台
- 採納行之有效的「旅遊年」方針
- 評估及確定新景點的吸引力
- 評估及確定「精采香港旅遊年」的吸引力

因為「2006精采香港旅遊年」推廣計劃而重臨香港的意向

79%

註: 2004年向3,780名受訪者進行的「精采香港旅遊年」訪港旅客調查所得的結果

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「2006精采香港旅遊年」推廣計劃

新發展



香港濕地公園



東涌吊車



香港迪士尼樂園



「幻彩詠香江」第二期

現有優勢



購物



美食



綠色景致



文化與傳統

新發展 + 現有優勢

綠色旅遊



新發展 + 現有優勢

文化與傳統



宣傳策略

「2006精采香港旅遊年」

業界推廣

消費者推廣

公關宣傳

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業界推廣

- 加強全球業界推廣網絡
- 長途市場：加強宣傳新景點、傳統文化及綠色景緻
- 短途市場：重新包裝旅遊設施及優勢
- 5月在港啓動業界推廣
- 2005-2007年，邀請5,000位國際旅遊業界來港考察

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消費者推廣

- 推出全球性廣告宣傳攻勢
- 海外綜合推廣活動：巡迴展覽、直郵、聯合推廣活動、互聯網

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公關宣傳

- 在16個客源市場與傳媒合作推廣
- 邀請共1,500位國際傳媒來港考察，讓他們親身體驗香港嶄新的旅遊特色
- 預計宣傳效益達13億6400萬港元

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增強旅客體驗

- 發展本地宣傳計劃，透過本地傳媒提升認知和好客文化
- 強化各個入境口岸的推廣及接待
- 為參與商舖提供宣傳物品
- 增加資訊發放渠道

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家庭和商務客群推廣計劃

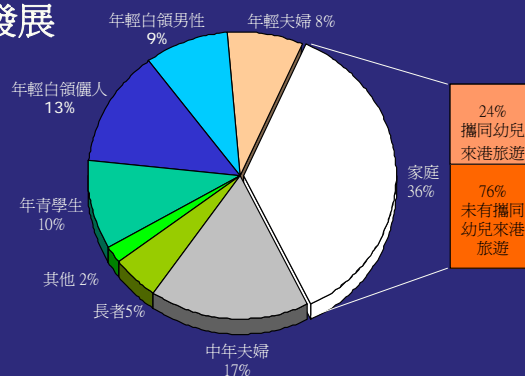
- 刺激高潛力客群增長

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家庭和商務客群推廣計劃

- 刺激高潛力客群增長
- 全力發掘家庭客群發展潛力

2004年來港渡假客群的分佈

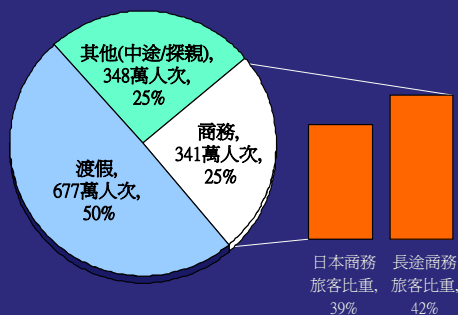


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家庭和商務客群推廣計劃

- 刺激高潛力客群增長
- 全力發掘家庭客群發展潛力
- 鼓勵商務客群增加消費

2004年旅客訪港目的的分佈



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大型活動

- 把握大型活動取得極佳宣傳效益的優勢
- 調查顯示：
 - 因大型活動而提升對香港的滿意程度：73%
 - 會再次來港參與大型活動：66%
 - 會向親友推介香港和大型活動：94%
- 對短線及長線市場均具吸引力

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大型活動

- 香港購物節 - 購物天堂
- 美食之最大賞 - 亞洲美食之都
- 新春國際匯演之夜 - 展現中國6000年的文化與傳統
- 香港繽紛冬日節 - 薈萃中西文化



將舉辦兩項環繞文化與傳統的嶄新大型活動

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家庭旅客

- 重新包裝現有及嶄新景點,推出寓教育於娛樂的行程組合
 - 香港迪士尼樂園、香港濕地公園、海洋公園、博物館、纜車
 - 鼓勵業界提供更佳設施及服務
 - 積極與不同界別開發嶄新旅遊產品
- 大型活動增設適合家庭參與的元素及更多晚間活動

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家庭旅客

- 重新包裝現有及嶄新景點,推出寓教育於娛樂的行程組合
- 大型活動增設適合家庭參與的元素及更多晚間活動
- 加強資訊發放的渠道
- 增加香港的曝光

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商務旅客

- 鼓勵利用餘閒參與消閒及大型活動,延長留港時間和增加消費
- 鼓勵帶同伴侶及家人來港
- 拓展全新「離港前的觀光推介」行程
- 提供合適的旅遊資訊
- 推出《商務旅客樂優游 香港導覽手冊》電子手帳版
- 研究以流動電話向旅客提供旅遊資訊

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會議、展覽及獎勵旅遊

- 把握新設施落成的機會，推動更多會議展覽來港舉行
- 鞏固香港為「亞洲會議及獎勵旅遊之都」地位
- 推出全球宣傳計劃
- 把握國際大型會議來港舉行的契機
- 舉辦考察活動
- 強化優惠計劃

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「優質旅遊服務」計劃

- 1999年推出，提升旅客信心，鼓勵旅客消費
- 2003年底進入新里程
 - 收緊參加計劃的基本要求
 - 加強監察
- 2004年調查結果：
 - 認識計劃的消費者 – 54%
 - 增加信心 – 74%
 - 滿意「優質旅遊服務」計劃的商戶 – 80%

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「優質旅遊服務」計劃

- 在海外及香港加強宣傳
- 目標：增加認可商戶至6,000間
- 研究將計劃擴展至其他旅遊相關行業
- 提升品質保證及處理投訴制度

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預計效益

額外增加訪港旅客人次	= 120萬
額外增加留港晚次	= 200萬
額外增加的旅客消費	= 104億元

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預計效益

投資回報	
回報	= 104億元旅客消費
投資	= 4.7億元
投資回報	= 104/4.7
	= 22.1*

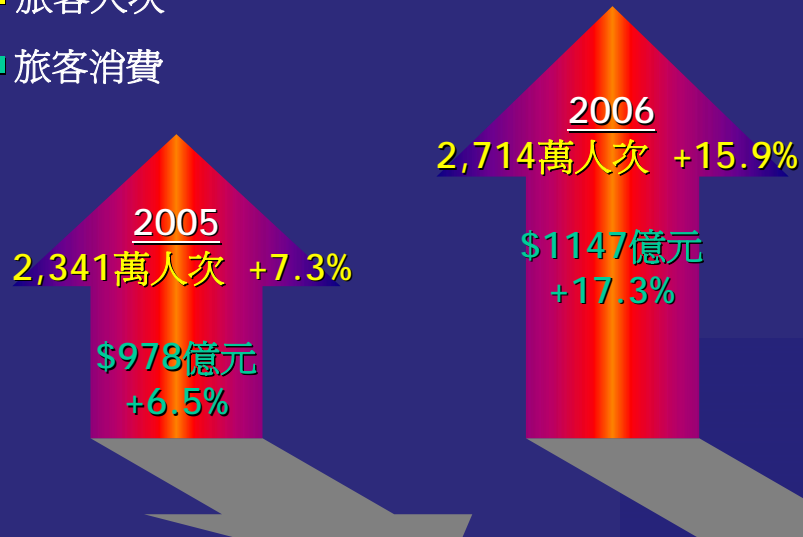
* 還未計算2007年及以後獲得的投資回報

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預計效益

■ 旅客人次

■ 旅客消費



業界效益

- 為旅遊業界營造商業平台
 - 更多創意行程
 - 增加業務
 - 增加就業職位
- 帶動地區活動

跟進推廣進度和成效

- 持續進行跟進調查和定期檢討
 - 入境處數據
 - 離境旅客調查
 - 大型活動
 - 全球跟進調查
- 跟進廣告的覆蓋和收看次數
- 監察曝光率及宣傳效益

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內部調控及監察

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監管架構

- 由特區政府委任20位旅發局成員
- 成員委任4個委員會：
 - 市場推廣及業務發展委員會
 - 產品及活動委員會
 - 財務及編制委員會
 - 稽核委員會
- 為特別事項而成立的委員會
- 由旅遊事務署監管
- 外部稽核
- 內部稽核
- 受廉政公署審核

計劃階段

具備全面的計劃架構監管資源運用

- 周年業務計劃及財政預算
- 由有關委員會審核，再由旅發局成員核准
- 提交予旅遊事務署

推行階段

監管、指引及跟進措施

- 監管推行工作
- 現行的財務政策及程序
- 季度進展報告
- 定期跟進
- 獨立帳戶處理額外撥款

監察 / 稽核

- 內部稽核
- 稽核委員會審批周年核數計劃
- 定期審核採購項目及員工開支
- 稽核委員會檢討內部稽核報告
- 委員會/主席及各成員審批外部稽核報告

總結

- 2006年機不可失
- 旅遊市場競爭激烈 — 要保持香港優勢
- 利用「全球旅遊推廣計劃」平台乘勝追擊
- 政府投資營造複式效應，帶動各行各業

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HONG KONG TOURISM BOARD 香港旅遊發展局

Clara Chong Executive Director
臧明華 總幹事



By Hand

5 May 2005

Miss Becky Yu
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Dear *Becky*:

Finance Committee Follow-up to visit on 26 April 2005

Thank you for your facsimile of 27 April 2005, outlining the supplementary information on the additional funding of \$470 million, as requested by LegCo members of the Finance Committee.

Enclosed please find the information in English and Chinese, for your circulation to LegCo members accordingly.

Yours sincerely


Clara Chong
Executive Director

(b) Recurrent Subvention for the Hong Kong Tourism Board (HKTB)

Under the Government's Enhanced Productivity Programme, the recurrent subvention for the Hong Kong Tourism Board (HKTB) in the past six financial years is as follows:

2000/01	\$514.57 million
2001/02	\$503.32 million
2002/03	\$495.38 million
2003/04	\$483.31 million
2004/05	\$474.11 million
2005/06	\$466.21 million

(c) Allocation of additional funding to the HKTB in 2005-06 and 2006-07

A total of HK\$470 million will be allocated to the HKTB in 2005-06 and 2006-07 for launching global marketing campaigns. The promotion and publicity programmes and their related expenditure are as follows:

	Total (HK\$ million)	Benefits
a) 2006 Discover Hong Kong Year	276	The publicity and promotional activities will bring: Additional Visitor Arrivals: 1.2 million Additional Visitor Nights: 2 million Additional Visitor Spending: \$10.4 billion Publicity value: \$1.36 billion Return on Investment: Return: \$10.4 billion visitor spending Investment: \$470 million Return on Investment: $104/4.7 = 22.1^*$ This means that for every dollar of the Government's investment, the HKTB will achieve more than 20 in return. The overall ratio of cost and benefit achieved by the HKTB is higher than that achieved by tourism organisations of neighbouring destinations according to the information released by these organisations. * The "2006 Discover Hong Kong Year" campaign will revitalise the image of Hong Kong, enhance the city's appeal, strengthen co-operation with global travel trade and media and reinforce Hong Kong's leading position in the international tourism market. These incremental benefits will continue in 2007 and beyond.
b) Promotions targeting family and business visitors	164	
c) Quality Tourism Services Scheme	30	
Total	470	

Breakdowns of funding for the above items are set out in Table I to III.

2006 Discover Hong Kong Year

	Total (HK\$ million)	
Trade Promotions	29	<p>The HKTB will promote the campaign to the international travel trade (such as travel agencies and airlines). It plans to invite 5,000 global travel trade representatives to come to Hong Kong. Through the familiarisation visit, the Board will convince them that there is no better time to visit Hong Kong than 2006 so as to drive them to package and promote creative itineraries.</p> <p>Leveraging on the “2006 Discover Hong Kong Year” platform, the HKTB will develop emerging markets. It will also implement trade promotions in secondary cities of major markets to bring the “2006 Discover Hong Kong Year” message to trade partners of the world. Through co-operation with the local travel trade, new and more creative itineraries and packages will be developed.</p>
Consumer Promotions	184	<p>The HKTB will aggressively pursue the campaign globally through image and brand building thematic advertising, roadshows, direct mail and tactical advertising with the related sectors (such as retail). For example, the HKTB will launch the “Discover Hong Kong Year” advertising campaign through different media channels, including television, radio, print and internet in 16 key source markets. It will also collaborate with strategic partners on promotions, making use of their customer database and channels for information dissemination. Examples include making use of the reader database of travel magazines for direct mail. Furthermore, celebrities such as Jackie Chan will be invited to participate in consumer promotional activities. The HKTB estimates that the target audience coverage of these promotional activities will reach 44 million.</p> <p>Locally, the HKTB will co-operate with the media to enhance the community’s awareness of the “Discover Hong Kong Year” campaign and foster local hospitality culture. It will strengthen meet-and-greet services at entry</p>

		points, such as enhancing the decorations at entry points, increasing manpower and presenting visitors with welcome packs during major festivals and Mega Event periods.
Public Relations Activities	23	The HKTB will invite 1,500 global media representatives to visit Hong Kong and produce special features and TV broadcasts on “2006 Discover Hong Kong Year”.
Others	40	<p>The HKTB will co-operate with retail, dining and other related sectors to introduce more special privileges and offers during Mega Event periods, such as the upcoming Lions Convention International and Hong Kong Shopping Festival, so as to stimulate visitor spending.</p> <p>Through different tracking mechanism, the HKTB will monitor and evaluate the effectiveness of the above promotions.</p>
Total	276	

Table II

Promotions Targeting Family and Business Visitors

	Total (HK\$ million)	
Family Visitors	<p>Events & Promotions: 55</p> <p>Overseas Promotions: 25</p> <p>Total: 80</p> <p>Note: The allocation for events and promotions includes the funding required for organising events, local publicity and co-organising activities, and special privileges introduced with related sectors during the event periods.</p> <p>The allocation for overseas promotions includes the funding required for co-op promotions with travel trade and media in different markets, publicity targeting consumers, advertisement placements and public relations activities.</p>	<p>Mega Events can enhance visitors' experience and encourage their extended stay and spending. Surveys done by the HKTB showed that the satisfaction level of 73% of visitors were enhanced due to the Board's Mega Events. The average rating of these events reaches 8.3 out of 10. By enriching visitors' experience, these Mega Events can influence visitors' travel decisions:</p> <p>Among those interviewed: 25% will come to Hong Kong because of the Mega Events 66% will return and participate in the events 94% will recommend Hong Kong and the events to friends and relatives</p> <p>To stimulate visitor arrivals and spending, in particular the family and business visitors, the HKTB will implement a series of strategic marketing activities and programmes that will further enhance visitors' travel experience. Given that all along, only a very small amount of HKTB's recurrent subvention is used for Mega Events, the Board had to rely on additional funding for staging the events in the past two years.</p> <p>With the additional funding in the coming two years, the HKTB will leverage on the Mega Events that are well received by visitors and organise targeted promotions and programmes for the family and business travellers. For example, during the summer holidays, the HKTB will use the Hong Kong Shopping Festival as a platform to launch night entertainment programme, late-night shopping and dining promotions and other activities so as to enhance visitors' experience and encourage their extended stay and spending.</p> <p>Targeting at the interests of family travellers, the HKTB will repackage the new developments with the existing attractions and introduce "edutainment" products and itineraries in collaboration with the travel</p>

		trade. It will also revise the <i>Hong Kong Family Fun Guide</i> .
Business Visitors	<p>Events & Promotions: 57</p> <p>Overseas Promotions: 27</p> <p>Total: 84</p>	<p>The HKTB will collaborate with the travel trade to develop a completely new last minute (pre-departure) sightseeing tour itinerary. It will also provide more suitable travel information, such as updating the <i>Hong Kong Leisure Guide for Business Travellers</i> to provide business visitors with easy and convenient access to travel information.</p> <p>To attract more family and business visitors to Hong Kong, the HKTB will step up the overseas promotions on the Mega Events and offer attractive offers targeting these two segments. These will not only maximise visitors' awareness but also entice them to come back to Hong Kong.</p> <p>The HKTB estimates that the target audience coverage of these promotions will reach 35 million.</p>
Total	164	

Quality Tourism Services (QTS) Scheme

Targets	Total (HK\$ million)	
1) Enhance Hong Kong's quality service image 2) Encourage patronage of accredited merchants 3) Strengthen visitors' confidence in shopping and dining in Hong Kong so as to induce repeat visits 4) Encourage greater participation by local merchants 5) Expand scheme to more travel-related sectors	Marketing promotions: 14 Expansion of scheme: 16 Total: 30	2004 QTS survey among shoppers: Awareness of the QTS scheme: 54% Increased confidence: 74% Satisfaction of QTS merchants: 80% Initiatives: <ul style="list-style-type: none"> - Step up global publicity and promotions, especially in non-Cantonese and non-English speaking markets (such as Japan and Korea) to increase visitors' awareness of the scheme. At the same time, strengthen publicity in high-growth Mainland cities. - Reinforce publicity at entry points, such as the airport and Lo Wu and Lok Ma Chau border crossings, by mounting banners and distributing publicity materials, including <i>A Guide to Quality Shops</i>, <i>A Guide to Quality Restaurants</i> and the QTS Scheme pamphlet among visitors. In addition, QTS banners will be erected in major tourist and shopping districts and publicity materials will be provided to participating merchants so as to encourage visitors to patronise the QTS accredited outlets. - Increase manpower for surveillance visits and evaluate the complaint handling mechanism for more efficient handling of complaints and stronger assurances for visitors. - Invite more shopping and dining merchants to participate in the scheme with a view to increasing the accredited merchant outlets to 6,000 in the coming two years. Also, extend the scheme to other tourism-related sector(s).

(d) Assessing the Return of the Additional Funding

From planning its marketing strategies to evaluating their effectiveness, the HKTB adopts an information-based approach.

This approach makes reference to information collected in HKTB's database, which comprises economic statistics of source markets, tourism trends and market intelligence. This approach also makes use of findings of a range of surveys, such as those for assessing visitors' interest in new attractions and whether the programmes will influence their travel decisions or induce repeat visits; as well as historical and latest market trends. It is used for devising HKTB's strategic marketing plans and the performance indicators. The relevant explanation is covered in the presentation materials attached separately.

(e) Performance Indicators and Effectiveness of the Promotion Campaign

Targets

The additional funding will generate incremental visitors, visitor nights and spending, equivalent to about \$20 return on every dollar spent. The HKTb has already established the milestones and performance indicators for tracking the progress and effectiveness of the marketing activities regularly.

Milestones for 2005-07

Major promotions targeting travel trade and consumers

2 nd Quarter, 2005	Launch trade promotions for “2006 Discover Hong Kong Year”
3 rd Quarter, 2005	Stage overseas publicity and promotions for the Quality Tourism Services (QTS) scheme
3 rd / 4 th Quarter, 2005	Launch global publicity and consumer promotions
1 st Quarter, 2006	“Hong Kong Salutes the World” familiarisation for global travel trade
2 nd / 3 rd Quarter, 2006	National public relations campaigns for “2006 Discover Hong Kong Year”

Proposed Mega Events

2 nd Quarter, 2005	Hong Kong Shopping Festival
4 th Quarter, 2005	Hong Kong WinterFest
1 st Quarter, 2006	International Chinese New Year Night Parade
2 nd Quarter, 2006	Mega Event themed around culture and heritage Hong Kong Shopping Festival
3 rd Quarter, 2006	Promotions for Mid-Autumn Festival
4 th Quarter, 2006	Hong Kong WinterFest
1 st Quarter, 2007	International Chinese New Year Night Parade

Performance Indicators

As in the past, the HKTb will set clear performance indicators for different promotions so as to track and evaluate the effectiveness of the activities. Key indicators are as follows :

Mega Events:	Visitor Arrivals during event period Participation rate of event Visitor satisfaction level Length of Stay
Advertising:	Number of spots/insertions Impressions Reach

Public Relations Activities: Number of participants of familiarisation visits
Publicity value generated

Travel Trade: Number of participants of familiarisation visits
Number of roadshows

Effectiveness of Special Promotion Campaigns

Following the SARS outbreak in 2003, the HKTb received additional funding of \$379 million from the Government to launch a “Global Tourism Revival Campaign” (the Campaign) to attract visitors and revive tourism. Below is a summary of the campaign results:

1. Between April and July 2003, visitor arrivals were 2.34 million less when compared with the same period in 2002. The hotel occupancy rate also plummeted to 18%.
2. Immediately upon Hong Kong’s delisting as a SARSs-affected area by the World Health Organization (WHO) on 23 June 2003, the HKTb put the Campaign into operation with the additional funding of \$379 million and projected that the tourism industry would recover to pre-SARS levels by mid-2004.
3. Implemented in 2003-04 and 2004-05, the Campaign comprises a series of marketing activities targeting promotion in overseas markets and enhancement of visitors’ experience when they arrive. On overseas promotion, the HKTb organised –
 - promotions targeting at reviving the travel trade and stimulating consumption; travel shows, internet marketing, roadshows and publicity aimed at the corporate clients and other major market segments;
 - familiarisation visits for overseas travel trade and media to rebuild their confidence and interest in Hong Kong; and
 - a global advertising campaign in its major source markets, including Mainland China and overseas, and co-operative initiatives with the media to promote Hong Kong.

On the enhancement of visitor experience when they arrive, the HKTb secured the support of the retail and catering sectors to extend a range of offers and privileges to visitors and provided them with Welcome Pack when they arrived. Through a number of Mega Events, the HKTb reinforced Hong Kong’s position as Asia’s premier destination.

4. The HKTb conducted ongoing tracking surveys to monitor the progress and evaluate the effectiveness of the Campaign. The performance indicators included: visitor arrivals, spending, satisfaction and perception of Hong Kong. The information had proved useful for fine-tuning and enhancing the overall promotional strategies. The following is a chronological account of HKTb’s initiatives under the Campaign together with an evaluation of the tourism performance and results.

5. The Campaign was conducted in two phases. During Phase 1, the HKTB first targeted at the overseas travel trade and media and adopted the “Seeing is Believing” approach to bring the overseas trade to come and see for themselves that Hong Kong was safe to visit. Within one month of Hong Kong’s delisting as a SARS-affected area by WHO, over 430 international travel trade and media guests were invited to participate in familiarisation visits to Hong Kong. In early July, the HKTB organised travel missions to Shenzhen and South Korea, enabling the local travel trade to meet 200 Guangdong and 300 Korean trade representatives. In addition, the HKTB arranged for 630 local trade representatives to take part in roadshows in Beijing and Fujian of Mainland China, Australia and Japan. It also organised business sessions for travel trade in Southeast Asia, Taiwan, Australasia and Mainland China.
6. With unprecedented support from local and international trade partners, the HKTB launched a two-month *Hong Kong Welcomes You!* promotion in mid-July. During the promotional period, over 100 consumer promotions were conducted in various markets. For example, in Taiwan, 4 airlines and 12 major wholesalers joined a “2 for 1” promotion, which sold 21,000 packages travelling to Hong Kong within a week of Taiwan lifting quarantine restrictions.
7. To enhance visitor experience while they are in Hong Kong and to boost visitor spending, the HKTB launched a two-month-long Hong Kong Super Draw in August. Close to 1 million entries were received which generated at least \$300 million of spending.
8. To create an extra publicity splash in the middle of the *Hong Kong Welcomes You!* period, the HKTB designated Sunday 17 August as a special “Welcome Day”. Over 3,000 visitors and VIP guests attended the premiere of *Strato-Fantasia*, the first of the campaign’s Mega Event series and a Welcome Banquet. The above initiative has created over \$113.7 million publicity value.
9. Since launching Phase 1 of the Campaign, visitor arrivals staged a V-shape recovery. By August 2003, arrivals reached 1.64 million, a monthly record at that time and 9.6% increase over the previous year. The average hotel occupancy rate also bounced back to 88%.
10. As a further means of sustaining the tourism revival, the HKTB commenced the second phase of the Campaign in mid-September through the launching of a new global advertising platform – “Hong Kong – Live it, Love it!” (LILI), which was rolled out across 16 markets. This advertising platform was supplemented by a programme of integrated global marketing activities, including high-profile launch promotions, newspaper and magazine advertising, public relations activities, roadshows, participation in consumer fairs and an on-line game to extend the campaign’s reach through the power of the Internet. The LILI advertising programme was broadcast on TV over 5,500 times, generating gross impressions of 2.6 billion and reaching about 68% of our target audience.
11. To ensure that the recovery could be sustained, the HKTB organised a series of Mega Events, including the *Mid-Autumn Lantern Celebration* in September, the *Hong Kong International Musical Fireworks Competition* in October and the *Hong Kong WinterFest* in November.

12. With the vigorous promotions, further new arrival records were set in October and December, which reached 1.70 million and 1.79 million respectively. By end 2003, the tourism industry achieved a swift recovery. Yearly arrivals totalled 15.54 million, a modest 6.2% down on the previous year's record figure. When compared with other SARSaffected destinations in Asia that experienced double-digit decreases, the recovery was truly remarkable. Hotel occupancy rate also bounced back to 70%.
13. The swift recovery of the tourism industry was very much driven by an especially strong performance from Mainland China. Mainland visitor arrivals increased significantly in the latter half of 2003 as a result of the progressive introduction of the Individual Visit Scheme (IVS) from July 2003. To maximise the business potential of IVS, the HKTb launched extensive marketing and publicity in the relevant cities as soon as the scheme was announced. Besides promoting Hong Kong to the target consumer segments, the Board made use of different approaches to highlight Hong Kong's products and attractions. To provide Mainland travellers with comprehensive travel information, the HKTb co-operated with the Mainland Public Security Bureau in distributing pre-departure pamphlets to Mainland residents such that they can prepare their visits to Hong Kong. SMS messages were also sent through mobile phones to promote IVS travel.
14. According to HKTb's visitor survey in 2003, visitors' overall ratings of Hong Kong, whether their expectations have been met, and their intention to revisit Hong Kong are all higher than the results in the 2002 survey.
15. In 2004, the HKTb continued its promotions for Hong Kong under the Campaign. In January, the *International Chinese New Year Night Parade* which tied in with the Lunar New Year Golden Week on the Mainland, attracted 280,000 spectators. In April, the *Avenue of Stars* officially opened, marking the end of the second phase of the Global Tourism Revival Campaign. All the promotions of the Campaign helped fuel the continued growth of the tourism industry in the remaining of 2004. As a result, the industry enjoyed not only steady development but also strong growth.
16. A key factor in boosting growth during 2004 was the progressive extension of the IVS to 32 cities in the Mainland in the first half of the year. In 2004-05, the HKTb made use of the HK\$40 million additional funding to strengthen promotions in the Mainland, with the IVS cities as the primary targets.
17. Almost all markets, both long- and short-haul achieved steady growth. The three long-haul markets were ahead of the 2002 levels by the first quarter of 2004, much earlier than the third quarter as originally predicted by the HKTb.
18. By December 2004, Hong Kong's tourism industry passed a significant milestone of 20 million arrivals in a single year. Total yearly arrivals reached 21.81 million, a remarkable increase of 40.4% over 2003. Besides the Mainland, other markets such as the US, Canada, Australia, South Korea, Singapore, Malaysia, India and even smaller markets such as New Zealand, the Netherlands and South Africa achieved their best performance ever.

