

Hong Kong Tourism Board Work Plan for 2011-12

Supplementary Information for the Legislative Council Panel on Economic Development

(a) Marketing Budget of Head Office: HK\$149.2 million

In 2011-12, the Hong Kong Tourism Board (HKTB)'s total marketing budget amounted to HK\$341.3 million which comprises marketing budgets for the Hong Kong Head Office, 15 Worldwide Offices and the representatives in six markets. The portion for the Head Office is HK\$149.2 million, for initiating global and regional promotions at the Head Office, implementing mega events and other initiatives, such as marketing of the Quality Tourism Services Scheme and provision of visitor information and services at the destination.

2. The breakdown of HKTB's marketing budget is as follows:

Strategic Focus	Head Office (HK\$M)	Worldwide Offices (HK\$M)	Total (HK\$M)
1. Strengthen Hong Kong's Destination Image – Adopt New Thematic Marketing Platform 'Hong Kong Asia's World City'	2.4	8.9	11.3
2. Enrich Annual Events Calendar	43.4	55.4	98.8
3. Change Mix of Marketing Communication with Increased Focus On Digital Marketing and PR to Maximise Reach and Impact	28.0	53.0	81.0
4. Re-align Multi-destination Development & Promotion Strategy by Focusing on Pan-Pearl River Delta Provinces	1.0	7.6	8.6
5. Grow MICE Business	30.2	17.5	47.7
6. Build Cruise Demand	4.5	0.8	5.3
7. Enhance Business-Building Capabilities Through Effective Trade Support and Partnership Programmes	6.3	26.0	32.3

Strategic Focus	Head Office (HK\$M)	Worldwide Offices (HK\$M)	Total (HK\$M)
8. Uphold Quality Assurance and Organisational Excellence (including strengthening promotion of the Quality and Honest Hong Kong Tours Programme and the Quality Tourism Services Scheme, and implementing internal audit and financial management programmes)	33.4	9.9	43.3
9. Others			
(a) Agency representatives fee	-	13.0	13.0
(b) Exchange reserve			
(c) Non-key market reserve			
Grand Total	149.2	192.1	341.3

(b) Worldwide Offices and Representatives of HKTB

3. The marketing and promotional activities in visitor source markets are implemented by HKTB's Worldwide Offices and its representatives, the latter being appointed by HKTB under contractual agreement. The Worldwide Offices are operated by HKTB staff and their operating expenses, including staff and office costs, are directly financed by HKTB, whereas the representatives are responsible for their own operating expenses.

4. The Worldwide Offices and representatives of HKTB are listed below:

15 Worldwide Offices

- The Americas – Los Angeles, New York and Toronto
- Europe – London, Paris and Frankfurt
- Australasia – Sydney
- North Asia – Tokyo, Osaka, Seoul
- Southeast Asia – Singapore
- Mainland China – Beijing, Shanghai, Guangzhou and Chengdu

Representatives in Six Markets

- Taiwan
- Thailand
- India
- Philippines
- Russia
- The Middle East

5. In the past years, HKTB continued to increase the marketing budget for the Worldwide Offices, from HK\$167.97 million in 2007-08 to \$192.14 million in 2011-12. At the same time, HKTB vigorously controls the fixed cost of its Worldwide Offices. Since 2008-09, the headcount for the Worldwide Offices has remained unchanged at 99.

6. The HKTB, including its Worldwide Offices, adopts a comprehensive performance measurement framework for measuring its performance against objectives. Under this framework, HKTB keeps track of four groups of key performance indicators of the tourism sector, namely visitor arrivals, spending, length of stay and satisfaction. On top of these, HKTB maintains a set of corporate performance indicators to measure the activities and the expected results from HKTB's marketing programmes by strategic focuses. A total of some 50 corporate performance indicators with clear targets have been adopted. For example, HKTB will track the global publicity value achieved for promotional campaigns implemented by the Worldwide Offices.

7. The HKTB conducts regular reviews of the structure of its Worldwide Offices and representative to ensure that it matches HKTB's promotional strategies. During the review, HKTB takes into account the latest trends in different source markets, such as their long-term development potential, visitor arrival growth trends, the social, economic, political environment, as well as their airline carrying capacity. The HKTB will continue to closely monitor the market needs, and adopt the most effective model for launching promotion in different markets.

Hong Kong Tourism Board
February 2011