



Annual Accomplishment Report 2017

MAIN REPORT



2017

**ACCOMPLISHMENT REPORT
EXECUTIVE SUMMARY**



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About this **REPORT**

The Tourism Promotions Board (TPB) is driven by the goal of becoming one of the most preferred tourist destinations in Asia Pacific. With the National Tourism Development Plan (NTDP) 2017-2022 goal as its road map, the TPB is working to rise to rank 13 in tourist arrivals and tourism receipts among Asia-Pacific destinations by 2022. As the Department of Tourism's (DOT) primary marketing arm, the TPB is tasked to develop and implement strategies that build visibility as well as support local destinations' bid for market readiness.



Period Covered

This report covers projects, activities and programs implemented out of the 2017 appropriations, either exclusively by TPB or in partnership with the DOT and other concerned agencies, towards its 2022 vision.

Content

This report seeks to serve two major functions: 1) to update stakeholders on developments and achievements in relation to TPB's core function of marketing the Philippines as a tourist destination; and, 2) to articulate TPB's efforts towards corporate sustainability.

TPB's core functions are discharged by its Marketing and Promotions departments, namely: International Promotions; Domestic Promotions; Meetings, Incentives, Conferences, Exhibitions (MICE)' and Marketing Communications. Activities conducted in 2017 pursuant to their work programs are discussed in detail in their corresponding sections.

On the other hand, the departments under Corporate Planning and Business Development (CPBD) are concerned with building compliance to international standards of transparency, accountability and efficiency of service delivery. Internally, CPBD is also tasked to implement and execute policies, rules and regulations adopted and approved by the Board of Directors. These departments include: the Finance Department, which consists of the Accounting and Budget Divisions; and the Administrative Departments, under which the Personnel and Human Resources Development Division (PHRDD) and Procurement and General Services Division (PGSD) fall.

Legal, Corporate Planning and Business Development, and Management Information Systems complete the list of support departments. Their contribution to TPB's corporate governance are fully discussed in the latter part of this report.

Theme

This year's report is inspired by the *vinta*, the traditional boat from Mindanao whose colors portray the splendor of our culture. It acknowledges the challenges that the organization has surpassed, and showcases the resiliency that it has built as a result. More importantly, it signifies that TPB is growing in strength and capability. More than ever, and despite the rough start, it is looking towards sailing steadily to its long-term vision for Philippine tourism.

List of ACRONYMS



AIME

Asia Pacific Incentives
and Meetings Expo

AOM

Audit Observation Memo

APTM

Asia Premium Travel Mart

ASEAN

Association of Southeast
Asian Nations

ATF

ASEAN Tourism Forum

AVP

Audio-Visual Presentation

B2B

Business-to-Business

BITF

Busan International Travel Fair

BOI

Board of Investments

COA

Commission on Audit

CPBD

Corporate Planning and
Business Development

CTX

Cebu Travel Exchange

DBM

Department of Budget
and Management

DF17

Dive Fiesta 2017

DICT

Department of Information and
Communications Technology

DOT

Department of Tourism

DRT

Diving, Resort and Travel (Show)

FDCP

Film Development Council
of the Philippines

GCC

Gulf Cooperation Council

GCG

Governance Commission
for GOCCs

GCIS

Government Corporate
Information Sheet

GDP

Gross Domestic Product

GOCC

Government-Owned and
Controlled Corporation

GSIS

Government Service
Insurance System

ICESAP

Incentive, Conference and
Event Society Asia Pacific

ICT

Information and
Communications Technology

IMEX

Worldwide Exhibition for
Incentive Travel,
Meetings and Events

ISSP

Information Systems
Strategic Plan

IT&CM

Incentive Travel &
Convention, Meetings

ITF

International Travel Festival

LGU

Local Government Units

LPPCHEA

Las Piñas Parañaque
Protected Critical Habitat
and Ecotourism Area

MALT

MICE Arabia and Luxury
Travel Congress

MICE

Meetings, Incentives,
Conferences and Exhibitions

MIS

Management Information
System

NAITAS

National Association of
Independent Travel
Agencies, Inc.

NTTS

NAITAS Travel and Trade Show

OFW

Overseas Filipino Worker

DOT OPD

Department of Tourism
Office of Product Development

PDR

People's Democratic Republic

PGSD

Procurement and General
Services Division

PHILTOA

Philippine Tour Operators
Association

PHITEX

Philippine Travel Exchange

PHRDD

Personnel and Human
Resources Development Division

PIDC

Philippine Independence
Day Council

PR

Public Relations

QMS

Quality Management System

SMS

Short Messaging Service

SOCCKSARGEN

South Cotabato, Cotabato City,
Cotabato Province,
Sultan Kudarat, Sarangani, Gener-
al Santos City

SPMS

Strategic Performance Manage-
ment System

TBEX

Travel Business Exchange

TIEZA

Tourism Infrastructure and Enter-
prise Zone Authority

TLEX

Travel and Leisure Expo

TPB

Tourism Promotions Board

TVC

Television Commercial

UK

United Kingdom

UNWTO

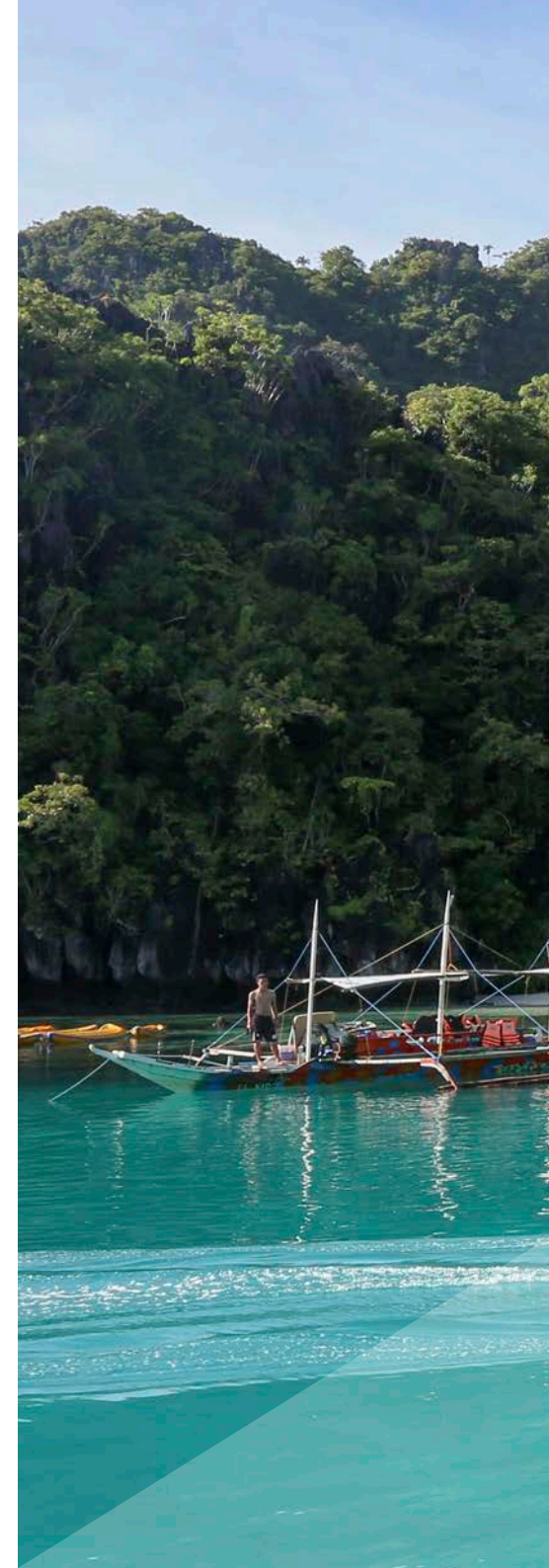
United Nations World Tourism
Organization

US

United States of America

WTM

World Travel Market









MANDATE

The TPB was created by virtue of Republic Act No. 9593, “An Act Declaring a National Policy for Tourism as an Engine of Investment, Employment, Growth and National Development, and Strengthening the Department of Tourism and its Attached Agencies to Effectively and Efficiently Implement that Policy, and Appropriating Funds Therefor.”

Supervision of Tourism Secretary is for program and policy coordination..

It is responsible for:

- Marketing and promoting the Philippines domestically and internationally as a major global tourism destination, highlighting the uniqueness and assisting the development of its tourism products and services, with the end in view of increasing tourist arrivals and tourism investments;
- Marketing the Philippines as a major MICE destination;
- Attracting, promoting, facilitating and servicing large-scale events, international fairs and conventions, congresses, sports competitions, expositions and the like;
- Ensuring the regular local and international advertisement of the country’s major tourism destinations and other tourism products, including Tourism Enterprise Zones (TEZ); and,
- Providing incentives to travel agencies, tour operators, wholesalers and investors abroad capable of drawing a sizeable number of tourists and tourism investments to the country.

LEADERSHIP

BOARD OF DIRECTORS



Hon. WANDA CORAZON TULFO-TEO
Secretary, Department of Tourism
Chairperson, Tourism Promotions Board



CESAR D. MONTANO
Chief Operating Officer
Tourism Promotions Board



Atty. GUILLER B. ASIDO
Chief Operating Officer
Tourism Infrastructure &
Enterprise Zone Authority



Hon. ALAN PETER S. CAYETANO
Secretary, Department of Foreign
Affairs



Hon. RAMON M. LOPEZ
Secretary, Department of
Trade and Industry



Hon. ARTHUR P. TUGADE
Secretary, Department
of Transportation and
Communication

REPRESENTATIVE DIRECTORS



MS. MARGARITA F. MUNSAYAC
Bluewater Maribago Beach Resort
Representing Accommodation
Enterprises



MS. PAMELA D. PASCUAL
World Trade Center Metro
Manila Representing
Conventions, Meetings, Incentive
Travel, Exhibitions, and Events
Services and Facilities



MS. MARGARITA F. VILLARICA
Destination Specialists (Cebu) Inc.
Representing Travel
and Tour Services



MR. ISAGANI G. BUENAFLOR
Diamond IGB, Inc.
Representing Land, Air, and Sea
Tourist Transport Services



MR. EDWIN VINCENT V. ORTIZ
EVO Enviro Solutions / Cebu Solid
Waste Management, Inc.
Representing Other Accredited
Tourism Enterprises



ATTY. MARIAN IVY F. REYES-FAJARDO
Corporate Board Secretary
Tourism Promotions Board

ORGANIZATIONAL CHART

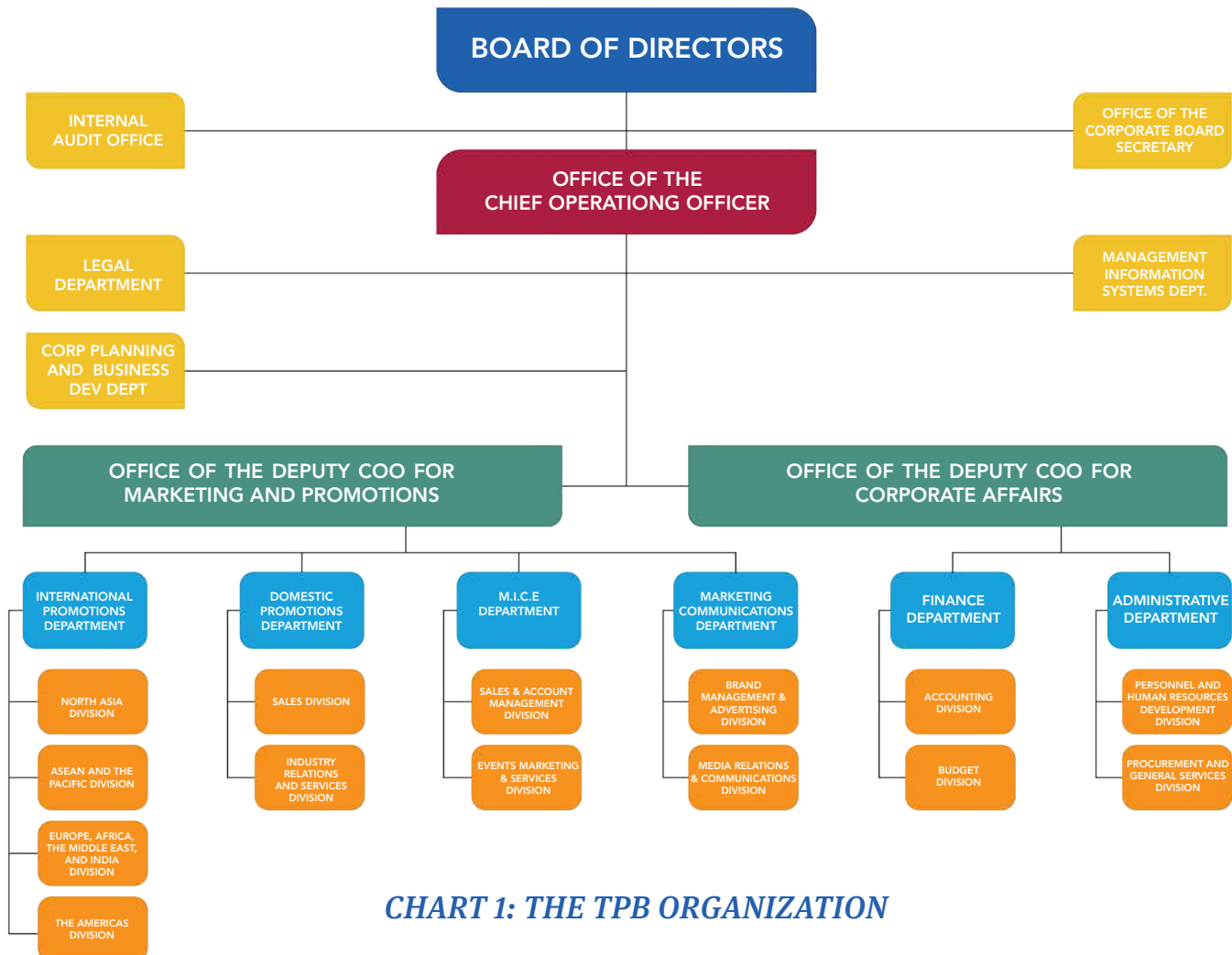


CHART 1: THE TPB ORGANIZATION

WORKFORCE

The Organizational Structure and Staffing Pattern approved by the Governance Commission for GOCCs (GCG) provides for 162 plantilla positions. As of reporting date, 89 of these positions have been filled up.

TABLE 1: PLANTILLA POSITIONS

As of December 31, 2017

Position/Level	No. of Filled Positions	No. of Unfilled Positions
Chief Operating Officer	1	0
Deputy Chief Operating Officers	0	2
Department Managers	5	4
Division Heads	4	14
Technical (SG 15-24*)	57	46
Support (SG 1-14)	22	7
TOTAL	89	73

***SG 24 without supervisory function under CPBD and MIS**

To augment the workforce, TPB also currently employs 88 job orders. Job-order hires make up 51% of the organization.

PHILIPPINE TOURISM INDUSTRY: KEY FACTS

1 GDP: Direct Contribution

The direct contribution of Travel & Tourism to GDP was PHP1,377.7bn (USD27.3bn), 8.7% of total GDP in 2017 and is forecast to rise by 6.2% in 2018, and to rise by 5.7% pa, from 2018-2028, to PHP2,547.8bn (USD50.5bn), 9.1% of total GDP in 2028.

2 GDP: Total Contribution

The total contribution of Travel & Tourism to GDP was PHP3,347.6bn (USD66.3bn), 21.1% of GDP in 2017, and is forecast to rise by 5.9% in 2018, and to rise by 5.8% pa to PHP6,240.6bn (USD123.6bn), 22.4% of GDP in 2028.

3 Employment: Direct Contribution

In 2017, Travel & Tourism directly supported 2,348,000 jobs (5.8% of total employment). This is expected to rise by 6.6% in 2028.

4 Employment: Total Contribution

In 2017, the total contribution of Travel & Tourism to employment, including jobs indirectly supported by the industry, was 19.2% of total employment (7,796,500 jobs). This is expected to rise by 6.2% in 2018 to 8,289,000 jobs and rise by 2.4% pa to 10,540,000 jobs in 2028 (19.9% of total).

5 Visitor Exports

Visitor exports generated PHP379.7bn (USD7.5bn), 8.0% of total exports in 2017. This is forecast to grow by 3.4% in 2018, and grow by 5.4% pa from 2018 to 2028, to PHP665.0bn (USD13.2bn) in 2028, 8.7% of total.

6 Investment

Travel & Tourism investment in 2017 was PHP95.1bn, 8.0% of total investment (USD1.9bn). It should rise by 4.5% in 2018, and rise by 5.2% pa over the next ten years to PHP164.5bn (USD3.3bn) in 2028, 2.4% of total.

Source: Travel & Tourism Impact 2018, Philippines, World Travel & Tourism Council.

WORLD RANKING (OUT OF 185 COUNTRIES):

Relative importance of Travel & Tourism's total contribution to GDP

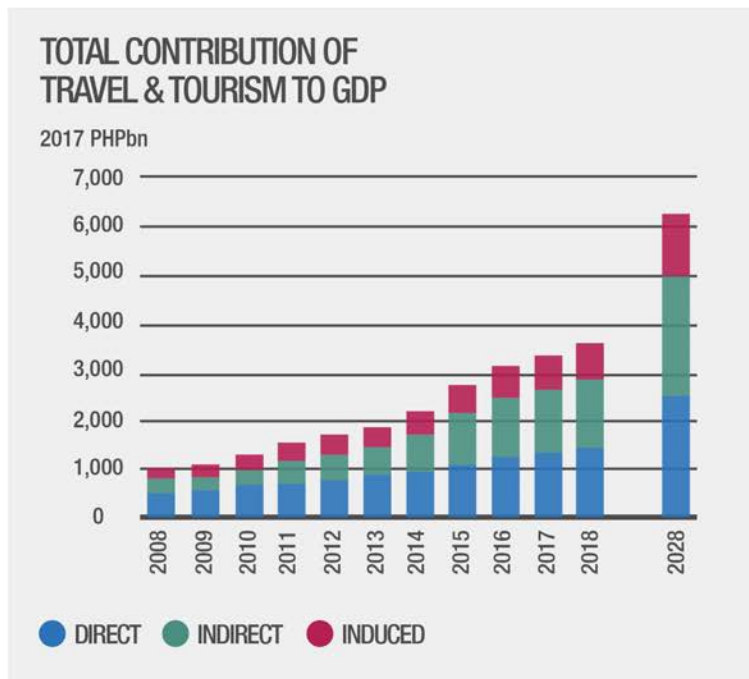


CHART 1: TOTAL CONTRIBUTION OF TRAVEL & TOURISM TO GDP

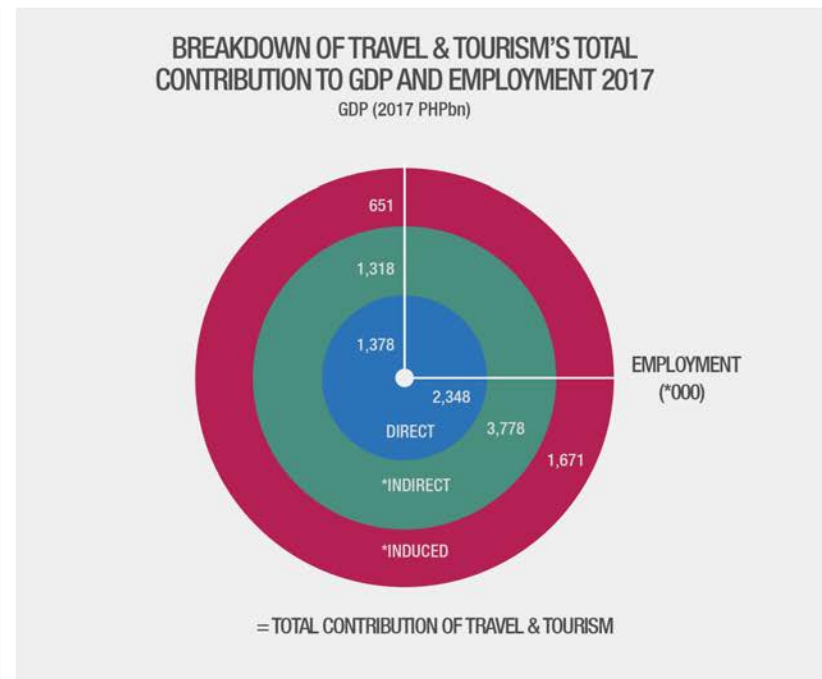


CHART 2: BREAKDOWN OF TRAVEL AND TOURISM'S TOTAL CONTRIBUTION TO GDP AND EMPLOYMENT 2017

OUR CORE VALUES

**P
O
W
E
R**

PASSIONATELY
DRIVEN TEAM
OUTSTANDING
LEADERS
WELL-BALANCED
WORK-LIFE
EMPOWERED
ORGANIZATION
RESPONSIVE
PARTNERS

CUSTOMERS

- TOP OF MIND TRAVEL DESTINATION
- INCREASE NUMBER OF EVENTS
- IMPROVE CUSTOMER SATISFACTION RATING

FINANCIALS

- EFFICIENT UTILIZATION OF CORPORATE OPERATING BUDGET
- DEVELOP SUPPLEMENTAL REVENUE SOURCES

INTERNAL PROCESSES

- QUALITY MANAGEMENT SYSTEM
- ALIGNMENT WITH NATIONAL TOURISM DEVELOPMENT PLAN

LEARNING & GROWTH

- DEVELOP HIGHLY COMPETENT AND PROFESSIONAL WORKFORCE

OUR MISSION

WE CREATIVELY MARKET AND PROMOTE A UNIQUE
AND HIGH VALUE EXPERIENCE FOR VISITORS

THE PHILIPPINES IS ONE OF THE MOST PREFERRED
TOURIST DESTINATIONS IN ASIA PACIFIC IN 2022

TPB had a rough 2017, coming from a period of adjustment in 2016 with the change in administration, and major organizational developments in the latter part. Despite these setbacks, TPB's employees remained focus on the organization's goals. On year-end, TPB narrowly missed its 5.7-million target, posting only 5,647,199 arrivals from its 12 key markets.

OUR MISSION

To creatively market and promote the Philippines domestically and internationally as a world-class tourism and MICE destination, in strategic partnership with private and public stakeholders to deliver a unique high-value experience for visitors, significantly contributing to increased arrivals, receipts and investments to the country.

OUR VISION

Country: Philippines is one of the most preferred tourist destinations in Asia Pacific.
Corporate: To be recognized as the authority in marketing the Philippines as a tourism destination.



OUR CORE VALUES

PASSIONATELY DRIVEN TEAM

We respond enthusiastically and with dedication to the needs of the industry stakeholders.

OUTSTANDING LEADERS

We act as an enabler in embracing challenges to create breakthrough ideas, exercise good governance, transparency and judicious management of resources.

WELL-BALANCED WORK-LIFE

We create a healthy work environment to promote a balanced professional and personal well-being of the workforce.

EMPOWERED ORGANIZATION

We strive to be superior by improving performance through continued learning in all levels of the organization.

RESPONSIVE PARTNERS

We commit to build and nurture a just and sustainable development for the society.



OUR OBJECTIVES

CUSTOMERS

- Top-of-mind travel destination
- Increase number of events
- Improve customer satisfaction rating

FINANCIALS

- Efficient utilization of corporate operating budget
- Develop supplemental revenue sources

INTERNAL PROCESSES

- Quality Management System
- Alignment with National Tourism Development Plan

LEARNING AND GROWTH

- Develop a highly competent and professional workforce



INPUT



24 INTERNATIONAL TRAVEL FAIRS ATTENDED



8 LOCAL TRAVEL AND CONSUMER FAIRS SUPPORTED



7 MICE BIDS ASSISTED



9 WORKING WEBSITES



506 TRI-MEDIA PLACEMENTS FOR TACTICAL CAMPAIGNS



355 TPB-ASSISTED DOMESTIC AND INTERNATIONAL EVENTS HELD IN THE PHILIPPINES, INCLUDING WON BIDS



8 JOINT PROMOTIONAL EVENTS, SALES PRESENTATIONS, ROADSHOWS & BUSINESS MISSIONS TPB-ORGANIZED INTERNATIONAL AND DOMESTIC MARKETING AND PROMOTIONS PROJECTS



144 RECIPIENTS OF MICE PLUS PROGRAM BENEFITS



15 SOCIAL NETWORKING ACCOUNTS



43 KINDS OF MARKETING COLLATERAL PRODUCED



70 INVITATIONAL AND FAMILIARIZATION TRIPS ORGANIZED



3 OPERATIONAL SHOWROOMS



282 ASEAN SOCIAL EVENTS ORGANIZED



975 ARTICLES PUBLISHED



19 KINDS OF PRINT MATERIALS PRODUCED



75 LOCAL AND REGIONAL PROJECTS ASSISTED



5 INVITATIONAL PROGRAMS FOR DOMESTIC MARKETING



68 MICE ORGANIZERS PARTICIPATING IN INVITATIONAL PROGRAMS



35 GROUPS PARTICIPATING IN MEDIA FAMILIARIZATION TOURS



35 KINDS OF CORPORATE GIVEAWAYS PRODUCED

OUTPUT



248 SELLER COMPANIES BROUGHT TO INTERNATIONAL TRADE FAIRS



198 SELLER COMPANIES PARTICIPATING IN JOINT PROMOTIONAL EVENTS, SALES PRESENTATIONS, ROADSHOWS AND BUSINESS MISSIONS



1,466 PARTICIPANTS IN INVITATIONAL AND FAMILIARIZATION TRIPS



1218% RETURN ON MARKETING INVESTMENT FOR DOMESTIC AND INTERNATIONAL MARKETING AND PROMOTIONS PROJECTS

OUTCOME

IMPACT

6,620,908
TOURIST ARRIVALS

11% ↑

INCREASE FROM 2016 ARRIVALS

5,647,199
TOURIST ARRIVALS FROM 12 KEY MARKETS AND OFWS

9.11% ↑

INCREASE FROM 2016 ARRIVALS FROM 12 KEY MARKETS

P448.6 B
TOURIST RECEIPTS

43.9%

INCREASE FROM 2016 RECEIPTS

JANUARY

ASEAN TOURISM FORUM (ATF) 2017

ATF 2017 is a cooperative regional effort to promote the ASEAN region as one tourist destination. Each year, the hosting of the ATF is rotated among the member countries (Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam). In 2017, it took place at the Sands Expo and Convention Centre, Marina Bay Sands, and was organized by the Singapore Tourism Board and supported by Singapore Exhibition & Convention Bureau. This was the 36th edition of the ATF since its inauguration in Malaysia in 1981, and the third time in Singapore.

FEBRUARY

FLIGHT CENTRE TRAVEL EXPO 2017

The Travel Expo is the biggest and most diverse expo organized by Australia's largest tour retailer, the Flight Center Travel Group. It is usually held over the months of January and February each year and presented in 13 cities across the country. It is also seen as a great way to kick off travel plans of Australians for the year. This time, it was extended to March to cover Darwin. The DOT Sydney joined the annual expo covering the top three major cities, namely, Sydney, Melbourne and Brisbane.

MARCH

TRAVEL BLOG EXCHANGE (TBEX) 2017

TBEX is the largest conference and networking event for travel bloggers, online travel journalists, new media content creators, travel brands and industry professionals. TPB signed up for gold sponsorships for two (2) TBEX events: TBEX International 2017 in Jerusalem and TBEX Europe 2017. As a participant in TBEX Jerusalem, the Philippine exhibitors gave away flyers featuring quotes from different travel bloggers and writers on why "It's More Fun in the Philippines" and showcased upcoming major events.

Photo courtesy of TBEX

APRIL

3RD NATIONAL ASSOCIATION OF INDEPENDENT TRAVEL AGENCIES, INC. (NAITAS) TRAVEL AND TRADE SHOW (NTTS)

NAITAS is the biggest and the largest travel association in the Philippines with more than 400 members and 13 chapters nationwide. NTTS is the country's newest and liveliest travel, tourism, technology and trade fair promoting outbound and inbound destinations, products and services. This year, TPB featured the Mindanao Region in its exhibit to promote positive perception about the region. Exhibited regions include: Region IX (Zamboanga Peninsula); Region X (Northern Mindanao); Region XI (Davao Region); Region XII (12th Paradise SOCCSKSARGEN); Region XIII (CARAGA Region).

MAY

WORLD STREET FOOD CONGRESS (WSFC) 2017

The fourth installation of the WSFC, an event by Singapore-based Makansutra (S) Pte Ltd, returned to the Philippines at the SM Mall of Asia Concert Grounds in Pasay City. This year's WSFC was bigger, bolder and better than its 2016 inauguration with a fresh theme: "Re-imagine Possibilities". The event aimed to attract more global attention to Manila's gastronomic and cultural treats. It also promoted the Philippines as one of the most dynamic and growing gastro cities in Asia, not only in street food but also in its wide offering of local cuisines.

JUNE

119TH CELEBRATION OF THE PROCLAMATION OF THE PHILIPPINE INDEPENDENCE

The nation celebrated the 119th Anniversary of the Proclamation of Philippine Independence on 12 June 2017 at the Rizal National Monument, Rizal Park, City of Manila. This year's theme was "Kalayaan 2017: Pagbabagong Sama-samang Balikatin" ("Independence 2017: A United Struggle towards Change").


JULY

11TH AMBASSADORS' TOUR

The 11th Ambassadors' Tour in Manila and Davao was led by the Department of Foreign Affairs (DFA), in cooperation with the TPB and Rajah Tours. The itinerary of the tour combined the best of Metropolitan Manila up North and the sprawling city of Davao in the South into one adventure-packed and enriching vacation experience featuring the beauty of the Philippines' top tourist destinations. This year's tour attracted 194 participants.

AUGUST

PHILIPPINE TRAVEL EXCHANGE (PHITEX) 2017




PHITEX is the biggest government organized travel trade event in the country. First held in 1996, it is patterned after the ASEAN Tourism Forum. Qualified international buyer delegates from all over the world are hosted to participate in table-top business appointments with accredited Philippine tourism suppliers.

MABUHAY FESTIVAL CANADA

The Mabuhay Philippine Festival, a partnership of the DOT and the TPB, is an annual two-day event in Toronto, Canada, showcasing Philippine trade, tourism and talent. Now on its 19th year, the event was coordinated by the Philippine Independence Day Council (PIDC), a volunteer-based umbrella organization primarily tasked with the celebration of Philippine Independence Day.

SEPTEMBER

28TH PHILIPPINE TRAVEL MART



The 28th edition of the annual Philippine Travel Mart was participated in by 238 companies, including the DOT through TPB. DOT occupied the biggest area with 354 square meters, equivalent to five pavilions. The area housed all the regional offices and attached agencies of the DOT and showcased Philippine beach destinations.

20TH BUSAN INTERNATIONAL TRAVEL FAIR (BITF2017)

BITF is the biggest annual travel show in Busan, Korea's second largest source of Korean outbound travelers. It is organized by the Busan Metropolitan City, Busan Tourism Association and KOTFA Co., Ltd. The Philippines was among the exhibitors, with a total of 90 square meters in exhibit floor area.



OCTOBER

DIVE BIRMINGHAM 2017

Dive Birmingham is one of the biggest dive shows in the UK. The event is visited by thousands of experienced and aspiring divers from the UK, Europe and all over the world. The Philippines participated with a 65 square-meter booth space that featured major Philippine dive destinations showcasing the richness and diversity of marine life found in the country.

DIVE FIESTA PHILIPPINES 2017 (DF17)

DF17 was conceptualized as a hard-line venture to directly attract international buyers of dive travel packages into business engagements with Philippine dive resorts and outfitters. DF17's served as a venue for table-top discussions between the international operators and their local counterparts.



NOVEMBER

WORLD TRAVEL MARKET (WTM) 2017

The Philippines secured an exhibit area of 366 square meters for WTM 2017. In line with the 2017 theme, "Romantic Philippines," the Philippine pavilion featured the best beaches the country has to offer for honeymoon destinations. To kick-start the annual Regional Festival at the Philippine pavilion, the world-renowned Filipino musicians, the Ryan Cayabyab Singers, sang their greatest hits, including the original composition "Da Coconut Song." The group stole the hearts of the visitors and travel trade agents with their rendition of the greatest love songs.



DECEMBER

DRT HONG KONG 2017

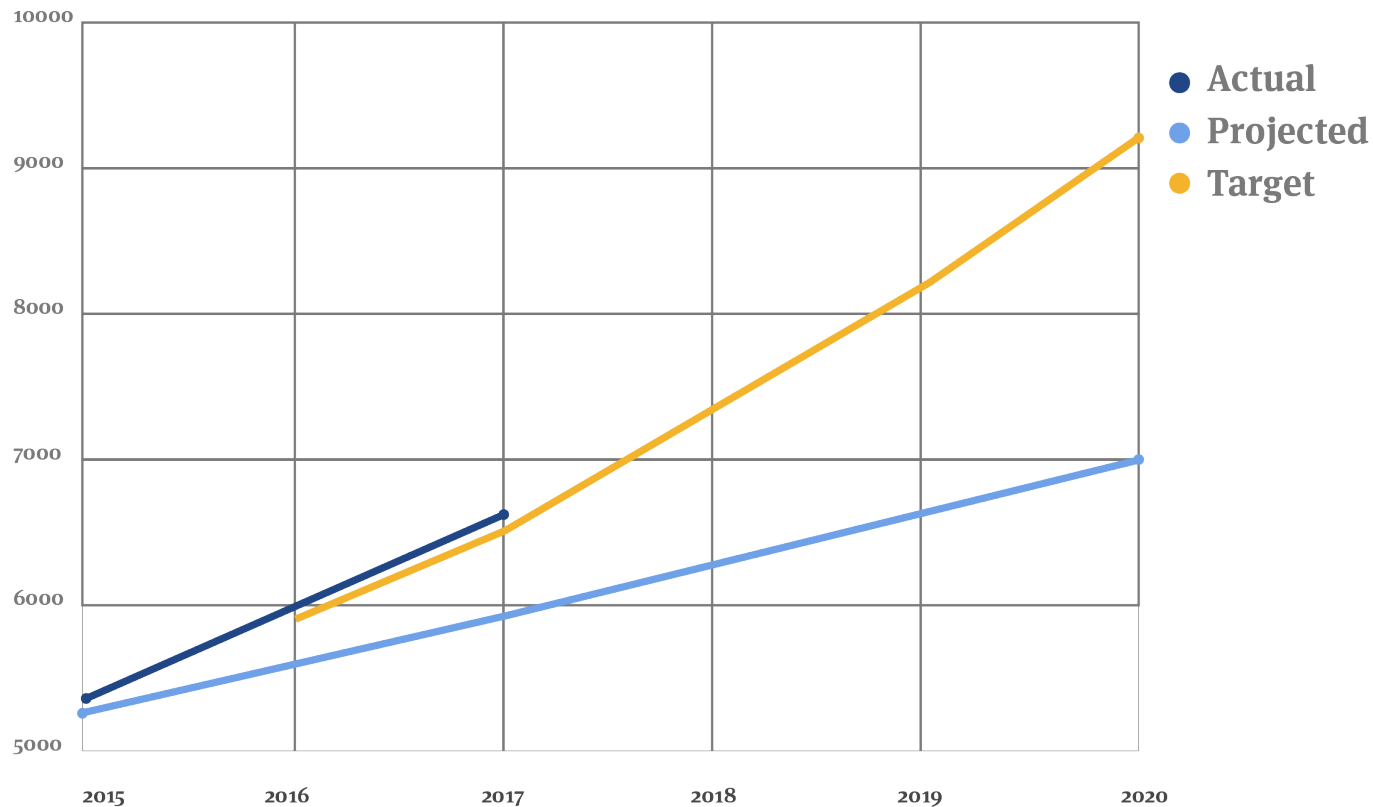
The DRT Show is considered to be the largest gathering for diving enthusiasts, marine conservationists and anyone with a passion for the underwater world. The DRT Show in Hong Kong was met with an overwhelming response as an important regional event. The show is supported by top-level exhibitors and leading dive equipment manufacturers, water sport equipment manufacturers, dive resorts, tourism boards, marine conservation and diving organizations.

In 2015, the TPB laid down a three-year Strategic Marketing Framework that identifies its goals and strategies from 2016 to 2018. Under the said Framework, the TPB target is for the Philippines to rise up to rank 13 in the UN World Tourism Organization (UNWTO) Asia and the Pacific International Tourist Arrivals and Tourism Receipts by 2020.

Projections based on historical data place the Philippines in rank 16th by 2020. This assumes that the growth rate of the Philippine tourism market industry will be consistent as more economies become more aggressive in tourism marketing.



Chart 2: Philippine Tourist Arrivals, Actual and Projected, 2015 to 2022 (,000)

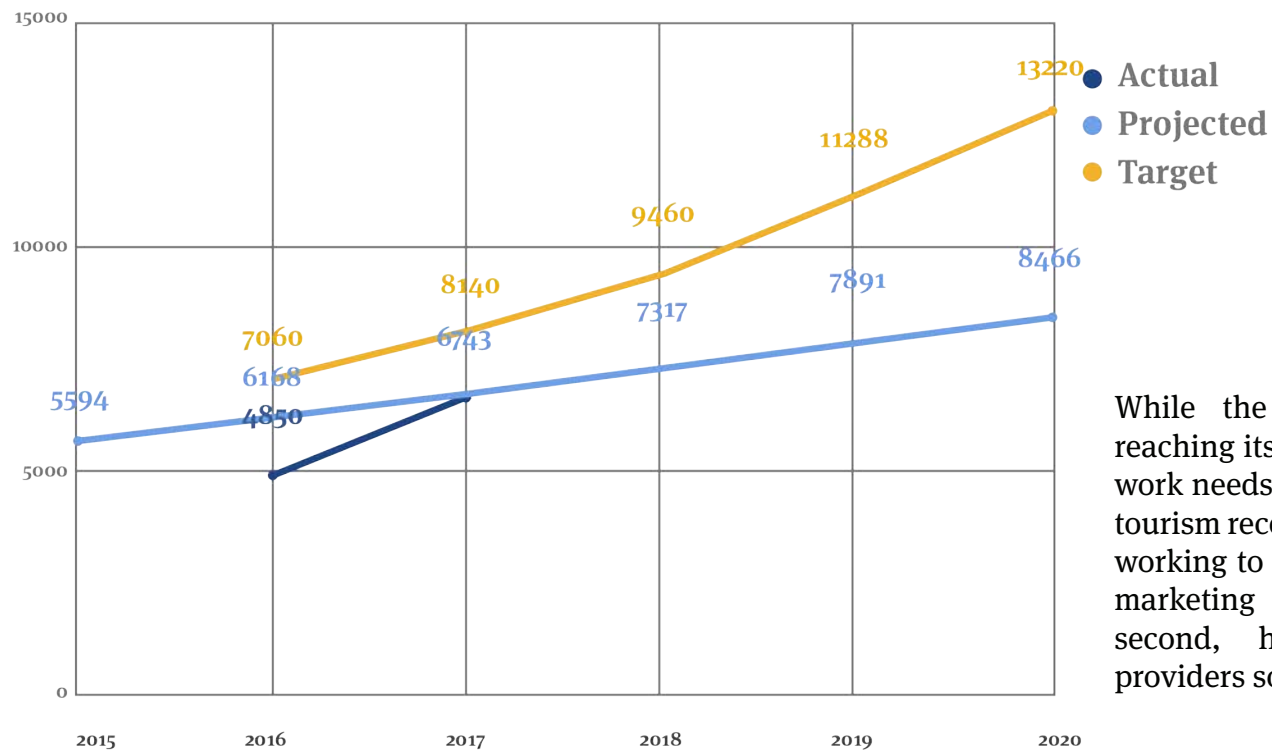


To achieve its goal of rising to rank 13th in tourist arrivals in Asia Pacific by 2020, the Philippines has to overshoot its projected average growth rate of 5.74% from 2015 to 2020. Through strategic interventions, growth rate should accelerate to an average of 11.76% from 2016 to 2020.

Since 2016, the country has managed to breach its stretch targets, posting tourist arrivals of 5.967 and 6.620 million for 2016 and 2017, respectively.

MARKETING & PROMOTIONS

Chart 4: Tourism Receipts, Actual and Projected, 2015 to 2022 (USD Millions)



While the Philippines is on track to reaching its 2020 tourist arrival goals, more work needs to be done to catch up with the tourism receipts stretch goals. TPB has been working to close the gap in two ways: first, marketing to high-value demographics; second, helping professionalize local providers so that they attract big spenders.

INTERNATIONAL PROMOTIONS

COMPETENCIES

The International Promotions Department is composed of highly technical employees with the competency to implement promotional and marketing campaigns geared towards the general tourism traffic. Assigned to specific regions, they are tasked to develop and coordinate program and activities to promote and attract investment and capital formulation for tourism infrastructure development and services. They also liaise with foreign wholesalers, foreign consumers, tourism investors and foreign media.



FUNCTIONS

The International Promotions Department is composed of the following divisions:

- 1 .North Asia Division ;
2. ASEAN and the Pacific Division ;
3. Europe, Africa, the Middle East and India Division ; and,
4. The Americas Division

These divisions are expected to perform the following functions in relation to to their designated markets:

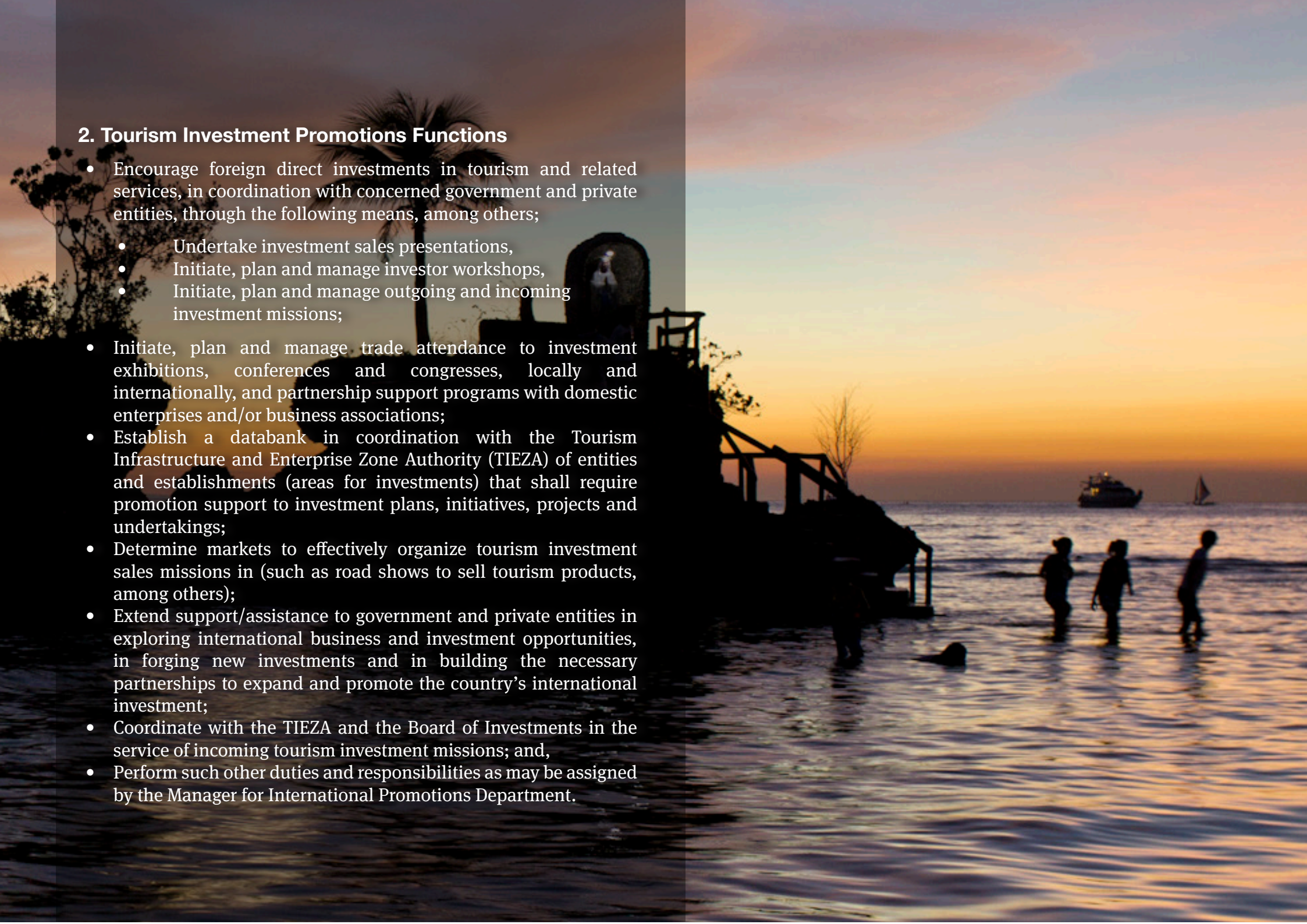
1. Sales and Marketing Functions

- Implement the Corporation's marketing projects and programs; Implement an aggressive sales and marketing campaign based on the continuous development of packages that match identified tourism products with key geographic markets;
- Recommend alternative marketing and promotional programs to be undertaken in target markets and prioritize marketing efforts and budget allocation thereof;
- Identify and adopt new marketing tools in the development of programs;
- Spearhead arrangements for participation in travel trade and consumer fairs, business and sales missions and road shows;
- Represent the Corporation in international travel industry events;
- Initiate invitational programs and familiarization tours for travel trade, media and other influential personalities;
- Undertake strong alliances with key tourism industry partners to identify and implement new initiatives and cooperative undertakings that will strengthen the promotion of the Philippines; and,
- Maintain a database and pursue active travel trade accounts, and regularly network with industry and non-industry stakeholders.



2. Tourism Investment Promotions Functions

- Encourage foreign direct investments in tourism and related services, in coordination with concerned government and private entities, through the following means, among others;
 - Undertake investment sales presentations,
 - Initiate, plan and manage investor workshops,
 - Initiate, plan and manage outgoing and incoming investment missions;
- Initiate, plan and manage trade attendance to investment exhibitions, conferences and congresses, locally and internationally, and partnership support programs with domestic enterprises and/or business associations;
- Establish a databank in coordination with the Tourism Infrastructure and Enterprise Zone Authority (TIEZA) of entities and establishments (areas for investments) that shall require promotion support to investment plans, initiatives, projects and undertakings;
- Determine markets to effectively organize tourism investment sales missions in (such as road shows to sell tourism products, among others);
- Extend support/assistance to government and private entities in exploring international business and investment opportunities, in forging new investments and in building the necessary partnerships to expand and promote the country's international investment;
- Coordinate with the TIEZA and the Board of Investments in the service of incoming tourism investment missions; and,
- Perform such other duties and responsibilities as may be assigned by the Manager for International Promotions Department.



2017 RESULTS

The Philippines breached its 6-million goal in international tourist arrivals in 2017, posting a record-high 6,620,908 at the end of the year. This represents an 11-percent increase in international tourist arrivals for the previous year.

Tourist Arrivals from Key Markets (2013 to 2017)

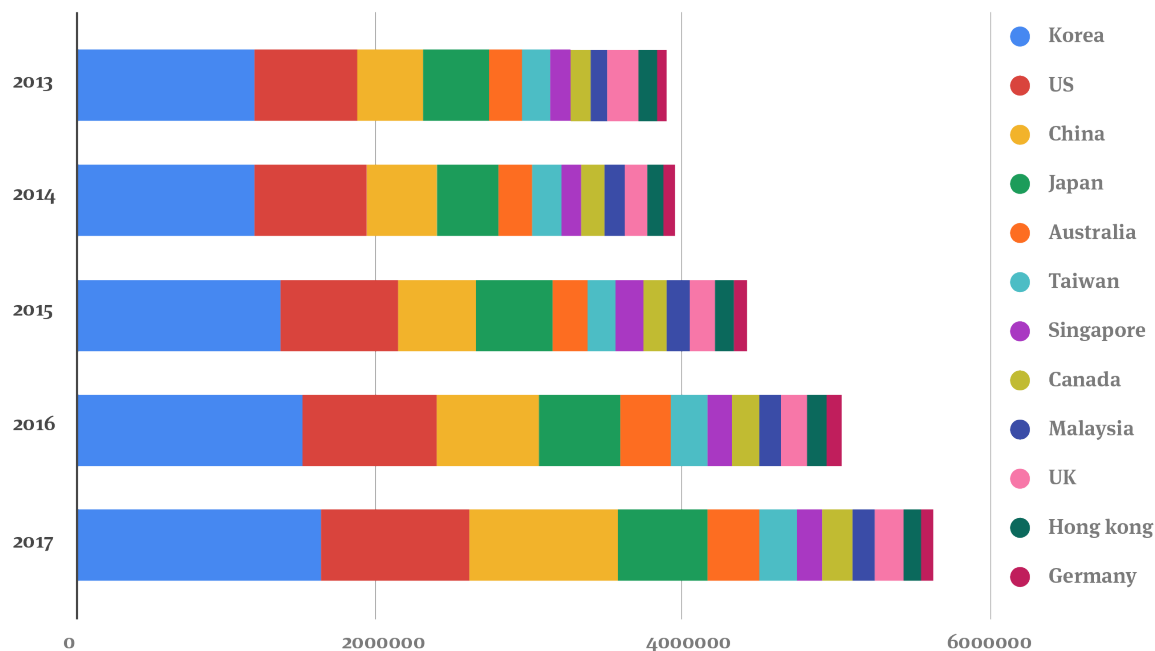


Chart 5: Tourist Arrivals from Key Markets (2013-2017)

12 KEY MARKETS DELIVER

TPB generated 5,647,199 tourist arrivals from its 12 key markets and OFWs. Its key markets include Korea, China, US, Japan, Australia, Taiwan, Singapore, Canada, Malaysia, UK, Hong Kong and Germany. Arrivals from these markets also increased by over 9 percent from 2016.

As expected, South Korea's patronage of Philippine Island Destinations remained highest with 1.6 million visitors. China emerged as the most improved market at 968,447 tourist arrivals, overtaking the US, which posted 957,813 arrivals. Historically, the US has been the second-biggest contributor to the Philippine tourist arrivals. The strong showing of the US persisted until 2016, with the country bringing in 869,463 tourists and China adding 675,663 to total tourist arrivals. Several factors led to the 43.33% increase in tourist arrivals from China. These include: the improved diplomatic relations between the Philippines and China, the additional flight routes between the countries, and the Visa Upon Arrival (VUA) option for Chinese nationals. Consistent intensive marketing to the Japan and Australia markets also led to the two countries keeping their spots as fourth and fifth in the top five source countries. Japan added 584,180 while Australia contributed 259,433 tourist arrivals.

Table 2: Work Program Targets vs. Performance 2017

	TARGET	ACTUAL
Travel Fairs	194 seller companies	248 seller companies
Joint promotions, sales presentations, roadshows and business missions	189 seller companies	198 seller companies
Invitational and familiarization trips	742 participants	1,466 participants
Product development/new campaigns	3 operational tourism showrooms	3 operational tourism showrooms (Seoul, New York, San Francisco)
Special events/special projects	300 sellers 220 buyers	407 sellers 285 buyers

Sustaining International Exposure

In 2017, TPB's International Promotions Department sustained activities for building the Philippines' visibility in the 12 key markets. TPB employed a mix of strategies based on what market insights and on-ground expertise said would yield the highest impact.

TPB prominently participated in major travel fairs targeting the key markets. From consumer fairs to special-interest events, these international events brought local industry players and destinations to buyers from around the world. TPB also continued to cement the Philippines' reputation as the preferred destination for specific tourism themes such as diving and beach adventure through its participation in themed exhibits such as Diving Resort Travel Show Hong Kong, Diving Equipment and Marketing Association Show, Dive Birmingham, Marine Diving Fair and Asia Dive Expo.

Aside from these, TPB likewise undertook joint promotions activities with partners. Technical teams were also deployed to sales presentations, road shows and business missions in the key markets, often in cooperation with the DOT overseas offices.

Selling the Philippine Experience

The International Promotions Department also hosted almost 1,466 guests via 70 invitational and familiarization trips to various local destinations such as Palawan, Cebu, Bohol, Batangas and Davao, among others. Participants to these tours included members of the media, social media influencers, travel agents and other decision makers.

To further boost the Philippines' exposure to the international market, TPB also organized special projects and events. These include the first-ever Dive Fiesta Philippines 2017 (DF17), which was held in October. DF17 is a hardline venture which aimed to directly attract international buyers of dive travel packages to come to Philippine dive resorts. The event complemented TPB's bid to increase the country's share in the world's 7.3 million active divers.



Expansion

This year, TPB also proactively promoted the Philippines as a film tourism destination with its participation in the Hong Kong Filmart 2017, Asia's largest film and entertainment market. In partnership with the Film Development Council of the Philippines (FDCP), TPB has committed to jointly undertake promotional activities to push for filming in the Philippines and offer our various destinations for location shoots.





16th Philippine Travel Exchange (PHITEX)
August 29 to September 5, 2017
SMX Convention Center, Mall of Asia, Pasay City

First held in 1996, the Philippine Travel Exchange (PHITEX) is touted as the biggest government-organized travel trade event in the country. It is a comprehensive multi-day event designed to bring together international buyer delegates and accredited Philippine tourism suppliers.

During the event, participants get to engage with each other via tabletop business appointments. Pre- and post-tours to key Philippine attractions and destinations are also arranged for invited foreign participants to provide them with the opportunity to personally experience the country's tourism offerings.

Through the years, the content of the event has also undergone iterations. For example, in 2007, PHITEX started offering the educational seminars as a major component by bringing tourism attachés to present market updates to participants. Beginning 2015, local and foreign industry experts were invited to further enrich the seminar content. The seminars that PHITEX and the Philippine Tour Operators Association Inc. (PHILTOA) used to offer separately were combined for the first time in 2017.

MEETING BUYERS' OBJECTIVES

PHITEX is organized with the following buyer objectives in mind:

- Provide a venue for foreign buyers of travel products to discuss business with Philippine tourism suppliers to generate business leads or encourage booking onsite;
- Entice buyers to include the Philippines in their tour programs or expand their existing tour programs to other local destinations; and,
- Generate maximum exposure of Philippine destinations to key target markets and launch packages designed for niche markets.

PHITEX 2017 was participated in by 209 buyers and 236 sellers from 154 companies. A post-event survey on their PHITEX experience generated mostly positive responses from both sellers and buyers.

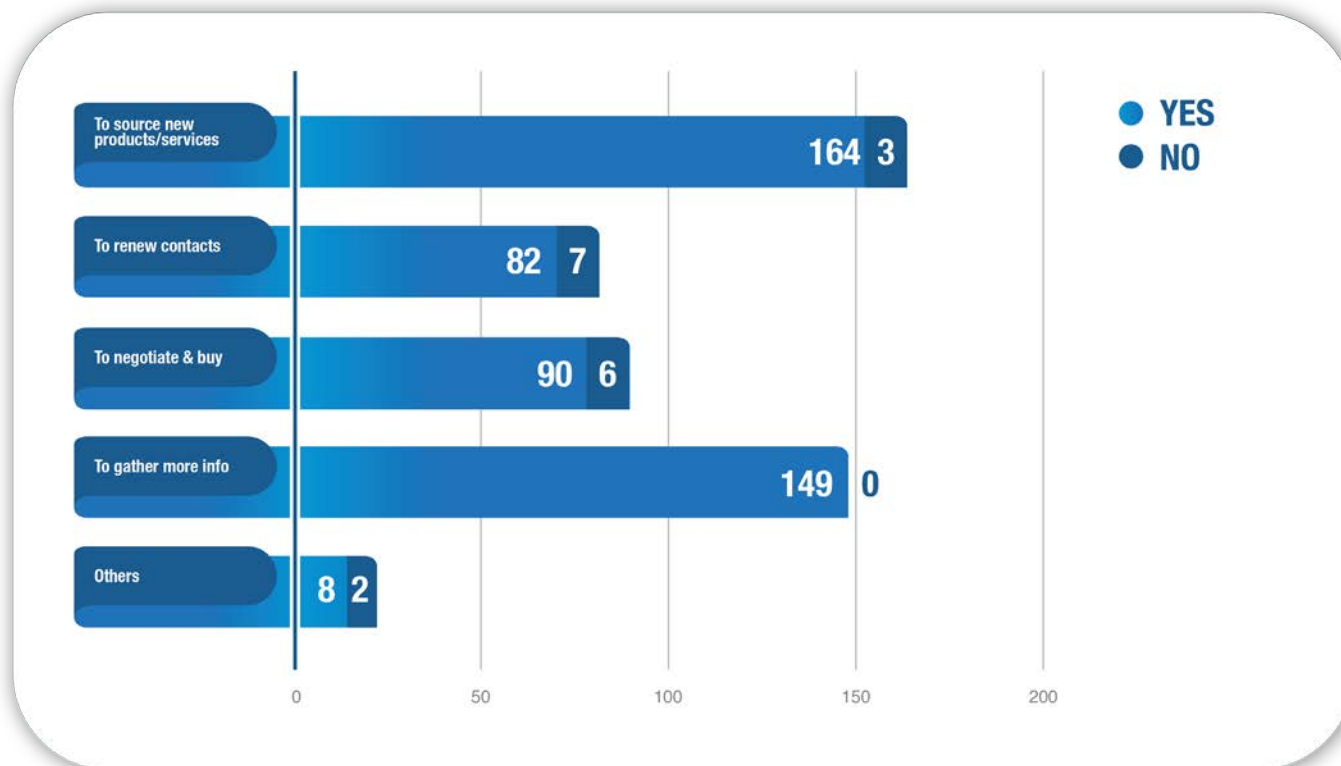


Chart 6: Were the objectives met? Buyer responses were mostly “yes.”



Chart 7: Rate PHITEX 2017 from 1 to 5, 1 being the lowest and 5 being the highest

- None of the respondents gave the lowest rating for quality of the sellers; most of the buyers (i.e., 91% of respondents) rated the quality of sellers 4 or 5.
- None of the respondents gave the lowest rating for quantity of the sellers; most of the buyers (i.e., 88% of respondents) rated the quantity of sellers 4 or 5.
- For usefulness of the appointment sessions arranged, only one respondent gave the lowest rating; most of the buyers (i.e., 82% of respondents) rated usefulness of the sessions 4 or 5.
- None of the respondents gave quality of appointments a rating of 1; most of the buyers (84% of respondents) gave quality of appointments a rating of 4 or 5.
- Finally, quantity of appointments did not get any 1 rating; most of the buyers (82% of respondents) rated quantity of appointments 4 or 5.

VALUE BROUGHT TO LOCAL SELLERS

- Three major objectives were identified for the seller participants. These objectives were:
 - Generate new contacts or revive old contacts;
 - Communicate with potential buyers or acquire more information;
 - Generate business leads and possible onsite bookings.
- Most of the sellers indicated that their targets were met across all three major objectives.

Significant leads were generated during the event

- 139 respondents (67%) were able to generate leads, at an average of 10 leads per seller respondent.
- 20 respondents (10%) reported a total of 61 bookings, or an average of 3 bookings per seller respondent.
- 145 seller respondents reported an average of 16 buyers signifying their interest to include the property in the buyer's tour program.

In 2017, 53% of the buyers who participated were PHITEX first-timers. This illustrates the value of the annual event in exponentially expanding the reach of TPB's marketing efforts. As TPB explores other geographic and niche markets, PHITEX shall continue to be a staple in the tourism industry. The TPB intends to continuously update and refine its content to meet the changing demands of its participants.

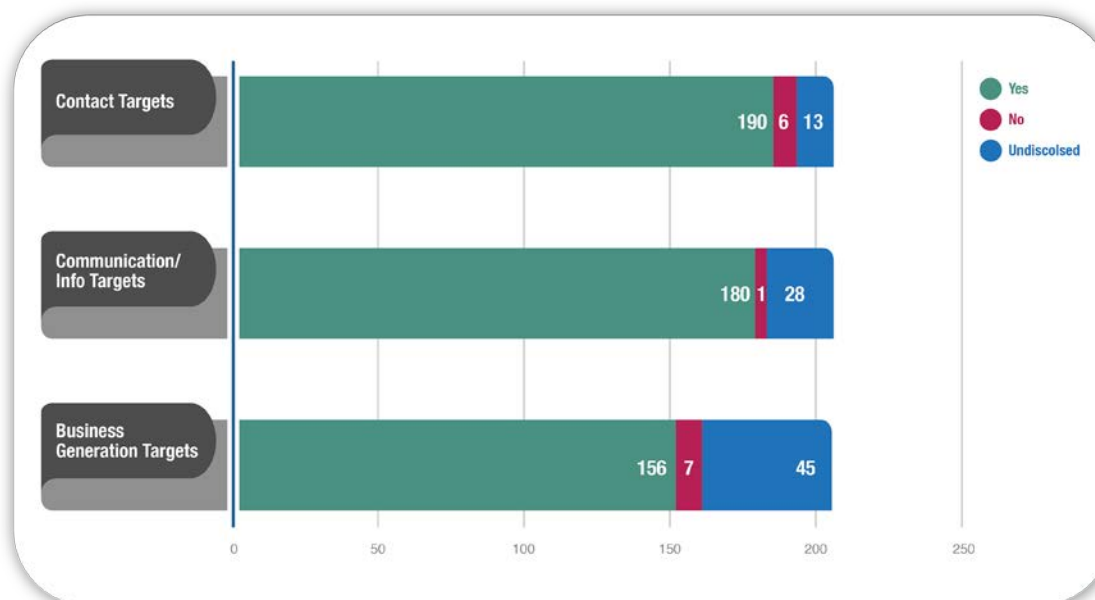


Chart 7: Were the objectives met? Seller responses were mostly “yes.”



DOMESTIC PROMOTIONS COMPETENCY

The Domestic Promotions Department is composed of employees adept in directing, initiating, overseeing, and sustaining the development and implementation of marketing programs and activities to encourage Filipinos to travel domestically; managing and maintaining the linkage of TPB with its members and all industry stakeholders; advocating and promoting travel excellence among industry stakeholders; and providing support to the DOT Regional Offices in the implementation of their respective international and domestic promotions plans.



FUNCTIONS

The Domestic Promotions Department is composed of two divisions: the Sales Division and the Industry Relations and Services Division, with the following specific functions:

1. Sales Division

- Develop and implement aggressive marketing strategies with the main objective of attracting, encouraging, increasing and sustaining domestic travel businesses nationwide in strategic partnership with local industry suppliers;
- Initiate programs that encourage and support the aggressive participation of local government units and destinations in domestic and international marketing activities participated in or organized by the corporation;
- Organize private-public initiatives in promoting local tourism products and services through the implementation of domestic programs and activities, package tours, special fares, sales calls, product updates, etc.;
- Create, implement and support new high-impact events designed to attract international niche markets;
- Maintain a current and updated database of nationwide tourism offerings, including special promotions, programs and incentives, among others;
- Implement educational programs for local stakeholders and partners leading to improved products and services in the different domestic destinations;
- Produce promotional and information materials specific to the domestic market in coordination with the Marketing Communications Department; and,
- Perform such other duties and responsibilities as may be assigned by the Manager for Domestic Promotions Department.



2. Industry Relations and Services Division

- Provide assistance to local events and festivals that are deemed to have major international significance;
- Initiate and coordinate LGU-wide adoption and implementation of domestic tourism advocacy campaigns;
- Provide and strengthen marketing support to selected destinations for international promotions in coordination with DOT Office of Product Development (OPD), DOT Regional Offices and LGUs;
- Participate in and/or support national industry trade fairs and exhibitions;
- Undertake an aggressive campaign to encourage industry-wide participation in and support of TPB's marketing programs;
- Prepare tourism stakeholders and LGUs for participation in international marketing activities in cooperation with DOT Regional Offices and private stakeholders;

- Manage and maintain the linkage of TPB with its members and all industry stakeholders through the regular distribution of tourism information materials and/or TPB newsletter/s that will keep them abreast of tourism developments;
- Formulate a Membership Benefits Package which will provide non-fiscal incentives and privileges to members that will directly and positively impact on members' businesses; and,
- Perform such other duties and responsibilities as may be assigned by the Manager for Domestic Promotions Department.





2017 RESULTS

Negative perception about the Philippines, owing to the security issues in Marawi City, presented challenges for both local and international tourism promotions. Despite this, TPB's Domestic Promotions Department remained focused to deliver its work program targets. As a result, all work program targets were met in 2017.

Growing Local Demand

As one of its major thrusts, TPB continued supporting local trade and consumer fairs in Metro Manila and the key regions. For 2017, the Domestic Promotions Department targeted participating in eight local fairs. By the end of the year, it was able to participate in 10 travel and consumer fairs across the country.






Char 9: Local Travel and Consumer Fairs Participation

Event	Description	Event	Description
 February 10 to 12, 2017 SMX Convention Center, Mall of Asia, Pasay City	<p>Organized annually by the Philippine Travel Agencies Association, the Travel Tour Expo is one of the biggest in the history of Philippine travel and tourism fairs. The three-day event showcases pavilions and exhibit booths of popular, new and emerging tourism destinations, attractions, travel-related products and services.</p>	 April 7 to 9, 2017 SMX Convention Center, Mall of Asia, Pasay City	<p>Organized by NAITAS, the NTTS is the country's newest travel, tourism, technology and trade fair promoting outbound and inbound destinations, products and services.</p>

Event	Description	Event	Description
 <p>June 21 to 22, 2017</p> <p>SMX Convention Center, Mall of Asia, Pasay City</p>	<p>The Asia Premium Travel Mart (APT M) is a two-day travel and trade and tourism show, which provides opportunities for the Philippines' premium properties, luxury destinations, travel and tour operators and tourism professionals to network with peers and showcase their respective products and services.</p>	 <p>May 11 to 14, 2017</p> <p>SMX Convention Center Davao, SM Lanang Premiere</p>	<p>The first Travel and Leisure Expo (TLEX) was inspired by the growing need to provide Filipinos with more access to hassle-free travel and leisure products. TLEX Davao hopes to contribute to the growth of the region's local tourism and hospitality businesses.</p>



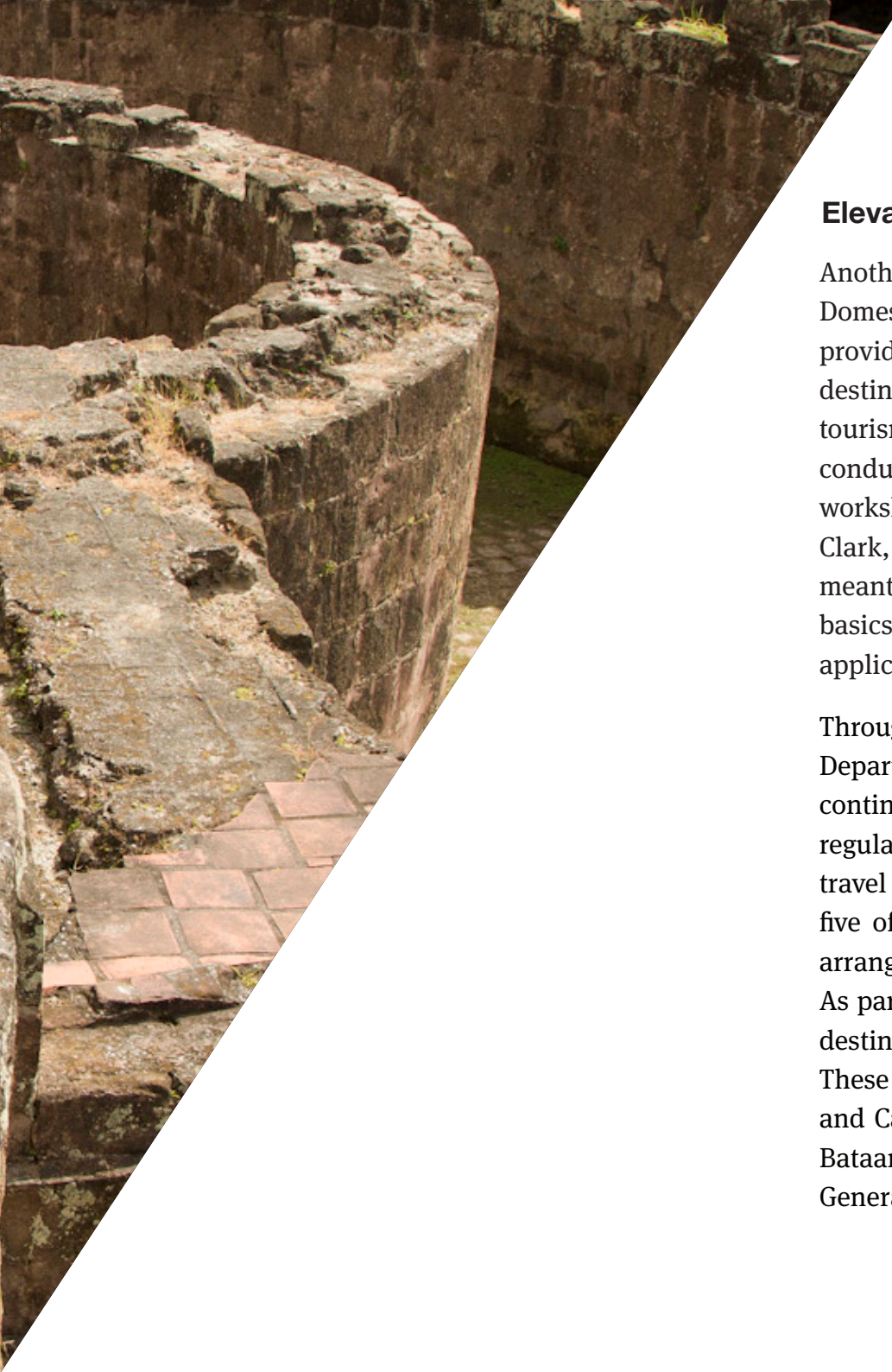
Event	Description	Event	Description
 <p>July 11 to 14, 2017</p> <p>Shangri-La's Mactan Resort & Spa, Mandaue, Cebu</p>	<p>CTX was designed to complement the International Travel Festival (ITF) as a trade event exclusive for industry stakeholders only. Business matching is conducted prior to the event for sellers and buyers to meet and engage. CTX 2017 also served as a crisis PR for Cebu and Bohol following negative travel advisories and unsafe perceptions.</p>	 <p>September 1 to 3, 2017</p> <p>SMX Convention Center, Mall of Asia, Pasay City</p>	<p>The Philippine Travel Mart is a three-day event organized by the Philippine Tour Operators Association (PHILTOA). This event serves as a platform for exhibitors to promote their destinations and tourism offerings to our local and foreign visitors.</p>

Event	Description	Event	Description
 <p>July 6 to 9, 2017</p> <p>SMX Convention Center, Mall of Asia, Pasay City</p>	<p>Organised by Travel Innovators Inc., in partnership with the TPB, the Travel Madness Expo is tagged as the biggest travel fair during the second half of the year. It is regarded by travelers as a great opportunity to prepare their year-end vacations and holidays.</p>	 <p>November 16-17, 2017</p> <p>Midori Hotel and Casino, Clark, Philippines</p>	<p>The Travel Business Exchange (TBEX) Pilipinas is a business-to-business activity where travel and tourism sellers get to meet with professional buyers and listen to seminars. It is organized by the Afro Asian World Events for the Network of Independent Travel and Allied Services Philippines, Inc.</p>



Departmental HIGHLIGHTS

Event	Description	Event	Description
	<p>The Travel Sale Fair is a major travel event that is participated in by over 200 companies, including airlines, travel and tour operators, hotels and resorts, tourism offices and other businesses. The wide range of travel deals exclusively offered on this event attracts hundreds of visitors.</p>		<p>World Travel Expo is a three-day event that aims to be the marketing platform for the travel industry. The event serves as a channel between the international and national tour operators, airline companies, and travel authorities. Show activities include product launching and company presentations; World Travel Expo Awards; B2B Business Matching; Holiday and Dream Destination Lucky Draw; Travel Products Onsite Selling; Travel Photography Competition; Fun Club Interaction; Video Montage Contest; Outbound Tourism Forum.</p>



Elevating Tourism Readiness

Another major function of TPB's Domestic Promotions Department is to provide technical support to potential destinations in their bid to elevate their tourism readiness. Towards this end, TPB conducted two regional branding seminar-workshops in General Santos City and Clark, Pampanga. These interventions are meant to teach local tourism officers the basics of place branding and its practical applications in this digital age.

Through the Domestic Promotions Department, TPB also helps ensure the continued viability of destinations through regular invitational programs with local travel agencies and the media. In 2017, five of such programs were successfully arranged with national and local media. As part of the trip, the TPB evaluated the destinations for product update purposes. These trips were conducted in Batanes and Cagayan; Roxas, Iloilo and Bacolod; Bataan, Tarlac and Aurora; Lake Sebu and General Santos City; Banaue and Sagada.

TPB also spent considerable resources supporting tourism-related events of LGUs and regional offices. Across the country's different regions, TPB provided support to 75 events and activities, all of which aimed to boost local tourism. In addition, TPB was also present in eight consumer events in various places.

The Domestic Promotions Department is also in charge of promoting the Philippines to the overseas Filipinos market. In 2017, the Department committed to implementing at least two programs that were specifically designed to attract balikbayans. By the end of the year, it was able to successfully complete nine projects under its Balikbayan Program. These include providing assistance to familiarization tours, providing financial assistance to relevant projects, and participating in exhibitions.

MEETINGS, INCENTIVES, CONVENTIONS, EVENTS (MICE)

COMPETENCY

The MICE Department is composed of experienced people with expertise in planning, directing and implementing sales and promotions program that aim to strengthen the Philippines' position as an ideal destination for international meetings, incentives, conventions and exhibitions/events; liaising with associations and corporate executives, incentive travel planners and organizers, convention, exhibition and event organizers, and destination management companies; and representing the Philippines in both local and international associations and organizations relevant to the MICE industry.



FUNCTIONS

The MICE Department consists of the following divisions and their respective tasks.

1. Sales & Accounts Management Division

- Create and implement sales and promotional schemes and activities aimed at attracting MICE business from around the world;
- Attract, promote and facilitate the hosting of international, regional and national events, conferences, exhibitions, and other special events in selected destinations within the country;
- Coordinate with, encourage, and assist local associations, organizations and corporations to bid for international meetings, conventions, exhibitions and large-scale events;
- Maintain a database and pursue active leads and bids for MICE events, and regularly network with industry and professional associations, organizations, and other entities to support and strengthen their planning and bidding capabilities;
- Manage and maximize the Corporation's membership in MICE-related international associations through retrieval of leads and research materials, and participation in educational programs in coordination with the Corporate Planning and Business Development Department (CPBD);
- Initiate, support and present Philippine bids, as well as undertake attendance promotion campaigns in target cities worldwide for specific MICE events;
- Initiate invitational programs and site inspection trips for international associations and corporate executives, as well as meeting and incentive planners;
- Support market intelligence activities specific to the MICE industry in coordination with the CPBD;
- Produce promotional and information materials specific to the Philippine MICE industry, in coordination with the Marketing Communications Department;
- Work closely with select DOT overseas and regional offices for overseas and regional MICE activities; and,
- Perform such other duties and responsibilities as may be assigned by the Manager for MICE Department.



2. Events Marketing & Services Division

- Create, implement and support new, high-impact conferences, exhibitions and events, both local and international, that project the Philippines as a destination for MICE activities;
- Assist international and regional events that are scheduled to be hosted in the Philippines, as engaged and endorsed by the Sales and Accounts Management Division, among others;
- Provide technical assistance to international and local organizers of booked conventions, congresses, meetings, incentive travel programs and all other events in planning, programming, budgeting, attendance promotions, event management and implementation;
- Undertake the developmental and educational programs designed to upgrade skills of MICE practitioners and to further professionalize the Philippine MICE industry;
- Prepare the appropriate attendance promotions plan for specific MICE events that are being handled and organized by the Corporation, in cooperation with government and private sector stakeholders, particularly those who are directly involved in the event;
- Act as the liaison office for select international expositions, sporting events, cultural activities and the like that the Corporation will be required to spearhead from time to time; and
- Perform such other duties and responsibilities as may be assigned by the Manager for MICE Department.

2017 RESULTS

MICE is an important component of TPB's marketing efforts for several reasons. The MICE industry brings in high-value foreign tourists by bulk, thereby greatly contributing to both tourist arrivals and receipts. In addition, it also fuels related local industries such as venues, hotels and events management services.

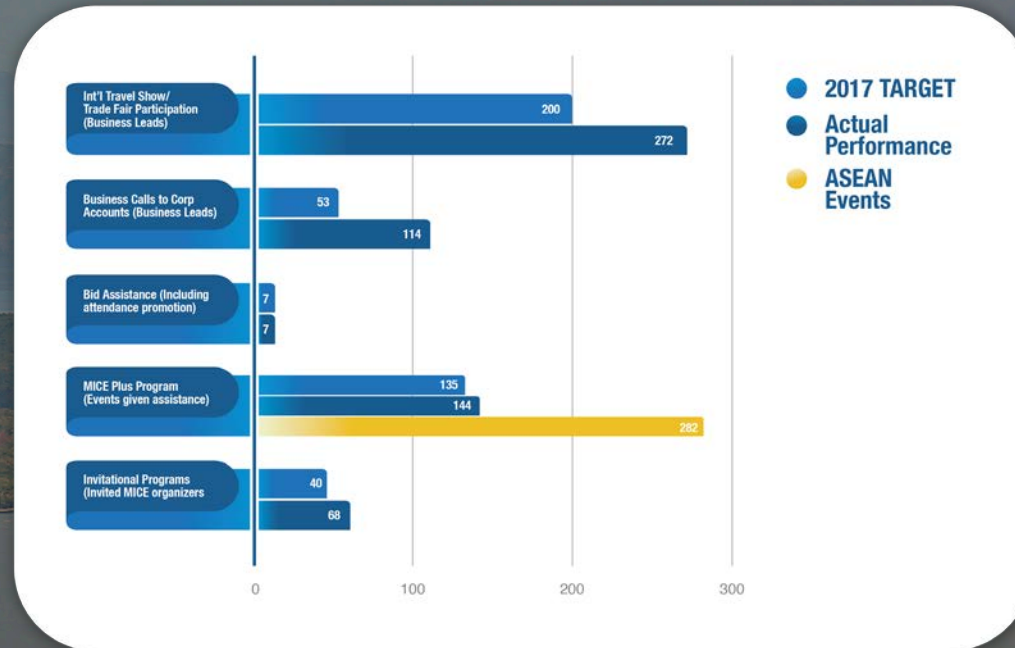
Exclusive Trade Fairs

In 2017, TPB's MICE Department continued to pursue the growth of MICE tourism through several approaches. These include participation in international travel shows and trade fairs exclusive to MICE buyers and sellers. For the whole year, the MICE Department brought the Philippines to eight international MICE meetings, six MICE presentations abroad and eight MICE fairs/shows.

Chart 9: MICE Targets vs. Performance

In February, the Philippines participated in the Asia Pacific Incentives and Meetings Expo (AIME) in Australia. AIME is one of the largest international business event exhibitions in the country. TPB's participation as one of the 700 exhibitors therein connected us to 275 buyers.

TPB also continued to intensify promotions activities in key markets. For China, for example, TPB participated in the 11th Incentive Travel & Convention, Meetings (IT&CM) China, bringing 10 private sector partners to meet and network with potential buyers. The Philippines was also present at the 4th Incentive, Conference and Event Society Asia Pacific (ICESAP) Conference in Shanghai, which was attended by 150 delegates.




The Philippines was likewise visible in other major shows such as Australia's Luxperience 2017, a by-invitation travel trade forum for companies specializing in luxury travel and business events; the IT&CM Asia in Thailand, the leading trade show for the international MICE industry in the Asia Pacific; IMEX America 2017, America's worldwide exhibition for incentive travel, meetings and events; IMEX Frankfurt; and the Incentives, Business Travel & Meetings World 2017 in Spain, the leading global event for the MICE and business travel industry.

Exploring Other Markets

In line with the TPB's strategic direction to explore new markets, TPB's MICE Promotions Department likewise initiated activities to promote the Philippines as a MICE destination to countries outside the 12 key markets. For example, sales missions were organized and deployed to Paris, France, Poland, and Dubai in the United Arab Emirates.

MICE agents from promising markets were also hosted in familiarization tours to local MICE hubs. TPB was also visible at the 5th MALT. An exclusive, by-invitation congress held in Dubai, MALT provided local suppliers with the opportunity to meet senior-level executives from the Gulf Cooperation Council who make procurement decisions for MICE and luxury travel.





MICE Industry Support

Aside from exposure in global events, TPB also continued to provide assistance to companies and organizations that were bidding for international conferences and events, and supported them in the execution of won bids. A considerable portion of its resources were also allocated for financial and other forms of support to qualified MICE events under the MICE Plus Program. Finally, TPB also played host to invited MICE buyers and decision makers, who were given the opportunity to see and evaluate the country's viability for MICE programs through familiarization trips.

In 2017, with the Philippines as the host of the ASEAN Summit, the TPB was likewise designated to handle all the social events related to the Summit. The MICE team led the organization and management of these social events, which totaled 282 for the entire year. This brought the total number of events assisted to 426 out of a target of only 135.

ASEAN Events

The year 2017 was also a big moment for the Philippines as it played host to the 31st ASEAN Summit and Related Summits, a series of semiannual meetings where ASEAN member-nations discuss regional economic, political, security and socio-cultural development. The ASEAN Summit has been hailed for its consistent success in producing regional consensus on major issues. Meetings take place in the course of the year, with world leaders and top national managers attending. Aside from the exposure and the privilege of hosting the year-long engagement, host-countries likewise derive economic benefits in terms of pledges for grants, assistance and investments.

The TPB had the opportunity to work with the ASEAN team in 2017 when it was designated to handle all the social events related to the Summit. The MICE team led the organization and management of these social events, which totaled 282 for the entire year. This brought the total number of events assisted to 426 out of a target of only 335. The TPB's professional handling of the social events contributed to the overall success of the 31st ASEAN Summit.

MARKETING COMMUNICATIONS COMPETENCY

The Marketing Communications Department is comprised of people who are adept in creating comprehensive marketing communication strategies and tactics for the Philippines as a destination for travel, MICE, business and tourism investments; conceptualizing and overseeing the implementation of PR and publicity plans to project a positive image of the Corporation;

developing marketing campaigns and producing marketing and sales materials; responding to crisis in times of sudden and unforeseen events that impact (positively or negatively) on the Corporation's marketing efforts; integrating the use of various marketing tools for an effective allocation of resources

with inputs coming from the other Departments; and evaluating advertising opportunities locally and internationally that are cost-effective and aligned with the approved marketing plan.

FUNCTIONS

The Marketing Communications Department is composed of several divisions with the following functions.

1 . Brand Management and Advertising Division

- Conceptualize and develop the country's brand identity for tourism, highlighting its unique features–natural scenic attractions, people and culture;
- Develop a “Brand Identity Manual” to ensure common visual standards for the use of logos, typefaces, colors, slogans, etc.
- Safeguard brand consistency in the implementation of marketing activities and brand application in various advertising tools and communication platforms;
- Provide creative designs and concepts for marketing tools such as exhibit booths, collateral and promotional materials;
- Coordinate and facilitate production of collateral and promotional materials, digital and tri-media advertising materials and the like;
- Prepare and implement the approved media plans;
- Initiate tie-ups and joint advertising with private/government sectors to implement tri-media exposure of the tourism brand;
- Conduct field researches to provide necessary background for the concepts and design of advertising materials;
- Ensure the timely production and distribution of all collateral materials in coordination with the Administrative Department;
- Maintain and update a library of images, raw footages, AVPs, TVCs and all collateral and promotional materials produced; and,
- Perform such other duties and responsibilities as may be assigned by the Manager for Marketing Communications Department.



FUNCTIONS

The Marketing Communications Department is composed of several divisions with the following functions.

2. MEDIA RELATIONS AND COMMUNICATIONS DIVISION

- Generate local and international publicity that capitalizes on the country's unique products, service offerings, sales promotions, events and exhibitions, and accomplishments;
- Monitor all communications channels to include social media sites and respond in a timely and responsible manner;
- Conduct press conferences and press blitzes and initiate media invitational programs;
- Manage crisis communications;
- Monitor and compile all press and news articles on the Philippines;
- Prepare and implement a PR and Publicity plan to project a positive image of the Corporation;
- Prepare all official statements of the Corporation;
- Prepare and ensure distribution of press releases of all projects handled by the Corporation;
- Maintain and manage media database;
- Provide content to the official website in coordination with respective departments;
- Provide documentation and coverage of major and special projects of the Corporation;
- Integrate advocacy and CSR programs into the overall publicity campaign of the Corporation;
- Monitor and evaluate promotional mileage and activation of all ad placements such as print, broadcast, digital and other new media; and,
- Perform such other duties and responsibilities as may be assigned by the Manager for Marketing Communications Department.



2017 RESULTS

In 2017, TPB's Marketing Communications Department aggressively pursued opportunities for sustaining the Philippines' visibility through multiple platforms.

Digital Focus

Recognizing the impact of the digital platform, TPB continued its shift towards more intensive marketing on the internet and social media. In 2017, the Marketing Communications Department maintained nine websites that catered to specific key markets. This included the Dive Fiesta Philippines 2017, a website that promotes the country as a premiere scuba diving destination. The website aims to directly attract international buyers of dive travel packages and connect them with Philippine dive resorts outfitters.

TPB also strengthened the Philippines' online presence through 15 Facebook, Instagram and Twitter accounts where promotional content were posted regularly. For the more digital-savvy markets of Korea and Japan, TPB maintained mobile apps to provide potential and current visitors with information about getting around.

Partnerships with high-traffic web properties were also pursued. For example, after the success of its first online campaign with Expedia, TPB partnered with the global online travel company yet again to convert Expedia visitors through a mix of standard display advertising banners and specific target destinations. TPB also complemented traditional advertising with placements in digital media, such as TripZilla, an online travel magazine, and the New York Times website.



Experience Philippines

TPB also consistently hosted media from different markets as part of its marketing strategy. A total of 31 media groups from the key markets were hosted for familiarization tours in 2017, most of which were done in cooperation with the International Promotions Department.

Aside from bringing them to the usual tourist attractions, foreign media from key markets were immersed in a colorful experience of culture, nature, food and festivities. For example, Taiwanese media were treated to a memorable Dinagyang festival while Japanese food journalist Naok Terada was taken to different sites for a gastronomic trip. Media from New Zealand, China and Korea, among others, were invited to similar familiarization trips to different parts of the country.

The Philippines played host to Internet celebrities as well. Blogger Asha Cuthbert, a YouTube content creator with over 110,000 subscribers in her ASHA ETC. YouTube channel, posted vlogs on her trip to the Philippines in exchange for a sponsorship engagement. Five of the UK's top bloggers were taken on a familiarization tour of Manila, Batanes, Laoag, Vigan and Pagudpud. Japanese media influencer Loveli's sponsored trip to Manila and Bohol yielded an article in Cosmopolitan, whose online edition has 7.5 million page views per month. Twelve digital influencers from Australia were also flown in to Palawan, where they experienced island hopping, snorkeling and island camping.





TPB has also identified Filipino communities outside the country as a target audience. Its Balikbayan Program intends to provide them with the motivation and the opportunity to come back to the Philippines to revisit their roots. In line with this program, members of the international media who are part-Filipinos and are influencers were invited to the Philippines and taken to different sites.

From Strategic to Tactical

TPB employed a broad range of marketing activities in 2017, covering strategic initiatives designed to identify and strengthen the country's value proposition as a tourism destination, all the way to tactical programs that conveyed the message to the target audiences.

In 2017, TPB heightened the Philippines' visibility by placing advertisements in high-profile and relevant publications and television shows. A total of 970 press releases were developed and distributed to local and international publications. To compliment these, 560 advertising materials were likewise placed in publications with reach to our target markets. UK Diver Magazine, the UK's no. 1 diving magazine in terms of circulation; and Conde Nast Travel Magazine, a luxury travel and lifestyle magazine with an upmarket readership, are among these publications.

TPB also explored more creative ways to advertise the Philippines' destinations. In Italy, a consumer activation project was launched at the Fiumicino Aeroporto Railway Station in Rome. The Philippines took over 30 ad screens, the floors and the gates of the major train station. Around the vicinity, promotional videos played on loop while Philippine sceneries decorated the walls, floors and tickets. Scenes of the white sand beach of Panglao, Bohol, were used as a photo wall where bystanders were encouraged to seat on beach chairs and have their photos taken.

MANAGEMENT INFORMATION SYSTEM

The MIS had two major priorities in 2017: first, providing timely and sufficient ICT services to its internal clients; and, second, leading the implementation of TPB's Information Systems Strategic Plan (ISSP).

ICT SERVICES SYSTEMS

As part of the ICT services that the department provides, the MIS supported some of TPB's major events in 2017 by delivering website and other digital components to help boost these events' online presence.

For the marquee project, Dive Fiesta 2017, the MIS oversaw the development of the business site where buyers and sellers could register for the event. They also handled web hosting and maintenance, and domain name registration. The MIS efforts contributed to the success of the venture, which aimed to directly attract international buyers of dive travel packages to engage with Philippine dive resorts and outfitters.

The MIS also managed the design and development of the business site for the PHITEX 2017, the country's biggest travel trade event. For this project, the existing business appointment matching system was improved for more efficient and better matching results, leading to an increased number of pre-arranged business appointments from 28 to 40.



Aside from the PHITEX 2017 and the Dive Fiesta 2017 business sites, MIS also developed and redesigned the TPB corporate website, which is now up and running. In support of the TPB's efforts to promote connectivity and mobility, the MIS also developed the TPB Events Guide Mobile Application and SMS Facility. This system is now being used to disseminate crucial announcements to TPB employees via SMS.

SOFTWARE AND HARDWARE

As implementer of (ISSP), as approved by the Department of Information and Communications Technology (DICT), the MIS Department also made timely, expert decisions on software and hardware purchases and upgrades.

In 2017, MIS successfully rolled out its fiber optic connectivity project for TPB, leading in to the setting up of fiber optic internet connection in 2018.





CORPORATE PLANNING AND BUSINESS DEVELOPMENT

While the Marketing and Promotions Division handle TPB's core functions, the task of ensuring organizational stability, preserving corporate culture, and improving efficiencies fall under the Corporate Planning and Business Development Division (CPBD).

The year 2017 was a balancing act for CPBD. Aside from managing personnel movements, there was also the need for constant monitoring to ensure that the strategic objectives were being met.



ISO Compliance

Pursuant to Executive Order No. 605, series of 2007, institutionalizing the structure, mechanisms and standards to implement the government quality management program, TPB pursued an ISO 9001:2008 for its Quality Management System (QMS) and was granted certification on January 2016. In 2017, the organization successfully went through the recertification process. The surveillance audit identified areas for continual improvement, which the TPB is seriously considering in order to escalate the effectiveness of its QMS as a guide to meeting organizational performance objectives.

Strategic Performance Management System

TPB is also in the process of institutionalizing its Strategic Performance Management System (SPMS), which will align individual employee performance with organizational performance based on its strategic plan. This will ensure that the compensation system in the organization is also performance-based. In 2017, three workshops and two writeshops were organized, which led to the finalization of the SPMS Manual and the target performance rating for 2018.



Personnel and Human Resources Development Division (PHRDD)

In 2017, PHRDD supported the organization by ensuring that the workforce is sufficient and equipped with the appropriate competencies to discharge TPB's functions. PHRDD likewise worked to ensure that employees were fairly compensated, and their skills and knowledge were consistently updated through learning and development programs.

Specifically, PHRDD took to the task of establishing the competency profile of TPB employees. This served as the basis for coming up with competency-based learning and development initiatives, and for planning training sessions and other interventions for personnel. In relation to this, PHRDD also successfully consolidated the performance evaluation of all 89 plantilla employees for timely submission to the Governance Commission for GOCCs GCG, which will be used as basis for TPB's application for performance-based bonus.

PHRDD also sustained its comprehensive range of employee engagement and health and wellness programs. Medical services were made available to employees, alongside opportunities for sports and other physical activities, as well as lectures on health issues. The division led the organization's participation in the Women's Month Celebration. PHRDD likewise successfully organized a teambuilding activity, which was participated in by majority of the employees.

Procurement and General Services Division (PGSD)

As a support division, the PGSD is tasked to provide the requirements of the different departments in relation to the procurement of goods. The major purchases slated for 2017 included the contract for the renovation of the area to be occupied by the International Promotions Department. The project was successfully awarded to a contractor in 2017. Construction is ongoing and is scheduled to be completed in 2018. Throughout the year, the PGSD likewise provided assistance to the marketing departments by procuring supplies and promotional materials, as well as supplying other logistical requirements.

As part of housekeeping, the PGSD likewise completed the process of reconciling accounting and property records to ensure the integrity of TPB's property inventory.

For 2018, aside from providing the usual support services, the PGSD will focus on beefing up its procurement staff, in accordance with National Budget Circular 2015-588, in order to address the growing needs of the different departments. PGSD's Property Unit is also set to use the Asset Management System for its inventory records. To establish processes, the PGSD is drafting an operations manual for its General Services Unit.

Finance

For 2017, the Finance Division set several goals, which included the timely submission of TPB's Corporate Operating Budget to the Department of Budget and Management (DBM), the conduct of postaudits in selected DOT foreign offices, and the regular submission of the Budget Monitoring Report to the CPBD. Aside from this, the division also set a 90% budget utilization for the entire organization.

All targets except the budget utilization were met. Unfortunately, budget utilization, which was initially computed at 97%, went down to 85% due to the consequent disapproval of major programmed projects. On a positive note, post audits of DOT offices in Australia, Korea, Beijing and Shanghai were successfully completed.

As a major activity for 2017, the Finance Division also led the Technical Budget Hearings for fiscal year 2018. It was able to secure approval of the national government subsidy of P1.69 billion. This is the highest national government subsidy ever to be approved by the DBM for the company.

For 2018, the Finance Division intends to implement changes in internal process to further streamline its operations. For example, the Accounting Division and the Cash Section will jointly monitor fund availability for accuracy and efficiency.

As regards external coordination, the Finance Division also intends to closely coordinate with the DOT's regional and foreign offices to reconcile and adjust books in case of differences.



TPB'S CSR STATEMENT

“The Tourism Promotions Board (TPB) is a responsible organization committed to marketing the Philippines as a world-class travel destination. TPB takes initiative to engage creatively in programs, projects and activities that increase environmental awareness of all tourism stakeholders, resulting to greater respect for nature and deeper appreciation of culture and heritage, in TPB’s pursuit of GREEN and SUSTAINABLE TOURISM.”



STRATEGIC FOCUS

The year 2017 saw a shift in perspective for TPB's CSR initiatives. In the past, CSR projects involved one-off outreach activities to pre-selected destinations.

In 2017, TPB realized the need for a CSR strategy that aligns long-term, sustainable CSR programs with TBP's core business. This has resulted in initiatives that strengthen TPB's commitment to four anchor areas, where the organization could make more lasting impact on both national development and tourism promotion. These are

1. Environmental sustainability;
2. Heritage conservation;
3. Education; and,
4. Community involvement.





PARTNERSHIPS FOR SCALE

TPB's CSR initiatives for 2017 were all implemented in collaboration with non-government organizations (NGOs) who are accredited and recognized experts in their particular initiatives. These include Haribon Foundation for environment-related activities and The Black Pencil Project for education-related endeavors. This ensures that CSR projects are efficiently implemented, and with the requisite technical expertise that is typically not available in-house.

Aside from the CSR programs themselves, TPB's Business Development now extends the benefits to beneficiary communities through partnership agreements with local entrepreneurs. Under the agreement, local products from the communities served are showcased to a wider audience in fairs, expositions and missions here and abroad.





2017 CSR PROGRAMS

In September, TPB conducted the first leg of its CSR initiatives for the year with 19 personnel participating. The activity, conducted in partnership with the Black Pencil Project, took the volunteers to Banaue in the Ifugao Province. The trip had several highlights, foremost of which was the adoption by TPB of a portion of the rice terraces which had been abandoned. TPB donated P20,000.00, which will be used to restore the area and plant rice crops on it for harvest later.

Corporate Social **RESPONSIBILITY**

Time was also allotted for a stonewalling activity, where personnel worked together to put up a three-story stone wall to prevent the deterioration of an area of the rice terraces. Finally, they had the opportunity to give back to the community by distributing 350 sets of school supplies at Patilong Elementary School.



Corporate Social **RESPONSIBILITY**

While there, the TPB volunteers also took advantage of the opportunity to do product updates. They went on a tour of Batad, the Banaue Museum, and raced against each other using intricately carved wooden scooters.

In December, 21 employees joined the CSR activity that TPB organized in partnership with Haribon Foundation. The activity took the group to the Las Piñas Parañaque Protected Critical Habitat and Ecotourism Area (LPPCHEA). There, they conducted coastal clean-up and were able to retrieve 38 sacks of trash. The group then proceeded to the Caliraya Lake Lumot Watershed where they capped the activity by planting 500 Philippine native seedlings. A product update tour of Villa Escudero was also part of the itinerary.

In early 2018, TPB also went to Batanes for the last leg of their 2017 CSR programs. Here, they partnered with the community in the island of Sabtang to restore one of Batanes' world-famous stone houses.



Customer SATISFACTION

In compliance with its performance agreement with the GCG and the DBM, the TPB once again conducted a customer satisfaction survey in 2017. The survey, conducted by third-party consultant PSRC Research International, aimed to determine the level of satisfaction of stakeholders that TPB engages with during events, and how this may be improved.

OBJECTIVES

Three main questions were asked in the survey:

1. How satisfied are TPB's customers with the services provided to them, overall?
2. What drives pre-event and event-proper satisfaction?
3. Are TPB's customers satisfied and loyal?

Responses to these questions were generated through face-to-face interviews, aided by structured questionnaire and visual aids.

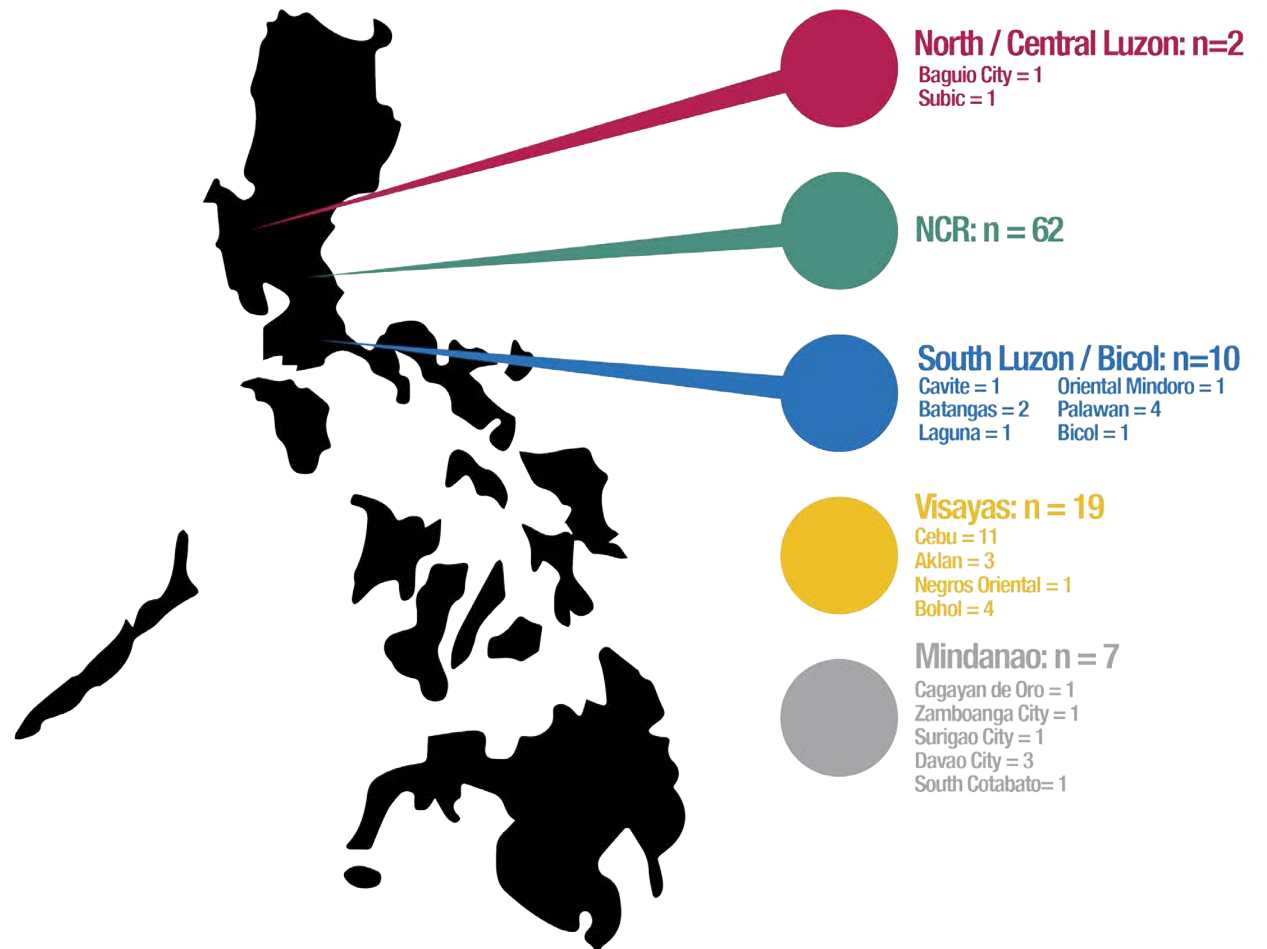


SAMPLE SIZE

The respondents consisted of 100 individuals randomly selected from TPB's lists of partners and customers, coming from the following sectors:



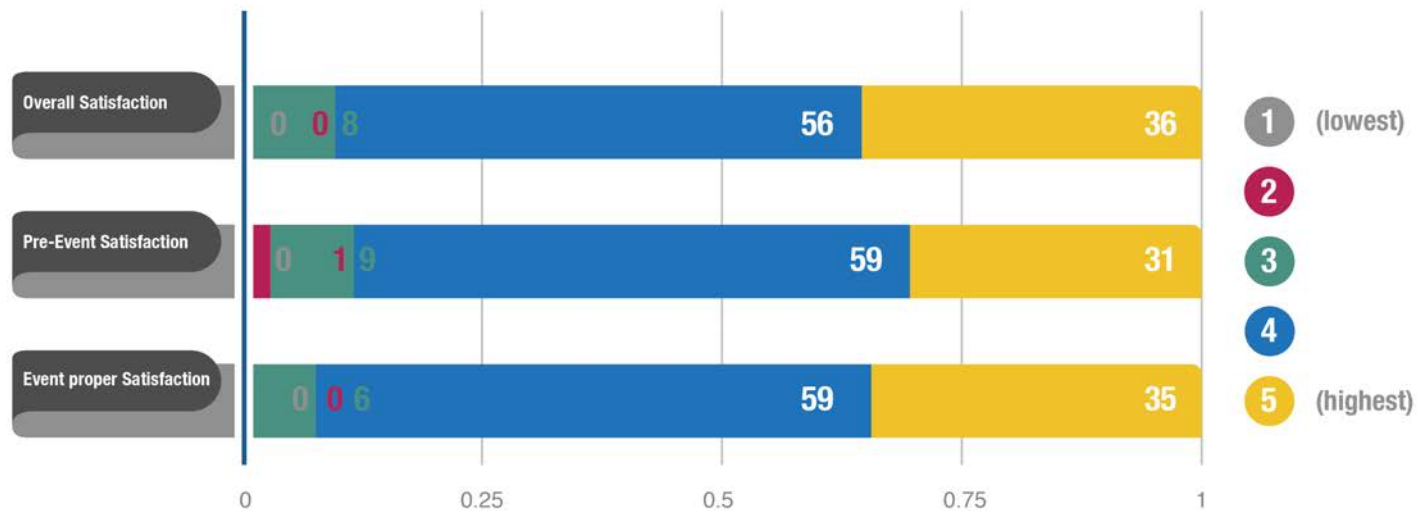
The respondents are broken down by geography as follows:



RESULTS



How satisfied are the TPB customers with TPB's services on the overall?





What drives pre-event and event-proper satisfaction?

PRE-EVENT TOP DRIVERS VS. SATISFACTION RATING

1. Timeliness of response: 78%
 2. Timely information dissemination: 71%
 3. Flexibility in helping find a solution to customer concerns: 86%
 4. Consistency of information provided: 82%
 5. Coordination with client: 75%
- The highest rated driver is “courtesy exhibited by TPB staff” at 96%. However, this also scored as the lowest satisfaction driver.
 - All Service Quality scores (timeliness of response/service, flexibility in helping find solutions, accuracy of information provided, coordination with clients, courtesy) directionally improved from 2016 figures, with timeliness and flexibility exhibiting the highest improvement at +5 and +6 points, respectively.
 - Most of the Management (accessibility of information/event details) and Professional Ability scores (consistency of information provided; safeguarding of sensitive data; use of clear, concise and jargon-free language; demonstration of knowledge and expertise) directionally improved from 2016 scores. Demonstration of expertise and accessibility of information improved the most at +7 and +6 points, respectively.



Customer

SATISFACTION

POST-EVENT TOP DRIVERS VS. SATISFACTION RATING

1. Timeliness in providing service and assistance: 80%
 2. Availability of information: 99%
 3. Clarity and consistency of information given: 98%
- Under Service Quality, “flexibility of TPB in helping find solutions to concerns” improved by +8 points from 2016 rating. All the rest of the scores likewise improved.
 - Under Management, “accessibility” and “convenience” of location of stalls were the most improved scores from 2016, at +5 and +6, respectively.
 - Under Professional Ability, all scores directionally improved except two: “forms were easy to understand and fill out” and “procedures were straightforward and easy to understand,” both of which decreased by -3 points.

SEGMENTING CUSTOMERS TO MEASURE LOYALTY VIA THE APOSTLE'S MODEL



- Loyalists are satisfied customers who will buy again, and they are an extension of your sales force because they will spread the word about your brand. There are two subsets:
 - Apostles are extremely satisfied and extremely loyal; they are repeat purchasers and happily spread the good word to friends and family. These customers have an emotional connection to the brand.
 - Near Apostles are satisfied and loyal, but not as strong as Apostles.
- Mercenaries are satisfied but not loyal. These customers often switch depending on which way the wind blows! They are price sensitive and will switch whenever the opportunity arises.
- Hostages are not satisfied but they will purchase again. These customers are typically locked into a contract or have a corporate directive telling them they must purchase the particular brand. The products may have little or no competition, or there may just be a huge barrier/cost to switching.
- Defectors are both dissatisfied and not loyal; they will not purchase your product again and bad-mouth you on the way out the door. There is one subset of this segment:
- Terrorists are extremely dissatisfied and extremely disloyal, i.e., they will never purchase again. These customers are your worst nightmare; they'll share their dissatisfaction with their 10,000 friends!



Are TPB's customer satisfied and loyal?

- Two out of three TPB customers are satisfied and loyal (apostles/ near apostles) while about a fifth are defectors/terrorists
- Nine in 10 will recommend TPB events to their colleagues and they will likewise participate in these events



TPB strictly adheres to the guidelines set forth by the Governance Commission for GOCCs (GCG). The Commission is the central policy-making and regulatory body mandated to safeguard the State's ownership rights and ensure that the operations of GOCCs are transparent and responsive to the needs of the public, by virtue of Republic Act No. 10149.

In 2017, aside from delivering the marketing activities it has committed to in its work program, TPB also strengthened its efforts towards continued viability and sustainability. It was able to do so by focusing on standardizing and institutionalizing internal processes to ensure that the organization provides value to all its stakeholders.



CODE OF CORPORATE GOVERNANCE

The Board of Directors of TPB manages and makes corporate decisions guided by the Code of Governance, an organic document approved on May 28, 2014. The Code provides general and specific guidelines for ensuring that TPB's operations are consistent with national development policies and programs. In particular, it provides that the Board is mandated to ensure that:





1. TPB's operations are rationalized and properly monitored in order that its assets and resources are used efficiently and government exposure to all forms of liabilities and subsidies is warranted and incurred through prudent means;
2. Its governance is carried out in a transparent, responsible and accountable manner and with utmost degree of professionalism and effectiveness; and,
3. The TPB Board of Directors are competent to carry out their functions, fully accountable to the State as its fiduciary, and always acting in the best interest of the State and its Stakeholders.



FREEDOM OF INFORMATION

Pursuant to the requirements of the GCG, the TPB endeavors to publish information that may be of interest to the public in its website. For information that is unpublished, the TPB also welcomes requests for access to information from the public.

As part of its commitment to transparency and accountability, the TPB has developed a Freedom of Information Manual, which lays down the process for dealing with requests for information received by TPB in accordance with Executive Order No. 2 on Freedom of Information.

The Manual covers all requests for information directed to the TPB. Specifically, it sets out the rules and procedures to be followed by TPB personnel when a request for access to information is received. It also assigns the COO as the official responsible for all actions carried out relevant to the Manual, but allows him/her to delegate the responsibility to the Manager of Corporate Affairs.



ANTI-RED TAPE ACT

TPB is compliant with the Anti-Red Tape Act (Republic Act No. 9485: An Act to Improve Efficiency in the Delivery of Government Service to the Public by Reducing Bureaucratic Red Tape, Preventing Graft and Corruption, and Providing Penalties Therefor), specifically Section 6 thereof.

In particular, the TPB has established its service standards known as the Citizen's Charter, which enumerates the following:

1. Vision and mission;
2. Frontline services offered;
3. Step-by-step procedure in availing of frontline services;
4. Employee responsible for each step;
5. Time needed to complete the procedure;
6. Amount of fees;
7. Required documents; and
8. Procedure for filing complaints.

TPB's Citizen's Charter is posted prominently in all the service offices that deliver frontline services, and at the main entrance of the office. It is also uploaded in TPB's website and is accessible to the public.



COMPLIANCE TO STATUTORY LIABILITIES

All statutory liabilities of TPB for 2017 has been fully paid. These included: taxes due to the Government; as well as mandatory premiums due to the GSIS, Pag-IBIG and Philhealth.

ISO CERTIFICATION

In compliance to Executive Order No. 605, series of 2007, TPB secured its ISO 9001:2008 in 2016, which it was able to renew in 2017. TPB is working towards transitioning from ISO 9001:2008 to ISO 9001:2015 in time for the latter's phaseout by September 15, 2018.

PROCUREMENT OA.com

TPB's expenditures are aligned with its annual procurement plan, which is publicly accessible via its website. TPB also publishes a list of the contracts awarded, along with the name of contractors, suppliers and consultants to whom these contracts were awarded.

TPB has been working towards full compliance with the PhilGEPS requirement of publication of all procurement documents, including: Invitations to Bid, Requests for Expression of Interest, Requests for Quotation, Notices of Award/Bid Results, the Actual Approved/Awarded Contracts, and Notices to Proceed/Purchase Orders for all projects. In 2017, TPB had to settle for justified procurement methods in a few instances due to time constraints.

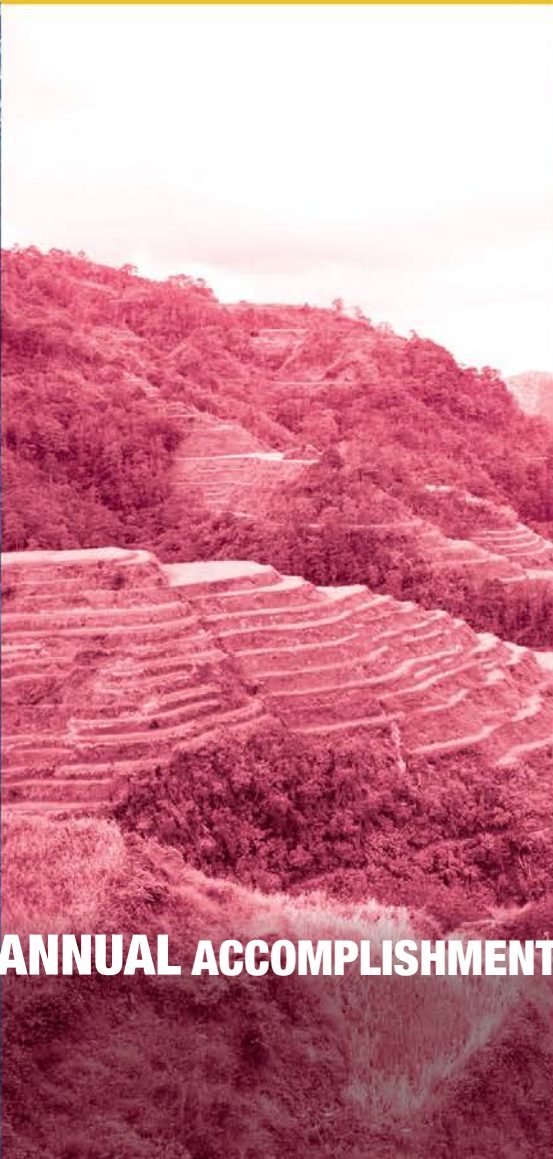




Parting SHOT

TPB went through a challenging first year, with changes in leadership and personnel movements that led to a period of adjustment during which many planned projects had to be delayed. In the face of all these, the organization remained focus on two goals: first, achieve the most results under the circumstances; second, build corporate stability.

With personnel commitment and the constant push towards the adoption of a strategic performance perspective, TPB is positive that the Philippines is on its way to achieving its long-term targets.



ANNUAL ACCOMPLISHMENT REPORT 2017 MAIN REPORT