



REPORT TO THE COMMUNITY 2017–2018

TOURISM
KeLOWNA



VISION

Kelowna and the region will be internationally recognized as the four-season, outdoor destination of choice in North America by 2022.

MISSION

To generate overnight visitor demand to economically benefit Kelowna and its neighbouring communities; 3.5 million visitors by 2022.

BRAND PROMISE

In Kelowna, you will explore, sip, play, and be fully centered when you find yourself surrounded by the best the Okanagan has to offer, all within easy reach.



TOURISM KELOWNA MANDATE

To support and market the tourism destination of Kelowna and the Kelowna Metropolitan Area in a sustainable manner that strengthens the local economy and enriches the quality of life; and to seek funding opportunities and manage funding for the support and marketing of tourism in Kelowna and the Kelowna Metropolitan Area.



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MESSAGE FROM THE PRESIDENT & CEO



*Lisanne Ballantyne
President & CEO*

The 2017-2018 fiscal year was pivotal for tourism in Kelowna. At the center of a rapidly growing region and changing markets, tourism stakeholders showed renewed optimism to proudly service our nearly 2 million annual visitors and an eagerness to grow our \$1.25 billion industry to the next level.

Nowhere was this more evident than in the outpouring of community support generated by the June 2018 opening of the new Kelowna Visitor Centre. The construction project, funded by a local mortgage, a one-time provincial grant, and private sponsorships, was completed on time and under budget. Its first two months of operations saw more than 44,000 people come through the doors of the beautiful glass and natural wood building, compared to 16,000 annual visitors in the old location along the highway. This exponential service expansion now has Tourism Kelowna on track towards our goal of assisting and influencing 100,000 visitors and guests annually.

In this *Report to the Community*, we invite your review of our programs and encourage your feedback. Our destination marketing initiatives generate massive advertising reach, high-profile travel media stories, and collaborative partner campaigns that target traditional travel consumers

while opening new markets like LGBTQ2+ leisure travellers, culinary tourists, and year-round outdoor adventurers. We recognize the privilege of promoting the Okanagan Valley and, as such, we were pleased this year to once again receive international accreditation for destination marketing organization best practices.

Tourism Kelowna's Business Development team attracts large group business to develop our four-season strategy. Along with hotel partners, we solicit multi-day meetings and conferences to generate new economic impact during shoulder seasons. The same holds true for our major sports and events strategy, which this year saw us partner with community organizations to host the Winn Rentals World Mixed Curling Championship 2018 and BreakOut West 2018, while securing successful bids for the 2019 Skate Canada International and 2020 Memorial Cup.

Of course, this year was not without its challenges. Changing legislation around speculation tax, cannabis, and short-term vacation rentals all affect the tourism industry, as do issues like gas prices, highway access, and downtown safety and security. Most significantly, the impact of wildfire smoke from across the province cut

Our success is built on the foundation of a robust, representational Board of Directors providing vision and governance; a staff contingent leading the way in sales and marketing; and close to 60 volunteers who are the heart and soul of visitor services and Kelowna's warm, welcoming brand promise.

our peak summer season short, with many tourism businesses reporting decreased traffic, shortened stays, and cancellations. Together with stakeholder-driven communications, Tourism Kelowna took immediate action and our efforts are detailed in this report for both short-term business recovery and long-term reputation management.

Our success over the past year would not have been possible without the strength of collaboration among our stakeholders, Board of Directors, industry colleagues, and local community partners. We will continue to champion the important work of everyone working within our dynamic tourism industry and look forward to working with you in the year ahead.

#exploreKelowna

L. Ballantyne

Lisanne Ballantyne
President & CEO – Tourism Kelowna





2017-2018 BOARD OF DIRECTORS

Strong leadership and guidance are provided to Tourism Kelowna by its Board of Directors, representing a broad spectrum of Kelowna's tourism industry. These board members volunteer their time and contribute extensive knowledge and experience to ensure the organization is accountable and performance driven.

Executive Committee

Thom Killingsworth, Chair | Kelowna Yacht Club

Tanya Stroinig, Vice Chair | Prestige Beach House (Prestige Hotels & Resorts)

Heather Schroeter, Treasurer | Manteo Resort Waterfront Hotel & Villas

Debbie Dupasquier, Secretary | Bluestar Charters

Stan Martindale, Past Chair | Ramada Hotel & Conference Centre

Directors

Katie Balkwill | Big White Ski Resort

Carla Carlson | Comfort Suites Kelowna

Sean Coward | Kelowna Hotel Motel Association

Penny Gambell | Lake Country City Council

Gail Given | Kelowna City Council

Debra Harding | UBC Conferences & Accommodations Okanagan Campus

Patricia Leslie | Gray Monk Estate Winery

Dan Matheson | Okanagan Golf Club

David McFadden | Okanagan Lavender & Herb Farm

Nataley Nagy | Kelowna Art Gallery

Sam Samaddar | Kelowna International Airport

STRATEGIC PLAN 2018-2022

TOP PRIORITIES	OBJECTIVES	KEY INITIATIVES	2022 OUTCOMES
Destination Marketing & Development	<p>Increase October to March visitations to grow annual visitor count to 3.5 million</p> <p>Scale up meetings, conferences, and events programs</p> <p>Expand tourism brand offerings for unique, year-round experiences</p>	<p>Leverage availability of big data to target high-value leisure and business travellers</p> <p>Grow funding and facilities capacity for city-wide meetings and events</p> <p>Develop winter, culinary, sustainability, LGBTQ2+, and Indigenous marketing programs</p>	<p>Kelowna and area recognized as:</p> <ul style="list-style-type: none"> ▪ the four-season outdoor destination of choice in North America ▪ a premier Canadian meetings and events host city ▪ an established sustainable tourism destination
Remarkable Visitor Experience	<p>Increase the reach and influence of tourism visitor services</p> <p>Establish a standardized "Kelowna Experience" service model that can be replicated for other markets</p>	<p>Expand service capacity at the Visitor Centre and Airport Kiosk</p> <p>Launch partnered brand training program</p> <p>Support other DMO communities within services mandate area</p>	<p>Kelowna and area tourism sector viewed as:</p> <ul style="list-style-type: none"> ▪ the model of excellence to emulate for visitor services ▪ a major driver of economic development in the region
Organizational Excellence	<p>Demonstrate the value of Tourism Kelowna to visitors, to stakeholders, and to the communities we serve</p>	<p>Expand the scope of stakeholder and industry engagement</p> <p>Increase the ratio of self-generated revenue over public funding</p> <p>Recognition for DMO best practices, industry leadership, and benchmarking</p>	<p>A sustainable organization, embedded in the community as a recognized industry leader, improving the quality of life for Central Okanagan visitors and residents</p>

KELOWNA & THE CENTRAL OKANAGAN BRAND

There's a feeling here. A vibe. A current of activity and energy. And renewal. An invigorating place with an easy going pace. Open to anything and welcoming anyone.

This is a happening city with a fresh attitude. And a beauty that's all natural. From sand to stone to snow, nature is our four-season playground, offering an unparalleled balance of outdoor adventures. A deep lake surrounded by valley mountains. Full of hand-picked flavours. A lively and local food, wine, and craft drink scene. All grown right here.

Kelowna is a place to connect. With our land, with experiences, with others, and with yourself. A place of possibility that helps you reset and opens you to new perspectives and opportunities.

You're here. At the center. Surrounded by the best of the Okanagan Valley. And everything's within your reach.

Explore. Sip. Play. Be. Fully centered.

BRAND CHARACTER

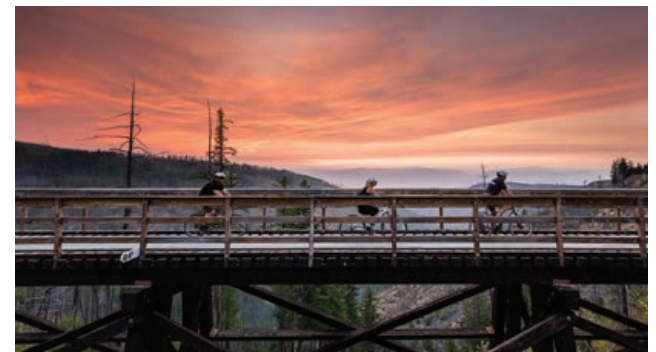
Fresh
Warm
Connected
Energetic
Open
Easy Going

CORE ESSENCE

FULLY CENTERED

BRAND ATTRIBUTES

Hub of the Okanagan Valley
Four-Season Playground
Natural Beauty
Freshest Flavours
Happening Downtown
Choice Accommodations



DESTINATION PERFORMANCE INDICATORS

Economic Impact of Tourism*:



1.9 MILLION
VISITORS



\$142 MILLION
IN TAX REVENUES



**GROWING HOTEL
OCCUPANCY**

AVG 64.2% | SEPT 2017–AUG 2018
+1.3 YEAR OVER YEAR**



\$337 MILLION
VISITOR SPENDING



\$620 MILLION
IN TOTAL GDP



11,890 JOBS
TOTAL JOBS CREATED



\$1.25 BILLION
TOTAL ECONOMIC OUTPUT



**RECORD-BREAKING
AIR TRAFFIC**

OVER 2 MILLION PASSENGERS AT
YLV FROM SEPT 2017–AUG 2018***

*Sources: Tourism Kelowna, 2016 Visitor Intercept Survey and Economic Impact of Tourism, InterVistas

Source: CBRE Hotels' Trends in the Hotel Industry National Market | *Source: YLV statistics

Note: Results of 2018 Visitor Intercept Survey and 2018 Economic Impact of Tourism Survey to be released in 2019.



Tourism Kelowna staff toast the opening of Kelowna's new visitor centre.

WHO WE ARE

Tourism Kelowna is the lead Destination Marketing Organization for Kelowna and the Kelowna Census Metropolitan Area, which equates geographically to the Central Okanagan Regional District. Incorporated in 2008 as a not-for-profit society, Tourism Kelowna works in partnership with travel industry organizations, local business and economic development agencies, over 400 tourism and hospitality businesses, and area municipalities for optimal results.

Each of our business units focuses on a specific area of specialty. We work together to market our destination to travellers and to provide exposure for our stakeholders to these travellers, with the goal of generating positive economic impact for our region. We want travellers to have more fun, to stay longer, and to be inspired to visit again.

Administration

Oversees strategic direction, annual operating plan, and organizational performance. Supports Board of Directors and manages all finance and human resource areas.

Lisanne Ballantyne | President & CEO

Lauren Lander | Director of Finance

Cheryl van den Bold | Executive Assistant

Business Development

Promotes Kelowna and its surrounding communities as a location for meetings, conferences, sports, and events. Works in partnership with third-party planners, connecting them with our stakeholders to make their events successful and to increase opportunities for our stakeholders to market to this specific segment of traveller.

Jennifer Horsnell | Director of Business Development & Destination Development

Harvey Hubball | Business Development, Sports & Events

Julia Garner | Business Development

Marketing & Communications

Markets Kelowna and its surrounding communities to leisure travellers in key geographic markets and introduces our destination to global markets through our paid, earned, and owned media efforts. Has a direct investment and presence in our key geographic markets and works in partnership with our regional, provincial, and national marketing organizations to reach global markets.

Chris Shauf | Director of Marketing & Communications

Jennifer Widmer | Travel Media & Communication

Steve Small | Digital Marketing

Sara Correa | Marketing Programs & Research

Melissa McCluskey | Social Media & Communication

Visitor Experience

Elevates the visitor experience by delivering exceptional in-person customer service at our downtown Kelowna Visitor Centre and at our Airport Information Kiosk, as well as through mobile and online visitor servicing. Assists travellers during the trip planning stage and when they are in market.

Chris Lewis | Director of Visitor Experience

Morgan Hunter | Visitor Experience, Operations

Volunteer Team

Our outstanding team of almost 60 volunteers works hard to ensure visitors receive the customized recommendations and information they need. Our volunteers can be found at our Kelowna Visitor Centre, Airport Information Kiosk, and throughout the Central Okanagan with our mobile visitor services team.



Tourism Kelowna's team of volunteers provided over 6,000 hours of service last year.

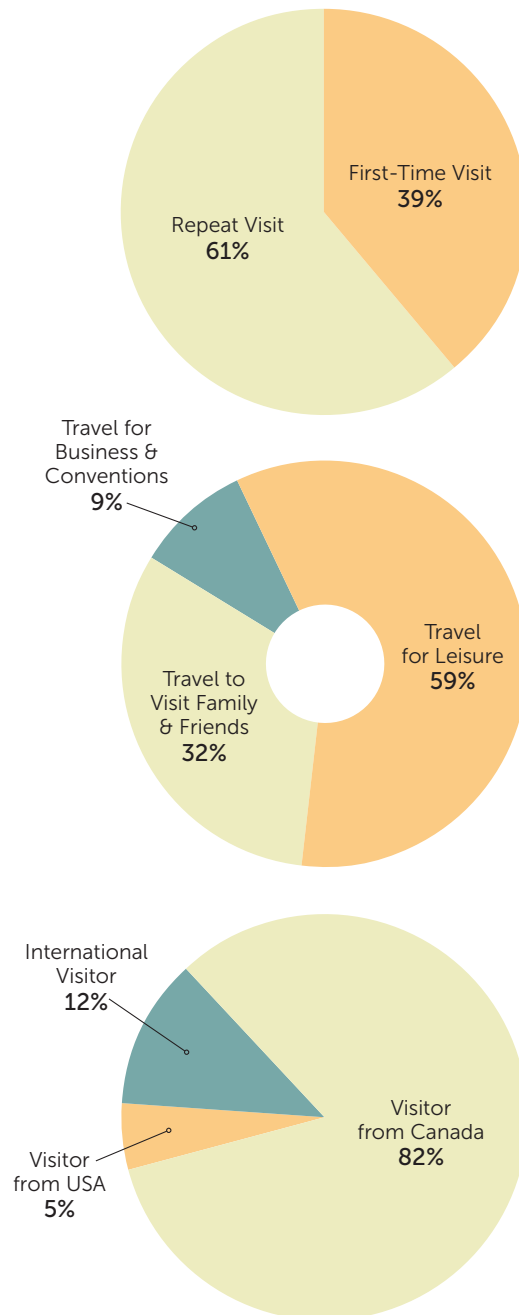


3 VISITORS
AVERAGE PARTY SIZE

\$1,370
AVERAGE PARTY EXPENDITURE

6.7 NIGHTS
AVERAGE LENGTH OF STAY

Visitor Profiles*



WHO WE SERVE

Our primary purpose is to draw visitors to our destination, to enhance their experience while they are here, and to create repeat visitors who will become advocates for Kelowna and its surrounding communities, recommending our destination to their friends, family, and colleagues.

Stakeholders

All tourism businesses and organizations in the Kelowna Census Metropolitan Area are automatically stakeholders with Tourism Kelowna without paying a membership fee. Currently, more than 400 tourism businesses and organizations participate in Tourism Kelowna's advertising programs.

Tourism Industry & Local Community

We work in conjunction with regional and provincial tourism associations to generate inbound travel, thereby increasing the economic benefit for area tourism businesses, our city, and its surrounding communities.

Visitors

Through our Kelowna Visitor Centre, Airport Information Kiosk, and our online and mobile visitor services, our team is dedicated to delivering an outstanding experience to the almost 2 million visitors that travel to our region each year.

**Sources: Tourism Kelowna, 2016 Visitor Intercept Survey and Economic Impact of Tourism. InterVistas*

PROGRAMS & SERVICES

As the lead Destination Marketing Organization for the Central Okanagan, Tourism Kelowna builds awareness of our destination and provides inspiration to visit through advertising, travel-oriented editorial, promotions, and direct sales. We offer a variety of programs and services to expose businesses to the millions of leisure, business, and group travellers Tourism Kelowna reaches each year.

Partner Programs

Our entry-level Necessities Advertising Package (NAP) links tourism businesses with travellers through our website, Official Visitors' Guide, and Kelowna Visitor Centre. All NAP holders located within the Central Okanagan become voting stakeholders of the Tourism Kelowna Society and can run for our Board of Directors. Active NAP holders can take part in our other programs including:

- Visitor Centre Digital Display Advertising
- Golf Kelowna
- Meetings & Conferences Sales
- Local Flavours
- Wine Trails
- Outdoor Trails
- Winter Ski, Stay, & Play

Additional programs available to non-NAP holders include display advertising in the Official Visitors' Guide and brochure racking options at the Kelowna Visitor Centre and at the Kelowna International Airport (YLW).



BIOSPHERE
committed entity

Tourism Kelowna is proud to be recognized as a Biosphere Committed Entity within the Thompson Okanagan Tourism Association's (TOTA) Biosphere Adhesion Program. As a lead partner with TOTA, we will be working with local tourism businesses in the Central Okanagan to ensure they receive certification and realize the benefit of this important global certification program. We are committed to ensuring Kelowna is recognized as a responsible destination by visitors and residents.



2017-2018 ORGANIZATIONAL PERFORMANCE



STAKEHOLDER PROGRAMS

Providing value to our stakeholders through the programs we offer is vital to our success. Active participants in our entry-level program, the Necessities Advertising Package (NAP), grew by 12% in 2017-2018. Having fully-subscribed programs demonstrates our stakeholders' confidence in the work we do to support their businesses and speaks to the value our programs provide.

- Active NAP Holders: 405
- Golf Program Partners: 12
- Wine Trails Partners: 29
- Local Flavours Partners: 41
- Meetings & Conferences Partners: 25
- Airport Racking Participants: 149
- Visitor Centre Digital Advertising Partners: 11

"I wanted to thank you and your team for doing such a great job of providing resources and messaging that can help us with responding to our guests about fire smoke. The most recent update you sent out with the #RealTimeKelowna and the link to the webcam was fantastic."

KRIS JOHNSON, SALES AND MARKETING MANAGER
EXPERIENCE WINE TOURS OKANAGAN

Wildfire Response

In August, when faced with smoke from wildfires and air quality advisories, our team responded immediately and activated our communication response plan where we:

- Worked directly with local, provincial, and national news media to provide updates and balanced coverage on weather conditions and their effect on tourism.
- Kept in close contact with local tourism businesses, providing updates and key messages to help them respond to traveller questions.
- Provided reliable information to travellers to help them make informed travel decisions.
- Installed a live streaming webcam at our Kelowna Visitor Centre so travellers could monitor current conditions.
- Initiated the #RealTimeKelowna social media campaign to share accurate content.

Since then, we've introduced or enhanced four key efforts to rebound quickly and strongly:

1. Strengthened our fall consumer marketing campaign.
2. Launched a short-term recovery campaign through Expedia to increase Kelowna accommodations' occupancy.
3. Partnered with Destination British Columbia, the Thompson Okanagan Tourism Association, and other Okanagan communities on a reputation management campaign.
4. Strengthened our long-term, four-season destination marketing strategy.

MARKETING & COMMUNICATIONS

The past year saw strong growth in our marketing and communications efforts, while also presenting some challenges due to weather-related events. Our marketing efforts put Kelowna and the Central Okanagan, and its brand, directly in front of more consumers for their consideration.

↑ **59%**

Hosted 46 travel media

↑ **113%**

Generated \$287,000 in value-added media

↑ **25%**

Generated nearly 100,000 million advertising impressions



+4%: 61,428 followers



+29%: 29,063 followers



+6%: 15,430 followers

↑ **3%**

Over 1.85 million page views



↑ **7%**

Over 786,000 unique website sessions

BUSINESS DEVELOPMENT

Meetings and Conferences

To support our four-season visitation strategy this year, our team focused on third-party meeting planners and concentrated efforts in the Seattle market, which is a new area of growth. The Alberta market remains strong; however, declines in total leads and room nights were due in part to a downturn in the Toronto market.

- Piloted a new project with a local technology company to generate additional group travel.
- Key partner in the collective, communities-led bid securing the 2019 International Indigenous Tourism Conference for Kelowna.
- Total meetings & conferences leads: 120 (-9%)
- Lead room nights: 26,878 (-12%)
- Tradeshow/events attended: 10 (+11%)
- Number of sales appointments: 200 (+156%)

Sports and Events

Major events and sports continue to grow as a primary driver of new, shoulder-season visitation. This year, we worked with the City of Kelowna and community partners to secure new events and new economic impact.

- Events secured:
 - The Winn Rentals World Mixed Curling Championship 2018; economic impact study conducted in October 2018.
 - 2019 Skate Canada International; forecasting 1,700+ room nights, \$3 million in economic impact.
 - 2020 Memorial Cup Presented by KIA; forecasting 4,500 room nights, \$12-\$15 million in economic impact.
- Events supported:
 - BreakOut West 2018
- Total sports & events leads: 28 (+8%)
- Lead room nights: 15,175 (+45%)

"The team members at Tourism Kelowna are true professionals. They are resourceful, supportive partners who are extremely knowledgeable about the wonderful city they represent and make us and our clients excited to be able to bring meetings and events to Kelowna!"

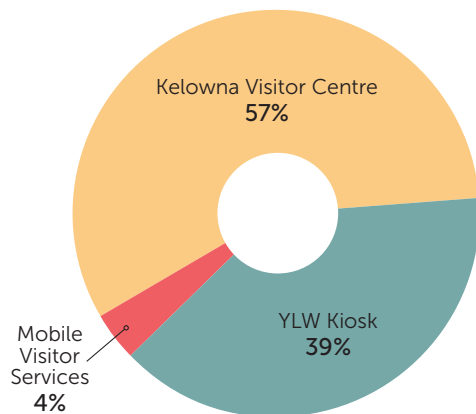
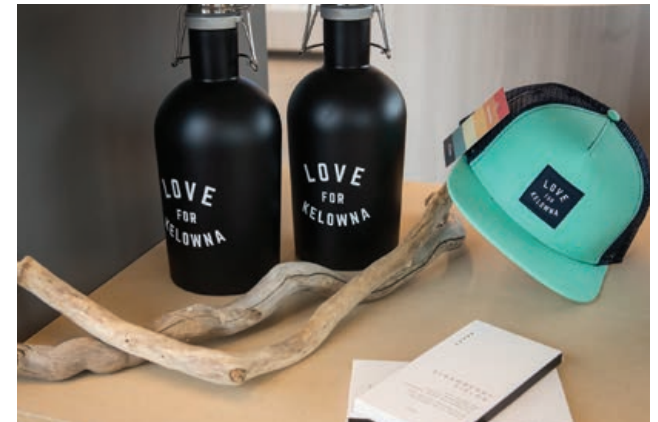
JODI MCCULLOCH, DIRECTOR, GLOBAL ACCOUNTS
STRATEGIC SITE SELECTION



VISITOR EXPERIENCE

2018 was an exciting year as we opened the new Kelowna Visitor Centre on time and under budget. This community asset, located on the downtown waterfront, was designed to welcome both visitors and locals and to connect them to the Kelowna and Central Okanagan brand, economically benefitting our community. Moving to an area with high pedestrian traffic has allowed our team to connect with more people, putting us on target to welcome 100,000 people to the new Kelowna Visitor Centre in its first year of operation.

- Welcomed 51,915 travellers and locals to the Kelowna Visitor Centre between September 2017 and August 2018.
 - The new visitor centre location generated 85% of this traffic (44,081) in July and August of 2018.
- Produced the Central Okanagan Tourism Industry Showcase that attracted 335 attendees, 144 workshop participants, and 32 exhibitors.
- Launched new retail programs to support the Visitor Centre's cost neutral operations goal:
 - 'Love for Kelowna' and 'Kelowna Vibes' retail line.
 - Featured artist program, supporting local and Indigenous artists.
 - Growler program, working in conjunction with local breweries and cideries.
- Increased merchandise sales by 54% as compared to 2016-17.



% of Visitors Assisted by Location

Our visitor experience team assists travellers in-person, online, and by phone. From September 2017 to August 2018, our team provided direct assistance to 51,356 people at our Kelowna Visitor Centre, our YLW Airport Kiosk, and through our mobile visitor services.



ADMINISTRATION & FINANCE

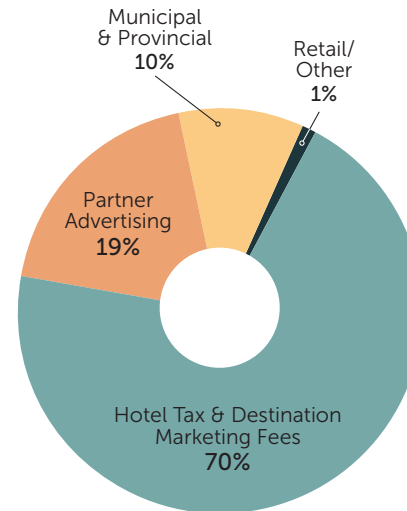
The administration and finance team manages the good stewardship of our public funding and self-earned revenues. Their work this year, as outlined below, supports Tourism Kelowna's long-term vision and annual operations plan.

- Opened the new Kelowna Visitor Centre on time and under budget.
 - \$2.4 million construction project paid by a 25-year mortgage (\$1.9 million) and a one-time provincial grant (\$500,000).
- Achieved Destination Marketing Accreditation (DMAP) recertification through Destinations International.
 - This required Tourism Kelowna to demonstrate adherence to stringent industry standards within areas such as operations, marketing, finance, and stakeholder relations.
 - This proven commitment to quality and performance provides Tourism Kelowna with DMAP certification until 2021.
- Yearly financial audit conducted in October 2018 resulted in a clean audit of all financial statements, risk management, and balance and controls.

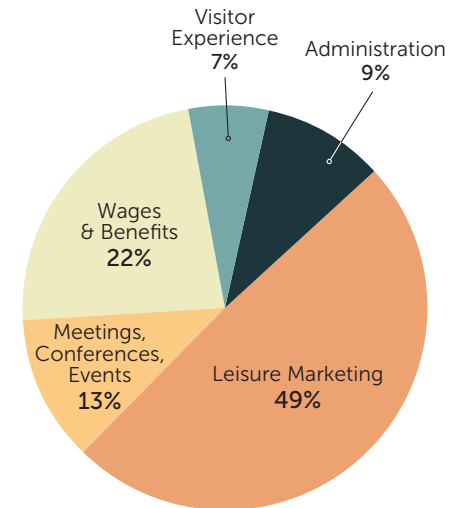
Tourism Kelowna thanks the following funding organizations and partners:

- | | |
|----------------------------------|---|
| ▪ Government of British Columbia | ▪ Destination Canada |
| ▪ City of Kelowna | ▪ Destination British Columbia |
| ▪ City of West Kelowna | ▪ Thompson Okanagan Tourism Association |
| ▪ District of Lake Country | ▪ Kelowna International Airport |
| ▪ Westbank First Nation | |

Tourism Kelowna Operating Budget

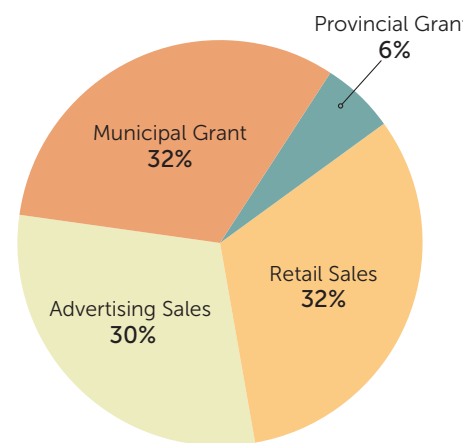


Total Revenue
\$4,378,000

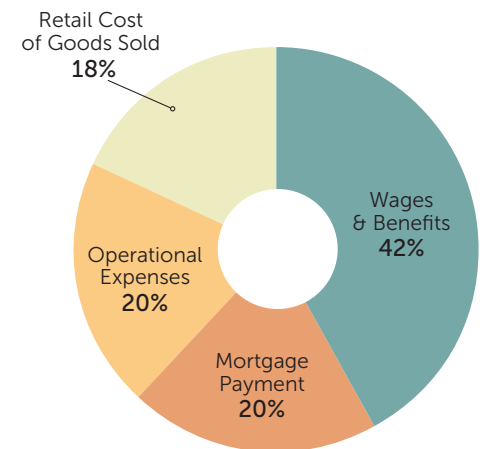


Total Expenses
\$4,378,000

Visitor Centre Budget Component



Revenue
\$541,500



Expenses
\$541,500

THE YEAR AHEAD

This year, more than ever, demonstrated the urgent need to diversify our tourism offerings and promote Kelowna and area as a four-season outdoor destination of choice in North America, attracting new winter visitation, and developing the shoulder seasons to strengthen our future tourism economy. Emerging interests like responsible tourism, Indigenous experiences, inclusivity, and economic development ecosystems are now a part of the tourism perspective that will help take our industry to the next level.

Like many other destination marketing organizations, Tourism Kelowna is under pressure to continually examine our role in destination development. Do we simply promote existing products and features of our destination? Or do we participate in their development? And what about protecting the Kelowna brand? Should a destination marketing organization become involved in local community issues that impact the visitor experience? If so, how can we influence change?

Our goal is to deliver an established tourism vision and to develop a unified Okanagan visitor experience. We know the tremendous value of creating a differentiator – and we will continue to lead the way in promoting the growth of Kelowna

as a certified sustainable tourism destination. To further elevate the visitor experience, we have joined with SuperHost to develop a Kelowna brand ambassador-style training program that can be delivered not only for Tourism Kelowna staff and volunteers but for any front-line tourism and hospitality staff.

Other initiatives in 2019 will enhance the promotion of our destination including a refresh of the Official Visitors' Guide, a redesign of our website to a mobile-first design, and the launch of new stakeholder programs. Our new winter strategy will gain momentum every year as stakeholders announce more and more tourism products to entice visitors to our mild winter vacation climate. New activations in our Kelowna Visitor Centre will encourage stakeholders to showcase their businesses, while our retail program will continue to profile local products and artisans. A new meetings and conferences marketing campaign is under development and we will soon announce the next exciting round of major event bids for the coming years.

As a research-based marketing organization, we want Tourism Kelowna to become your trusted source for market information. A series of "Plug In"

forums will be held in 2019 for stakeholders to learn valuable information about visitor profiles and market trends. The results of our most recent Visitor Intercept Survey and Economic Impact Report will be released early in 2019 and we will use these data insights to share an understanding of visitor traffic and spending in our visitor centre and destination.

Marketing plans are in place for 2019 and we are well positioned to respond to any changing market conditions. Last year's weather challenges only served to unite the tourism community and strengthen our commitment to protect and promote the Kelowna brand nationally and internationally. We will work collectively to increase tourism's economic impact in Kelowna and its surrounding communities. We welcome your input on the year ahead and invite you to join us as we embrace bold ideas and creative solutions to elevate our destination.

"Growth is never by mere chance; it is the result of forces working together."

James Cash (J.C.) Penney Jr.



"Standing here we can see how this new visitor centre will highlight the beauty of Kelowna, welcome visitors, and connect residents with information on the many experiences, events, and attractions to our city and the region that we have to offer. This site has a history as a point of welcome. Many of you know it was once the ferry landing where visitors would arrive to our community, so it has now come full circle ... Tourism Kelowna staff will continue to offer their first-class, concierge-like services—the high-level service they are known for—which will make our visitors and residents feel welcome and informed."

MAYOR COLIN BASRAN, KELOWNA VISITOR CENTRE OPENING, JUNE 28, 2018
