



Tourism Kelowna Annual Report 2020
Lisanne Ballantyne President & CEO



Who We Are

- Not-for-profit, stand alone Society incorporated in 2008 under B.C.'s *Society Act*
- A mid-size Destination Marketing Organization (DMO)
- City of Kelowna's designated service provider for destination marketing & visitor servicing
- Board of Directors: 13 elected + 6 appointed
- 10 FT staff + 8 PT (serving as needed in the Visitor Centre)
- Represent more than 400 local tourism businesses, our "stakeholders"

Mandate

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

seek funding opportunities and **manage funding** for the support and marketing of tourism in Kelowna and the Kelowna Metropolitan area.

CMA Service Area:

Lake Country District to Peachland



Who We Serve

Members: 420+ voting stakeholders who have directly invested advertising dollars in TK promotion programs.

Visitors: inspiring and attracting 1.8 million travelers annually, promoting local spending and return visits.

Local Residents: creating citizen ambassadors who embrace the value of tourism for sustainable growth.

Industry: hospitality and tourism businesses and organizations who indirectly rely on our destination marketing efforts.

Strategic Plan 2017-2021 *

Vision

Kelowna and area is recognized as the four-season outdoor destination of choice in North America.

Strategic Priorities

- Increase high-value visitation
- Grow in-destination spending
- Support sustainable growth of the destination
- Ensure organizational value, excellence and viability

** Detailed copy in your presentation packages*





Programs & Services



1. Destination Marketing

- Targeted digital advertising campaigns in target markets
- “Owned” digital channels, earned travel media coverage
- Social media and influencer campaigns
- Travel Trade (group and tour operators)

2. Visitor Experience

- Influence local spending by connecting visitors to tourism experiences
- Kelowna Visitor Centre, Airport Info Kiosk and mobile event services
- Online and phone inquiries, customized itinerary planning

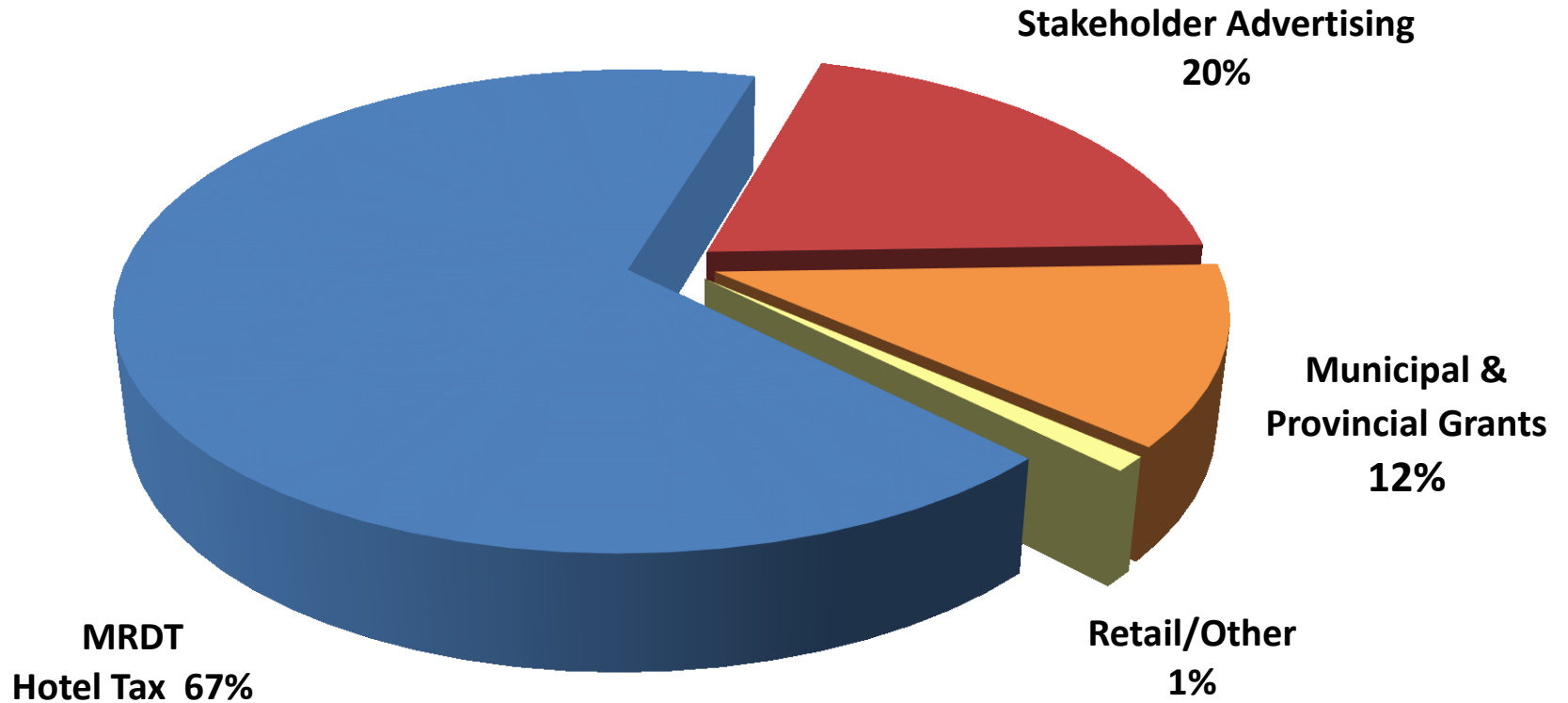
3. Meetings, Conferences & Major Events

Directs M&C sales with hotel partners and collaborative bids with the City of Kelowna to secure multi-day events, city-wide or region-wide events.

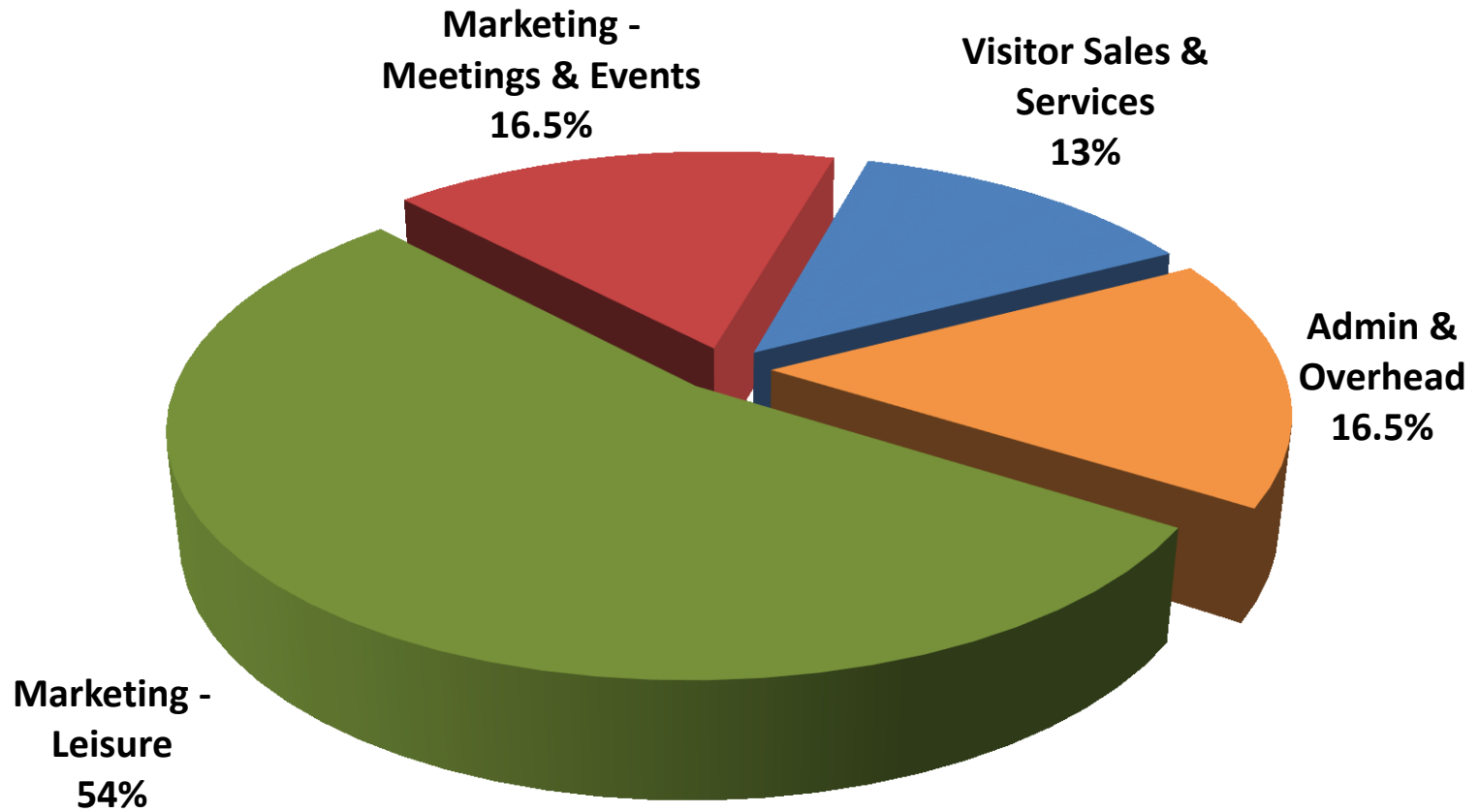
Kelowna Visitor Centre

- A community hub serving **320,000 visitors and residents** year-round (compared to 16,000 in its previous location).
- Generating **6% of our total revenue** in its first full year of operations.
- Kelowna residents report **97% awareness** of the KVC with 23% of the local population actively using, interacting or referring people there.
- Stakeholder satisfaction with visitor services increased 17 points in 2019, growing **to 76% in 2019** from 69% previous year.

Funding Sources



Annual Budget





Weathering the Storm 2020



The Value of Tourism

Our New Benchmark - What's At Stake

\$2.1 Billion Total Economic Output



\$443 Million
visitor spending



12,970
total jobs

\$204 Million
tax revenues

\$1 Billion
total GDP



Source: InterVistas Economic Impact of Tourism in Kelowna & the Greater Kelowna Area 2018/2019

Benchmark Year 2019

Visitation	2019
January	105,540
February	102,100
March	133,330
April	130,290
May	152,540
June	180,560
July	219,370
August	245,490
September	163,510
October	127,960
November	95,480
December	120,460
Total 2019:	1.8 million

Q1 19%

Q2 26%

Q3 35%

Q4 20%

91% Canadians

COVID Tourism Impact 2020



Hotel Occupancy

40.8%

-24.4 pp

Average Daily Rate

\$153.7

-6.2%

Revenue PerAvailRoom

\$62.7

-41.3%

Total
Overnight
Visitors

1.9M

+5.1%

Big White occupancy
down 60% on
Christmas, Family Day

3,836

Total guest rooms
available

YLW
Passengers

737K

-64%

Source: STR Limited

YLW Website

Telus Insights

2020 total room revenue not available yet (\$128 million in 2019)



Pandemic Impact – the DMO

Original 2020 budget:

\$4.7 million, including \$2.96 million in MRDT, was cut to \$3.94 million:

- Staff layoffs, remaining payroll supported by CEWS program
 - Stakeholder programs and services cut
 - Visitor Centre closure and now reduced operating hours; limited service at YLW Information Kiosk
 - Marketing budget cut and when health orders restricted travel, any marketing funds redeployed to local tourism marketing.
 - Cash flow management challenges when summer MRDT funds delayed and did not arrive until Q4
 - Permanent closure of the Abbott Street offices, sales and marketing staff now work from home
-
- **2021 budget** reduced by 40% of normal budget level, MRDT funding and timing still at risk based on hotel occupancy levels.

Budget Impact

2021 Budget	2020 Budget Pre-COVID	Variance to 2020
\$ 2.7 million	\$ 4.7 million	- \$2 million

2021 MRDT Funds Budget Estimate	2020 MRDT Funds Estimated Pre-COVID	Estimated MRDT Variance to 2020 Pre-COVID Budget
\$ 1.54 million	\$ 2.96 million	- \$1.42 million

Current Regional Status

- On average, only 20% of tourism businesses report that they are operating “as usual”
- Approx. 23% of operators were closed at any given point in the past year due to COVID
- On average, approx. 57% of businesses report operating at reduced capacity in the past year
- About 30% of survey respondents reported losing 50% or more of their revenue compare to same month previous year

Source: Thompson Okanagan Tourism Association

Local Stakeholder Status

- Approx. 65% of businesses surveyed report a drop in revenue of over 20% from last year during the winter period.
- Approx. 76% are forecasting a drop in revenue for the spring season (highest response was 28% forecasting a 20-40% drop)
- Approx. 85% have accessed some level of government support program
- Approx. 73% have not applied for the BC Small and Medium Sized Recovery Grant



Industry Outlook

Visitor Economy Forecasts

- Based on current health models and vaccination status

- **Leisure travel** recovery could begin in 2021 for strong, short-haul domestic travel markets like the Okanagan
- **International travel** visitors post 2022 based on cruise ships and air travel restrictions
- City-wide **meetings and conferences** could begin to return in 2022
- **Major events** dependent on large audiences could return in 2023
- **Kelowna International Airport** air services modelling shows 2024 as a conservative estimate for recovery



Working Together to Build Resiliency



City of Kelowna & Tourism Kelowna

1. MRDT Renewal Application 2022-2026

2. Financial Agreements

- MRDT administration and expenditure
- Annual operating and marketing funding

3. Destination Development

- Destination Master Plan

Destination Management

- An Integrated Approach

- Tourism Kelowna has traditionally worked on the “demand” side of tourism: short-term marketing, and visitor services.
- City of Kelowna manages the “supply” side: infrastructure, public services, etc.
- The co-creation of a **Tourism Master Plan** will provide long-term direction on how we create a connected, collaborative, smart and responsible community for residents and visitors.

“If you build a place people want to visit, you build a place where people want to live.

If you build a place where people want to live, you’ll build a place where people want to work.

If you build a place where people want to work, you’ll build a place where business needs to be.

And if you build a place where business has to be, you’ll build a place where people have to visit.”

- Maura Gast, Past Chair of Destinations International

