

tourism  
**calgary**



Destination Calgary  
**in the Year 2020**

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# Forward

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As 2012 was winding down many in the tourism industry were wondering where we could go from here. After all, the past year was a remarkable year, a benchmark featuring so many records it was a fair question to contemplate how our industry could possibly grow from this point. How could we build on our current success and what did our collective future look like?

Tourism Calgary decided to engage community and tourism leaders in a consultation about the destination's future. We then reviewed research to confirm some of the thinking and mixed reality with a little aspiration and arrived at a projection of where our industry will be in the year 2020.

The following pages will provide a clear perspective of where our industry is at today – the base we are starting from. We will highlight the current challenges and opportunities within the destination and then provide key areas for action in order to achieve a collective vision. Our hope is that this study will provide our industry with insights into our strengths and weaknesses and serve as a basis for collective action to overcome the challenges and harvest the opportunities. Without knowing where we are going, or at the very least having discussed our ultimate destination, how can we possibly plan effectively or maximize our potential?

This study was undertaken to look at the attributes of the destination itself and not the organizations involved with tourism. We appreciate that some of the leaders we met with during the past five months knew of future developments that were going to impact our tourism vision, but could not announce or confirm them at this time. This is to be expected with a project of this nature. This study is accurate as of April 2013 but with each daily step towards 2020 our actions will affect this forecast's ability to become reality. This vision is both aspirational and based on known future developments and trends.

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The future of this business is far beyond the vision of any of us.

Thomas J. Watson, *IBM*

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We plan to update this report as we move forward and new developments become clear and actions take place on our challenges and opportunities. As one of tourism's key partners tells us “the future is friendly” – we are glad to have you along for the journey!

# State of the Industry

## The Visitor Economy

Calgary's visitor economy reached new heights in 2012. A forecast increase of 3.9% in overnight visits, sharing the highest growth in overnight visits among the major metropolitan areas in Canada in 2012, generated an estimated \$1.4 billion in visitor spending – which represents a 6.4% increase in tourism spending over the previous year and the highest growth in visitor spending among the major metropolitan areas in Canada in 2012.

The year started off strong with the 2012 World Junior Hockey Championship setting sales and attendance records. According to *Ice Times*, a total of 571,539 tickets were purchased for 31 games, exceeding the previous record of 453,282 tickets. The event attracted close to 25,000 visitors to Edmonton and Calgary, generating visitor expenditures in these two cities in excess of \$13.9 million. It is estimated that an additional 18,000 hotel room nights were sold in Calgary from December 19, 2011 to January 5, 2012 over the previous year. The total net economic activity (GDP) generated by the event was \$56.1 million throughout the province, with \$20.0 million occurring in Edmonton and \$24.4 million occurring in Calgary.

Attendance records continued to be set throughout the year. The Calgary Stampede attracted record-breaking crowds for its 100th anniversary, with more than 1.4 million guests passing through the gates during the 10-day event in 2012, surpassing the previous record set in 2006 by nearly 147,000 and beating 2011's numbers by almost 235,000. The Calgary Zoo's new Penguin Plunge exhibit was a big draw locally and regionally,



### Visitor Spending All Visits 2010

- 22% Accommodation
- 24% Food/beverages from restaurants & bars
- 15% Clothing
- 12% Vehicle operation incl. gas & repairs
- 9% Recreation & entertainment
- 6% Food/beverages from stores during trip
- 3% Vehicle rental
- 2% Local transportation
- 7% Other spending

Source: Adapted from Statistics Canada 2010 ITS and TSRC Microdata.



Downtown Calgary as seen from the pathway beside Memorial Drive NW.

bringing in a record number of visitors in 2012. More than 1.45 million people passed through the zoo gates in 2012, breaking the previous record set in 1988 (when Calgary hosted the Olympic Winter Games and giant panda bears) by more than 100,000 visitors. The Calgary International Airport also set a new record in traffic with 13.6 million passengers in 2012.

Visitor spending is dominated by purchases of food/ beverages from restaurants and bars (24%), spending on accommodation (22%), followed by spending on clothing (15%) and vehicle operation (12%).

Travel, particularly leisure, is a discretionary spend and therefore influenced by household disposable income and consumer confidence. The Conference Board's *Index of Consumer Confidence* for 2012 was 77.9 – down 2.4 points from 2011.

## Our Destination's Markets

The regional market continues to provide Calgary with its largest share of overnight visits to the city. Albertans represent the largest share of overnight visits to Calgary, at 42.5% of all overnight visits in 2010. Residents from British Columbia (15.2%), Saskatchewan (8.0%) and Ontario (7.6%) are the next largest source markets for visitors to Calgary. In total, Canadians make up 79.1% of all overnight visits to Calgary.

The remaining 21% of overnight visitors to Calgary in 2010 were concentrated in the United States (8.3% of overnight visitors) and Europe (7.7%). The United Kingdom (3.0%) and Germany (1.7%) dominate among visitors from Europe. Asia represented 3.2% of all

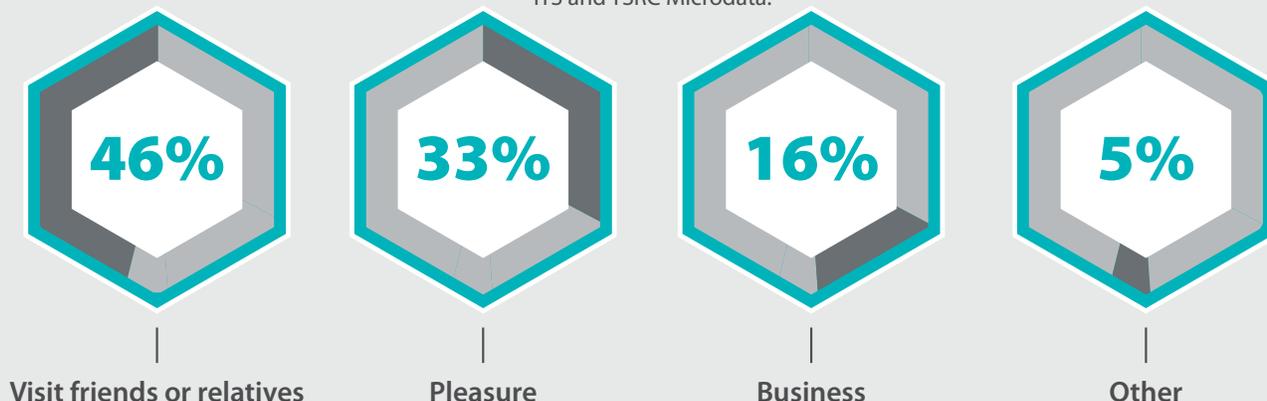
overnight visits in 2010, with visitor growth from China rising by more than 60% from 2010 to 2011.

### Results for Canada in 2012 reveals the following highlights:

- There were 11.9 million overnight trips to Canada by U.S. residents; this offered growth of 2% over 2011.
- China grew a substantial 18% in overnight trips to Canada during 2012 while Australia, Mexico and Japan showed robust results as well with 7% growth.
- Europe was disappointing in 2012 with visitors from the U.K. declining 4% while Germany and France fell by 1% compared to 2011.
- Two other emerging markets, Brazil and India, experienced strong growth at 6.4% and 5.3% respectively.
- Canadians took almost 32.3 million overnight trips outbound in 2012, up 6% from 2011.

## Purpose of Trip Overnight Visitors to Calgary 2010

Source: Adapted from Statistics Canada 2010  
ITS and TSRC Microdata.



# Visitor Origin All Overnight Visits Calgary CMA – 2010

Place of Residence/Trip Origin	Person Visits	
<b>Canada Total</b>	<b>2,151,553</b>	<b>79.1%</b>
British Columbia	413,469	15.2%
Alberta	1,155,303	42.5%
Saskatchewan	217,057	8.0%
Manitoba	87,239	3.2%
Ontario	205,478	7.6%
Quebec	31,557	1.2%
New Brunswick	7,618	0.3%
Nova Scotia	26,592	1.0%
P.E.I.	2,794	0.1%
Newfoundland & Labrador	4,447	0.2%
<b>U.S.A. Total</b>	<b>226,961</b>	<b>8.3%</b>
<b>Overseas Total</b>	<b>342,701</b>	<b>12.6%</b>
United Kingdom	82,112	3.0%
Germany	45,317	1.7%
Other Europe	82,974	3.0%
Europe Total	210,402	7.7%
Japan	22,209	0.8%
South Korea	15,277	0.6%
China	12,322	0.5%
Other Asia	38,391	1.4%
Asia Total	88,199	3.2%
Other Overseas	44,100	1.6%
<b>TOTAL Overnight Visits</b>	<b>2,721,216</b>	<b>100.0%</b>

Adapted from: Statistics Canada, 2010 International Travel Survey Microdata (66C001) and 2010 Travel Survey of Residents of Canada Microdata (87M006XDB96000). All computations on these microdata were prepared by Research Resolutions and Consulting Ltd.

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# Today's Opportunities and Challenges

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## Infrastructure

### Transportation and Accessibility

The ability for travellers to easily and seamlessly navigate around a community is essential to their full enjoyment and utilization of all a destination offers. Walking trails and bike paths are great for a tourist's recreational use, but sufficient and competitively priced car rentals and taxi service are also important. Public transit, Light Rail Transit (LRT), tour bus and motor coach services are also vital to visitor mobility.

Calgary is blessed with walking paths that bring our abundant nature to the feet of every tourist. Our almost 800 kilometers of multi-use pathways are one of the longest urban systems in North America and are a credit to our city. The fact that Calgary has an LRT system, known as the CTrain, benefits all visitors to the destination. Many of our contributors said the city needs an LRT link to the Calgary International Airport as Vancouver now has with its Canada Line and Toronto will soon have. Connecting the LRT to other transportation hubs, like the new west LRT connects to the Greyhound Bus Terminal, is an obvious advantage. Complimentary LRT service in the downtown corridor is an excellent symbol of hospitality and could be expanded to include Stampede Park, or as other cities have done through transit cards for tourists.

Calgary does not currently offer a "hop on, hop off" tour bus or city tour service that would help to connect some

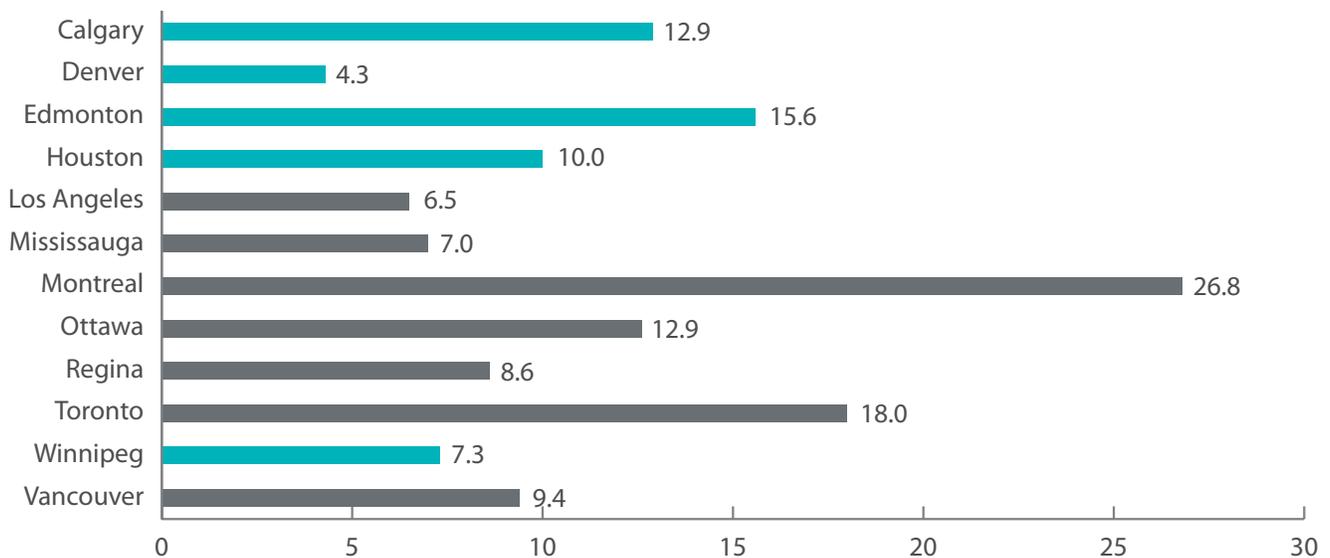
attractions seen as less accessible including Spruce Meadows, Heritage Park Historical Village, Canada Olympic Park, Calaway Park and some of Calgary's eclectic neighbourhoods. This type of service, even if offered only during the summer season, would be an important addition to the city's transportation options. Motor coach service from the airport to Banff/Lake Louise is well served and utilized. Service between Calgary and Edmonton and other communities is also sufficient. However, we need to improve motor coach parking and accessibility in Calgary to allow for more touring, longer visits and increased sales.

There is a perception that Calgary does not have enough taxis serving the community and its tourism needs. However, a 2010 review of the taxi industry concluded that our city had adequate supply of taxis. There is excellent taxi service from the airport, which some Canadian cities cannot claim, but comments have been received about the cost of taxi service. Taxi shortages during key events and at certain times of the day can create a negative experience for tourists. Demand for car rentals in the city during the week is very high with a shortage noted on many occasions. The introduction of the Car2Go service in Calgary in 2012 has helped to ease demand pressures for taxi and car rentals.

Calgary's Plus 15 system is eighteen kilometres long and a real benefit to residents looking to navigate Calgary's downtown in inclement weather. On the negative side, it has the effect of moving pedestrian traffic off of our downtown streets giving visitors the perception of a "dead downtown." As this system is here to stay, we need to do a better job of communicating the availability and features of the Plus 15 network so that it can become more tourist-friendly.

There are eight railway trestle underpasses lining Ninth Avenue from Fourth Street SE to Fourteenth Street SW. These access points are invaluable in moving vehicles around the railroad tracks at the south end of the downtown core. At least six of these underpasses are pedestrian crossings used frequently by tourists that, for the most part, give a poor impression of our city since they are not clean or well-lit and can feel intimidating to

## Taxis Per Capita Selected Canadian and US Cities



The figure above illustrates taxis per capita for several Canadian and United States cities. While there is no “normal” value, Calgary is on the upper end of the central plains cities noted in colour where higher rates of car ownership keep per capita taxi requirements lower.

Source: Taxi Supply Demand Ratio for the city of Calgary, Hara Associates Inc., 2010

some, particularly at night. The new Fourth Street SE underpass is an excellent example of urban design that meets international standards and presents the city in a positive light.

### Signage and Wayfinding

Directional, informational and interpretative signage is a critical component of our communications with visitors while they are in our community. Whether walking, biking, using public transit or driving, tourists require sufficient signage in the right location and language. The use of universally accepted international symbols is recommended.

The new signage introduced in 2012 in the city core is an excellent improvement and needs to be expanded to other neighbourhoods. Although Calgary has some directional signage for attractions, these signs should be standardized, expanded to include more attractions and be installed in more locations. It has been suggested that signage rules are too restrictive in Calgary. Directional signage to the airport could also be improved. The lack of translation on informational and interpretative signage in Calgary is seen as a weakness. Consider the challenge of paying for LRT transportation or street parking, or reading a dedication plaque on a heritage building or outdoor art piece for a traveller who does not read English.



Visitors face an array of transportation and parking options in Calgary.

## Parking

Parking in downtown Calgary is more expensive than anywhere else in Canada. Of the 5.1 million visitors who came to Calgary in 2010, 82% used a vehicle as their main mode of transportation, mostly their own cars. And of the 2.7 million overnight visitors to our city in 2010, 71% used a vehicle, again mostly their own vehicles. With 79% of overnight visitors to Calgary originating from Canada, Calgary's high parking rates compared to their point of origin would be recognized – especially by regional travellers from smaller centres. High parking fees downtown are an obstacle to attracting visitors with vehicles to the city centre, and have an impact on the visitor's value perception of the destination experience.

Calgary offers excellent complimentary parking opportunities in our suburbs and in hotel parking lots outside the core. For the price sensitive traveller concerned about parking fees, access to downtown via public transit from suburban areas becomes more critical. The Calgary Airport Authority's complimentary half-hour parking policy and cell phone lot allows for visitors to be greeted by business colleagues or family and friends more often.

“ Parking downtown costs more than entry into the Glenbow.

Guy Huntingford

”  
**Calgary – “a clean and safe city”**

Calgary is a relatively young city. Its roads, utilities, bridges and commercial facilities are for the most part in good repair and not under stress as may be found in other destinations. Calgary's internal sewage systems and waste disposal programs are strong. Water and power supplies are sufficient and obviously necessary for the sustainability of the overall economy. The city's

police, ambulance, fire services and our lack of political corruption are factors we take for granted, but do not exist in all destinations and is of critical importance to long-haul international markets. Calgary's clean and safe reputation is a competitive advantage in some markets.

## Supply and Superstructure

### Calgary International Airport

Calgary's International Airport, or YYC, is an award-winning airport that Calgarians and the tourism industry are proud to call their own. YYC is the leading passenger hub and cargo gateway in Alberta with the most extensive passenger service network in central western Canada and is one of only three airports in Canada to offer passengers non-stop scheduled service to both Europe and Asia. In 2012, a new record 13.6 million passengers travelled through YYC, making it Canada's fourth busiest airport by passenger traffic and fast approaching

the volume at Canada's third largest airport, Montreal's Pierre Elliott Trudeau International Airport.

Increased frequency of Air Canada's Tokyo route and KLM's Amsterdam route helped drive international passenger traffic up 1.4% in 2012 contributing to the 6% overall growth in passenger traffic at YYC in 2012 compared to 2011.

The future prospects for growth are huge. The Calgary International Airport is currently undergoing the largest infrastructure project in Calgary's history with a new runway and terminal opening in 2014 and 2015 respectively. An airport is a significant economic enabler for a community and with the expansion plans currently underway, the increased traffic and visitation that are sure to follow will put increased demand on the full tourism industry. Growth in hotel room inventories in 2012 and 2013 in northeast Calgary is only the beginning.

The increased capacity at the airport will expand our markets and our ability to attract tourists from more parts of the world. The big opportunity is to fulfill the supply side of the increased demand equilibrium. We will need more meeting space, more attractions, more transportation and more hotel rooms.

## Airport Passenger Traffic 2012

Rank	International Airport	2012 Passengers	VS 2011	Per Capita
1	Toronto	34,912,029	+4.4%	5.9
2	Vancouver	17,596,901	+3.3%	7.1
3	Montreal	13,798,821	+1.0%	3.5
4	Calgary	13,638,137	+6.0%	10.4
5	Edmonton	6,676,445	+6.4%	5.4
6	Ottawa	4,685,956	+1.3%	3.7

## Calgary's Convention Space Compared To Seven Competing Canadian Destinations

City	Total Sq Ft Available	Exhibit Hall Sq Ft	One Plenary Sq Ft
Montreal CC	551,520	125,717	100,000+
Metro Toronto CC	500,000	260,000	100,000+
Vancouver CC	466,500	220,500	53,000
Quebec City CC*	301,000*	75,000	34,500
Calgary BMO Centre	290,074	250,000	150,000
Ottawa CC	192,000	55,741	55,741
Winnipeg CC	160,000	78,000	60,000
Edmonton CC**	142,000	82,000	35,000
Calgary CC	122,000	47,000	20,000

\* includes 69,000 sq ft of space to be added in 2014

\*\* Edmonton CC operated at 93% occupancy in 2012

### Convention Facilities

The Calgary TELUS Convention Centre has 122,000 sq ft of flexible meeting space with a 47,000 sq ft exhibit hall; a 20,000 sq ft ballroom; 36 meeting rooms; and five pre-function areas. The largest banquet that can be held is 3,600 people. The maximum number of booths that can be accommodated in the exhibit hall is 274.

The Calgary Stampede's BMO Centre is the city's largest contiguous space for meetings and conventions with 290,074 sq ft, not including public concourses or pre-function space. Their largest single plenary space is 150,000 sq ft. All space at the BMO Centre is sold as grade A space with 250,000 sq ft of exhibit space and the balance as finished breakout and ballroom space. For conventions requiring meals, plenary and breakout space and exhibits, the BMO Centre can host up to 2,000 delegates. The BMO Centre operated at about

83% occupancy in 2012 (removing set-up and tear-down time).

According to a December 2012 survey of 395 North American meeting planners, Calgary is fifth in Canada's top 10 meeting cities for 2013 (behind Toronto, Montreal, Vancouver, Ottawa). These meeting planners reported that 75% of their meetings were going to Ontario, 34% to Quebec, 33% to British Columbia and 29% to Alberta.

The Calgary TELUS Convention Centre was raised as a discussion point by every group we met with through the consultation process. There were a few who felt our current facility was fine, as is, and that it serves our regional markets well enough. However, most believed our convention centre was undersized and in need of upgrading. Many were resigned to the fact that while the need for a new facility was apparent, the likelihood of finding the required funding in the short to medium

term would be extremely difficult. For some of those interviewed this was Calgary's biggest tourism opportunity going forward.

“

Currently we can access only 18% of the North American convention market, a drop from 30% in 2000. The Centre is too small to accommodate convention demand for Calgary.

Marcia Lyons

”

### Concert Venues

The Southern Alberta Jubilee Auditorium has served Calgary since 1957 and following a major overhaul in 2005 seats 2,500 people. The Jack Singer Concert Hall was built in 1985 and will allow attendance of 1,800 patrons. The Scotiabank Saddledome is about 30 years old and will host events for up to 20,000 people. Calgary is well served by its concert venues with these three excellent facilities. Our city is on the “concert circuit” and attracts our fair share of international touring performances. There is a perception that Calgary is not attracting some major concerts due to inadequate facilities. This may be true, but some contributors to this report felt that the amount of lost business was not significant to the tourism economy.

### Hotel Accommodations

It is generally well-known within Calgary's tourism community and in some of our markets that our hotel room supply is low. This creates a challenge during peak demand periods, as visitors can find it difficult to book their hotel of choice or even find a hotel in a desired location or at their preferred price. The good news, at least for hotel operators, is that Calgary's hotels are achieving occupancies and average room rates that are the envy of hoteliers in every other Canadian city. This allows for profitability, sustainable employment and capital to reinvest in renovations and upgrades by hotel operators here. It will also attract new properties to the city.

At the end of 2012 Calgary offered 11,865 hotel/motel guestroom accommodations across the city. Calgary's overall occupancy in 2012 was 70.8% – that is, of the roughly 4.4 million room nights available during the year, 3.1 million room nights were sold in 2012. Our cities occupancy has grown year over year for 24 consecutive months. Calgary's occupancy rate and average daily room rate surpassed all major Canadian cities in 2012 as shown in the table on page 14.

The four months with the highest hotel occupancy in Calgary are July (83.8%), September (82.7%), June (77.7%) and August (75.5%) – two strong leisure travel months and two months that shoulder the traditional summer holiday period. The lowest occupancy months for Calgary hotels are December (53.6%), January (57.5%), February (64.2%) and March (68.0%) – our four winter months.

Monday to Thursday are traditionally the highest occupancy days of the week, which is driven by our strong economy and therefore business travel. Occupancy on weekdays (Monday to Thursday) was 78.8% in 2012 up 4.2 points from 74.6% in 2011. Occupancy on weekends (Friday to Sunday) was 61.1% in 2012 up 3.7 points from 57.4% in 2011. Calgary's overall occupancy grew by 4 percentage points, from 66.8% in 2011 to 70.8% in 2012 – and this was driven by both business (weekday) and leisure (weekend) travel.

## Occupancy Rate and Average Daily Room Rate

	2012 Occupancy	Change from 2011	2012 ADR*	Change from 2011
Calgary	70.8%	+4.0 pp	\$157.31	\$9.80
Quebec City	65.1%	-0.4 pp	\$146.36	\$3.49
Ottawa	69.8%	-1.5 pp	\$139.53	\$4.38
Vancouver	66.6%	+0.4 pp	\$138.32	-\$2.49
Toronto	67.6%	-0.3 pp	\$137.18	\$2.36
Montreal	64.2%	-1.0 pp	\$134.28	-\$0.64
Edmonton	66.0%	+3.4 pp	\$125.20	\$2.26

Source: STR, December 2012 (pp = percentage point gain or loss)

\*ADR - Average Daily Rate

In 2012 Banff/Lake Louise achieved 60.6% occupancy for their 6,300 available rooms. This translates to 3,818 rooms sold per day for this predominantly leisure destination. Occupancy in Banff/Lake Louise was up over 2011 by 1.6 percentage points, from 59% in 2011. This is an excellent result for a resort community and reflects the strong international draw of Banff/Lake Louise and Rockies brands.

There is a perception that Calgary is simply a gateway to the Rockies and not a leisure destination. However, hotel data from Smith Travel Research (STR) clearly refutes this claim. In 2012, Calgary hotels experienced occupancy on weekends of 61.1% or about 7,300 rooms sold each weekend day – the days of the week dominated by leisure travellers and roughly 1,000 rooms greater than all the rooms available in Banff/Lake Louise. More travellers come to Calgary and stay overnight in a hotel on Friday, Saturday or Sunday for leisure or personal travel than travel to stay in our Rocky Mountain back yard. And this doesn't include the large number of Calgary visitors staying with friends or relatives.

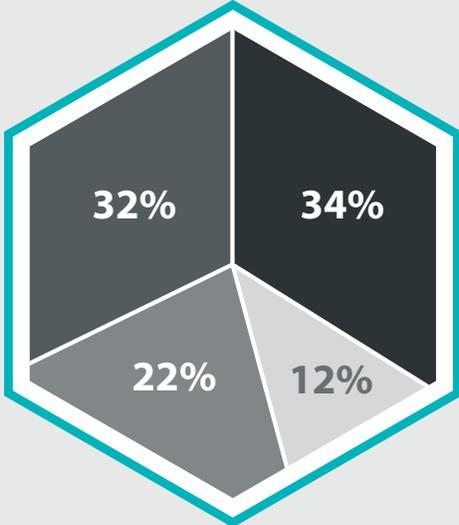
### The opportunities to grow room demand are obvious:

- Calgary must do a better job of positioning itself as a winter season destination. We have excellent winter product and our weather is better than many northern hemisphere destinations in winter.
- Calgary is a strong leisure/personal travel destination. If we can increase demand during weekends, the hotel sector has the capacity to accommodate.
- Calgary has strong business travel, and we are seen as a city of commerce rather than for pleasure. Blended travel (definition in back) is a lasting trend that gives Calgary an excellent opportunity to introduce its leisure assets to a strong base of business travellers.

Surprisingly the greatest numbers of hotel rooms are in the northeast quadrant of Calgary, setting us apart from other major markets and pointing to a need to develop more downtown hotels. A new or expanded convention centre would create immediate impetus for new hotel

# Available Hotel Rooms by Area of City

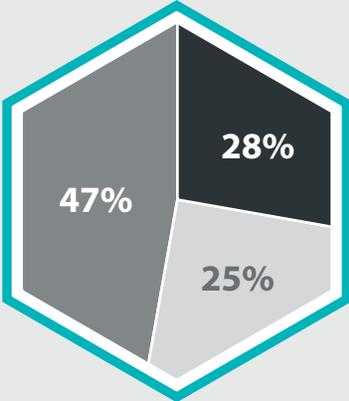
## Calgary



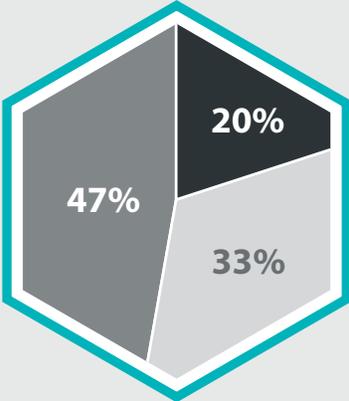
■ Downtown   ■ Airport (northeast)   ■ Northwest   ■ South

Source: STR, December 2012

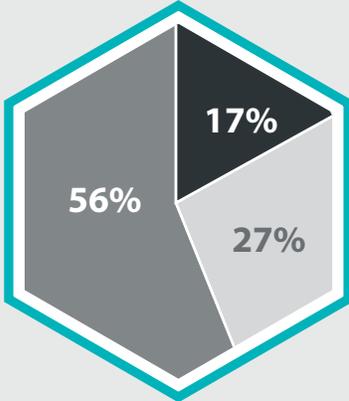
## Toronto



## Vancouver



## Montreal



■ Downtown   ■ Airport   ■ Elsewhere

Source: STR, March 2013



"By the Banks of the Bow" – The Calgary Stampede Centennial public art installation at Stampede Park.

development. Additionally, our destination would be well served by the entry of a new premium brand hotel company. Calgary is ready for this, and we expect it to be a reality in the next decade.

### Performing Arts Centre

Calgary's performing arts hub, the EPCOR Centre, is undersized, needs modernizing and is visually underwhelming from the outside. The Centre is active throughout the year and presents excellent quality theatrical, philharmonic and other musical productions. The five venues and 3,200 seats within the EPCOR Centre are serviceable and do a great job for the community, but are burdened with an outdated facility.

Our city's arts and cultural scene has changed dramatically over the past decade, and our venues are now bursting at the seams. It may surprise many but as Tom McCabe of Theatre Calgary said, *"Our cultural scene is as healthy here as it is anywhere in Canada."* We have an opportunity to make a statement to the world with the introduction of an architecturally impressive and iconic looking performance centre.

### Culture and Arts – Festivals and Events

Calgary was Canada's Cultural Capital in 2012. While that designation surprised some, Calgary has come a long way from the days when we were known as "cow town". Yes, the Calgary Stampede's 100<sup>th</sup> anniversary influenced this Cultural Capital designation – Calgary's western heritage is an integral part of our arts and culture mosaic. Our cultural heritage and our western heritage are inextricably linked.

Our consultations for this report demonstrated unanimous support that Calgary's arts and culture community has come alive and is more vibrant, diverse and innovative today than ever before. MacLean's magazine recognized this when they identified Calgarians as Canada's highest financial contributors to the arts. And now businesses involved in new capital projects are giving at an even higher rate thanks to The City of Calgary's requirement that all capital projects have 1% of their budget set aside for public art.

**Arts and culture are important considerations for tourism. Recent research from Ontario in 2012 shows:**

- 22% of all overnight tourists participated in arts and cultural activities;
- Arts and cultural tourists spend twice as much per trip as typical tourists (\$667 vs. \$374);
- Arts and cultural tourists spend 42% longer in a destination;
- Some arts and culture activities motivate trips more than others: 14% of North American tourists are motivated by music performances; 11% by theatre; and 8% by festivals; and
- Arts and cultural tourists are twice as likely to be motivated by culinary experiences and shopping.

“

We should aspire to double or triple the budgets of our top festivals if we want them to be significant tourism generators.

Terry Rock

”

One of the benefits of tourism is greater appreciation and understanding of different cultures and an accompanying greater tolerance and unity amongst people. For example, it has been argued that if Canadians knew their own country better and had explored our nation from coast to coast to coast, we would probably enjoy a greater spirit of national unity and pride. Calgary has a multi-cultural and diverse ethnic population that

strengthens our welcoming message and our appreciation of guests from around the world. In fact, 23% of Calgarians are immigrants from other countries and we speak 120 different languages (almost 100,000 francophone). Interestingly, Calgary is home to more than 100,000 Americans – the largest group of U.S. citizens outside of the United States.

Our festivals and events are expressions of our artistic and cultural assets and an intimate sharing and communication of who we are as a community. With 320 festivals and events and 116 run or walk events in our city last year, Calgary had more festivals and events than Alberta’s Festival City - Edmonton (134 festivals and 36 run/walk events). Many of these are community events and not export-ready (see definitions), but they are invaluable to our community and our citizen’s enhanced sense of place. Calgary annually hosts a handful of export-ready festivals/events, including the Calgary Stampede, High Performance Rodeo, GlobalFest, and Sled Island.

Another great example of how we have emerged as an arts and cultural community is our public art. As Richard White, wrote in the Calgary Herald, *“The downtown has evolved into this public art gallery with no walls. Calgary could be leading the pack with this innovative approach to a truly public art gallery. Eighth Avenue Place co-owners should be commended for their commitment to creating a building and space that celebrates art and design as part of everyday lives of people who work, play and live downtown.”* The Bow Tower’s Wonderland wire sculpture and the Stampede’s By the Banks of the Bow bronze sculpture are great additions to what already exists. And architecturally, the Bow Tower, TELUS Spark Science Centre, Fourth Street SE trestle underpass and Peace Bridge additions have dramatically changed the image of our city.

Our city is fortunate to present award-winning opera, ballet and philharmonic orchestra. We also have dozens of theatre groups entertaining thousands of patrons annually at seven theatre venues (EPCOR Centre (2), Vertigo (2), Pumphouse, Grand, and Lunchbox Theatre).

**A number of opportunities exist linking tourism with the arts and cultural community:**

- a. A centre city walking and outdoor art tour map and interpretation guide should be developed.
- b. Develop or identify six major festivals/events on the annual calendar for Calgary.
- c. Embrace our western heritage as part of everything else we are. The Calgary Stampede is as much an expression of our cultural heritage as the Quebec Winter Carnival is to Quebec City and Mardi Gras is to New Orleans.
- d. Cultural tourism is one of the fastest growing visitor interests. Develop and promote our cultural tourism assets further.

**Sports Venues and Olympic Legacy**

Calgary is one of three Canadian cities to host an Olympic Games (and one of only 19 cities in the world to host an Olympic Winter Games). Calgary is one of 30 cities in the world to have an NHL professional hockey team. And we are one of eight cities in Canada with a professional football team.

We have hosted the Grey Cup, Brier Curling Championship and Memorial Cup a number of times. We held a record-setting IIHF World Junior Hockey Championship in 2012 and each year Spruce Meadows hosts multiple internationally acclaimed equestrian events while the Calgary Stampede presents the world's richest rodeo.

The Calgary Roughnecks are one of nine teams in the National Lacrosse League (North America). The Okotoks Dawgs play in the Western Major Baseball League and the Calgary Hitmen play in the Western Hockey League of the Canadian Hockey League. The nearby Canmore Nordic Centre is a first-class facility and several World Cup skiing events are held every year less than two hours from our door. The Shaw Millennium Park offers world-class skateboarding opportunities and we are home to Canada's Sports Hall of Fame.

Our Olympic and sports hosting legacy is strong and a competitive advantage for our destination. The infrastructure legacy from the 1988 Games remains intact 25 years later – something that cannot be said for many cities that have hosted an Olympic Winter Games. The WinSport facilities continue to be training centres for many winter sport athletes from around the world; drawing competitions and therefore travellers to our city throughout the year. Calgary has hosted freestyle aerials, moguls, halfpipe, ski cross, luge, bobsleigh, short- and long-track speed skating World Championships, World Cups, National and North American events.



Volunteerism is a huge strength. Calgary is the volunteer capital of Canada – shows our spirit.

Mario Siciliano



Within Calgary's city limits you can go downhill skiing, enjoy world-renowned fishing, skate on one of the world's fastest speed skating ovals, experience horse-back riding, and cycle 800 kilometres on one of the largest urban pathway systems in North America. Talisman Centre is newly renovated and was named National Training Centre by Water Polo Canada. Calgary is also recognized as having a strong volunteer spirit and workforce to leverage when hosting major events. With everything we have going on, the international research Ultimate Sports Cities reported in 2012 that Calgary is a city to watch. We may be Canada's top sports city - a claim we are researching to validate.

However, there are some weaknesses within our sports infrastructure. The Scotiabank Saddledome, home of the Calgary Flames, is the right capacity but out of date

by today's NHL standards. McMahon Stadium, home of the Calgary Stampeders, is oversized and dated. Calgary lacks a major field house and multi-sport facility like the Saville Community Sports Centre in Edmonton operated by the University of Alberta. This is a 350,000 sq ft facility in Edmonton with eight indoor tennis courts, 10 curling sheets, 12 basketball courts, 25 volleyball courts and 30 badminton courts on top of an indoor track, a fitness centre and competition gymnasium.

## Attractions

Calgary's natural and physical attractions are plentiful and diverse. Many of the people consulted for this report suggested that Calgarians, for the most part, are proud and passionate about their city. At the same time, many believe that Calgarians are not aware of the great tourism assets we have and, if asked why tourists come to our city, Calgarians would respond "for the Calgary Stampede and to go to the mountains." Indeed, even some of the people we interviewed responded the same way. As one person during our research said, "*the Calgary that is, is different than the perceived Calgary.*" We also know that after people decide to relocate here within a short time they are surprised by what the city offers them to see, do and play. Obviously, this gap in awareness of what Calgary offers is an important opportunity for the destination.

Calgary is a destination hub for all four traveller types: leisure, visiting friends and relatives (VFR), personal and business travel. To grow the visitor economy, successfully communicating the attractions a city offers to all four traveller types is essential because it will influence the number of visits and/or what is experienced while here. However, leisure travellers are the most motivated to come to a city for its attractions – to be educated to explore and to experience.

It isn't surprising that the Calgary Stampede (festival/event) and the Canadian Rockies (natural) are mentioned most often as the reason leisure travellers come to Calgary. These two icons have international awareness levels higher than any other attraction and obviously Calgarians recognize this fact. But our Olympic legacy,

Spruce Meadows, the Calgary Flames, Royal Tyrrell Museum, trout fishing in the Bow River and Banff/Lake Louise all have international awareness as well. Canada has sixteen UNESCO World Heritage Sites and Calgary is the only city in Canada and the United States to have four UNESCO World Heritage Sites within a two-hour drive (Canadian Rocky Mountain Parks, Waterton-Glacier International Peace Park, Head-Smashed-In Buffalo Jump, Dinosaur Provincial Park) – creating further international recognition and awareness.

Calgary's culinary experiences were raised in almost all of the interviews. There was consensus that our city's 6,000 restaurants have helped to change the perception of Calgary over the past decade. We have definitely removed a potential barrier to visiting by moving from a "meat and potatoes" town to a city offering 'foodies' the diversity and quality culinary opportunities that rival anything found in North America. Our culinary scene is not a demand generator on its own but it is certainly adding value to the visitor experience in our city and creating a buzz that can be linked with other tourism products.

Less than 10% of our leisure visitors are from international markets, so what other attractions generate leisure demand? Without trying to name them all, here are a few attractions that would be known in our regional/domestic markets:

### Built Attractions

- Heritage Park Historical Village
- Calgary Zoo
- Canada's Sports Hall of Fame
- Canada Olympic Park
- TELUS Spark Science Centre
- Calgary Tower
- Glenbow Museum
- Fort Calgary
- Calaway Park (seasonal)

### Natural Attractions

- Bow River (rafting, fishing)
- City parks – Nose Hill, Fish Creek
- Foothills (riding, dude ranch)
- Badlands and Hoodoos (explore, hike)
- Rockies (skiing, hiking, hot springs)
- Glenmore Reservoir (water sports)

### Amenities

- Restaurants, bars, nightclubs
- Theatre, philharmonic
- Casinos, spas
- Shopping, fashion

Each of these attractions can be the single motivator for leisure travel or in combination with each other strong demand accelerators. Combine these attributes with the sports venues/events, festivals and entertainment events, and the meeting and convention assets discussed earlier and it is obvious that Calgary is rich in tourism product and experiences.

### The opportunities identified within attractions are:

- Calgary should implement an attractions pass that provides tourists with a package price, broader knowledge of what is available, and ease/access to purchase.
  - Calgary should offer attraction pass options – developed to reinforce themes and brand and better meet and communicate to traveller needs: e.g. (i) Family Attractions Pass – Heritage Park, Calgary Zoo, Calaway Park, Calgary Tower. (ii) Winter Attractions Pass – Canada's Sports Hall of Fame, TELUS Spark Science Centre, Glenbow Museum or Talisman Centre, and (iii) Western Heritage Pass – Blackfoot Crossing, Heritage Park, Fort Calgary, Glenbow Museum, Head-Smashed-In Buffalo Jump.
  - Calgary attractions should cross promote each other – everyone benefits from increased awareness and potential traffic.
- All of our attractions are under utilized by tourists at this time: therefore, there is capacity to expand each attraction's market beyond the 1.2 million Calgarians and grow visitor spending.
  - In some cities, districts can become attractions in themselves (Granville Island – Vancouver; The Forks – Winnipeg; Crescent Street – Montreal; Yonge Street – Toronto) and Calgary has the opportunity to work with various neighbourhoods through their business revitalization zones (BRZ) to develop the same for Calgary.
  - The Bow River and the Eau Claire market area are under utilized assets.
  - In order to provide Calgarians with a broader view of what there is to see and do here we should provide them with a 'must see – bucket list' of Calgary experiences by category (e.g. arts, adventure, family, summer, indoor, pamper, etc).

## Servicing

### Information and Technology

More than any other development or consumer trend, advancements and innovations in technology have had the greatest impact on tourism over the past 10 to 15 years.

### Technology has dramatically influenced:

- How travellers receive information about tourism products, experiences and destinations;
- How travellers shop and buy tourism products and experiences;
- How tourism businesses promote and distribute their products and experiences;
- How "word of mouth" advertising has become "social media" and has been taken to a new level;

- Our intelligence about customer behaviour and motivations;
- The introduction of a new traveller type – the virtual explorer.

Over the next 10 years, one thing is certain – developments in technology will continue to change the way people travel throughout the path to purchase, from awareness to sharing the experience.

**The following are examples of future trends we will need to respond to in order to be competitive:**

- a. Social Location-Based Mobile (SoLoMo) – allowing users to receive information based on friends’ recommendations and current location to their mobile device.
- b. Semantic Web – or web 3.0 where users only get information that is relevant to them and less information of no value.
- c. Mobile Augmented Reality – applications exist that utilize augmented reality. This technology would be great for interpretation of sites – for example, you can point at an open field and see a re-enactment of the battle that took place 200 years previous.
- d. Big Data – consolidated use of data to improve value and relevance to the consumer.
- e. Gamification – users complete tasks and paths in order to complete a goal and gain points. An example would be to explore a destination and its attractions gaining points along the way and then at the end being rewarded in some way.
- f. Organic Light Emitting Diode (OLED) – turns surfaces like windows, walls, and mirrors into a potential monitor.

Calgary provides three visitor information centres to assist tourists. One is located downtown at the base of the Calgary Tower and the other two are at the Calgary International Airport – one in domestic and one in international arrivals. There are also a number of visitor

centres on the main highway entry points into Alberta operated by Travel Alberta. Calgary information is well represented in the provincial centers.

The official destination website **visitcalgary.com** is almost three years old and was a significant upgrade from the 2010 tourismcalgary.com model. In 2012, the website received 1,012,572 visits (more than double the visitation in 2010) and 4,612,482 page views. Visits to the site are dominated by Calgary URLs (44.7% - this includes visitors accessing site while in Calgary) and Canadian URLs (80.9%). Facebook likes reached 15,726 and Twitter followers were 8,488 (@calgary) and 11,481 (@tourismcalgary) at the end of 2012. The website offers visitors the ability to book hotel rooms, attraction tickets and packages – a service offered by only a limited number of destinations in Canada.

**The opportunities in communicating information, promoting our products and listening to our visitors through technology are continually evolving, but today include:**

- a. Mobile information center kiosks at current visitor center locations and other remote, high traffic areas. These kiosks would provide information, assist with wayfinding, sell products/experiences and print confirmations and information.
- b. Immediate access through mobile responsive sites.
- c. Transition from pc/laptop to handheld and mini applications.

## Touring

Touring is a primary weakness for the destination. As one interviewee pointed out during the consultations - “The Calgary tour – where is it?” Our challenge is, it doesn’t exist; and because it doesn’t exist it sends a message to Calgarians that we are not a tourism destination and a message to visitors that we have little to share with them.

The lack of a ‘hop on, hop off’ tour bus service or a Calgary tour bus is a challenge for the destination. This

needs to be addressed for at least the peak summer season. But touring opportunities have many interpretations including:

- A defined bicycle, jogging or walking tour with handheld device interpretation or via audio headsets.
- A walking tour of Calgary's downtown featuring interpretation of our outdoor art, architecture and historical buildings on a handheld device.
- Rafting down the Bow River, with rafting services and logistics provided at the start and finish, and an eco interpretation of the Bow River Valley.
- Using Calgary as the hub, develop driving tours of six to eight hours duration. Possible routes are east to Drumheller, south to Chinook Country, and west to the Rockies. Each can be packaged (with a gas provider) and themed differently.

## Labour Force

*"Labour issues for the hospitality industry are looming. This will affect our ability to attract investment, low or unskilled labour will be pulled to places like Fort McMurray, which can jeopardize our reputation for Western hospitality."*

Tourism is a people business – a service industry. A qualified workforce is critical to the growth of the sector, but maybe more importantly, without sufficient numbers of employees, reduced service levels can create a negative travel experience affecting the destination's competitiveness. By the year 2030, the Canadian Tourism Human Resource Council projects that more than 228,000 jobs in the tourism sector will go unfilled across the country due to a lack of available workers. This is one of four issues identified nationally as a competitive challenge for our country and by extension for Calgary.

Our city has seen the challenges of not having an adequately sized labour force before and we are sure to experience this again. The tourism industry must work hard to attract and retain employees especially the core professionals who are committed to a career in tourism.

Roughly 30% of our industry's workforce is transient and "passing through" while earning extra household income or money while going to school. This is one of the benefits our industry provides to a community. We need this workforce, but the seasonality of Calgary's tourism industry and the energy sector's demand for staff exacerbate our ability to attract this transient workforce.

Calgary's White Hat Awards program is more than 50 years old and is the best tourism recognition program in the country. Others have tried to duplicate the event but have not succeeded. The White Hat Awards support our industry's retention strategy, reinforce our brand message and are a visible example of our western hospitality.

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# Marketing

## Brand

Our 'Calgary' brand is in good shape. Those who have heard of us think well of us. We have ranked in the top five most livable cities in the world for three years in a row according to Economist Intelligence Unit, 2012. In early 2013, MoneySense Magazine named Calgary as the Best Place to Live from its poll of 200 communities in Canada.

A number of promotional agencies have united around "energy" as the essence of our brand and "be part of the energy" as our slogan. While environmentalists continue to focus on the negative aspects of Alberta's oil sands, this slogan is our invitation to travellers of all motivations to experience Calgary. It is also an invitation to businesses considering relocation or investment and Canadians or immigrants looking for a new place to call home.

**The tourism brand story was confirmed in 2012 and is:**

Calgary is everything we love about the West. It's young. Exuberant. Uninhibited. Vibrant. Energetic. Calgarians are fired up about the here, and the now, and the new. That's why our "must-sees" are ever-changing – a new gallery, a new bistro, a new place to stay, a new place to play. We play every which way so bring your hiking boots or cowboy boots and even your dancing shoes and prepare to be exhilarated. We're not the city you used to know or the place you think we might be. Calgary is a new city every day. We have fresh experiences and adventures to share and new stories and memories to take home.

No matter how much our city changes, we are still westerners. We haven't lost our sense of wonder or our sense of humour. Or the sense that, since we're all in this together, we might as well have a good time.

A good time in Calgary is whatever you want it to be – and more than you imagined. No matter who you are or what you like to do, Calgary will surprise you. Inspire you. Welcome you. And invite you to be part of the energy.

Creating brand awareness is a significant opportunity for the destination over the next decade. There has never been enough funding available in the past to move the needle on awareness for Calgary's brand values. With a concerted and strategic effort utilizing all the resources available in the community in 2013 the destination can take advantage of this opportunity. Patrick McGovern, partner and chief strategy officer, Blade Creative Branding said it best in the April 2013 edition of Meetings & Incentive Travel magazine, "Many people think product attributes or service offerings are what set a brand apart. Instead, think of it this way: Paris or Las

Vegas? Both offer a range of accommodations and food. But one city speaks of culture and romance, while the other represents adult fun and excitement. Those are the brand values that would draw meeting planners to one or the other."

Taking advantage of this opportunity for one destination strategy will allow us to increase visitation in leisure, meetings and conventions, and sports and cultural events marketing.

**Market Differentiation and Awareness**

What differentiates Calgary from any other city in North America with a population of just over one million people? This was a common question or thought during the consultations. Without differentiating Calgary from a host of other places to visit, our city may receive its fair share of travellers but we will not be taking advantage of the full potential available. We have a great destination that is a much better place to visit than most of our competition. We just need Calgarians to know and believe this fact and be able to better communicate this compelling proposition to our tourism markets.

“

We're a medium sized city with world-class attitudes and small town values.

Ken King

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We are sometimes our own worst critics. Our biggest naysayers suggest that the problem with Calgary is that our markets don't know what they can see and do here. Calgary is the 50<sup>th</sup> largest city by population in the United States and Canada. The 15 cities

ranking just above Calgary's size, in ascending order, are: Oklahoma City, Richmond, Louisville, Memphis, Jacksonville, Milwaukee, Nashville, Providence, Virginia Beach-Norfolk, Raleigh-Durham, Indianapolis, Charlotte, Austin, Columbus, and San Jose. As a prospective traveller to any of these cities, can you name one thing you would see and do in each of these larger cities? Calgary is Canada's fourth largest city behind Toronto, Montreal and Vancouver. These are cities we should be very familiar with and yet many would be challenged to name more than three things they would see and do in those cities. The five most visited cities in the world in descending order are: Paris, London, Antalya, New York and Dubai. Can you name three things you would see and do in each of these most popular destinations?

These examples are not to suggest we are doing well in creating awareness of Calgary compared to others, but rather to say we shouldn't be critical of our own destination appeal because of a lack of awareness or a limited awareness of only the Rockies and the Stampede. Of course, there is a lot of opportunity to generate increased awareness in all of our markets. This will be achieved through united and consistent effort around one destination strategy.

## Perceptions of Calgary

### Awareness and Knowledge

- Only 1 in 4 Canadians say they know nothing at all about Calgary (26%) and almost 4 in 10 (39%) say they know the city very well or somewhat.
- Knowledge of Calgary is highest in Western Canada (85%), in particular Manitoba/Saskatchewan (86%) and British Columbia (78%). It is almost universal in Alberta (98%), fairly high in Ontario (73%) and lowest in Quebec (56%).

### Extent to Which Calgary is Perceived to be Changing

- Two thirds of Canadians believe Calgary has changed either a lot (33%) or a bit (32%) in the past five years; a majority of residents in all regions agree.

- Over 7 in 10 residents of Western Canada (72%) and two thirds of Ontarians (67%) think Calgary has changed a lot in the past five years.

### Greatest Areas of Perceived Change

- A majority of Canadians think Calgary has changed positively as a tourist destination (62%), in particular as a place for great food and restaurants (61%), western values and hospitality (60%) and great shopping (57%). This holds true across most regions.
- About half of Canadians who are knowledgeable about Calgary think the city has changed positively in terms of being a place for innovative artistic and cultural activities (48%).

National Online Survey April 2013.

## Marketing Investment and Strategy

Discussions for this report did not focus on organizational roles and responsibilities within the tourism community. However, there were a number of comments suggesting there is a huge opportunity for Calgary to capitalize on increased visitation through a more cohesive relationship behind one destination strategy and a focus on funding for destination marketing. While we believe the required funds are in place, they are currently dispersed through a variety of strategies. The Leitch Report (Don Leitch, September 2012), commissioned by Travel Alberta, has been identified as a blueprint that many hope we will transition to.

We believe Dr. Brent Ritchie (University of Calgary) and Charles Goeldner said it best in their book "Tourism: Principles, Practices and Philosophies" used to train tourism professionals around the world: *One dimension that is essential is the interface between public and private sectors at all levels and the importance of integrated or collaborative planning and development efforts. Because both public and private sectors each control (and often operate) an important percentage of tourism facilities, events, and programs it is critical that policy, planning, and development efforts be continuously*

*carried out within a joint, cooperative, collaborative organizational framework. Failure to acknowledge the importance of this reality leads only to antagonism, strife, and disjointed strategic planning and development. As such, each destination must strive to create DMOs where collaboration is built into the design. The actual name of the organization authority, council or partnership matters little. What is important is the quality of the collaboration that occurs.*

Tourism Calgary, Travel Alberta and the Canadian Tourism Commission (CTC) are three destination marketing organizations responsible for selling Calgary, Alberta and Canada. Each organization is working closely to leverage the other's promotional strategies and is careful not to duplicate but rather dovetail or follow the efforts and investments of each partner. The CTC has the responsibility to promote the "Canada – keep exploring" brand in long-haul international markets. Travel Alberta then follows the CTC's lead and then Tourism Calgary follows to a lesser extent. Travel Alberta has the lead in the North American and national markets with "Remember to breathe" and Tourism Calgary follows. Tourism Calgary has the lead in regional and national markets with "Calgary – be part of the energy." This layering of marketing activity better reflects the path to purchase and awareness levels travellers utilize.

A couple of challenges for Alberta and Calgary are the fact that the CTC's budget has been consistently reduced over the years from more than \$100 million to \$58 million in 2013. This is at the same time as the United States has introduced Brand USA in 2012. This is the first time in American history the United States has felt it necessary to promote its national brand and this is due to a weakened economy and its poor international reputation with tightened security requirements, etc. They will be using a \$200 million budget to target Canadian, British, Japanese and American domestic travellers. The Americans are clear in their strategy – they want our strong Canadian domestic travellers (Calgary's bread and butter for the past decade) to travel south for a holiday.

## Packaging and Product Clustering (Product Development)

Packaging is one form of product development. By combining two or more tourism products or experiences and offering them at a price that cannot be attained when purchased separately, you create a new product offering. Knowing the target audience enables the grouping of products they need and want, creating a more appealing tourism experience. This packaging can also be time sensitive, creating an urgency to buy.

Packaging was raised as an issue by a number of people consulted in the completion of this report. It was identified as an area of improvement that would enable attractions to work more closely with other tourism businesses and themselves and may provide Calgarians with more tools to sell their own city and awareness of what there is to explore and experience in our destination.

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## Other

### Seasonality

The fact that we have four seasons (sometimes within a week!) was raised as a challenge for the destination. Of course this is true. Our four seasons negatively impact our appeal during the winter months; it causes partial or full closure of key attractions like Heritage Park, Spruce Meadows, Calaway Park, and golf courses; and creates peak and valley business periods that affect staffing needs and access.

Although we cannot control the weather we can do better at communicating to visitors what there is to see and do during inclement weather conditions. Additionally, Calgary is an excellent winter playground and we often undervalue our attractiveness in this season. The opportunity here is to develop winter product and promote the destination at a time where our pricing may be more appealing.

According to Environment Canada, Calgary offers more sunshine than any other Canadian city (333 days) and our lack of humidity really does mean that the cold and hot temperatures really aren't as bad as people think.

### Downtown – Gathering Place

*“We need a heart of the city. Is it going to be the East Village?”*

The downtown core is the destination's storefront. The downtown gives visitors a perspective of the destination's economic and social health. It provides travellers with insights into community spirit and safety. The pulse of a destination really can be felt at its heart.

For four to six months of the year Calgary's downtown is vibrant and alive during the day light hours. Unfortunately, according to every group consulted in this study, this is only for part of the year and only during the day. Calgary's downtown is seen as a weakness for the destination in terms of people activity, entertainment district, and gathering places. To quote some of our interviewees we heard that:

“

Downtown needs  
more life to it.

Downtown core is dead.

Downtown lacks people and so  
there is a feeling of not being safe.

Boring city downtown  
after 5 p.m.

”

Calgary is a suburban city. Our population density is low and especially in the downtown area. The City of Calgary is working to change this fact. There is an opportunity here. Stephen Avenue is a vibrant street during the day and on warm days. Eau Claire area is an appealing area but underutilized. The developing East Village can become a community gathering place. Although 17th Avenue is not downtown it showed during the Flames Stanley Cup run in 2004 that it can be the life of the city after dark.

The opportunity for improvement is in “soft” and capital product development. Soft development opportunities include walking outdoor art tours downtown, attracting an outdoor Christmas market downtown and promoting our Plus 15 as walking and exploring corridors with accessible nightlife, restaurants and interpretation points. Capital product development would include a new performing arts centre, a new convention centre, increased downtown housing and/or open spaces and pathways like East Village will be offering.

Calgary is an excellent shopping hub for our regional markets. This is a competitive advantage for our city because of the variety and uniqueness of stores we offer and no provincial sales tax. But our largest shopping areas are outside the downtown again taking people out of the centre of the city. The CORE Shopping Centre is an excellent, newly-renovated attraction for Calgary. Its valet and free parking options combined with an attractive Devonian Gardens experience are benefits to visitors looking for a downtown shopping choice. If more shopping opportunities existed downtown, the activity levels would also increase favourably.

### Air Access

Calgary has the highest air access per capita of any other city in Canada – almost 50% higher than the next closest airport in Vancouver. Air access to our destination is perceived by many people we interviewed as positive, especially when compared to any of our regional competitors. Calgary is well served by WestJet and Air Canada – two international award-winning airlines.

WestJet's new regional airline Encore took flight in 2013 further connecting our destination to new markets like Fort St. John and Nanaimo.

Calgary is becoming more and more a distribution centre expanding demand for air cargo services at YYC. This increased demand supports the appeal for carriers to increase passenger service as well.

The challenges related to air access in Canada are driven substantially by the cost burden carried by airlines and airports. Air travel is expensive in Canada and major contributors to the costs are airport rents, security costs, navigation fees, etc. the Federal Government charges. These costs account for close to \$750 million annually and put Canada in an uncompetitive position globally, impeding our ability to attract new carriers to Canada. For example, Toronto Pearson is the second most expensive airport to land at in the world. About five million Canadians per year travel south of the border by land to depart from a United States city (e.g. Bellingham, Detroit, Buffalo, Plattsburg) to save money on air travel. This is a national travesty that affects air travel and air access.

Alberta has no jet fuel tax for international flights, which is an incentive for new carriers to serve this city. British Columbia recently adopted the same policy as they saw it as a competitive disadvantage for themselves.

### Spirit of Hospitality

*"Calgarians talk about Calgary as if it was the Calgary of 50 years ago – we need to increase awareness within our 1.2 million ambassadors."*

Calgarians love their city and are proud to call Calgary home. This is important from a tourism perspective because if you don't have a community that likes where they live then it becomes very difficult to invite visitors to your city, or more to the point – guests to your home! Almost 50% of visitors coming to Calgary will be visiting friends and relatives and so it is critical for the development and sustainability of the destination that citizens be ambassadors for our city. We are fortunate to have this pride existing in Calgary. The opportunity is to better

inform our 1.2 million ambassadors on all the things to experience and enjoy right here at home.

The "White Hat" is a competitive advantage for Calgary. How many single icons exist in Canada, or North America, that an individual can hold up, wear or pin on their lapel that immediately provide recognition of a city's brand? We would suggest that there are no others. Destination marketing people from across Canada often say "we need that one icon that represents our city like Calgary's White Hat does!" Awareness of a product is the first step on the path to purchase and our White Hat icon creates immediate awareness.

The White Hat symbol is right on message as well for our tourism brand promise. Our western hospitality, our western heritage, our big nature, and good guy spirit are all key messages we can communicate through this one icon. Our White Hat Greeter volunteers at the airport are a daily example of this spirit of welcoming, sharing and hospitality. They are a credit to our tourism industry.

The White Hat Ceremony is an opportunity to share an unforgettable moment with all visitors – recognition of how much we care that they are here and communicate a part of our heritage and hospitality. We just need to reflect on seeing Kate and Will or Oprah in their White Hats to appreciate the importance of this public relations opportunity. Beyond being 'screched' in Newfoundland where else do communities get this opportunity? We are fortunate to have this tradition. It is a competitive advantage.

Our volunteer spirit was also highlighted by many groups as a decided advantage for Calgary. Many of the festivals and cultural and sporting events are made possible because of volunteer commitment. Without volunteers we could not host the Calgary Stampede annually and would not have had the most successful Olympic Winter Games to that point in time. Our volunteer base is seen as an asset when bidding to host national and international events like Grey Cups, Briers and World Junior Hockey Championships.

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# Destination Calgary in the Year 2020

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## Key Performance Indicators

- In the year 2020, we estimate that visitors will spend more than two billion on tourism products and services in Calgary. Total tourism revenue will be \$2.07 billion.
- We will host 7.1 million visitors annually, with 3.9 million overnight visitors.
- Calgary's annualized hotel occupancy will be 70% with a \$175.00 average daily rate.
- Municipal taxes supported by the visitor economy will be \$77 million.

## Our Geographic Markets

Calgary's regional market will represent 62% of overnight visits while the remaining domestic travellers will represent 15% of the destination's market mix. These targets suggest that Canadians will total 77% of our market in 2020, down from 79.1% in 2010. This will result in U.S. and international markets growing to 10% and 13% of our market mix, respectively.

## Other Indicators – Access and Animation

The Calgary International Airport will open a newly expanded terminal in 2015 essentially doubling the size of the 2012 model. Also, Calgary will be opening Canada's longest runway in 2014 satisfying our needs for at least the next 20-30 years. The new international terminal with international customs transfer areas will

offer our visitors world-class retailers and restaurants. Our airport is projected to be serving 20 million passengers in the year 2020.

YYC will be a hub for a new and expanding regional airline – Encore by WestJet! This new carrier will open new markets that can access Calgary directly in less than two hours, which is critical to expanding our leisure market base. New air access to Asia and South America will allow us to take advantage of the emerging tourism economies of Brazil, China, South Korea and India. In 2012 there were 57 flights from China to Canada, and in 2013 there will be 75 flights – more than any other country, except for the U.S., China is the fastest growing outbound tourism market in the world; therefore, we will need expanded lift to maximize the potential from China.

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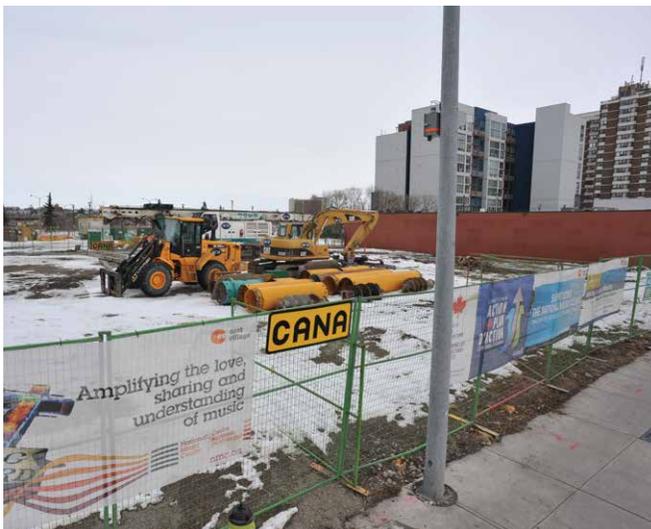
If we're still relying on current, regional markets, we'll be stagnant. We need to get global or we'll be left behind. Not just riding the growth, but outperforming the average.

Martin Stitt

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High Speed Rail service between Calgary and Edmonton will be closer to reality than ever before and could possibly be in place by the third decade of this millennium. The introduction of High Speed Rail service between Alberta's two largest centres would be a game changer for our industry. The economic and infrastructure clout of 'one combined city' of 2.5 to 3 million people provides numerous partnership opportunities.



The National Music Centre site today (L) and artist's rendering of the building (R).

An LRT link to the airport is seen as a critical development to be in place for the next decade. Additionally, we will have in place better tourist information linking our LRT system to tourism products and experiences allowing for improved access. Tour buses and hop-on hop-off bus service with better parking opportunities for motor coaches downtown will be in place. Themed and interpretative guide maps and mobile site for the Plus15 system, bike paths and walking trails will be in place. Translated wayfinding and interpretation devices and systems will be in place. Each of these initiatives improve access and enrich the full visitor experience, creating a greater value perception for the destination and increased tourist spending.

Calgary's East Village will be a reality, rejuvenating and expanding our destination's core. New attractions like the Central Library and National Music Centre will compliment hotel accommodations, gathering places and walking pathways. East Village will connect, for the first time, a newly renovated Fort Calgary to the downtown. Combine these developments with a new Agrium Western Centre, Youth Campus and Riverfront Park that

the Calgary Stampede is introducing and the once bare land that isolated Fort Calgary in the past will begin to fill in with a clustering of products and experiences that add to visitor activity.

We can imagine that in 2020 visitors will be able to walk along the new River Walk system that will take them from Kensington Village over the Peace Bridge, along the Bow River, through Eau Claire and Prince's Island and into East Village. From there visitors will be able to explore Bridgeland, Calgary Zoo and TELUS Spark Science Centre using the St. Patrick's Bridge or continue along the River Walk to Inglewood or around Fort Calgary and Stampede Park to the Talisman Centre.

As noted in the East Village publication, landscape architect Mark Johnson of Civitas wants to take Calgarians to a place that has the power, in his words, "To make your life whole." Don't worry, it's not far away. It's on a 31-acre island that you may not have really noticed before. In the Bow River right next door to East Village – St. Patrick's Island.



Stampede Park expansion site as of 2012.

New outdoor concert venues in East Village and the Riverfront Park will add to the new indoor opportunities within the National Music Centre, Calgary Stampede's new Youth Campus and Mount Royal University's new Bella Concert Hall. These added venues will bring more traffic to the expanded downtown and create opportunities for new festivals and events. The first Calgary Summer Opera event has already been announced for East Village in August 2013.

The downtown area in 2020 will be expanded beyond the geographic footprint it currently occupies extending further south and east. Calgary's core will have at least one 'gathering place' where there is life during the daytime and into the evenings. Whether it will be Eau Claire or East Village or Stephen Avenue is not clear but this must become a reality in order to inject vibrancy into the downtown area and change perceptions of the city.

A new performing arts centre is envisaged for Calgary within the next 10 years expanding our artistic and cultural reputation and appeal. A new convention centre

by 2020 seems to be an optimistic projection and may not take place until later that decade. We must move beyond the pure economic discussion of a new convention centre (although there is an economic benefit) to consider the social, intellectual and community building benefits. These two new facilities can be the catalysts for more activity downtown and a gathering place for people.

By the year 2020 Calgary will see the introduction of a transformational development that includes sports venues. Little can be confirmed at this point and therefore cannot be shared but suffice to say that there will be improvements to our sport infrastructure by 2020.

Any changes to McMahon Stadium will involve a reduction in seating capacity to correspond with trends seen in North American event attendance and CFL venues.

Calgary will need to identify and develop a handful of major festivals/events that create international or continental awareness for the destination by 2020. These five events will be demand generators expanding our reach

into all of our markets. The Calgary Stampede is already there, but what are the other five events that can create greater awareness and international attendance? Is it the new Tour of Alberta Cycling event, PGA Champions Tour or Beakerhead event or the existing High Performance Rodeo or Spruce Meadows Equestrian events?

By 2020, Calgary will see a new nordic centre, summer luge and aerial acrobatics facilities at WinSport. The new Panda and Lemur exhibits at the Calgary Zoo will draw crowds hopefully to the same level as the Penguin Plunge in 2012. International Way into Forest Lawn will see the development of the new International Cultural Centre. The re-enactment of the Treaty 7 signing will be a new annual event profiling our western and first nation's heritage. And Heritage Park will have opened its new "Famous Five" Interpretative Centre on their property.

Calgary's Bow River will be better utilized in the future with increased access, bridging, and critical mass along the river front. This will be essential to enhancing our destination appeal as it is an underutilized asset today.

Other suggestions that participants offered included the following ideas. Which ideas do you believe could be a reality in 2020?

- An oil sands interpretive centre presenting the truth on this ongoing debate. The facility would also highlight other 'energy' developments in Alberta from the Energy Capital of Canada.
- A Calgary Stampede museum featuring the rich history of this iconic event and helping to bring the event to life for the other 354 days of the year.
- An arts development 'incubator' like the Banff Centre for Calgary. The new National Music Centre and Youth Campus will serve as incubators for music and stage performance.
- A new destination hotel for Calgary like the Great Wolf Lodge or Fantasyland Hotel.
- A new PGA-sized golf course able to attract a Canadian Open PGA event.

Calgary will have 15,365 hotel rooms available in 2020. This is an additional 3,500 hotel rooms or 29% growth in room supply in eight years. The majority of this growth will continue in the northeast (more than 1,500 rooms) and downtown (more than 1,400 rooms) areas of the city. We expect the introduction of a new luxury brand into the Calgary market in the next decade.

### Who Will Lead the Change

For the most part Calgarians will lead the required change. They always have and this spirit continues today. Most of the developments discussed earlier are planned or underway with the involvement of the public, private and non-profit sectors of the economy. Therefore, for the most part the vision profiled here is based on reality with only a few projects still handcuffed by funding issues. This is not to say that funding isn't an ongoing concern for many future developments needed or contemplated. We are only suggesting that much of what is envisioned for 2020 is already underway to varying levels.

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We need more Guy Weadick's.

George Brookman

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Funding will continue to be a challenge but there is precedence for innovative solutions in Calgary. The City of Calgary bonus density program from 1984 provides developers with incentives, for example, in exchange for additional floors developers must add public art or winter gardens. Also the City's 1% investment in public art for each new capital project is a great initiative to create destination value and appeal. The Community Revitalization Levy (CRL) is a good funding model for the East Village development. Transformation Calgary's proposal of a one penny levy approved by Calgarians and directed only at projects Calgarians approve by

plebiscite is another great innovation. The world is full of great examples to raise money for needed projects to the point that if the will is there, the money will follow.

Tourism Calgary will be addressing four strategic areas and working with the industry to determine a course of action.

### Access

- a. Development of mobile responsive sites, guides, and interpretative devices.
- b. Tour bus and hop-on hop-off service.
- c. Walking and biking trail maps.
- d. LRT and Plus15 connections to tourism guide.
- e. Language issues related to guides and wayfinding.
- f. Mobile information centre kiosks in high traffic areas around the city.

### Animation

- a. Attractions pass and cross promotion.
- b. Themed daily itineraries, day drives and attractions apps, product clustering.
- c. Product development plan to take five festivals/ events to the next level.
- d. Increase winter product offerings.
- e. Further develop the connection between arts & culture and tourism.
- f. Calgary 'bucket list' of must see things to experience and explore.
- g. Explore opportunities to improve utilization of Eau Claire and Bow River assets.
- h. In partnership with BRZ community develop at least one BRZ to be an attraction in its own right.

### Awareness

- a. Calgary Ambassador development (more sales promotion by Calgarians for VFR, etc).
- b. Tourist in your own city program.
- c. Focus on signature experiences – differentiators.
- d. Enhance business travel market use of leisure experiences by increasing length of stay and travelling with family (blended travel).
- e. Raise Calgary brand awareness with increased investment in a concerted and strategic marketing plan.

### People

- a. Human resources strategy – attraction, retention, training.

There are many challenges and opportunities for the tourism industry presented in this Report and Tourism Calgary does not assume that it will be able to address each of these. Our mandate is to work in partnership with industry on every level; we will continue to do that in following up on mitigating the challenges and taking advantage of our opportunities. In some cases other organizations will take the lead and we will follow their lead with our support. And finally, we expect that this Report will also provide impetus for entrepreneurs to act independently and take advantage of some of the opportunities presented.

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# This Report

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## Methodology and process

The *Destination Calgary in the Year 2020* Report is a combination of research, experience, consultation and collaboration. The process began in early December with two workshops attended by close to 200 industry operators. This was followed by close to twenty intimate consultation sessions over four months with 55 industry and community business leaders. Parallel to these consultations the project leaders gathered research relevant to the discussions and needed to confirm the information that was being communicated by the participants.

This project was led by Randy Williams, President & CEO, Tourism Calgary with significant contributions from Stewart McDonough, Director Communications and Terese Overgaard, Manager Research at Tourism Calgary.

*Destination Calgary in the Year 2020* is a report on the current state of the tourism industry in Calgary with a projection of where the industry will be within a decade and what will need to occur for us to achieve this vision. This Report will be discussed by the industry on April 23, be utilized at Tourism Calgary's Board of Director's planning retreat in May 2013 and Tourism Calgary's strategic planning session in June 2013. We will use this Report for future action and continue to update this document over the next few years.

## Contributors - Thank You

It is with sincere appreciation that we thank the industry members who attended our two workshops in December 2012 and a special thank you and recognition to the following leaders who gave their time and minds to this important project:

**Alida Visbach** Heritage Park Historical Village

**Bruce Okabe** Travel Alberta

**Royce Chwin** Travel Alberta

**Dr. Clement Lanthier** Calgary Zoo

**Marcia Lyons** Calgary TELUS Convention Centre

**Dave Sclanders** Calgary TELUS Convention Centre

**Peter Gregus** Meetings & Conventions Calgary

**Dan Pigeon** Stagewest Hospitality \*

**George Brookman** Transformation Calgary \*

**Peter Wallis** Van Horne Institute \*

**Mark Wilson** Hotel Arts \*

**Sara Jane Gruetzner** Fort Calgary

**Terry Rock** Calgary Arts Development

**Bruce Graham** Calgary Economic Development

**Steve Allan** Canadian Tourism Commission

**Michael Green** Calgary 2012

**Mario Siciliano** Canada's Sports Hall of Fame

**Adam Legge** Calgary Chamber of Commerce

**Don House** Alberta Culinary Tourism Association

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**Howard Silver** Metropolitan Conference Centre

**Vern Kimball** Calgary Stampede

**Deanne Carson** Calgary Stampede

**Sally Leung** Calgary Stampede

**Johann Zietsman** EPCOR Centre for the Performing Arts

**James Tingley** Delta Bow Valley

**Richard Main** Courtyard & Residence Inn by Marriott  
Calgary Airport

**Greg Saretsky** WestJet Airlines

**Jennifer Martin** TELUS Spark Science Centre

**Martin Stitt** Delta Calgary Airport Hotel

**Guy Huntingford** Calgary Herald

**Richard White** RL White Consulting

**Ann Lewis-Luppino** Calgary Philharmonic Orchestra

**Doug Mitchell** Calgary Sport Tourism Authority

**Perry Wilford** Alberta Hotel & Lodging Association

**Tom McCabe** Theatre Calgary

**Leanne Shaw-Brotherston** Calgary Hotel Association

**Ian Allison** Spruce Meadows

**Didier Luneau** Westin Hotel

**Ken King** Calgary Flames Limited Partnership

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**Jeff Eisler** Global TV

**Fraser Abbott** Hotel Arts

**Carson Ackroyd** ATCO

**Joy Caron** Sheraton Cavalier

**Grant Erickson** Delta Calgary South

**Jon Jackson** Calgary Hotel Association

**Sandra Kam** Heritage Park Historical Village

**Shelley Grollmuss** Travel Alberta

\* Tourism Calgary Board Director

## Definitions

### Tourism

Tourism is travel for leisure, business or personal purposes. Tourists are defined as people travelling, more than 80 kilometers, and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.

### Tourism Industry

The tourism industry is an amalgamation of a number of industries including the transportation, accommodations, festivals, events, entertainment, attractions, food and beverage, travel services, recreation and travel media industries. A business or enterprise that relies on tourism for its existence or sustainability would be considered in the tourism industry.

### Visitor Economy

The visitor economy is measured by Statistics Canada through the Canadian Tourism Satellite Accounts. The measurement includes all transportation, accommodations, recreation and entertainment, travel services, pre-trip commodities and convention fees, food and beverage services and retail sales to tourists. Canada's visitor economy is \$78 billion and Calgary's is \$1.4 billion.

### Export Ready

Tourism is recognized as an export industry because tourism products and services are purchased/consumed by non-residents. In order for tourism products and services to be considered "export ready" a number of criteria must be satisfied including: is it competitive in quality and programming to similar products and services offered to a non-resident market; is it promoted to and accessible to non-resident markets; does it meet the necessary standards, regulated and unregulated, as determined by foreign markets; is there a need or desire (demand) for the product or service offered to non-resident markets; etc.

### Travel or Demand Generator

A tourism product or service with enough awareness and appeal that non-residents will travel to experience that product or service as part of a leisure, business or personal trip.

### Blended Travel

A trend that combines business travel with leisure activities or vice versa. This can include bringing family along on a business trip, taking in a sporting event or golf game while on a sales mission, or meeting with a branch office while on summer vacation with family.

### Destination Marketing Organization (DMO)

Promotes the development and marketing of a destination, focusing on convention sales, tourism marketing, and services. Promotes economic development of a destination by increasing visits from tourists and business travellers, which generates overnight lodging for a destination, visits to restaurants, and shopping revenues. They are directly responsible for marketing the destination brand through travel and tourism "product awareness" to visitors. DMOs produce billions of dollars in direct and indirect revenue and taxes for their destinations' economies with their marketing and sales expertise.

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