



**2014**

**ANNUAL REPORT**

**EDMONTON DESTINATION MARKETING HOTELS LTD.  
IN PARTNERSHIP TO ADVANCE TOURISM IN EDMONTON**



## 2014: A WORLD OVERVIEW

Monumental events made headlines around the globe in 2014. From the other side of the world to our own backyard, political and social upheaval captured our attention, affected our businesses and impacted our lives.

Early in the year, Sochi, Russia hosted the XXII Winter Olympic Games, while protests in Kiev turned violent, bringing down the Ukrainian government and leading to crisis in Crimea. Days turned into months as a multinational search was launched for disappeared Malaysia Airlines Flight 370 and when 276 schoolgirls were taken in Nigeria.

Israel responded to a Palestinian unity deal by suspending US-sponsored peace talks; and summer saw the Islamic State militant group known as ISIL claim Iraq's second-largest city. Israel launched military operations on Gaza; and the World Health Organization declared the Ebola outbreak in West Africa an international public health emergency. In Hong Kong, mass protests began in response to electoral system reforms and in the fall, Canadian troops were deployed to support a US-led mission against ISIL.

Racial unrest ignited in the US, following the police shooting of an unarmed black teenager in Missouri. Late in the year, the



**EARLY IN 2014,  
EMPLOYMENT IN  
ALBERTA ROSE BY 2.2%  
(THE HIGHEST GROWTH  
IN CANADA).**

**EMPLOYMENT IN  
ALBERTA FOOD &  
ACCOMMODATION  
SERVICES ROSE BY 4.2%.**

**OVERALL PROVINCIAL  
UNEMPLOYMENT RATE  
WAS 4.7%.**

Democrats suffered a significant political loss in midterm elections, as Republicans seized control of the Senate and realized the largest congressional majority since WWII. Shortly thereafter, Keystone XL pipeline legislation was defeated in the Senate by one vote.

Our own country was not immune to troubling news: chaos and lock-down on Parliament Hill; tragedy in Moncton (the deadliest attack on the RCMP since Mayerthorpe); an horrific rail disaster in Lac Megantic—all gave us serious pause for thought regarding our safety and security.

Reforms to Canada's Temporary Foreign Worker Program were introduced. The effects were immediately crushing and dramatically impacted many industries, most notably the hotel sector, already facing labour shortages.

On the economic front, plummeting oil prices wreaked havoc on oil-producing countries, including our own. In the space of two weeks, oil's free-fall took our provincial forecast from a surplus of \$933 million to a projected deficit of \$7 billion.

2014 was indeed a dramatic year on Alberta's political stage. Turmoil surrounding Premier Alison Redford forced her to resign as premier and eventually step down from legislature. Jim Prentice won the Progressive Conservative (PC) leadership and was elected Premier. Near the end of the year, Wild Rose Party leader Danielle Smith crossed the floor to join the PCs, taking eight MLAs with her and hobbling the official opposition.

Meanwhile in Edmonton, 2014 began optimistically with our city forecasted to three-times outperform the Canadian economy. Our recently elected mayor, Don Iveson, had a mandate to improve infrastructure. To achieve this, his council increased property taxes by 4.9%. But the economic engine was in high gear with construction of the \$480 million Arena District, creating the largest downtown building boom in Edmonton's history.

In short, 2014 was a tumultuous year. From events in our city and our province—to those across the world—influences affected our industry, our target clients and our association.

Photos:  
NASA (this page);  
Travel Alberta/  
Sabrina Hill (left);  
EEDC (cover)

## EDMH BOARD OF DIRECTORS



*left to right:*

**Michael Sieger**

Hilton Garden Inn West

**Garrett Turta**

The Fairmont Hotel Macdonald

**Tina Tobin**

Alberta Place Suite Hotel

**Grant McCurdy**

Mayfield Inn & Conference Centre

**Robin Cumine**

Radisson Hotel Edmonton South

**Karen Naylor**

Super 8 Edmonton South



AS OF JULY 7, 2014 *left to right:*

**Jim Wirun**

Wingate by Wyndham Edmonton West

**Robin Cumine**

Radisson Hotel Edmonton South

**Tina Tobin**

Alberta Place Suite Hotel

**Garrett Turta**

Fairmont Hotel Macdonald

**Grant McCurdy**

DoubleTree by Hilton West Edmonton

**Karen Naylor**

Super 8 Edmonton South

“ I want to recognize the Edmonton Destination Marketing Hotels Ltd. as a best in class example of how a voluntary DMF should operate. Based on a solid foundation as a not-for-profit under the Companies Act, the EDMH is accountable and transparent in its business practices. But it's this association's execution that rises above, with their exemplary partnership paradigm that is most evident in their relations with the Edmonton DMO. Always searching for ways to increase the consumer experience, taking them down the path to purchase, the EDMH aligns with and supports the DMO to ensure there is one voice and one core message. I congratulate the board and membership of the EDMH for being a DMF role model for all to follow.” **Dave Kaiser, President & CEO Alberta Hotels & Lodging Association**

## VISION

Edmonton will be western Canada's premier hospitality destination, attracting visitors for a wide variety of activities and experiences, creating prosperity for our members

## MISSION

Our purpose is to direct investment in initiatives that create, drive and sustain growth in Edmonton as a travel destination for the benefit of our members

## STRATEGIC OBJECTIVES

1. To maintain, engage and grow EDMH's membership. Success includes:
  - Showing results
  - Measuring ROI
  - Communicating with Members
  - Maximum member participation in marketing initiatives
2. To assure the long term sustainability of Edmonton Destination Marketing Hotels. Success includes:
  - Showing results
  - Regular and ongoing communications with members and other stakeholders
  - Ensuring that the EDMH has the right partners
  - Measuring ROI
  - Clusters working at maximum effectiveness and alignment with EDMH goals
3. To seek innovative initiatives that will drive tourism to Edmonton
4. To drive room revenue through investment of Destination Marketing Fund dollars

## VALUES

*Accountability*

*Integrity*

*Collaboration*

*Stewardship*





*Report From the Chairman of the Board*

## ROBIN CUMINE

It has been an honour to serve as your Chairman of the Board for the past year. Frankly, the year has flown by, but not without some great challenges to our industry as well as foundational achievements that I'd like to reflect on:

### State of the industry

*"Canada slipping as global destination, tourism industry warns, as Ottawa cuts funding."* Sound familiar? This headline was lifted from a 2012 Financial Post article

*"Lodging Industry Calls on Government to Address Lack of Funding for International Marketing of Canada."* This headline came from a news release issued in April of 2014.

To quote Tony Pollard of the Hotel Association of Canada: *"plain and simple, Canada's tourism industry is in crisis."* HAC's president points out that funding for the Canadian Tourism Commission (CTC) has declined from \$100 million in 2001 to \$72 million in 2012 and dropped further in 2013 to \$58.5 million. Observes Pollard: *"The cuts come when Canada faces increasing competition from international competitors including the \$200 million [Brand USA] program - \$20 million of which is being spent in Canada."* A decade ago, Canada was one of the top ten destinations in international arrivals but has since slipped to 16<sup>th</sup> position globally.

As an industry we all share the same challenges. We are faced with a somewhat fragile economy although we continue to be hopeful as we look toward the future. Our will to succeed is found in knowing that we are not alone, and now more than ever, it is critical

that we work together to find solutions and effect change. It has become increasingly important; in the face of declining Federal support for tourism that we take control of our own destiny and continue to support destination marketing as well as conference and event attraction to the benefit of all our member hotels.

This is why I have taken my role as Chairman of the Board so passionately over the past few years. There is no bigger risk to our industry; yet the rewards stand to be exceptional. We have seen a great number of successes throughout 2014, many of which will be highlighted throughout the annual report.

### Foundational Achievements

Building a strong foundation to run our enterprise on will give us the stability to grow long-term while sustaining shifts in the local and regional economy. A weak foundation, on the other hand, leaves us vulnerable in ways that can disrupt and even collapse our enterprise. Some of the key achievements for the EDMH in 2014 are as follows:

- Creation and acceptance of Travel Policy
- Creation and acceptance of Board Member position descriptions
- Creation and acceptance of Committee lead position descriptions
- Creation and acceptance of EDMH representation opportunities
- Creation of special committees: expanded boundaries, new-membership type

Our 2014 electoral year will be my final year as Chairman of the Edmonton Destination Marketing Hotels Board of Directors. They say you never know you're having the time of your life until after it's done.

And when looking back at my 2 1/2 years as Chairman of EDMH, I realize how special a time it really was. It wasn't only serving the exceptional people who make up the membership of EDMH, but working alongside some of the finest people I've ever known that has made this experience so rewarding for me. From the founding board members of the EDMH, to those that have followed; your enthusiasm for the City of Edmonton and for the amazing things that tourism can do for the betterment of this city and the people that we employ is greatly appreciated. Each one of these outstanding leaders has spent countless hours ensuring that the marketing dollars that you have entrusted us with, are invested wisely; with return on investment as well as enhancing the visibility of Edmonton through the attraction of world class events. Our strength lies in our ability to work together. I invite you to join us in our quest to build a stronger and more prosperous industry. Invest in yourself, your property and your community by becoming involved in the EDMH. I welcome your participation and continued support.

Again, I thank each and every one of you from the bottom of my heart. It has been an honour to serve such an exceptional group of people.

**Robin Cumine, CHA**

General Manager, Radisson Hotel Edmonton South

**AS 2014 DAWNED**, Edmonton was experiencing a 5.5% GDP growth, 3.9% population growth, 4.9% unemployment, \$95 price of oil – and we were positioned to be the top performing city in the country for 2015, 2016, 2017 and 2018. The disintegration of that projection occurred before 2014 closed, with plummeting oil prices.

The EDMH created many governance directives in 2014, ensuring we operate within specific EDMH guidelines. We also invested in areas that help define our members (such as our photo shoot) and our member experience (such as our online portal).

Our work with Edmonton Tourism in the creation of the Edmonton Advantage and the On The Books program continue to ensure additional benefits for EDMH members.

And of course we continued to invest in major events, drawing the spotlight to Edmonton in a favourable way and giving even more reasons for travellers to visit.

# 2014: EDMH KEY DEVELOPMENTS



## GOING PUBLIC

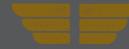
On April 17 at the EDMH Annual General Meeting, our membership voted to accept an Amended Memorandum of Association. Initially a private association, the EDMH is now public; authorized with 200 Class A voting shares and 1000 Class B voting shares. Growth is in our future: the EDMH can now expand beyond our previous limit of 49 member-hotels.



## LEADER GUIDANCE

In November, a policy document was created to outline the governance and expectations of EDMH Board Members and Committee Leads.

This document serves as a 'job description' and details the authority and responsibility, term, requirements/ duties and evaluation of each board position. Our dedicated volunteers now have clear and concise guidance as they represent the EDMH and steer the association along the path to meet our strategic objectives.



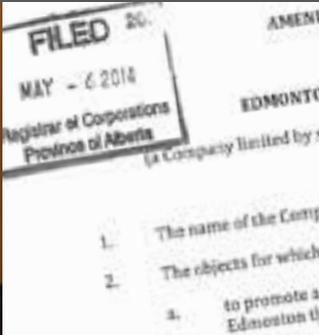
## CREATING FOUNDATION

A detailed Travel Policy was developed and included in the EDMH board governance document introduced in November. The travel policy outlines the required parameters for attendance at sales and marketing initiatives funded by the EDMH; and dictates allowable travel expenses of participating EDMH representatives.



## REPRESENTING THE EDMH

To ensure our members have maximum opportunities to engage with key travel planners and media influencers, guidelines were created in 2014 for circumstances beyond tradeshow and sales missions. This document includes familiarization (FAM) tours and attendance at client hosted events in our city. Not only can our active sales members sell our destination – engaging front office staff and senior managers also have the chance to meet and inspire our business prospects to choose Edmonton.





## EXPANDING OUR HORIZONS

With the EDMH now a public association and able to expand our membership, two ad hoc committees were formed in 2014 to explore new possibilities.

One committee researched the practicability and benefits of extending EDMH boundaries (beyond our original compliance with the Business Associations representing Edmonton's Downtown, Southside and Westend). The committee's recommendation for expansion was voted on and approved at our AGM on April 17. Membership boundaries from hereon include Edmonton south to Leduc/Nisku, west to Park County and east to Fort Saskatchewan/Sherwood Park.

A second committee met over a two-month period to consider guidelines and review potential opportunities for extending Full or Associate EDMH membership to non-hotel businesses. No clearly identified parameters of secondary memberships were reached; this opportunity was tabled to review next year.



## VALUING MEMBERSHIP

A core value to membership is our unique relationship with Edmonton Tourism. EDMH members *only* are listed on the [exploreedmonton.com](http://exploreedmonton.com) website and included in Edmonton Tourism Meeting & Convention Request for Proposals (RFPs), FAMs and tradeshow. Other primary EDMH member benefits include:

- On the Books/ Future Forecasting Tool
- CheckIn Canada
- Membership Portal
- EDMH Photo Shoot
- Touring Product Partnership Development
- Edmonton International Airport Partnership
- Edmonton Advantage
- Investment in Major Events

## NEW EDMH MEMBERS:

MacEwan University Residences JANUARY

Days Inn Downtown MARCH

Home2 Suites by Hilton West Edmonton AUGUST

The Renaissance Edmonton Airport OCTOBER

*DECEMBER: the Alberta Place Suite Hotel ceased operations*



# 2014: EDMH KEY DEVELOPMENTS



**PROGRESSIVE,  
SUSTAINABLE,  
TRANSPARENT:  
KEY INGREDIENTS  
OF A SUCCESSFUL  
PARTNERSHIP.  
OUR OBJECTIVE?  
ENSURING DIRECT  
VALUE, A CLEAR  
CALL-TO-ACTION  
AND MEASURABLE  
RESULTS FOR  
EDMH MEMBERS.**

## DRIVING OUR MEMBERS

Seeking innovative initiatives that will drive tourism to Edmonton is an EDMH key strategic objective. In 2014, the EDMH spearheaded a partnership with Edmonton Tourism, Edmonton International Airport (EIA) and one of Canada's largest tour operators, Brewster, to create coach tours connecting Edmonton/ EIA with the Rockies and to/from the west coast.

We've also turned to Brewster to act as a city-tour provider; and as a White Label package service which would link through Edmonton Tourism's website.

As added value to our membership, applicable member hotel package commissions to Brewster would be paid for by the EDMH during initial years.

## INVESTING IN THE FUTURE

EDMH has financially sponsored Edmonton Tourism in creating *On The Books*. This future forecasting tool allows us to proactively plan effective sales initiatives focused on filling in any gaps. Complementary marketing efforts will also be aimed at boosting occupancy during these slower periods, realizing ultimate efficiency in our efforts and budget. This opportunity is available only to EDMH member hotels.

The Edmonton Advantage program has been revised and allows us to be our most competitive when bidding for city-wide business or collaborating to secure smaller meetings and conventions. When two or more member hotels work together to secure a bid, the EDMH supports these efforts by contributing an additional 10% 'commission'.



Photo: Brewster Travel Canada

“EIA has been very proud to work closely with the EDMH. The strong integration of this group, and its commitment to support air service development has enabled us to demonstrate to airlines that we have a community of support behind new non-stop air services. The EDMH has also worked hard to bring opportunities and introduce new tourism partners to EIA directly. This cooperation, partnership focus, and commitment to supporting shared strategies has made a significant contribution to Edmonton’s effectiveness and industry reputation for successfully developing and sustaining new air service routes.”

**Tom Ruth, President and CEO Edmonton International Airport**

## BUILDING RELATIONSHIPS & SHOWCASING OUR CITY

### WINTER FAM – JANUARY 2014

- **SOUTHSIDE** Candle-lit dinner at Fort Edmonton Park with historical interpreters as hosts
- **DOWNTOWN** Cluster-hosted meal at ZINC at the Art Gallery of Alberta
- **WESTEND** Lunch and visit to the Harry Potter exhibit at TELUS World of Science

### SUMMER SOLSTICE FAM – JUNE 2014

- **SOUTHSIDE** Lunch and drink mixing competition at Radisson Hotel South Edmonton
- **DOWNTOWN** Lunch at ZINC at the Art Gallery of Alberta plus a performance by Edmonton’s Poet Laureate, reciting poem written especially for the occasion
- **WESTEND** Meet and greet with Jamie Farr, star of *The Last Romance*, followed by dinner and a performance of *The Last Romance* at the Mayfield Dinner Theatre

### CFR FAM – NOVEMBER 2014

- **SOUTHSIDE** Hosted shopping event at Lammle’s Southside with appetizers and drinks
- **DOWNTOWN** A cowboy-themed luncheon complete with hay bales and picnic tables followed by line dancing at Delta Centre Suites
- **WESTEND** Spectacular performance by aboriginal dance troupe. The Yellow Ribbon Dancers, with appetizers and drinks at the Edmonton Marriott at River Cree Resort and Casino

### TRADE SHOWS

- **CSAE Tête-à-Tête**  
ALL CLUSTERS
- **Travel Alberta Toronto and Ottawa Roadshow**  
ALL CLUSTERS
- **Travel Alberta Mid-West Roadshow**  
DOWNTOWN CLUSTER
- **IncentiveWorks**  
ALL CLUSTERS
- **CSAE Annual Conference**  
ALL CLUSTERS
- **ASAE Annual Conference**  
DOWNTOWN CLUSTER
- **IMEX**  
DOWNTOWN & SOUTHSIDE CLUSTERS
- **ASAE Springtime in Washington**  
SOUTHSIDE CLUSTER
- **Fort McMurray Fall Show (Consumer)**  
WESTEND CLUSTER
- **Saskatoon Homestyles Show (Consumer)**  
WESTEND CLUSTER

### ICELANDAIR

In March, three board members (Tina Tobin, Karen Naylor, Michael Sieger) travelled to Iceland as part of a diplomatic mission.

Icelandair increased their air service, responding to the high demand for Edmonton’s newest service to Europe. An additional flight was added on Tuesdays throughout the 2014 summer schedule.

(Below, Edmonton delegation with Olafur Ragnar Grimsson, President of Iceland)





## GETTING THE SHOT

In 2014 EDMH invested in a series of member hotel photo shoots. These high-quality images are in complete complement to the “see-yourself-in-the-picture” branding utilized by Edmonton Tourism, Travel Alberta and the Canadian Tourism Commission. To the best of our knowledge, EDMH member properties are the only hotels in North America in full experiential brand alignment.



“ All destinations have assets to market with. But successful destinations understand that, true strategic advantage lies in partnerships that promotes with an engaging, consistent message. We applaud the efforts of EDMH and Edmonton Tourism for making partnership a priority to achieve mutual success.”

**Royce Chwin, Chief Executive Officer Travel Alberta**

# EDMONTON BRAND

**LAUNCHED IN 2014, EDMONTON TOURISM'S NEW LOOK AND FEEL HIGHLIGHTS AN AUTHENTIC EXPERIENCE AND DRIVES AN EMOTIONAL CONNECTION.**

Authentic, rugged and original—the new creative speaks to our originality and innovative approach to life in Edmonton. EDMH messaging fully aligns with the new brand, reflecting one voice with complementary messages unique to each cluster's needs.

## WHERE WE WERE



## WHERE WE ARE NOW



*Can you say cocoa tagliatelle with your mouth full?*

## BRAND ADS



*Yes, your tongue will stick to the ice sculpture if you lick it.*

## NEW WEBSITE



*Summer isn't a season here, it's a legend.*

*exploreedmonton.com*



**PAGES LAUNCHED IN AUGUST 2014:**

[exploreedmonton.com/southside](http://exploreedmonton.com/southside)  
[exploreedmonton.com/downtown](http://exploreedmonton.com/downtown)  
[exploreedmonton.com/westend](http://exploreedmonton.com/westend)

**GENERAL ACCOMMODATIONS LANDING PAGE  
(WITH CLUSTERS):**

[exploreedmonton.com/accommodations](http://exploreedmonton.com/accommodations)

**9,455 VISITS**

**GENERAL ACCOMMODATIONS / ALL**

[exploreedmonton.com/accommodations/all](http://exploreedmonton.com/accommodations/all)

**5,787 VISITS**



**WESTEND**  
**10,291 VISITS**

(8,109 + 2,182, as the name changed from 'west-end' to 'westend')

**1,234 referrals**



**DOWNTOWN**  
**11,154 VISITS**

**1,448 referrals**



**SOUTHSIDE**  
**1,204 VISITS**

**807 referrals**

\*Referrals: visitors that land on the cluster pages, then move off to a specific hotel page within the site.

# WESTEND



Jim Wirun and Grant McCurdy  
Representing board members, Westend

**SHOP TILL YOU DROP IN THE**

**THEN REST.**  
From West Edmonton Mall to unique boutiques, you'll find whatever you're wild for in Edmonton's Westend.  
Book your stay in one of our 15 hotels at [explore.edmonton.com/westend](http://explore.edmonton.com/westend)

**EDMONTON WESTEND**

## MAJOR MARKETING INITIATIVES:

- Repositioned as **Edmonton Westend: Get Wild in the West**
- Two campaigns – Summer/Fall and Holiday

## SUMMER/FALL

- In multiple regional markets from July 8–December, 2014
  - Call to action: [exploreedmonton.com/westend](http://exploreedmonton.com/westend)
  - Landing page had 8508 views (7552 unique), 77% attributed to the campaign
  - Hotel specific direct referrals: 10%
- Top Markets (descending order):  
Saskatoon  
Regina  
Prince George  
Calgary  
Fort McMurray

**GET WILD IN THE WESTEND**

**THEN REST.**  
From the Valley Zoo to the Telus World of Science, you'll find whatever you're wild for in Edmonton's Westend.

Book your stay in one of our 15 hotels at [explore.edmonton.com/west](http://explore.edmonton.com/west)

**EDMONTON WESTEND**

**GET WILD IN THE WESTEND**

**THEN REST.**  
From West Edmonton Mall's World Waterpark to electrifying casinos, you'll find whatever you're wild for in Edmonton's Westend.

Book your stay in one of our 15 hotels at [explore.edmonton.com/west](http://explore.edmonton.com/west)

**EDMONTON WESTEND**

### HOLIDAY CAMPAIGN

- In multiple regional markets from November 28–December 31, 2014
- Included offer of \$50 gas card per stay and drove to vanity url ([explore.edmonton.com/shopwest](http://explore.edmonton.com/shopwest))
- Landing page had 5400 views (4516 unique)
- Hotel specific direct referrals: 9%
- Package sales: 13

- Top Markets (descending order):  
Saskatoon  
Regina  
Prince George  
Calgary  
Fort McMurray

# SOUTHSIDE



Karen Naylor and Robin Cumine  
Representing board members, Southside

**YOU'VE  
ARRIVED!**

**WELCOME TO EDMONTON'S  
VIBRANT SOUTHSIDE!**

Family-friendly festivals. Arts and culture. Eclectic shopping and dining. Varied meeting space. Accommodations to suit every need and taste. Experience the unexpected variety of South Edmonton for your next meeting or vacation.

**EDMONTON  
SOUTHSIDE**

Visit us at [www.exploreedmonton.com/southside](http://www.exploreedmonton.com/southside) for more information.

## LEISURE

- Harry Potter Campaign and Package
- Campaign in Calgary and Regina from January 13–March 15, 2014
- Call to action [www.stayedmontonsouth.com](http://www.stayedmontonsouth.com)
- 37 packages sold through Southside hotels, four directly through the Southside website

## LEISURE

- Icelandair Info: Double Page Spread
- July–September, 2014
- Call to action: [stayedmontonsouth.com](http://stayedmontonsouth.com)
- Marginal increase in international web visits year over year



**YOU'VE  
ARRIVED!**

**WELCOME TO EDMONTON'S  
VIBRANT SOUTHSIDE!**

EDMONTON DESTINATION HOTELS SOUTHSIDE



Family-friendly festivals. Arts and culture. Eclectic shopping and dining. Varied meeting space. Accommodations to suit every need and taste.

Experience the unexpected variety of South Edmonton for your next meeting or vacation.

Visit us at [www.stayedmontonsouth.com](http://www.stayedmontonsouth.com) for more information.

**EDMONTON**  
destination hotels  
**SOUTHSIDE**

[www.stayedmontonsouth.com](http://www.stayedmontonsouth.com)

### LEISURE / M&C

- Odysseo Campaign and Package
- Campaign in regional markets from June 18 – August 24, 2014
- Call to action: [exploreedmonton.com](http://exploreedmonton.com) (bookings fulfilled through [stayedmontonsouth.com](http://stayedmontonsouth.com))
- Two packages sold

### M&C

- Smart Meetings – FAM Event
- Travel Alberta and Smart Meetings hosted 19 North American meeting planners with representatives from Calgary and Banff/Lake Louise
- One representative from South attended event as the only Edmonton representative
- Buy-in included full page ad in August edition of Smart Meetings
- Call to action: [exploreedmonton.com/southside](http://exploreedmonton.com/southside)
- Two leads were to be captured by Travel Alberta and provided to Edmonton Tourism

# DOWNTOWN



Garrett Turta and Tina Tobin  
Representing board members, Downtown

**WITH SO MUCH TO PACK IN,  
TELL YOUR DELEGATES TO PACK WISELY.**

All the meeting must-haves to please the most discerning of planners. All the metropolitan must-dos to delight delegates. From a picturesque river valley run to five-star fine dining to hopping nightlife, successful and unforgettable conventions start in Downtown Edmonton. Remember to bring along an energy drink—or four. Book your next meeting or convention today at [explore.edmonton.com/meetdowntown](http://explore.edmonton.com/meetdowntown).

**EDMONTON  
DOWNTOWN**

## MAJOR MARKETING INITIATIVES:

- Repositioned as **Edmonton Downtown: Pack More into your Stay**
- Campaign in multiple regional markets from July 14–October 19, 2014
- Call to action: [www.exploreedmonton.com](http://www.exploreedmonton.com)
- Landing page had 9876 views (8639 unique), 75% (7415) attributed to the campaign
- Hotel specific direct referrals: 9.5%
- Top Markets (descending order):
  - Calgary
  - Saskatoon
  - Regina
  - Prince George
  - Red Deer



## PACK MORE INTO YOUR STAY.

From psychedelic music festivals to eclectic art galleries, unforgettable stays start Downtown. Book your room today. [explore.edmonton.com/downtown](http://explore.edmonton.com/downtown)

EDMONTON  
DOWNTOWN



## PACK MORE INTO YOUR STAY.

From river valley romance to gourmet cuisine, unforgettable stays start Downtown. Pack accordingly. Book your room at [explore.edmonton.com/downtown](http://explore.edmonton.com/downtown)

EDMONTON  
DOWNTOWN



## PACK MORE INTO YOUR STAY.

From live sports to fine dining, unforgettable stays start Downtown. Book your room today. [explore.edmonton.com/downtown](http://explore.edmonton.com/downtown)

EDMONTON  
DOWNTOWN

PACK MORE



INTO YOUR STAY.

From psychedelic music festivals to eclectic art galleries, unforgettable stays start Downtown. Book your room today. [explore.edmonton.com/downtown](http://explore.edmonton.com/downtown)

EDMONTON  
DOWNTOWN

ITU WORLD TRIATHLON

EDMONTON  
INTERNATIONAL  
ATHLETICS FESTIVAL

CFR SPONSORSHIP

CANADIAN COUNTRY  
MUSIC AWARDS

TELUS WORLD OF  
SCIENCE COOPERATIVE  
MARKETING

EDMONTON  
ATTRACTIONS PASS

AKSIS GOLF  
TOURNAMENT  
SPONSORSHIP

MEMBERSHIP PORTAL

RED BULL CRASHED  
ICE 2015 (FUNDS SET  
ASIDE IN 2014)



# ENTERPRISE INVESTMENTS

# EDMONTON TOURISM

Edmonton Tourism has completed the transformation to a results-driven organization focused on growing tourism revenues and increased visitation. With a new strategy in place and an organization restructure complete, Edmonton Tourism is now working to deliver on their primary objective: Driving sustainable year round visitation.

## 2014: SELECTED HIGHLIGHTS

- Launched new brand and award-winning website: [exploreedmonton.com](http://exploreedmonton.com)
- Alto Award for Marketing Excellence: 2013/14 Winter Campaign
- Alto Award for Marketing Partnership: with Edmonton International Airport for Icelandmania
- Hosted Canadian Sport Tourism Alliance's Sport Event Congress
- 14<sup>th</sup> Annual You're Welcome Awards at Northlands: nominations up 24%. 1500 attended the Gala
- Continued home of Canada Basketball's Senior Women's National Team
- Launched Rodeo Week to support the Canadian Finals Rodeo

## MEETINGS & CONVENTIONS

- Hosted over 29 site visits in all market segments
- Over 10.2 million in economic impact generated by Meetings & Conventions

**EDMONTON  
EVENTS**

**30,673** Room  
Nights  
Exceeded target by  
↑25%

**INCREASED FUNDING FROM EDMH TO EDMONTON TOURISM FOR 2015 YEAR CONFIRMED.**

**TOTAL BUDGET FOR 2015 IS \$9.6 MILLION WITH TOTAL PROGRAMMING SPEND ESTIMATED AT \$6.9 MILLION.**

**15+** partnerships  
Referrals to partner websites ↑ up 10%



*Upgrade and integrate online tools and content*

- SimpleView CRM system: Transition underway, full internal deployment December 2014
- Digital Asset Management system loaded and staff trained.
- Website Desktop Usability Study completed

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF EDMONTON DESTINATION MARKETING HOTELS LTD.

We have audited the accompanying financial information of Edmonton Destination Marketing Hotels Ltd., which comprise the statement of financial position as at December 31, 2014, and the statements of revenue and expenses and surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. This financial information has been prepared using the basis of accounting disclosed in Note 2 to the financial information.

**Management's Responsibility for the Financial Information** Management is responsible for the preparation and fair presentation of this financial information in accordance with its Articles of Association, and for such internal control as management determines is necessary to enable the preparation of financial information that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility** Our responsibility is to express an opinion on the financial information based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial information is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates

made by management, as well as evaluating the overall presentation of the financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion** In our opinion, the financial information present fairly, in all material respects, the financial position of Edmonton Destination Marketing Hotels Ltd. as at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with the basis of accounting disclosed in Note 2 to the financial information.

**Basis of Accounting and Restriction on Distribution and Use** Without modifying our opinion, we draw attention to Note 2 to the financial information, which describes the basis of accounting. This financial information, which has not been, and was not intended to be, prepared in accordance with Canadian accounting standards for not-for-profit organizations, is solely for the information and use of the members of Edmonton Destination Marketing Hotels Ltd. As a result, the financial information may not be suitable for another purpose. The financial information is not intended to be and should not be used by anyone other than specified users or for any other purpose.

**Restated Comparative Information** Without modifying our opinion, we draw attention to Note 3 to the financial information, which explains that certain comparative information for the year ended December 31, 2013 has been restated. The financial information of Edmonton Destination Marketing Hotels Ltd. for the year ended December 31, 2013 (prior to the restatement of the comparative information) was audited by another auditor who expressed an unmodified opinion on the financial information on March 26, 2014.

Edmonton, Alberta  
April 10, 2015

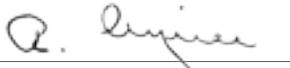
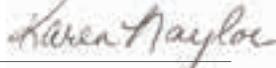
*MNP* LLP  
Chartered Accountants

## STATEMENT OF FINANCIAL POSITION

As at December 31, 2014

	2014	2013 <i>(Restated - Note 3)</i>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash <i>(Note 4)</i>	11,207,723	6,885,791
Accounts receivable	848,608	731,803
Prepaid expenses	100,970	132,565
	<b>12,157,301</b>	<b>7,750,159</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accruals	1,108,750	507,410
Deferred revenue	10,658,342	6,920,186
	<b>11,767,092</b>	<b>7,427,596</b>
Reserve <i>(Note 4)</i>	300,000	300,000
	<b>12,067,092</b>	<b>7,727,596</b>
<b>NET ASSETS</b>		
Share capital <i>(Note 5)</i>	7,731	7,593
Surplus	82,478	14,970
	<b>90,209</b>	<b>22,563</b>
	<b>12,157,301</b>	<b>7,750,159</b>

Approved on behalf of the Board


  
 Robin Cumine, Chair      Karen Naylor, Director

## STATEMENT OF REVENUE AND EXPENSES AND SURPLUS

For the year ended December 31, 2014

	2014	2013
<b>REVENUE</b>		
Deferred revenue recognized (Note 1)	3,722,194	2,863,335
Interest income	67,508	14,970
Provincial funding	-	38,899
Marketing fees	-	43,331
	<b>3,789,702</b>	<b>2,960,535</b>
<b>DIRECT EXPENSES</b>		
Promotional sponsorship	2,420,393	1,988,341
Advertising media purchases	624,283	502,393
Graphic design/production	128,083	11,342
Trade shows	94,985	55,828
Outside services	67,139	54,880
Website	51,534	-
Familiarization tour events	14,215	-
Promotional materials	9,244	9,783
Entertaining	800	-
	<b>3,410,676</b>	<b>2,622,567</b>
<b>EXCESS OF REVENUE OVER DIRECT EXPENSES</b>	379,026	337,968
<b>OPERATING EXPENSES</b>		
Salaries and benefits	195,325	76,236
Office expenses	46,256	19,576
Trustee fees	25,000	25,000
Legal fees	20,251	23,553
Professional fees	11,820	167,151
Board and Committee expenses	8,956	9,890
Postage	2,149	303
Bank charges and interest	1,761	1,289
	<b>311,518</b>	<b>322,998</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	67,508	14,970
<b>SURPLUS-BEGINNING OF YEAR</b>	14,970	-
<b>SURPLUS-END OF YEAR</b>	82,478	14,970

## STATEMENT OF CASH FLOWS

For the year ended December 31, 2014

	2014	2013 <i>(Restated - Note 3)</i>
<b>CASH PROVIDED BY (USED FOR) THE FOLLOWING ACTIVITIES</b>		
<b>OPERATING</b>		
Excess of revenue over expenses	67,508	14,970
<b>CHANGES IN WORKING CAPITAL ACCOUNTS</b>		
Accounts receivable	(116,805)	(730,388)
Prepaid expenses	31,595	(132,565)
Accounts payable and accruals	601,340	507,410
Deferred revenue	3,738,156	6,920,186
	<b>4,321,794</b>	<b>6,579,613</b>
<b>FINANCING</b>		
Issuance of share capital	363	6,178
Refunded share capital	(225)	-
Increase in reserve	-	300,000
	<b>138</b>	<b>306,178</b>
<b>INCREASE IN CASH RESOURCES</b>	4,321,932	6,885,791
<b>CASH RESOURCES - BEGINNING OF YEAR</b>	6,885,791	-
<b>CASH RESOURCES - END OF YEAR</b>	11,207,723	6,885,791

## NOTES TO THE FINANCIAL INFORMATION

For the year ended December 31, 2014

### 1. INCORPORATION AND NATURE OF THE ORGANIZATION

Edmonton Destination Marketing Hotels Ltd. (the "Organization") is a company limited by shares incorporated on October 23, 2012 under Part 9 of the Companies Act in the province of Alberta. The Organization was formed to continue similar activities of Edmonton Destination Marketing Fund (the "Fund") (a program administered and managed by Edmonton Economic Development Corporation) and is a subsequent program of the Fund under section 5.4 of the Destination Marketing Agreement between Edmonton Economic Development Corporation and participating hotels.

The Organization receives contributions through its members pursuant to its Articles of Association (the Articles) and provincial funding. Before receiving shares of the Organization, a member executes a Subscription Agreement and covenants to pay the destination marketing fee. The funding is utilized by the Organization to offer services focused on the promotion of tourism through destination travel by tourists, conventions, events and delegate and business travel and film production within Edmonton. This promotion is done through advertising, public relations, media relations, sales, promotional activities, research and associated marketing. The Organization is maintained and operated under the direction of the Organization's Board of Directors.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Basis of presentation

This financial information has been prepared by management in accordance with Agreements between the Organization and its members as described in Note 1. Because the precise determination of many assets, liabilities, revenues and expenses are dependent on future events, the preparation of financial information for a period necessarily includes the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates. This financial information has, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

### Cash

Cash consists of cash on deposits with banks.

### Revenue recognition

The Organization recognizes marketing fees as revenue in accordance with the Subscription Agreement based on representations from the hotels. Marketing fee revenues are recorded as deferred revenues until the monies are spent on marketing initiatives as outlined in the Subscription Agreement. The Organization recognizes all other revenues on the accrual basis. Revenues that have not been spent are deferred, with the exception of interest income.

### Expenditures

The Organization contributes various amounts to projects as a part of its nature of operations. As the Organization does not have control on how this funding is used after commitment is established, amounts are expensed when the commitment to pay occurs.

## 3. CORRECTION OF AN ERROR

During the year the Organization determined that certain expenses related to the December 31, 2013 fiscal year were recorded in the year ended December 31, 2014. The impact of this adjustment as at and for the year ended December 31, 2013 resulted in an increase in accounts payable and accruals of \$382,918 and a related increase of \$371,130 in direct expenses and \$11,788 in operating expenses. Additionally, there was an increase in deferred revenue recognized of \$382,918 and a decrease in deferred revenue of \$382,918. The effect of the error had no affect on the surplus of the Organization.

## 4. RESERVE

The Edmonton Destination Marketing Agreement requires a portion of the funds collected over a three-year term be setup as a reserve fund. The reserve fund is currently held as cash, which has been restricted for use upon the approval of the Board. The corresponding funds are presented as a long-term liability in the statement of financial position.

## 5. SHARE CAPITAL

The authorized capital of the Organization is as follows:

200 Class A common, voting shares without nominal or par value. The maximum price or consideration for which a Class A common share may be issued for is \$1.

10,000 Class B common, voting shares without nominal or par value. The maximum price or consideration for which a Class B common share may be issued for is \$1.

	Class A shares	Class B shares	Total shares
<b>Balance beginning of year</b>	<b>43</b>	<b>7,550</b>	<b>7,593</b>
Shares Issued	4	359	363
Shares refunded	(1)	(224)	(225)
<b>Balance, end of year</b>	<b>46</b>	<b>7,685</b>	<b>7,731</b>

## SCHEDULE OF REVENUE AND EXPENSES BY CLUSTER

For the year ended December 31, 2014

REVENUE	General	Downtown Cluster	Westend Cluster	Southside Cluster	2014 total	2013 total
Marketing fees	-	-	-	-	-	43,331
Deferred revenue recognized	2,988,205	271,855	121,996	340,138	3,722,194	2,863,335
Provincial funding	-	-	-	-	-	38,899
Interest income	67,508	-	-	-	67,508	14,970
	<b>3,055,713</b>	<b>271,855</b>	<b>121,996</b>	<b>340,138</b>	<b>3,789,702</b>	<b>2,960,535</b>
<b>DIRECT EXPENSES</b>						
Promotional sponsorship	2,373,873	11,196	15,908	19,416	2,420,393	1,988,341
Advertising media purchases	212,089	143,543	60,045	208,606	624,283	502,393
Website	45,469	2,020	2,500	1,545	51,534	-
Trade shows	12,420	27,086	27,244	28,235	94,985	55,828
Outside services	5,427	18,824	13,790	29,098	67,139	54,880
Graphic design/production	27,702	55,656	-	44,725	128,083	11,342
Promotional materials	854	5,840	50	2,500	9,244	9,783
FAMS	204	6,793	2,348	4,870	14,215	-
Entertaining	776	11	-	13	800	-
	<b>2,678,814</b>	<b>270,969</b>	<b>121,885</b>	<b>339,008</b>	<b>3,410,676</b>	<b>2,622,567</b>
<b>EXCESS OF REVENUE OVER DIRECT EXPENSES</b>	376,899	886	111	1,130	379,026	337,968
<b>OPERATING EXPENSES</b>	309,391	886	111	1,130	311,518	322,998
<b>EXCESS OF REVENUE OVER EXPENSES</b>	67,508	-	-	-	67,508	14,970
<b>DEFERRED REVENUE—BEGINNING OF YEAR</b>	5,604,073	530,073	623,701	162,339	6,920,186	-
<b>DEFERRED REVENUE—END OF YEAR</b>	<b>9,282,359</b>	<b>573,069</b>	<b>284,311</b>	<b>518,603</b>	<b>10,658,342</b>	<b>6,920,186</b>

# TOWS ANALYSIS

Starting with External Influences and supporting with how the EDMH can align to or reverse those influences, instead of a traditional SWOT we are repositioning to look at Threats and Opportunities first. From there we can then identify the best opportunities for the EDMH within that framework.

## THREATS

- Increased global unrest, including Canadian security issues. When people feel the world is unsafe, they stop travelling
- Increased effectiveness of Travel USA and reduced funding of the Canadian Tourism Commission decreases the opportunity to reach and inspire international travellers
- Increased regional and global competition diminishes Edmonton's marketing voice to our target consumer, next to 'noise' of multiple other offers
- New Calgary International Airport expansion and redevelopment. When complete, a significant value in the Edmonton International Airport redevelopment will be mitigated
- Reduced provincial oil revenues and reduction in oil industry spend and staffing puts Edmonton economy in a more precarious position
- ADR continues to remain low next to other major western Canadian destinations. With additional inventory coming into the city this will add continued stress to the bottom line

## OPPORTUNITIES

- Lower oil costs and lower Canadian dollar encourage more 'staycations' with Canadians choosing regional and Canadian holiday travel options
- Continued development of a new compelling Edmonton Tourism brand that leverages both the Canadian Tourism Commission and Travel Alberta brands
- Alignment and accountability between the EDMH and Edmonton Tourism, and all funding partners
- Check In Canada link off of Edmonton Tourism website enables consumers to search member hotel availability and criteria
- EDMH hotels are the only hotels featured in the Edmonton Tourism website and therefore are the only call to action for EDMH and Edmonton Tourism marketing
- Developing tour product to have an easily packaged Edmonton tour to Jasper product with options to connect to Vancouver, or through the Rockies to Calgary

## WEAKNESSES

- Challenges with the Temporary Foreign Workers program resulting in difficulty in staffing EDMH hotels with willing and qualified individuals
- Volatile provincial government with change of leaders results in an unstable market for Albertans. Instability does not support holiday travel investments
- Alberta is experiencing a large increase in part-time jobs. But it's experiencing a correlated decrease in full-time positions, confirming a soft job market
- Edmonton International Airport is primarily a feeder to gateway hubs, making it a two-stop flight to get to Edmonton from many destinations
- Product development continues to be challenged, with minimal offerings that will work with hotels to package
- Ongoing changes with funding partnership - models with Travel Alberta make it challenging to leverage investments
- In Alberta, Calgary and Banff lead as the known tourism destinations. The northern corridor is not presently a primary consideration

## STRENGTHS

- Alberta economy continues to grow, outpacing the rest of Canada
- Newly renovated and revitalized airport with increased air access from US and European markets.
- Known for its multiple festivals and high volunteerism community
- Gateway to the North, both in Alberta and Northwest Territories
- Opportunistic access to drive markets, including larger population bases of Calgary, Prince George and Saskatoon
- EDMH is in a strong financial position to assist with marketing funds for both Edmonton Tourism and to special tourism-driving special events and festivals
- Expansive and growing culinary and arts community, to increase the reasons to visit Edmonton multiple times

**WE HAVE MADE A COMMITMENT TO NEW TECHNOLOGY. ONE THAT IS 100% TRANSPARENT, 100% TRACKABLE AND 100% ACCOUNTABLE. ONE THAT PROMISES TO DELIVER AN ASTOUNDING 8:1 RETURN ON OUR INVESTMENT.**

**AS 2014 ENDS AND A VISION OF OUR IMMEDIATE FUTURE IS DESTABILISED WITH DECREASED OIL REVENUES AND STAFFING CHALLENGES DUE TO CHANGES TO THE TEMPORARY FOREIGN WORKERS PROGRAM, THE EDMH IS SEEKING MORE ASSUREDNESS IN OUR ABILITY TO DELIVER BUSINESS TO OUR MEMBER HOTELS. AS PRIMARILY A FUNDER OF OTHERS AND A MARKETER, IT'S NOT ALWAYS EASY TO SHOW A DIRECT RETURN ON INVESTMENT OF OUR FUNDS. BUT THAT'S ABOUT TO CHANGE.**

## **VISION TO 2015**

### **FIRST OF ALL, SOME BACKGROUND**

When we talk about challenges in supplying and supporting loyal customers—and the increased cost of doing business—Online Travel Agencies (OTAs) often become the centre of that conversation. To combat our reliance on OTAs, you may be aware that in 2014 the EDMH invested in CheckIn Canada (CIC) as a booking engine to link off the Edmonton Tourism website. CIC—a concept initiated by the Hotel Association of Canada and piloted in 2014 by the Alberta Hotel & Lodging Association—was created as an option to the OTAs. Powered by JackRabbit Systems, CIC offered a search engine connecting directly to our member hotels' booking websites. Great idea!

### **THE PROBLEM**

As you know, OTAs spend an inordinate amount of money attracting consumers to their websites. An example: just one OTA spends \$125 million annually promoting its brand. In comparison, Canada's top Provincial Marketing Organizations plus the top 12 Destination Marketing Organizations spend a collective \$500 million—but sadly, sending out disparate messages reflecting varied brands and destinations. The OTA sends one message promoting one brand—and frankly they don't care which destination within that brand a person chooses.

### **THE RETHINK**

Stepping back, CIC realized it wouldn't be a war of the brands that would change preferred booking processes—but getting in front of *how* the consumer searches. And that search is increasingly being conducted through a system called MetaSearch. A MetaSearch engine is a search tool using another search engine's data to produce their own results from the Internet. MetaSearch engines take input from a user and simultaneously send out queries to third party search engines. Sufficient data is gathered, formatted by their ranks and presented to the user. From 2012 data, JackRabbit showed 36% of Americans (even more from Europe and China) were using this search protocol. It's conservatively expected the number has grown in excess of 40% by now.

### THE SOLUTION?

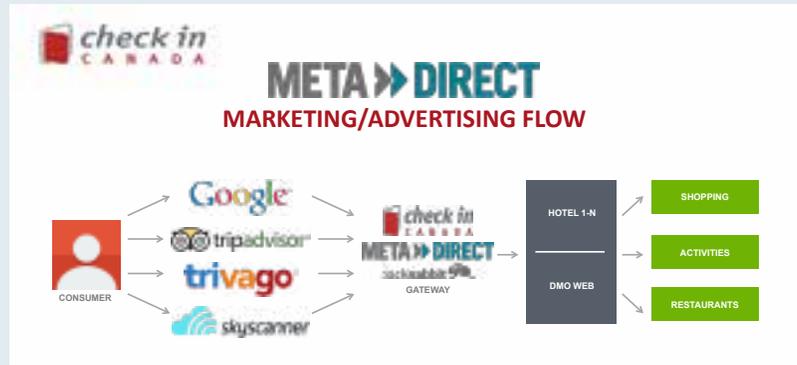
CIC will embed an 'interstitial'; a web page that sits between a referenced page and the page which references it. (Distinct from a web page which simply links directly to another – the interstitial page serves only to provide extra information to a user during the act of navigating from one page to the next). See the graphic at right: when a consumer searches and identifies that they want an 'Edmonton hotel', it goes via this interstitial and connects directly to either our EDMH member listings on Edmonton Tourism's website, or to our member hotels website – depending on their search request.

### HOW'S THAT WORK FOR THE EDMH AND OUR MEMBERS?

Despite a potential downturn in DMF revenues through the next few years, we could still grow our DMF just by getting the client to bypass OTAs. Presently, 14% of hotel inventory is booked through OTAs. For Alberta this means \$60 million in lost revenues (combined Tourism Levy and DMFs). It also means our hotel members can take back their relationship with those people who are staying in their hotels.

It's 100% transparent, trackable and accountable.

It's a proven 8:1 return on investment.



### WHAT IS & WHY META DIRECT?

NEW CHANNELS

- A new e-commerce advertising program for DMOs and DMFs
- A proprietary Metasearch Technology platform developed by JackRabbit Systems over last 2 1/2 years
- Opportunity for Edmonton Tourism and Edmonton DMF to reach a **new** set of consumers further into the path to purchase cycle
- Opportunity to win back market share from OTAs on a level playing field
- Promote/Brand Edmonton Tourism and capture data within hotel shopping process while you help drive direct booking hotel room nights to Edmonton
- A proven 8-1 ROI on Ad dollars invested

### HOW MUCH SHOULD WE INVEST?

- 47 hotels w/ \$21.3k per hotel for campaign = \$1MM advertising spend
- \$1MM spend generates \$8MM return in hotel room revenue
- Your \$1MM spend saves the hotels \$1.6MM in OTA commissions (20%)
- 400,000 referrals direct to hotel partners (\$2.50 average CPC)
- 400,000 Explore Edmonton impressions on the Interstitial



**EDMONTON DESTINATION MARKETING HOTELS LTD.**

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