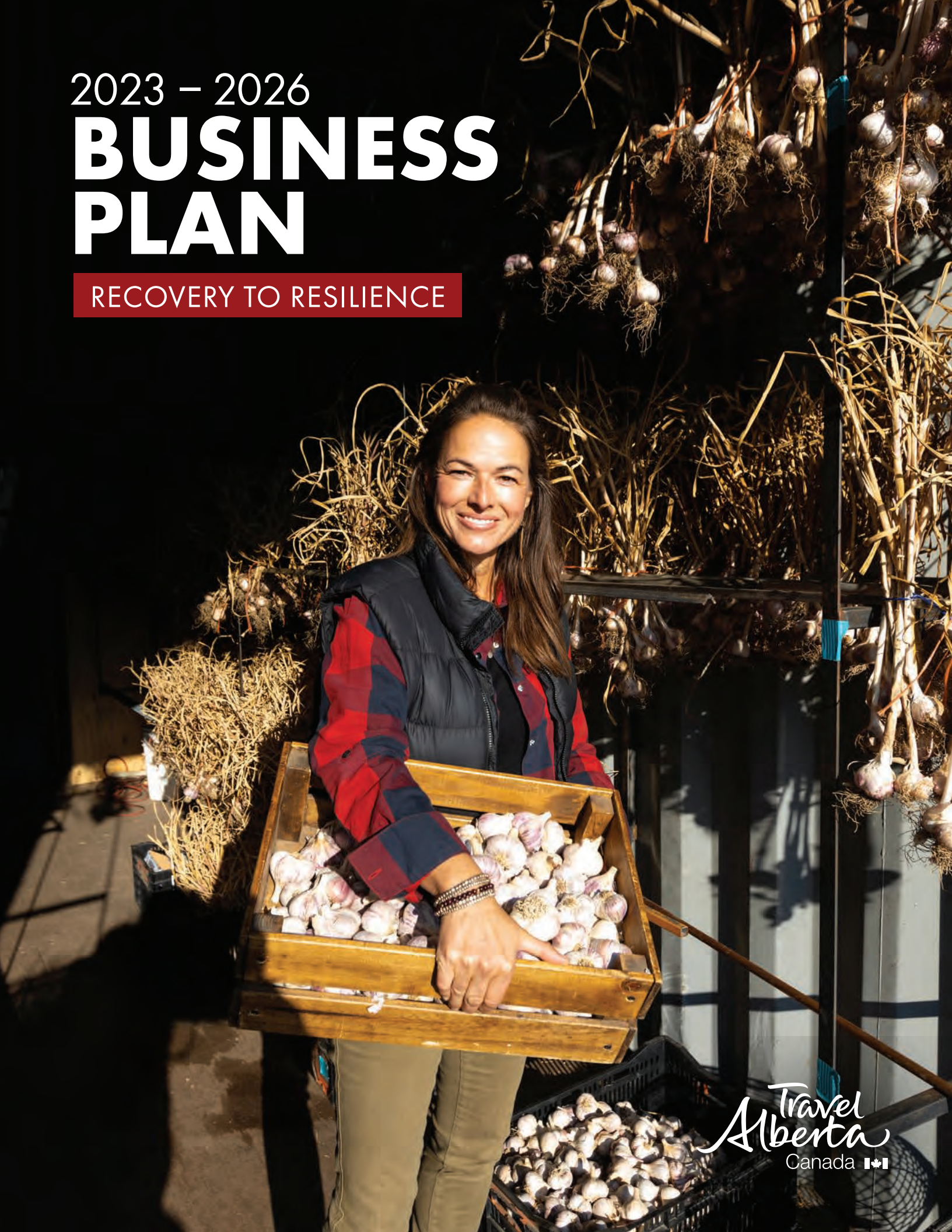


2023 – 2026

BUSINESS PLAN

RECOVERY TO RESILIENCE



Land Acknowledgement

In the spirit of respect, reciprocity and truth, we honour and acknowledge that the land we call Alberta is the traditional territories that are home to many First Nations, Métis and Inuit. We acknowledge with respect the traditional territories of Treaty 4, 6, 7, 8 and 10. We also acknowledge the homelands of the Métis, including the eight Métis Settlements and the six Métis Regions.

We value this sacred gathering place and aim to inspire others to appreciate and embrace stewardship of the land as they explore our great province and enjoy the teachings of traditional ancestors.

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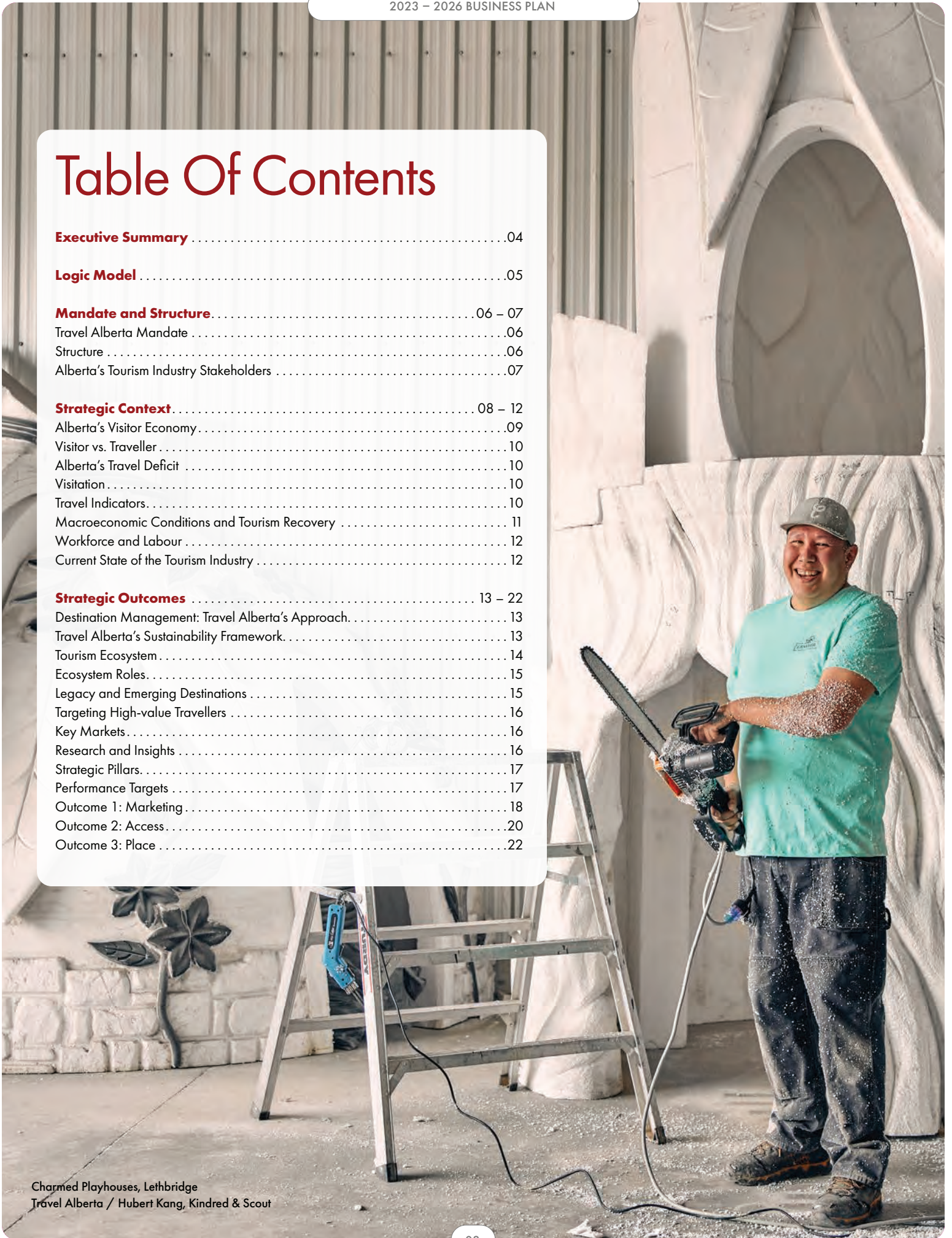
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01 Executive Summary

The 2023-2026 Business Plan: Recovery to Resilience outlines Travel Alberta's plans to drive the growth of the province's visitor economy, increasing jobs, growth and economic diversification.

Travel Alberta aims to achieve this goal through a comprehensive destination management framework, building across the three strategic pillars of marketing, access and place. Strategic objectives for each pillar are outlined in the logic model on page 5, with initiatives measured across short-, medium- and long-term outcomes. Additional details on each objective and initiative can be found on pages 17 – 23.

This plan was developed within the context of industry recovery, as Alberta saw a marked improvement in air recovery and visitation compared to the past two years. While much of this recovery was driven by a high level of domestic travel, we anticipate the continued return of international visitation as traveller intent rises heading into the summer of 2023.

Rising inflation and the risk of a widespread recession, along with persistent labour challenges, risk limiting industry growth. However, Travel Alberta's commercial-like approach to destination management and diverse investment portfolio will help ensure industry resilience in the face of these challenges.

Along with industry operators, regional destination organizations, industry associations and Destination Canada, Travel Alberta forms the basis of Alberta's tourism ecosystem, creating and promoting must-visit destinations to attract high-value travellers.

A three-year business plan to recover Alberta's tourism industry, while investing in the growth and long-term resiliency of the sector.



2023-26 LOGIC MODEL

GOAL

Drive the growth of the province’s visitor economy, creating and promoting must-visit destinations throughout the province and increasing jobs, growth and economic diversification.

OPERATING CONTEXT

- Government of Alberta plans and priorities
- All-of-Government approach
- Economic factors

INPUTS	OBJECTIVE	INITIATIVES	AUDIENCE	2023-24 OUTCOMES SHORT-TERM	2024-25 OUTCOMES MEDIUM-TERM	2025-26 OUTCOMES LONG-TERM	
<ul style="list-style-type: none"> • Budget allocation • Market analysis • Enterprise risk management framework • Supply and demand analysis • Environmental scan: <ul style="list-style-type: none"> • Labour and business impact • Visitor spend forecast • Hotel performance • Air recovery • Sustainability framework 	MARKETING Drive consideration to travel to Alberta among high-value travellers in the U.S. and key international markets.	Co-invest with Destination Canada and major Alberta destination organizations on promotional campaigns.	High-value travellers in the U.S. and key international markets.	Increased value and return on investment of campaigns in key markets.	Increased value and return on investment of campaigns in key markets.	Expenditures by high-value travellers from the U.S. and key international markets exceed 2019 levels by 2025.	
		→ Tell stories that differentiate Alberta and highlight the province’s people and places.		→ Alberta stands out from the competition as a must-visit destination.	Increased intent to travel to Alberta.		
		Drive sales of Alberta experiences and destinations through trade partnerships.		Increased presence of Alberta itineraries and products in travel trade packages.	Increased room nights booked by international visitors.		
		Accelerate seat capacity from the U.S. and key international markets.		Airlines and airports.	Increased return on investment from supported U.S. air routes.		Visitors have access to Alberta’s destinations and experiences.
	ACCESS Inform government policy and investment to enhance traveller-friendly connectivity and access throughout the province (i.e. transportation, broadband, Wi-Fi).	Optimize airline investment and partnership models.	Government of Alberta, community planners and economic development organizations.	Improved access to rural areas and emerging destinations, and they are included in transportation and broadband/Wi-Fi policies and plans.	Increased broadband, Wi-Fi and transportation access to rural areas and emerging destinations.		
		→ Build cross-ministerial partnerships with those responsible for transportation, infrastructure and broadband/cell coverage in rural areas.		Increased coordination of development between all orders of government within communities and regions.	Increased jobs and economic growth in rural communities because of investment in high-potential projects.		
	PLACE Create and support long-term development plans in partnership with communities in legacy and emerging tourism destinations.	Activate new development plans in emerging and rural destinations and support existing strategies in legacy destinations.	Alberta destination and economic development organizations, communities and residents.	Increased coordination of development between all orders of government within communities and regions.	Increased jobs and economic growth in rural communities because of investment in high-potential projects.	Alberta’s visitor economy has recovered and supports thriving businesses, experiences and communities, attracting high-value travellers.	
		Attract and deploy investment to grow the visitor economy around the province.	Evolve tourism investment programs to best serve destination organizations, communities and businesses.	Destination organizations and tourism businesses.	Decreased timelines for awarding and distributing investment program funds.		Key destinations and rural communities are attracting new businesses and investment.
			→ Lead efforts to promote and attract domestic and international investment in Alberta’s tourism sector.	Governments of Canada and Alberta, domestic and international investors.	Alberta businesses are benefiting from more third-party tourism investment funding.		Incremental investments are secured to spur tourism recovery and growth.
		Foster and advance a business-friendly environment for investors, entrepreneurs and existing businesses to launch, operate and grow.	Provide industry expertise and business growth support for tourism entrepreneurs and businesses.	Tourism businesses.	Learning and business development programs are created and promoted.		Tourism businesses are leveraging and benefiting from available services.

02

Mandate and Structure



Handle Bar Cafe, Bragg Creek
Travel Alberta / Katie Goldie

As a Crown Agency within the Ministry of Forestry, Parks and Tourism (FPT), Travel Alberta is responsible for the development and promotion of Alberta's tourism sector in alignment with the priorities of the Government of Alberta. Travel Alberta aligns with the department's strategic direction to support both Alberta's vibrant tourism industry and nature-based tourism in our provincial parks and public recreation areas for the enjoyment of Albertans and visitors.

TRAVEL ALBERTA MANDATE

In 2021, as part of Bill 62, the *Travel Alberta Act* was amended to expand Travel Alberta's mandate to include destination management. Under this mandate, Travel Alberta drives the growth of the province's visitor economy, creating and promoting must-visit destinations throughout the province. We do this by helping businesses develop memorable products and experiences, marketing those products and experiences to the world and ensuring visitors have access to them.

Travel Alberta collaborates with other government departments to help advance other priorities through tourism, including culture and heritage sites, provincial parks and public recreation areas, transportation networks, film industry, immigration and labour and education and training.

Travel Alberta directly supports communities, businesses and entrepreneurs — increasing jobs, growth and economic diversification.

According to the *Travel Alberta Act*, the purposes of the Corporation are to:

- market the tourism assets, attractions and opportunities present in Alberta in domestic, national and international markets.
- promote the development and growth of the tourism industry in Alberta to increase revenue and employment in, and the economic benefits generated by, the industry.
- promote Alberta as a destination for tourists and other visitors.
- assist Alberta communities and tourism industry operators to develop and market their products.
- provide visitor services.
- exercise or perform any other powers, duties and functions authorized by the Lieutenant Governor in Council.

STRUCTURE

**MINISTRY OF FORESTRY,
PARKS AND TOURISM**



BOARD CHAIR



CHIEF EXECUTIVE OFFICER

For more information on Travel Alberta, see the Mandate and Roles document on industry.travelalberta.com.

ALBERTA'S TOURISM INDUSTRY STAKEHOLDERS

Alberta's tourism industry is an interconnected and multidimensional network comprising nearly 24,000 tourism-related businesses¹ and supported by communities, industry associations and all orders of government.

Travel Alberta meets regularly and works with stakeholders to align strategic priorities and investment activities, and to discuss areas of mutual interest.

Key stakeholder groups include:

The Alberta NorthStar Group:

Destination organizations representing Alberta's legacy destinations, including mountain communities and the province's two largest cities.

The Alberta Constellation Group:

Destination organizations representing rural and emerging destinations outside of the Rockies and major cities.

Indigenous Tourism Alberta (ITA):

ITA is a non-profit organization devoted to help grow and promote authentic, sustainable, and culturally rich Indigenous tourism experiences with the world.

The Tourism Industry Association of Alberta (TIAA):

TIAA is a not-for-profit, tourism association that advocates on behalf of all segments of Alberta's tourism economy for a competitive and sustainable business environment that generates substantial economic value for the province.

Industry Advisory Committees:

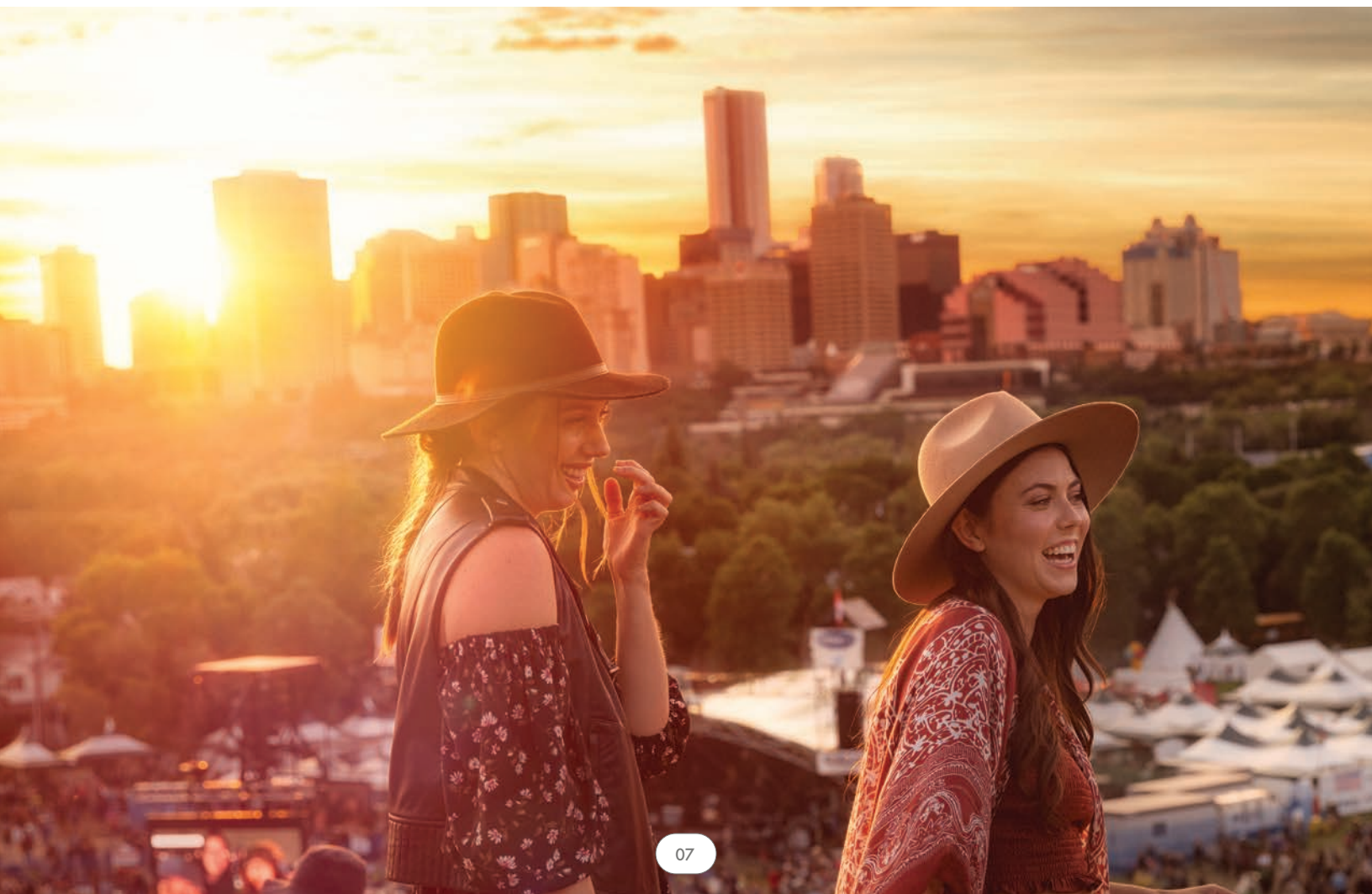
Travel Alberta meets twice a year with advisory committees composed of business leaders across the province. Members of the Marketing Insights Advisory Committee and the Access and Product Development Advisory Committee provide a business perspective on Travel Alberta's strategies and plans.

Government and industry stakeholders:

Travel Alberta works closely within the Government of Alberta and with municipal and federal tourism entities to ensure strategic and program alignment. Travel Alberta also consults with sector associations (such as the Alberta Hotel and Lodging Association and the Alberta Hospitality Association) and airlines and airports on areas of mutual interest.

Edmonton Folk Festival
Travel Alberta / Roth & Ramberg

¹ Statistics Canada



03 Strategic Context

Under normal circumstances, visitation and visitor expenditure numbers from Statistics Canada’s National Travel Survey and Visitor Travel Survey are published 18 months after the completion of the surveys. However, these two surveys were not conducted in 2020 due to the travel restrictions imposed in response to the COVID-19 pandemic. These surveys are used to calculate total expenditures and the total economic impact of the visitor economy, and so 2019 data is the most recent available for this purpose. Travel Alberta also uses other available industry data to inform our understanding of the industry’s health and recovery by treating 2019 data as the pre-pandemic baseline.

ALBERTA'S VISITOR ECONOMY

In 2019, tourism was a \$10.1 billion industry contributing \$8.4 billion to Alberta's GDP and supporting 82,000 jobs. The GDP impact includes the following:

Direct impact:

Direct effects include expenditure on goods and services in tourism-related businesses (minus the amount spent on goods and services by those businesses outside of Alberta).

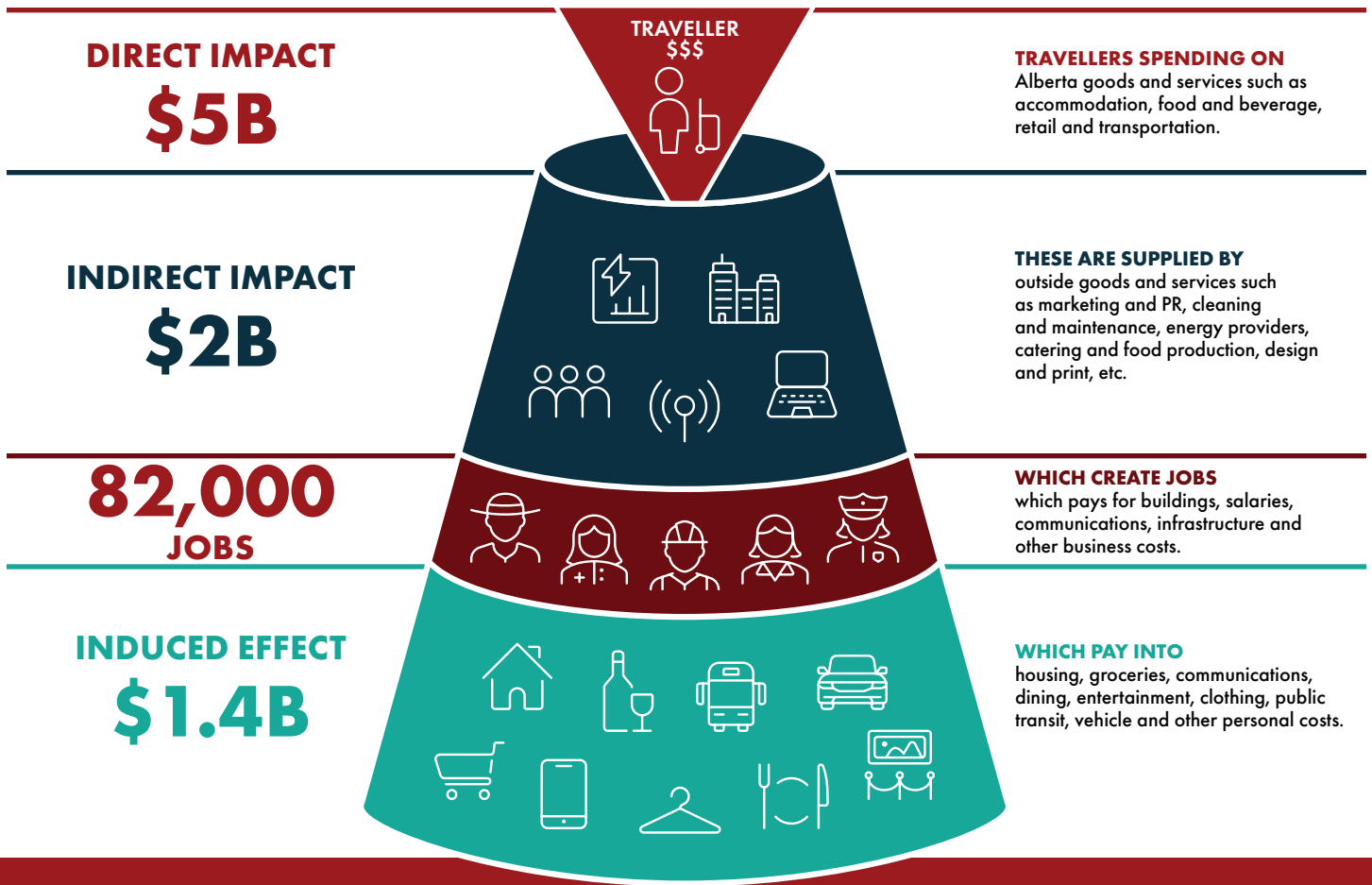
Indirect impact:

Indirect effects include the amount tourism businesses spend on supplies from supporting businesses.

Induced impact:

Induced impacts, resulting from direct and indirect impacts, include how income is spent on retail and thus generate growth throughout the economy.

TOURISM: AN ECONOMIC DRIVER \$10.1 BILLION INDUSTRY IN 2019



\$8.4B CONTRIBUTION TO ALBERTA'S GDP

VISITOR VS. TRAVELLER

The terms “visitor” and “traveller” are used throughout this document to describe Travel Alberta’s core audience. We define “traveller” as a person who moves from one place to another, for any purpose.

A visitor is defined as a traveller taking a trip to a destination [greater than 40 km] outside their usual environment, for less than a year, for any purpose, other than to be employed by a resident entity in the country or place visited².

Travel Alberta works to attract high-value travellers to Alberta through our three pillars of marketing, access and place. They become our visitors when they travel to a destination within Alberta — for business, leisure or another personal purpose. We track visitation to Alberta, along with expenditures and other data, to measure the value of Alberta’s visitor economy.

ALBERTA’S TRAVEL DEFICIT

In 2019, Albertans spent \$7.9 billion travelling outside the province³. On a per capita basis, this equates to \$1,815 — the highest of all Canadians. A significant portion of this was in British Columbia — Albertans spent \$1.8 billion in B.C., while British Columbians spent approximately \$610 million in Alberta. In other words, Albertans spent \$1.2 billion dollars more in B.C. than B.C. did in Alberta.

This business plan outlines Travel Alberta’s approach to investing in tourism development and promotion across the province, driving more Albertans to travel within the province and reducing this travel deficit.

VISITATION

Domestic visits from across Canada have improved significantly since early 2022, since COVID-related restrictions eased. Preliminary estimates by Statistics Canada indicate strong domestic tourism in Q2 2022, exceeding Q2 2019 domestic spend.

Domestic air passengers to Alberta from January to August 2022 recovered to 88 per cent of the volume recorded in 2019. During the same period, Alberta regained 63 per cent of 2019 international air passengers. Future seat capacity provides an early indicator of what may lie ahead for international visits. We are anticipating an additional six million seats⁴ over the next 12 months, or 93 per cent of 2019 levels, from Alberta’s key international markets — a marked improvement over the past two years. However, airlines will alter schedules if they are unable to sell seats, so we need to ensure we invest in growing demand for Alberta’s products and experiences to encourage visitation.

Alberta Boot Company, Calgary
Travel Alberta / Roam Creative

TRAVEL INDICATORS

Many American travellers continue to prioritize travel in their budgets (53 per cent) and the likelihood to travel outside the United States for leisure travel in the next 12 months has stayed within the 25 to 34 per cent range over the last year⁵.

Travel Alberta targets households with the highest propensity for international travel; those with passports and an annual household income of more than \$200 thousand or a net worth greater than \$1.2 million. Canada remains among the top desired foreign destinations Americans want to visit in the next 12 months, second only to Italy, and slightly ahead of the UK and Mexico. This is partly due to a continuing upward trend in the perception that Canada is safe and easy to travel to and declining concerns over crossing the border⁶.

In other international markets, travel intent is slowly picking up heading into the summer of 2023, even as costs remain a top concern for potential travellers. Likely due to recessionary concerns, travellers are delaying booking and booking windows remain shorter than pre-pandemic⁷. Canadians also have higher intentions to travel to other parts of Canada in the 2023 summer travel season⁸, an optimistic sign that the domestic market will remain strong.

² United Nations World Tourism Organization

³ Statistics Canada, 2019 National Travel Survey and Visitor Travel Survey

⁴ DIIO scheduled air capacity is a Cirium database

⁵ Destination Analysts, The State of the American Traveller (January 2023)

⁶ Destination Canada, US Sentiment for Travel to Canada (November 15-22, 2022)

⁷ Google Global Travel Intent Study (October 2022)

⁸ Destination Canada’s Resident Sentiment Study (October 2022)



MACROECONOMIC CONDITIONS AND TOURISM RECOVERY

Macroeconomic conditions and the outlook for the next two years are evolving rapidly and will impact the tourism industry’s recovery and growth. Over the last two and a half years, economies worldwide experienced a pandemic-induced recession with global GDP (real) declining by 3.7 per cent⁹. This led to an overheated economy with labour shortages and the possibility of a future global recession due to record-high inflation.

Alberta’s economy is positioned relatively well to weather risks in this climate, particularly given the province’s high-yielding energy sector. In the current complex and uncertain economic and geopolitical situation, the Annual Energy Outlook 2022 of the U.S. Energy Information Administration (EIA)¹⁰ forecasts Brent crude oil prices to stay above \$60/bbl until 2050. With a stable energy sector and a more diversified economy, the province is likely to expand by 4.9 per cent in 2022, 3.2 per cent in 2023 and approximately 2.4 per cent in 2024 due to robust energy prices and investment intentions¹¹.

Although high commodity prices will benefit producers and the government, resulting in steady growth momentum in the medium term, serious risks remain. According to the Conference Board of Canada’s Consumer Confidence Index (Table 1), Canadian Consumer confidence has been dropping, particularly since May 2022, as people manage the impact of rising costs on household budgets. These factors have a negative impact on disposable income, meaning leisure travel to Alberta from domestic Canada and within Alberta from residents may soften in the next two years.

Consumer confidence has declined internationally also. Specifically, U.S. consumer confidence fell in October to the lowest level since July as high borrowing costs and soaring inflation impacted household budgets. The U.K. saw a similar decline due to declines in business activity indicators and ongoing pessimism regarding household finances¹².

TABLE 1
Consumer Confidence Index



Source: Conference Board of Canada

Tourism Economics anticipates total inbound travel spending for Canada to fully recover to the pre-pandemic 2019 benchmark in 2024, with a mild recession in the U.S. and the Eurozone forecasted for the first half of 2023¹³. International travel spending in Alberta may take until 2025 to fully recover, due to Alberta’s high reliance on air travel.

⁹ Oxford Economics

¹⁰ <https://www.eia.gov/outlooks/aeo/>

¹¹ Alberta’s Economic Outlook, Alberta Treasury Board and Finance (September 2022)

¹² <https://tradingeconomics.com/country-list/consumer-confidence>

¹³ Tourism Economics, Global Highlights & Risks (October 2022)

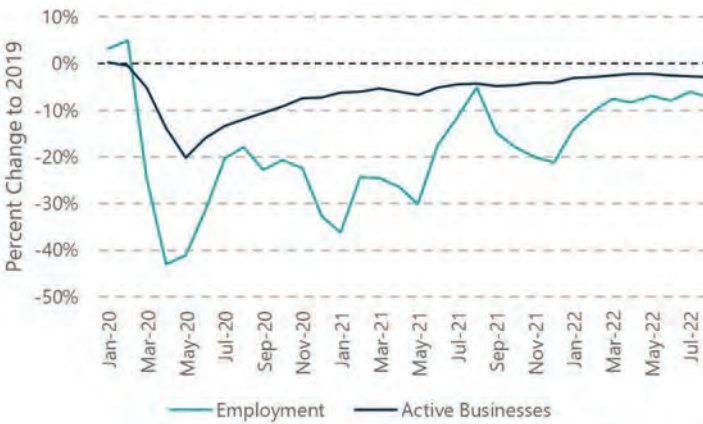


Tamarack Outdoors, Waterton Lakes National Park
Travel Alberta / Colin Way

WORKFORCE AND LABOUR

Workforce availability remains a limiting factor of industry growth — a challenge that has been exacerbated by a mass exodus of tourism workers into other industries during the COVID-19 pandemic. The number of active tourism businesses in Alberta (Table 2) has nearly returned to the 2019 levels (in July 2022, 3 per cent below July 2019), but the number of employees in those businesses is lagging.

TABLE 2
Tourism Employment and Active Tourism Businesses: Recovery to 2019



Source: Tourism HR Canada

Despite renewed demand for travel, related sectors still face significant challenges finding workers. The Tourism Industry Association of Canada identified attracting and retaining a sustainable tourism workforce as the top pillar of growth for the industry¹⁴. Compared to the November-December 2019 (pre-COVID), tourism’s labour force had 154,800 fewer individuals in November-December of 2022 across the country. The labour force will likely experience an even greater imbalance going forward, given the current demographic trends. Canada’s aging population is expected to cause a shift in the worker-to-retiree ratio, from 7:1 fifty years ago to 2:1 by 2035¹⁵. In the face of this, many tourism businesses have reduced operational capacity in an effort to maintain service levels that meet traveller expectations.

Travel Alberta’s strategy incorporates a range of tactics aimed at addressing these challenges. Investing in unique, boutique experiences and accommodations attractive to high-value travellers will ensure businesses have the resources to create rewarding, well-paying tourism jobs. Further, we support businesses in expanding their seasonal experiences to year-round, creating more permanent positions. A strategic approach that considers career growth, skills development, ease of living for tourism workers, access to foreign labour markets and government collaboration will help attract talent, provide workers with the necessary skills to thrive in the industry and improve workforce retention for the long term.

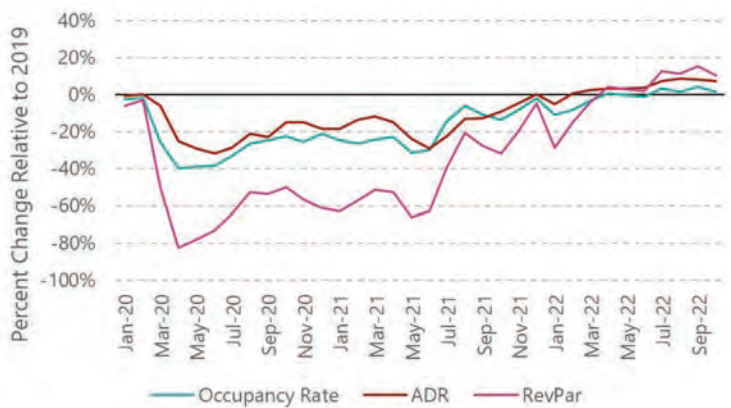
Travel Alberta works with TIAA and government departments to support workforce development as it intersects with other government priorities, such as immigration and education.

CURRENT STATE OF THE TOURISM INDUSTRY

Hotel performance is a key indicator of the health of the tourism industry. Alberta’s hotel sector has steadily recovered since the beginning of 2022. Occupancy rates, average daily rate (ADR) and revenue per available room (RevPar) all surpassed summer 2019 levels this year. Compared with the national average, Alberta is recovering faster in occupancy rate and RevPar but lagging slightly in ADR.

This is positive news, but considering the current high inflation, part of these gains may be attributed to rising prices and may not represent the return to business profitability.

TABLE 3
Alberta’s Hotel Sector Recovery



Source: STR Accommodation Data

¹⁴Tourism Industry Association of Canada - Tourism Industry Association of Canada Outlines Key Pillars in Support of a New Federal Tourism Growth Strategy. (tiac-aic.ca)

¹⁵Tourism HR Canada

04

Strategic Outcomes

DESTINATION MANAGEMENT: TRAVEL ALBERTA'S APPROACH

Destination management is the process of leading, influencing and coordinating the management of a destination, including tourism supply (accommodation, experiences, attractions and events), transportation, research, local resources and promotion. The United Nations World Tourism Organization, Destinations International, World Travel and Tourism Council and the Tourism Industry Association of Canada support a holistic model for sustainable visitor economy growth^{16 17 18}.

There are seven facets to Travel Alberta's approach to destination management:

VISION, STRATEGIC PLANNING AND LEADERSHIP

We believe tourism has the power to transform communities, build the economy and improve the quality of life for all Albertans. We identify a clear path to growing Alberta's visitor economy, partnering with industry and communities to maximize sector-wide impact.

DATA, RESEARCH AND INTELLIGENCE

We exemplify research best practices, collecting and sharing data from a wide range of sources. We help businesses and sectors understand market behaviours, business operating environments, resident sentiment and tourism's contribution to the economy.

ALL-OF-GOVERNMENT APPROACH

Alberta's visitor economy is complex and far-reaching, impacting Alberta's public and private sectors. We collaborate with leaders in all orders of government to influence policy, mobilize collective action, navigate regulatory processes and direct resources toward our common goals.

STRONG ALBERTA BRAND

We deploy a people-focused brand promoting Alberta as a competitive destination to visit, invest, work and play. We align with industry stakeholders to maintain a consistent identity that resonates with our target travellers.

INDIGENOUS PARTNERSHIPS

We work closely with our Indigenous partners to create opportunities to preserve cultures, languages and traditions and develop future economic, cultural and social opportunities. Our partnerships and alignment with Indigenous Tourism Alberta (ITA), the Indigenous Tourism Association of Canada and Indigenous-owned businesses help create meaningful Indigenous-led experiences that enable Indigenous peoples to share their stories with high-value travellers.

BUSINESS-FRIENDLY ENVIRONMENT

In partnership with government, industry and communities, we foster streamlined processes for entrepreneurs and small businesses to enable cross-sector growth. We provide industry expertise and business growth support to tourism businesses to encourage sustainable tourism development.

COMMUNITY ENGAGEMENT

Travel Alberta works with communities throughout the province to foster community and business support and investment in economic development – two elements essential for sustainable economic development and growth. Done right, tourism development can directly impact the availability of jobs and quality of life in communities across the province.

TRAVEL ALBERTA'S SUSTAINABILITY FRAMEWORK

Travel Alberta's Sustainability Framework informs and underpins how the organization executes its mandate. The Sustainability Framework is complete and in its inaugural baseline year, meaning that representative KPIs are being tracked for this current year. We plan to adopt rolling three-year targets going forward.

The framework takes a multi-pronged approach to sustainable development, embracing tourism as a tool to develop jobs and the economy, build communities, preserve culture and history, conserve the environment and

foster innovation. The framework captures sustainability initiatives underway across the organization, identifies gaps or areas of opportunity and measures our progress.

Anchoring our sustainability framework in the United Nations World Tourism Organization's sustainable development goals (SDGs) provides us with standardization and stability while allowing flexibility to choose those SDGs that make the most sense for an organization of our scope and size.

¹⁶ [UNWTO – A Practical Guide to Tourism Destination Management \(unwto.org\)](https://unwto.org)

¹⁷ [Tourism Industry Association of Canada - Tourism Industry Association of Canada Outlines Key Pillars in Support of a New Federal Tourism Growth Strategy \(tiac-aitc.ca\)](https://tiac-aitc.ca)

¹⁸ [Destinations International – DestinationNEXT Futures Study \(destinationsinternational.org\)](https://destinationsinternational.org)

TOURISM ECOSYSTEM

To ensure the most efficient and effective use of resources, Travel Alberta partners with regional and federal destination organizations (DOs) to support both marketing and experience development activities. These organizations form the foundation of the tourism ecosystem, supporting Alberta’s visitor economy across place, access and marketing:



PLACE

Travel Alberta invests approximately \$5.6 million annually into NorthStar and Constellation DOs, empowering them to tailor investment and development to their region’s specific needs. This investment helps strengthen operations and supports visitor services, large-scale festivals and events and attraction of meetings, incentives, conventions and events (MICE).

Travel Alberta also invests in areas not supported by DOs to help grow the number of unique products and experiences in emerging destinations. Travel Alberta directly supports tourism operators, associations, and rural communities via the tourism investment program. Other destination development initiatives include tourism development zones, navigating regulatory environments and attracting private and public investment.

Destination Canada supports federal tourism development by driving strategic alignment between the provinces, supporting economic development streamlining tourism investment and bolstering Canada’s labour market.



ACCESS

Both Travel Alberta and Destination Canada work to increase the number and frequency of air routes to improve traveller access. Destination Canada does this by investing in airports to increase route capacity and partnering with airlines to create incentives for travellers from key markets. While some DOs partner with Travel Alberta to support specific air route investment, their primary focus is largely promotion and development.

Beyond air access, organizations on all levels work to improve access to destinations and experiences, improve broadband and Wi-Fi accessibility, improve safety, support additional transportation options and increase the number of export-ready businesses in all corners of the province.



MARKETING

Regional DOs lead marketing outreach to regional and domestic travellers, while Travel Alberta’s promotional focus is on the U.S. and key international markets. Together, Travel Alberta and DO partners identify opportunities for partners to lead marketing and sales efforts, with the support of Travel Alberta programs and funding.

Local tourism businesses engage in direct marketing and sales to their target markets, which vary depending on the nature of their business. DOs also provide marketing support to individual tourism businesses via membership programs and other partner initiatives.

Both Destination Canada and DOs use marketing and sales to attract meetings, incentives, conferences and events (MICE) to Alberta. Travel Alberta also participates in buy-in marketing programs to reach additional international markets under the Canada brand, led by Destination Canada.



ECOSYSTEM ROLES



LEGACY AND EMERGING DESTINATIONS

Pre-pandemic, nearly 60 per cent of visitation and 75 per cent of tourism expenditures occurred in the mature tourism destinations of Banff/Lake Louise, Canmore, Jasper, Calgary and Edmonton. These “legacy” destinations have historically been the focus of Travel Alberta’s promotion efforts.

By developing additional “emerging” destinations, we create more opportunities for Albertans to explore their own backyard, creating more space for international visitation in legacy destinations while reducing Alberta’s traveller deficit. We estimate that these emerging destinations represent an estimated \$15 billion in potential growth between 2025 and 2035. This translates directly into economic benefits and job creation in communities throughout the province.

Our marketing efforts combine a focus on the iconic experiences found in legacy destinations to attract high-value U.S. and international visitors, with built-in itinerary add-ons to encourage these visitors to stay longer, spend more and visit additional areas in the province when they travel.

This approach also encourages rural development, ensuring Albertans in all corners of the province benefit from the economic, social and cultural benefits of tourism and creating resilient, prosperous communities.

See “Outcome 3: Place” for details.

Elevated Escapes, Bragg Creek
Travel Alberta / Katie Goldie



TARGETING HIGH-VALUE TRAVELLERS

Travel Alberta prioritizes strategies and tactics most likely to attract and retain high-value travellers: the type of traveller likely to spend more per visit, yield the highest return on investment, travel off-season, visit more often and make the most significant contribution to the province’s economic growth.

Generally, the farther away a traveller lives, the more time and money they will spend per person per visit to Alberta. Research shows that regional travellers — those from Alberta — spend an average of \$242 per person per visit, domestic travellers from other areas in Canada spend \$567 per person per visit, travellers from the U.S. spend \$828 per person per visit and overseas travellers spend \$1,119 per person per visit¹⁹.

Travel Alberta’s business outcomes, objectives and initiatives prioritize high-value travellers while ensuring that the province’s businesses and communities remain welcoming and accessible to travellers of all types. This focus also ensures we are targeting travellers with a greater level of disposable income who are less likely to be affected by current and future economic instability.

RESEARCH AND INSIGHTS

Travel Alberta collects and shares research and insights to inform planning and assess performance across the sector. Key outputs include:

TOURISM INDICATORS

In partnership with the Tourism Industry Association of Alberta (TIAA), Travel Alberta developed a series of industry dashboards, hosted on both organizations’ websites, that supply up-to-date information on key indicators of sectoral success, including visitation and hotel performance, as well as forward-looking indicators like market potential and tourism labour force to inform planning.

Having numerous data sets from cross-industry sources available in one place makes timely, relevant data accessible for everyday use by the industry. The new dashboards show trends over time, affording the ability to define data by market, airport and other context, and are updated regularly when new data is available.

ECONOMIC MODELING & FORECASTING

Travel Alberta works with Tourism Economics to forecast tourism spending by market and traveller segment under several strategic scenarios developed based on relevant external factors. This work forms the basis of our long-term strategic framework, enabling us to anticipate risks and opportunities and adjust as conditions evolve.

In 2022, we developed quantitative models to assess the province’s potential and develop an understanding of key elements required to achieve our growth targets. The models quantified gaps likely to emerge over the 10 years (2025-2035) in accommodation, air access and tourism labour through research and analysis using data from various sources (Statistics Canada, Tourism Economics and the Conference Board of Canada). Travel Alberta updates these models as more data becomes available, allowing us to quantify our success against our targets for addressing these supply gaps over time.

RESIDENT & TRAVELLER RESEARCH

Destination management relies on the destination’s residents to support the visitor economy and to be ambassadors of travel and tourism in their communities. Travel Alberta conducts resident research to understand Albertans’ perspectives on tourism and the visitor economy. Using semi-annual surveys, we track shifts in public perception, stay informed on the key challenges facing residents and identify ways to improve resident sentiment toward tourism in Alberta. This information informs our strategies and tactics as we further develop both legacy and emerging destinations.

KEY MARKETS

Travel Alberta conducts regular analysis to determine which markets have the highest potential for return. We consider factors including local economy, market size, air access, travel intentions and past performance. Contextual information including geopolitical situation, ease and cost of doing business are also incorporated into the market prioritization.

The table below outlines the markets with the greatest potential for growth over the next three years.

023-24 POTENTIAL MARKETS	2024-25 POTENTIAL MARKETS	2025-26 POTENTIAL MARKETS
Canada	Canada	Canada
U.S.	U.S.	U.S.
UK	UK	UK
Germany	Germany	Germany
		France
		Japan
		Other International Markets*

* Markets depend on air access and in consideration of evolving economic factors.

Travel Alberta uses a combination of primary and secondary research to understand evolving traveller needs and behaviours, including trip motivators, barriers, experience interests, planning and booking windows and more. This information is used to reach travellers with targeted promotional messages increasing their consideration to travel to Alberta. It also helps identify product development opportunities with the greatest potential.

PERFORMANCE MEASUREMENT

Travel Alberta developed a model to measure the incremental tourism spend resulting from airline partnerships and evaluate the return on investment of this program. Statistics Canada’s input-output multipliers are used to measure the impact of product development investments on the broader provincial economy. Designing meaningful measures enables us to track and analyze performance, improving decision-making and leading to better business outcomes.

¹⁹ Department of Jobs, Economy, and Innovation using Statistics Canada National Travel Survey 2018/2019 (Pooled) and Visitor Travel Survey 2019

Strategic Pillars

Running Bear Wilderness Adventures, Fort McMurray
Travel Alberta / Katie Goldie

In 2021, Travel Alberta developed the Bootstrap Plan — a three-year plan to recover tourism revenues to 2019 levels by 2024. This three-pillar approach links destination promotion (marketing), air access, broadband and transportation initiatives (access), destination development and support for tourism businesses (place).

The 2023-2026 Business Plan: Recovery to Resilience builds on the success of the first two years of the Bootstrap plan and sets the course for long-term development and growth. Continued investments in marketing, access and place have allowed us to develop a diverse portfolio of investments and priorities, ensuring the industry is well-equipped to handle any emerging challenges to the sector.

In alignment with our economic forecasting and a rigorous performance management framework, Travel Alberta is capitalizing on immediate opportunities while remaining agile and nimble enough to respond quickly and effectively to internal and external environmental changes.

PERFORMANCE TARGETS

Based on our forecasting, performance targets for the strategic outcomes below rely on the following assumptions:

Economy:

- The U.S. will experience a mild recession in the first half of 2023 that will have a modest impact on travel.
- After growing by an estimated 5.1 per cent in 2021, Alberta's real GDP is now forecast to grow 4.9 per cent in 2022, revised down slightly from earlier expectations, 3.2 per cent in 2023 and approximately 2.4 per cent in 2024.

Tourism industry:

- Travel remains unencumbered by border restrictions as the world learns to live with COVID as an endemic disease.
- Any interruption of supply or distribution of tourism products and transportation infrastructure will be minor and temporary, and supply will be able to meet demand.

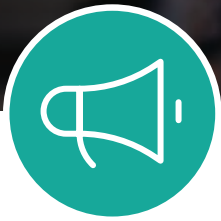
Investments:

- The regulatory environment does not change significantly.
- The U.S. market remains a primary focus for Destination Canada and their investments and provincial destination organizations' investments are maintained or exceeded.

OUTCOME 1

Marketing

Expenditures by high-value travellers from the U.S. and key international markets exceed 2019 levels by 2025.



Calgary Stampede, Calgary
Travel Alberta / Youn Park

Travel Alberta was one of the first destinations to re-enter the U.S. market with a promotional campaign after the COVID-19 pandemic, ensuring our place ahead of the competition. Stories featuring Alberta's people and places set us apart from other destinations and allow us to capitalize on pent-up demand for travel in the U.S. and key international markets.

KEY OBJECTIVES

1.1 Drive consideration to travel to Alberta among high-value travellers in the U.S. and key international markets.

SUPPORTING INITIATIVES

- Co-invest with Destination Canada and major Alberta destination organizations on promotional campaigns to increase the value and efficiency of our collective efforts.
- Tell stories that differentiate Alberta and highlight the province's people and places to ensure Alberta stands out from the competition as a must-visit tourism destination.
- Drive sales by partnering with travel trade to increase understanding and preference of Alberta experiences and destinations.



Peyto Lake, Banff National Park
Travel Alberta / Roth and Ramberg

PERFORMANCE METRICS

1.a Performance measure: Increase in consideration of Alberta as a tourism destination, measured by incremental change in searches for Alberta destinations in U.S. target regions versus control markets.

2022-23 TARGET	2023-24 TARGET	2024-25 TARGET	2025-26 TARGET
25%	20%	15%	15%

Marketing has traditionally been described in terms of a funnel, leading from awareness of a product to consideration of that product to making a final purchase decision. In tourism, the process is not as linear, but the tourism industry still uses the term “consideration” to indicate interest and intent to purchase.

Travellers use Google to research and plan travel. If people search for Alberta destinations and experiences using Google, one can infer they are aware of Alberta and considering travel to the province. By measuring the number of times people search for Alberta destinations on Google in areas we are actively marketing and comparing that against the number of searches people conduct for the same terms in other markets where there is no active promotion, Travel Alberta can determine the effect of an investment as a percentage change from the control market versus the target market.

From April to September 2022, Travel Alberta achieved 21 per cent in incremental change in searches, an improvement from the 19 per cent baseline set with the 2021-22 winter campaign, yet 4 per cent below the 2022-23 annual target. Based on results to date, we expect this year’s result will likely net out at approximately 20 per cent. With promotions focusing on the U.S. market for 2023-24, we set a 20 per cent target for this upcoming year. In subsequent years a shift in strategy to include more international markets is anticipated, shifting the U.S. target down to 15 per cent for 2024-25 and 2025-26.

1.b Performance measure: Drive tourism revenues in Alberta, measured by Tourism Levy receipts.

2022-23 BASELINE	2023-24 TARGET	2024-25 TARGET	2025-26 TARGET
\$95M	\$97M	\$105M	\$109M

Travel Alberta’s marketing programs increase tourism revenue by generating demand from high-value travellers who spend more, stay longer and explore more areas of the province. Accommodation revenue accounts for nearly one-quarter of overnight visitor spending. The Tourism Levy, a four per cent surcharge on each room sold at hotels, provides a good proxy measure for overall industry performance. Tracking levy receipts allows Travel Alberta to benchmark our demand generation activities to overall outcomes.

Tourism levy targets were taken from the provincial Fiscal Plan (Budget 2023-26). The department of Treasury Board and Finance reports the Tourism Levy receipts once collected.



West Edmonton Mall
Travel Alberta / Colin Way

OUTCOME 2

Access

Visitors have access to Alberta's destinations and experiences.



Edmonton International Airport, Edmonton
Travel Alberta / Cooper & O'Hara

More than 70 per cent of U.S. travellers and 85 per cent of international travellers arrived in Alberta by air in 2019²⁰. Increasing the number and frequency of direct inbound seats to Alberta from target markets will ensure Alberta remains a competitive destination for business and leisure travellers.

Travel Alberta partners with airlines in alignment with Alberta's international airports to support incremental flights and demand generation.

For Alberta to meet the evolving needs of high-value travellers, we must ensure that Alberta and its experiences are accessible to visitors from around the world. That means not only ensuring strong modes of transportation to the province, but also that the visitor experience meets traveller expectations once they arrive. Business modernization, broadband connectivity, safety and intra-provincial transportation options are all key elements of access beyond air travel that impact visitors' likeliness to travel. Travel Alberta works with stakeholders across the government to support visitor-friendly access throughout the province.

KEY OBJECTIVES

- 2.1 Accelerate seat capacity from the U.S. and key international markets.
- 2.2 Inform government policy and investment to enhance traveller-friendly connectivity and access throughout the province (i.e., transportation, broadband, Wi-Fi).

SUPPORTING INITIATIVES

- Optimize airline investment and partnership models.
- Build cross-ministerial partnerships with those responsible for transportation, infrastructure and broadband/cell coverage — particularly in rural areas of the province.

²⁰ Statistics Canada. Table 24-10-0055-01: Non-resident visitors entering Canada, by country of residence, mode of transportation, arrival type and traveller type.

PERFORMANCE METRICS

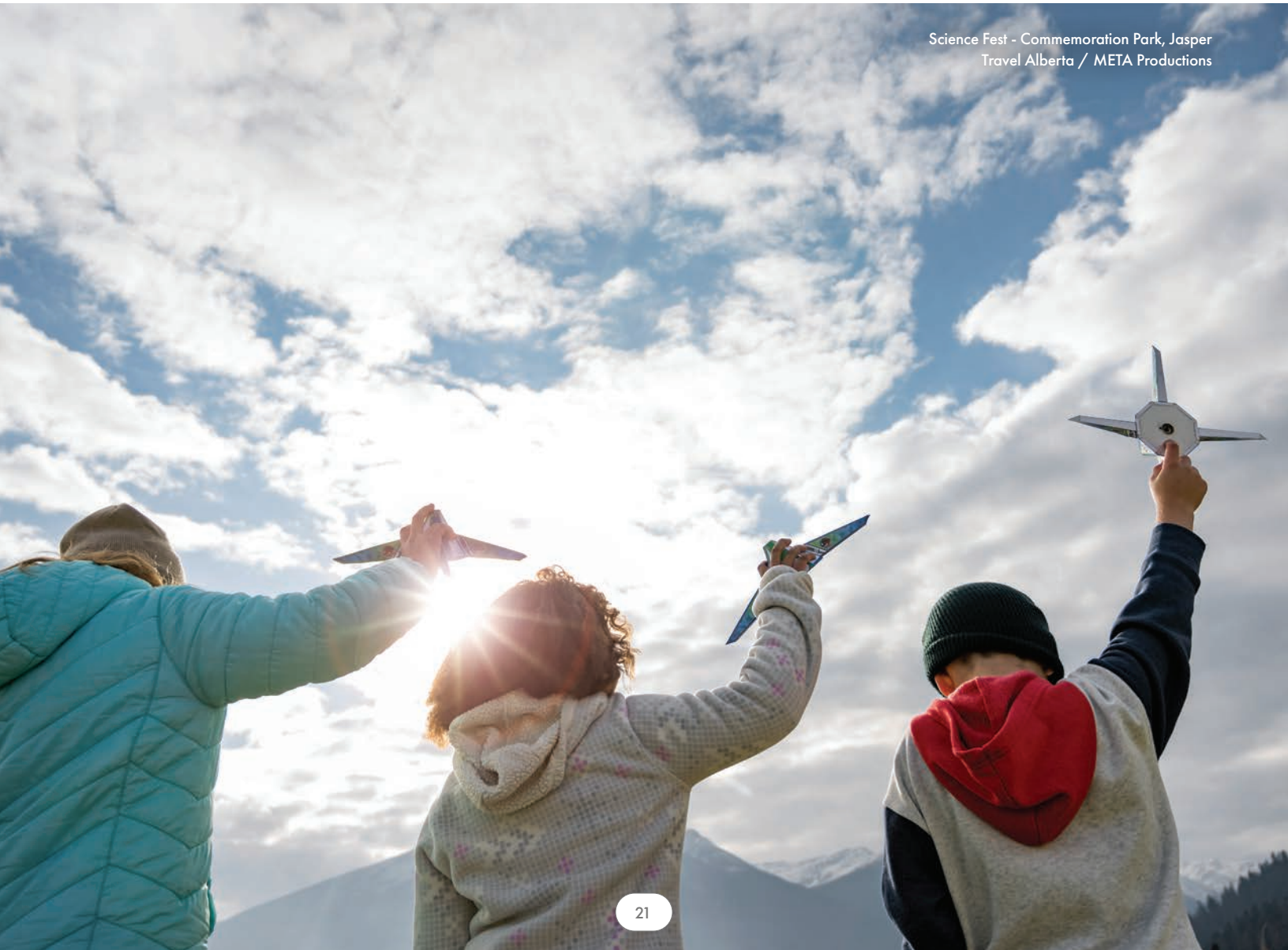
2.a Performance measure: Return on Investment (ROI) ratio on new/recovered air routes and additional frequency.

2022-23 TARGET	2023-24 TARGET	2024-25 TARGET	2025-26 TARGET
6:1	6.5:1	7:1	7.5:1

This ROI ratio represents the incremental spending by visitors on the new/recovered air routes to Travel Alberta's investment. The incremental visitor spending is determined using the percentage of sold seats, the percentage of inbound passengers of non-Albertan origin and the average spend per traveller from Statistics Canada visitor survey data. Once the investment period is complete, Travel Alberta receives flight performance data from the airlines which, in turn is reviewed and compared to data provided by Dii by Cirium, an organization that provides market intelligence for airline and airport planning. This allows us to validate data between two sources.

By mid-year 2022-23, we reached an ROI of 6.7:1 on summer 2022 route support. Once we combine the fall and winter results and summer results, we anticipate the total ROI to be closer to 6:1. Over the next three years, Travel Alberta's investment will skew more toward international flights, resulting in a higher return given the higher spend per visitor.

Science Fest - Commemoration Park, Jasper
Travel Alberta / META Productions



OUTCOME 3 PLACE

Alberta's visitor economy has recovered and supports thriving businesses, experiences and communities, attracting high-value travellers.



Western Canyoning Adventures, Nordegg
Travel Alberta / Colin Way

Travel Alberta takes a holistic approach to destination development, including a targeted investment strategy to drive innovation and support new and enhanced tourism products and experiences. We have identified ten tourism development zones (TDZs) in areas with the most significant job creation opportunities and sustainable community economic growth.

Travel Alberta will invest \$18.3 million annually in 2023-24 and 2024-25, and \$15 million in 2025-26, via our Tourism Investment Program to support businesses and communities in all regions of the province. This funding increase in the first two years of the plan reflects investment in rural tourism outlined in the provincial 2023 Fiscal Plan.

Travel Alberta will also invest \$5.4 million over three years (\$1.8 million annually from 2023-26) to support Indigenous Tourism Alberta, with additional in-kind marketing support. The investment will enable more Indigenous tourism operators to develop new tourism products, expand existing offerings and more effectively market and attract visitors to their experiences.

KEY OBJECTIVES

- 3.1 Create and support long-term destination management plans in partnership with communities in legacy and emerging tourism destinations.
- 3.2 Attract and deploy investment to grow the visitor economy around the province.
- 3.3 Foster and advance a business-friendly environment for investors, entrepreneurs and existing businesses to launch, operate and grow.

SUPPORTING INITIATIVES

- Activate destination management plans in emerging and rural destinations while collaborating with legacy destinations to accelerate existing strategies, ensuring coordination across the province.
- Lead efforts to promote and attract domestic and international investment in Alberta's tourism sector.
- Provide industry expertise and business growth support for tourism entrepreneurs and businesses.
- Evolve tourism investment programs to best serve destination organizations, communities and businesses. Travel Alberta's Tourism Investment Program supports Alberta's tourism industry in three main ways:

Co-operative investment

Direct investment in communities, businesses and associations, primarily in rural areas. This investment fund supports destination development, promotion, cultural events and festivals.

Product development

Assistance for businesses and municipalities in all parts of Alberta with launching new tourism infrastructure initiatives, acquiring experience assets and developing visitor programs.

Community investment

Funding for regional destination organizations (DOs) to lead strategic initiatives within their towns/cities.

PERFORMANCE METRICS

3.a Performance measure: Per cent of Albertans who feel tourism is important to their community.

2022-23 TARGET	2023-24 TARGET	2024-25 TARGET	2025-26 TARGET
63%	65%	67%	70%

Residents' support for tourism in their communities is foundational for effective destination management. As a result, resident sentiment has become the new "essential KPI" for destination management²¹.

Travel Alberta conducted its first resident sentiment survey in the winter of 2020-21 and a shorter survey in the summer of 2022 to measure Albertans' perspective on tourism and the visitor economy. The study's findings show that broader perceptions of the sector and its importance are very positive. This is especially clear when they think of its importance to the province or the country. However, perceptions soften when thinking closer to home (about their community) or how it impacts them personally. Perceptions also vary by community depending on the significance tourism has on the local economy. Understanding these differing views informs tourism development and management efforts in legacy and emerging destinations. In alignment with our NorthStar partners and work in the TDZs, Travel Alberta will continue to monitor resident sentiment and adjust our initiatives to grow residents' connections to tourism to help strengthen positive attitudes toward tourism.

3.b Performance measure: Ratio of private sector investment driven by Travel Alberta's investment in the Product Development program.

2022-23 TARGET	2023-24 TARGET	2024-25 TARGET	2025-26 TARGET
1:2.6	1:3	1:3.2	1:3.5

As of September 2022, Travel Alberta's product development investment of \$4.3 million attracted \$13.7 million in private investment. This equates to an investment ratio of 1:3.2 (also referred to as a leverage ratio), ahead of the 2022-23 target of 1:2.6.

For 2023-24, Travel Alberta's target investment ratio is 1:3, accounting for the current macroeconomic conditions and in consideration of short-term economic forecasts. With the Bank of Canada's strategy to raise interest rates quickly and aggressively to control inflation, there is growing uncertainty among the investor community as it increases borrowing costs. As a result, capital investment is expected to slow down over the next 12 months.

3.c Performance measure: Impact on Gross Domestic Product (GDP) from total investments of projects funded by the Product Development program.

2022-23 TARGET*	2023-24 TARGET	2024-25 TARGET	2025-26 TARGET
\$14M Direct Impact	\$16.2M Direct Impact	\$17M Direct Impact	\$18.2M Direct Impact
\$14.3M Indirect Impact	\$16.6M Indirect Impact	\$17.4M Indirect Impact	\$18.7M Indirect Impact
\$8.7M Induced Impact	\$11.2M Induced Impact	\$11.8M Induced Impact	\$12.6M Induced Impact
\$37M Total Impact	\$44M Total Impact	\$46.2M Total Impact	\$49.5M Total Impact

The Product Development program will support the tourism economy and the broader provincial economy, as demonstrated by the positive impact on GDP. The increased investment and impact targets for 2023-24 and 2024-25 reflect the additional funding for rural tourism development outlined in the provincial 2023-26 Fiscal Plan. The total (direct, indirect and induced) effects²² of the total project investment are estimated using Statistics Canada's input-output multipliers from 2018.

²¹Resident Sentiment: An Essential KPI for Destination Marketers

²²Direct impact is the economic impact supported directly by the proposed capital investment costs and post-construction operation costs. This represents the value-added to Alberta's economy as a direct result of the capital spending on new and existing products as well as operational expenditures. Indirect impacts refer to the impact generated from business activities supporting the business operations of the capital project, typically suppliers' spending. Induced impact occurs when employees spend their income on goods and services throughout the economy.

*Note: The economic impact multipliers have been updated from end-use industries to non-residential building construction industry from the Input-Output multipliers of Statistics Canada, 2018.



Nikka Yuko Japanese Gardens, Lethbridge
Travel Alberta / Kelly Hofer

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