

BERMUDA

TOURISM AUTHORITY



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2016 Year in Review

The Bermuda tourism economy enjoyed a strong year of growth in 2016 across all the key performance indicators of the industry. The creation and strategy building of the Bermuda Tourism Authority in 2014, the restructuring of its partner agreements to meet strategic objectives in 2015 and the outcomes of those developments in 2016 represent the brick laying that paved the way for a successful year.

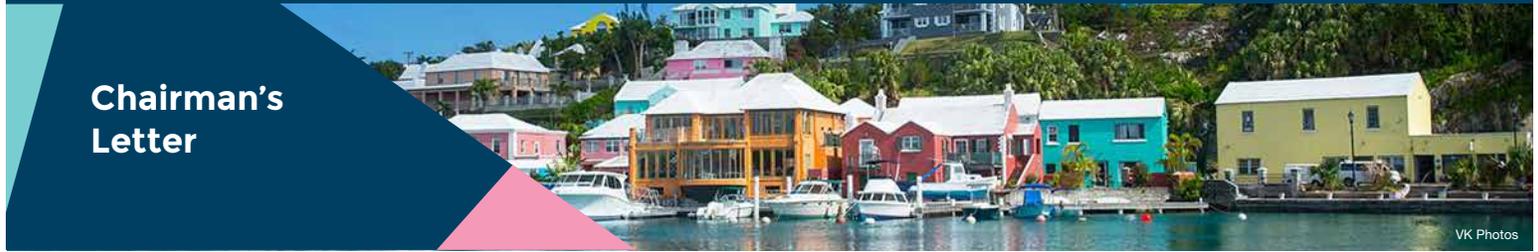
In fact, the Bermuda Tourism Authority exceeded all four of its primary corporate objectives for 2016, which were to increase leisure arrivals, grow leisure visitor spending, further impact hotel room nights sold and improve the number of cruise calls to the island, particularly in Hamilton and St. George.

As you will see in the following divisional reports and the stories they tell, the Bermuda Tourism Authority works as a cohesive unit, and in collaboration with partners across our community, in pursuit of a common goal – a sustainably growing tourism industry.

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Chairman's Letter



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Dear Stakeholder,

At the end of 2016, Bermuda finds its tourism industry on the upswing with 12 months of consecutive year-over-year growth. Leisure air arrivals finished up 17 percent, visitor spending was up 18 percent and hotel occupancy grew 10 percent. It was the strongest year for Bermuda tourism since 2007. Although we have a long way to go on our road to recovery, 2016 was gratifying for the Bermuda Tourism Authority, our Board and the thousands of people who invest their hearts in making Bermuda all she can be.

That great performance last year is at least partly attributed to targeted airlift growth out of JFK in New York. Passenger seat capacity from JFK was up 43 percent and vacation air arrivals from New York up 46 percent. With even more airlift coming online in 2017, we are optimistic about further growth out of JFK. Boston too, where JetBlue is bringing year-round direct service on a larger aircraft.

Bermuda is fortunate to have found her way to a tourism turnaround so quickly after embarking on a new journey with the Bermuda Tourism Authority. A lot of the credit for that goes to the organisation's first-ever CEO, Bill Hanbury. For three years he worked under very challenging circumstances to create Bermuda's first internationally accredited destination marketing organisation, staff it with an exceptionally talented team and then match that team with strong partners around the world. Bill's strategy got Bermuda tourism on the right track and the results experienced in 2016, under his leadership, are a testament to his world-class talent and his devotion to the mission.

While 2016 was a year of progress, the pace is painfully slow in many areas and it's impeding the Bermuda Tourism Authority's ability to empower entrepreneurs who are ready to create jobs. As examples, the road to tourist mini vehicle rentals was eight years long and the journey to a more vibrant beach economy has inched along.

An emerging tourism industry is an excellent vehicle for job creation, but it's not automatic. We need to cultivate it with engaged community partners who are committed to: providing value for the cost of our product, smart policies, and a bureaucratically light administrative structure that is more about progress than process. These are crucial no matter which political officials our democracy elevates to power. Remember, we compete against the world - not just the destination next door!

The BTA's success is your success and the country's success. So as we end 2016, allow me to say congratulations and thank you to all those who contributed to a stellar year. In the meantime, please also consider how we use this momentum to propel us forward.

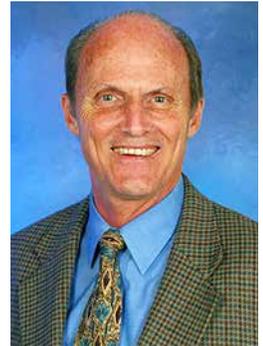
We're on the march to a bright tourism future, maybe even as bright as we once knew. But the next leg of the journey will be steep, as we continue to build on recent successes. We'll need to overcome the challenges laid out here - and then some!

If we put our hearts and minds to it, I am confident that we're up for it.

A handwritten signature in blue ink that reads "David Dodwell".

Sincerely,

David Dodwell, Chairman of the Board



An emerging tourism industry is an excellent vehicle for job creation, but it's not automatic. We need to cultivate it with engaged community partners who are committed.

CEO's Letter



Dear Stakeholder,

In 2016, Bermuda tourism enjoyed its most successful year since 2007. You will be hard-pressed to find a destination growing as quickly or sustainably as Bermuda. A solid foundation has formed under our hospitality product over the past three years and the Bermuda Tourism Authority is bullish about visitor arrivals, job creation and investment going forward.

Our team is executing a long-term strategy, focused on clearly defined target visitors in our gateway cities, to power continued growth in 2017 and beyond. Seventy-six percent of the growth in 2016 was from visitors under 45 years old – that's a positive data point as we move forward toward sustainable growth. It's also important to mention that Bermuda ceded no ground with older travellers. Those age categories grew as well.

Meantime, visitors with the capacity to visit again and again – like the travellers who come from nearby New York City – are fuelling our enthusiasm. Leisure air arrivals from New York City grew an impressive 46 percent in 2016, outpacing a 43 percent increase in air capacity.

The hotel project pipeline around Bermuda is further evidence of a staying power around the island's tourism renaissance. The Loren at Pink Beach opened in the first quarter of 2017, Caroline Bay at Morgan's Point will soon unveil a new marina and a Ritz-Reserve hotel, ground breaking is anticipated soon on a St. Regis in St. George's, and Azura, at the former Surf Side site, is being reimaged for a bright new future. They all have a standard to chase, given the magnificent \$100 million refurbishment of the Hamilton Princess. The flurry around development is the most action we've seen in this space in a generation.

As a destination we have not yet arrived at the place we need to be, but we're definitely moving in the right direction. It's the perfect time to double down on our efforts to move Bermuda tourism forward.

Kevin Dallas
CEO, Bermuda Tourism Authority



Seventy-six percent of the growth in 2016 was from visitors under 45 years-old – that's a positive data point as we move forward toward sustainable growth.

Research & Business Intelligence Division



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“When I first saw the numbers, I had to look at them twice. We are no longer cautiously optimistic, we are firmly optimistic about tourism prospects in Bermuda.”

Bill Hanbury, BTA CEO on increased air arrivals in 2016

Overview

The Research & Business Intelligence (R&BI) division has proven to be a valuable asset to the Bermuda Tourism Authority through the collection of data and monitoring of trends, ensuring all divisions are well informed and therefore able to make strategic decisions and achieve business objectives.

Much of the work of the R&BI division is through collaborative efforts with the other divisions, especially Sales & Marketing and Product & Experience, to monitor and evaluate the success of both new and existing initiatives, so that decisions can be made on how to enhance their respective products.

As part of the Division’s regular activities, R&BI collects and communicates data and tourism industry intelligence to external parties as well as internal departments, and maintains historical tourism data.

Highlights

In 2016, the R&BI division helped to develop a programme for the Product & Experiences Division to measure and track quality across the tourism chain in comparison to other destinations. The programme includes a twice-yearly measurement of all businesses in the tourism chain in Bermuda and their ratings on peer review sites such as TripAdvisor.

In an effort to ensure internal stakeholders were informed and engaged in the organisation’s overall leadership, R&BI developed and implemented monthly corporate objective status reports for staff and the Board of Directors which has enabled the team to keep focused on the growth objectives of the BTA.

From September to December, the R&BI division conducted a comprehensive Marketing ROI study to measure the effectiveness of BTA’s marketing (advertising, PR, social media, etc.) in terms of awareness, effectiveness and return on investment.

Research & Data Collection

During 2016, R&BI conducted additional research amongst local residents to ensure there is an alignment between visitors’ and locals’ expectations on Bermuda’s beach experience, as a part of the BTA’s internal working group on the beach economy. We presented the findings from the beach research and the Beach Vision to all of the pertinent stakeholders, as well as the Economic Development Committee of Cabinet.

Performance Metrics

As part of our regular remit, the R&BI division continues to report monthly and quarterly on tourism Key Performance Indicators (KPIs) (air/cruise/yacht arrivals, air service, visitor expenditure, visitor satisfaction, hotel performance, future projections).



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Phase 4: Key Findings

- Findings indicate there is close alignment on desired beach experience for residents and visitors.
- The "ideal" beach is clean, peaceful/calm, and beautiful.
- When asked to select the most important beach attributes: cleanliness, water quality, toilets were top 3 (same as visitors). Rounding out the top 5 were lifeguards on duty and public parking.
- Visitors desire primarily casual dining options near the beach (sit-down and service to beach chairs) while residents were more likely to want food trucks/carts and take-away food.
- Residents were willing to pay slightly less for amenities on the beach vs visitors (such as food, beverages, chair and towel rental).



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Traveller Feedback



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Hospitality & Tourism Forecast 2017 – 2025

Over the course of the year, the R&BI division revised the Tourism forecast for the years 2017–2025 based on analysis of Bermuda’s current position in the market, occupancy targets and known future hotel developments. Bermuda’s tourism industry is beginning to show promising signs of recovery suggesting further positive results are ahead for the island. The revision includes:

- Visitor arrivals
- Visitor spending
- Contribution to GDP
- Tax Revenue
- Jobs



The vacation rental inventory in Bermuda was updated to include any new properties that have come into the market since mid-2015.

Product & Experience Division



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“The essence of Experience Design is understanding that the visitor experience covers everything, not just the hotel stay, restaurant visit or tour.”

Doug Lansky, Global Tourism Strategic Advisor, Tourism Summit 2016

Overview

At the heart of the BTA lies the value that is placed on visitors' experiencing the genuine essence of what is Bermuda, at any time of the year. The Product & Experiences Division, in turn, uses that value to create objectives for developing service offerings and core products to enhance visitor satisfaction through a number of strategies, which in turn drive visitor spending and local support.

The foundations of these strategies were built over the past few years and are now coming into their own, as can be seen from the highlights shown here.

Experiences Investment

A core focus of the Product & Experiences division is the investment in experiences, which aligns with the Bermuda National Tourism Plan objectives. Emphasis is placed on reducing seasonality in visitor arrivals in the areas of Sports, Arts and Culture, and New Experiences.

Product Development Investment Programme

Building on the new experiences supported in 2016, this year's experience investment process included a series of workshops and stakeholder presentations to educate potential applicants about visitor desires and BTA objectives for tourism experiences. Nearly 50 local entrepreneurs attended the workshops in preparation for the Investment Application Process, which re-opened on 1 September. By the end of October, the Division evaluated submissions proposing experiences planned for 2017 for possible BTA support, to develop new experiences, entertainment, sports, plus arts and cultural offerings. The process generated 61 applications, of which 40 were approved for support. In all, at least \$826,500 is slated for investment from January – December 2017. To date, approximately \$3 million of funding has been allocated to tourism experiences aimed at increasing visitor air arrivals and supporting homegrown, authentic, visitor experiences since the start of the programme in 2014.

The Division was also able to leverage on-island events and experiences to support Sales and Marketing efforts through this investment round. With the addition of new sporting events through this process, we will be able to continue BTA's brand positioning in the sports tourism arena to promote group business and new travellers to the island.

Entertainment Working Group initiative

One of the new initiatives to come about in 2016 was the Entertainment Working Group initiative, in which the Product & Experiences team collaborated with local entertainers to support local talent. On 7 May at the Fairmont Southampton, ten homegrown entertainers featured as part of a local talent showcase, produced by Communications Plus. Specially invited local and international guests attended the event specifically to scout local talent and potentially hire them for future work opportunities.



By recognising and harnessing the passion shown by the people who bring ideas to reality, the BTA provides support in as many ways as possible to help the success of events and offerings.



As part of the initiative, the BTA invited ideas and new offerings for live local entertainment at pop-up locations island-wide for a pilot Summer Entertainment Series. Through the Division's online application process, four successful proposals were selected based on their alignment with expectations from visitor research and BTA objectives. The successful candidates provided live weekly entertainment at Horseshoe Bay Beach, Admiralty Cove, Tobacco Bay and Royal Naval Dockyard for the summer season. Live performances included known local talents, such as the Simons Brothers, Working Title, Conscious Bermuda, The Idren Reggae Band, Paul Smith and Native Percent.

Highlights

Some of the highlights of the 2016 sports, events and entertainment experiences, both old and new, were:

The second annual **Bermuda Heroes Weekend** carnival event attracted over 500 visitors, more than doubling the numbers achieved in 2015.

In April, the inaugural **Area Permit Athletic meet** generated a group of 120 elite athletes and coaches, as well as advance commitments for repeating the event in 2017.

The **Bermuda Golf Classic** attracted high-profile NFL players, including Jerry Rice.

The **Memorable Evening in Bermuda with Mark Twain** experience was so successful in its pilot run through the first quarter that it was extended to run through the summer. This dinner theatre experience has since become one of the top-rated (excellent) Bermuda activities on Trip Advisor.

Harbour Nights continued to be a visitor favourite and saw over 25,000 visitors attend this street festival featuring local artisans and vendors. This year, an al-fresco dining feature was added during the month of August, which allowed patrons to participate in the various scheduled activities while enjoying outdoor dining along Front Street. The BTA also supported additional "pop-up" local live entertainment for the event.

For the final **Eastern County Cricket** game of the season, the BTA partnered with Bailey's Bay Cricket Club and Grotto Bay Beach Resort on a visitors hosting initiative. This first-time pilot had visitors experience Bermuda's traditional pastime with designated seating at the field and a local expert explaining the rules of the game. Samples of local island cuisine were also provided.

Cultural & Leisure Highlights

The Product & Experiences division continued its remit to work with local entrepreneurs and small businesses to grow the culture and leisure sector of tourism in Bermuda. By recognising and harnessing the passion shown by the people who bring these ideas to reality, the BTA provides support in as many ways as possible to help the success of such events and offerings.



Bermuda Golf Classic



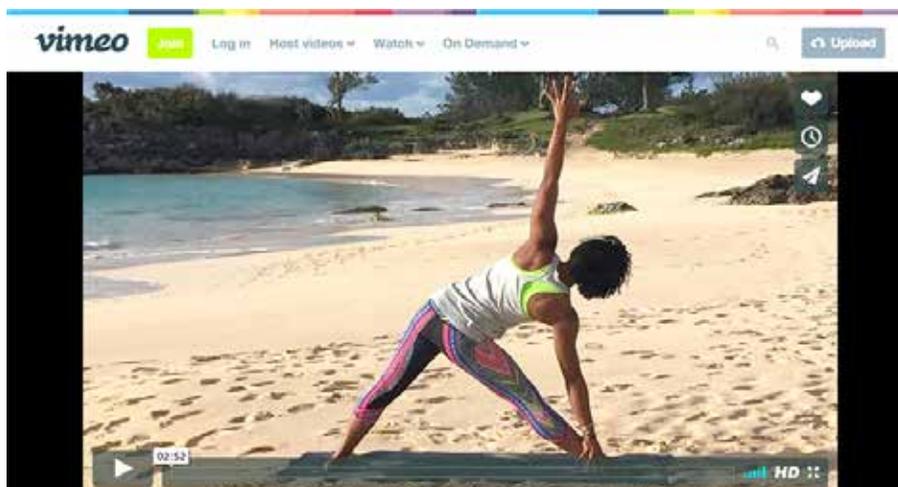
"Twenty years from now you will be more disappointed by the things you didn't do than by the ones you did. So throw off the bowlines, sail away from safe harbor. Catch the trade winds in your sails. Explore. Dream. Discover."

Food Truck Festival

This first-time event featuring food trucks offering a variety of local food and beverages took place over the Columbus Day weekend. The event provided an opportunity for visitors on-island over the holiday weekend to experience several facets of Bermuda culture, including interaction with locals, Bermuda-inspired food and local entertainment. Overall, 16 vendors and participants saw direct economic benefit through sales from the large crowds, while feedback from visitors and residents was also extremely positive. As the BTA continues to highlight and promote Bermuda's diverse food culture, the Food Truck Festival allows us to offer experiential travellers looking to immerse themselves in the destination another opportunity to do so.

Chewstick Celebration Events

To celebrate local entertainers and support Chewstick's restoration efforts, the BTA collaborated with Chewstick to host a live entertainment event in December. Featuring the Pharaoh Jazz band and a series of Chewstick performances in an intimate setting, approximately 80 visitors and locals enjoyed an evening of some of Bermuda's best live entertainment. In our ongoing effort to expose visitors to local entertainers, Chewstick continues to be a key partner and was instrumental during the fourth quarter in coordinating live entertainment offerings through to year-end.



Uncover the Arts

Expanding and enhancing offerings from November to April continues to be a key priority to add value to visitors' on-island experience. With a focus on health and wellness, culinary and new cultural experiences, this year's Uncover the Arts programme saw the addition of ten new offerings aligned with travellers' interests in such categories. New offerings included a four-day Yoga Retreat package aimed at attracting visitors to the island to relax, re-ignite and rejuvenate, a West End Food tour, and cultural tours in both the City of Hamilton and St. George's.

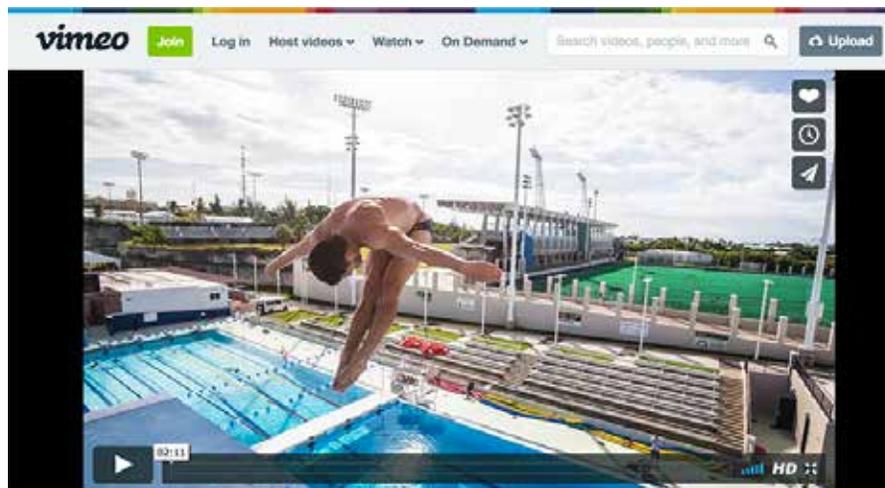


Sports Tourism Highlights

The development of competitive sports events is one of the main objectives of the BTA and, in 2016, the Product & Experiences division built on its strategy of identifying the core requirements to attract visitors to participate in sporting events on the island.

National Sports Centre (NSC)

The BTA's partnership with the National Sports Centre (NSC) is yielding positive results, with over a dozen sports teams that included High school, Colleges and Universities selecting Bermuda for spring training under this initiative. We have also attracted new tournaments under the overall strategy, with high-quality first-time visitors, as well as increased registrations for existing and signature events, as seen in the following table. For the first time, Germantown Academy and Indiana University swim teams selected Bermuda as their winter training destination, reinforcing Bermuda's positioning as a top sports tourism destination.



Looking ahead, the Product & Experiences division has already confirmed three events for 2017:

Confirmed for 2017	Visiting Participants
Men's Lacrosse Team Camp	Fairleigh Dickinson University. Comprises 40 athletes and support staff in January 2017.
Bermuda Rugby Classic Tournament	250 confirmed athletes and high interest level with additional colleges and universities looking to register.
Bermuda Triangle Cup 2017	Youth soccer tournament with 125 athletes confirmed. Scheduled for March 2017, bringing teams from Canada and the UK.
Florida State University	Swim team with 70 athletes participating in their Winter Training Camp from 26 December 2017 to 5 January 2018.

Sailing Strategy

The ongoing business development strategy for the superyacht market continued, including discussions with parties engaged to conduct superyacht activities around the America's Cup (AC). The BTA confirmed support for developing supplementary visitor experiences and events aligned to VIP services for superyachts, which include:

- **AC Superyacht Programme** – the BTA is supporting BWA Yachting, the VIP concierge service provider appointed to the AC Superyacht programme.
- **AC Superyacht Regatta** – organisers Boat International confirmed a preliminary registration of 20 yachts, already exceeding the anticipated levels, for this regatta, which will take place in St. George's. This includes planning to host special events for owners, captains and crew, and guidance on developing high-end VIP Bermuda experiences. The BTA is regarding this as an inaugural annual event and are leveraging this prospect as another catalyst to extend product and experience enhancements in the town.

Inaugural Pilot Gig Regatta

For the first time, Bermuda was host to the Pilot Gig Regatta in October. This event welcomed over 80 seasoned rowers from the UK, Europe and USA, staying for six days. There was a total of 480 room nights generated.

Existing Sailing Regattas

Key regattas also reported significant increased applications and registrations through the quarter, e.g.

- Annapolis to Bermuda – 250 confirmed overseas participants with 1,000 room nights
- Newport to Bermuda – 180 confirmed participants

New Sailing Regattas



In 2016:

- **RC44 Bermuda Cup Regatta** – took place from 2–6 March, with very positive feedback from the participating billionaire yacht owners and their professional crews. Participants and accompanying friends and family generated accommodation room nights and incremental business for restaurants and retailers at a traditionally soft tourism period. The RC44 class management, owners and crew all expressed the desire to return to Bermuda.
- **M32 Series** – the Bermuda M32 Winter Series ran successfully from January through April. Feedback from crews and management reflected high satisfaction from both sailing and overall Bermuda experience perspectives.
- **Viper North American Championships** – this regatta took place from 16–19 November 2016, with a total of 42 competing yachts and 120 international participants who were primarily first-time visitors to Bermuda, coming from North America, Europe and Australia. This event was the largest one-design keelboat regatta ever held in Bermuda. 2016 marked the 20th anniversary of the design of the Viper 640 and the 10th anniversary of the relaunch of the Class Association.
- **The Moth International Regatta** welcomed a fleet of 75 overseas sailors over 5 days in December and was hailed a great success. America's Cup teams were also featured with both Oracle Team USA and Artemis Racing taking part. Other notable entries included Chris Draper, currently ranked fifth in the world and now sailing with Softbank Team Japan, as well as UK National Champion Chris Rashley.

Looking ahead:

- The **Antigua to Bermuda Classic** is confirmed to take place in April 2017, right after Antigua Sailing Week. This race will take advantage of yacht repositioning activity that has traditionally bypassed Bermuda. By the end of 2016, 16 entries were registered.
- Following meetings with officials from US Sailing, Bermuda was confirmed as the **International Women's Keelboat Championship 2017** location. The Championship was inaugurated in 1985 and is one of the premier women's sailing events in the US and worldwide.
- Bermuda was confirmed and announced as the venue for the **Moth World Championship 2018**, which will take place in May of that year. It is anticipated that approximately 150 sailors will participate in the Championship. Bermuda was encouraged to bid for the event in the aftermath of the inaugural 2015 International Moth Regatta last December, and beat Argentina and Australia in the bidding process.
- **Oyster Regatta** – in September, the prestigious Oyster yacht class was confirmed as a new regatta for Bermuda's sailing calendar. The regatta will take place in May 2018 and is anticipated to attract at least 25 yachts. A follow up site visit, meeting with Oyster class management and networking with owners and captains took place at the Class Regatta in Palma, Mallorca in October.

Golf Strategy

Bermuda played host to a number of regular golf tournaments in 2016, while attracting some impressive new ones, all of which proved to be successful.

The **63rd Goodwill Golf Tournament** attracted 41 teams with a total of 160 players.

The **Grey Goose Par 3 tournament** met its target of 152 players – 120 from overseas – achieving a sell-out for the event.



The **Nike PGA of Canada golf tournament** returned to Bermuda for a second consecutive year, from 24-27 October at the Mid Ocean Golf Club. Players were required to qualify in events across Canada during the summer, extending pre-promotion of the event and Bermuda, which resulted in 104 visiting golf players participating in the tournament. The event was even more successful than in 2015, with an 8% increase in room nights (412 versus 320), a 29% increase in visitor spending (\$990,000 versus \$770,000), and a 23% increase in number of visitors (270 versus 220).

The **Pro World Championship of Golf** was a first-of-its-kind this event that took place from 8-10 September at Port Royal Golf Course. Bringing together big name athletes from the NBA, NHL, NFL and MLB, which included Josh Beckett, Billy Joe Tolliver and Donny Marshall, the group comprised 35 retired professional athletes. Media arrangements extended Bermuda exposure from the event, with Golf.com's Ryan Asselta present to cover the proceedings, interview athletes and take footage of the island.

For the first time, Bermuda was host to the **PGA Club Professional Championship of Canada** in November. This successful event brought in more than 100 golf professionals and over 500 room nights.

The **64th Goodwill Golf Tournament** and **Gosling's Invitational tournament** were both successful events in December. The Goodwill Tournament attracted 20 teams with a total of 80 players, while the Goslings Invitational welcomed 45 participants. Both events introduced format changes in an effort to enhance the overall experience from the standpoint of tournament play and social elements reflecting local culture and entertainment.

World Triathlon Series

Bermuda was awarded and named as host venue for three International Triathlon Union (ITU) World Triathlon series events in 2018 and 2019, which is an achievement that was well-received locally and internationally, further elevating Bermuda's stature as a sports destination.

In the process leading up to being named as host venue, the BTA assessed the budget and ROI in developing the bid in partnership with the Bermuda Government, the Bermuda Triathlon Association and other relevant parties. Site visits by representatives from Ironman, the world-renowned brand that manages multiple World Triathlon Series races, and the ITU took place as a precursor to drafting the bid, with favourable feedback from both respective parties.

The bid presentation took place at the ITU Congress in Madrid, 7-10 December, with the Bermuda delegation led by Hon Michael Fahy, Minister of Transport, Tourism and Municipalities, and including Bermuda's own Flora Duffy, World Champion triathlete, Pat Phillip-Fairn, Chief Product & Experiences Development Officer, BTA, Philipp Schmidt, Chairman of the bid committee, Jennifer Gunn and Patty Petty President and Vice President of the Bermuda Triathlon Association and Christian Toetzke, Consultant to the bid.

We anticipate the World Triathlon Series events could attract as many as 1,200 competitors in each of the two years, including 150 elite athletes. Athletes will also bring family and support staff, further increasing visitors for the events.

Cruise Ship Strategy

The Product & Experiences team continued with its strategy of targeted outreach plans for cruise ship partnerships through the year, strengthening relationships already built and reaping the rewards of leveraging those relationships as well as our products and experiences to attract new cruise lines and to expand cruise calls from existing ones.

BTA conducted meetings with existing and potential cruise line partners at the SeaTrade Conference, from 14-16 March in Fort Lauderdale. The Bermuda team comprised the Chief Operating Officer of the America's Cup Events Authority in addition to senior leadership from the BTA. Meeting participants included Royal Caribbean, Norwegian Cruise Line, Celebrity Cruises and Silversea. The team also met with various port authority personnel, including from New York and Charleston. Discussions included the potential to establish America's Cup cruise itineraries around the event.

Bermuda's relationship with Norwegian Cruise Line (NCL) was strengthened through the extension of the cruise line's contract, which will now run through to 2022. The BTA's involvement in the negotiation process supported the outcome, which, in addition to regular weekly calls by two vessels at Dockyard, includes NCL's commitment to commission two new ferries, to inject funds to enhance the cruise visitor experience, and to include a minimum of 12 calls each year to St. George's by high-end small ship operators Regent and Oceania cruise lines. These additional calls from NCL's related brands will result in a minimum of 16 calls to St. George's in 2017, versus four in 2016, fulfilling a major objective in BTA's Growth Plan.

BTA also conducted meetings and participated in the Cruise Canada New England (CCNE) Symposium, which took place in New York from 14 - 16 June. In addition to participating in round-table activities and sessions, the team met with senior officials from the New York City Economic Development Corporation (NYCEDC) to discuss matters of mutual significance related to the cruise industry deployment and business development.

Additional 2017 Cruise Calls

Upon completion of these discussions and after concluding deliberations with Government and cruise lines, the total additional cruise ship calls secured for St. George's and City of Hamilton were confirmed. In 2017, St. George's will have 16 calls in comparison to 4 in 2016, primarily from high-end, luxury lines such as Regent and Oceania. We expect the additional calls will create new opportunities for retailers, attractions and residents in the town. The City of Hamilton will also see an increase in calls in 2017, with 23 calls scheduled compared to 16 in 2016.



In 2017, St. George's will have 16 calls in comparison to 4 in 2016, primarily from high-end, luxury lines such as Regent and Oceania.



Cultural Tourism Initiatives, St. George's & St. David's (Hub 1)

In line with objectives set out in 2015, the Hub 1 Steering Committee appointed Kristin White as its Cultural Tourism Manager, who will drive the implementation of the Hub 1 Cultural Tourism Plan.

Several actions under the Plan were taken during the year, which included a schedule of events to drive



visitation into St. George's and St. David's, a new website specifically promoting St. David's and St. George's experiences and features, a new marketing programme, an electronic newsletter and a major new event "Signature St. George's", which highlighted facilities, retailers and support for events and destination weddings.

Looking ahead to 2017, a St. George's Working Group was established in the second quarter to prepare for the significant increase in cruise ships calls and an expected increase in superyacht activity scheduled for the town in 2017. The team included representatives from the BTA, the Corporation of St. George's, Marine & Ports, Tourism Development and Transport HQ, Public Works, and WEDCo. Some of the focus related to infrastructure developments, including the review of upgrade requirements for Penno's Wharf dock and the cruise terminal in relation to transportation and the introduction of two new NCL-sponsored ferries. Government granted the funding request and a project manager was secured, with work commencing in early October. In addition to the infrastructure developments, new experiential activities, events and offerings are being developed, such as additional historical re-enactments, special museum tours, unique food offerings and live entertainment.

The St. George's Historical Re-enactment continued to be a Hub 1 favourite in 2016, as it saw 9,460 people watch and just over 1,600 visitors participate in this live historical performance. A new offering, St. George's Skates, along with a number of regular Hub 1 events, including the Annual National Trust Walk-about, Lighting of the Town, Carter House and New Year's Eve Celebration saw an increase in activity and visitation to the Town.

Liquor Licensing Act Amendment

The Liquor Licensing Amendment Act 2016 was approved in Parliament in June. Under the Act, the BTA Chairman will have the power to endorse a "tourism event" for a temporary liquor license. Ultimate approval remains with the Liquor Licensing Authority, but the BTA Chairman's endorsement is unique and unprecedented for the process. A portal-based application facility, providing an online submission and review process for "tourism event" organisers, was developed during the second quarter of the year to facilitate this new requirement.

Completed Events & Experiences

The year 2016 saw the roll out of events and experiences cover arts and culture as well as sport.

Experiences Completed

EVENTS	NUMBER OF DATE 2016	NUMBER OF ATHLETES	ROOM NIGHTS
Marathon Race Weekend	Jan	800	3200
Danish Olympic Swim team	Jan	20	240
Bermuda Bridge Tournament	Feb	125	750
Bermuda Triple Challenge	Feb	50	200
Grey Goose World Par 3	Mar	35	175
ARC Rally Race	Mar	250	1000
Swim MAC Carolina	Mar	25	125
Bermuda Triangle Cup	Mar/April	175	700
Rugby 7's Tournament	Mar	400	1600
Bermuda Area Permit Meet	April	90	270
Canada U-18 Swim Team	Apr	23	92
Bermuda Golf Classic	April	35	175
Hacker's Cup (USA & UK)	April	40	160
Bermuda Fly-Fish Invitational	June	35	210
Newport to Bermuda	June	700	2800
Annapolis to Bermuda Race	June	250	1000
Bermuda Heroes Weekend	June	540	549

Continued

EVENTS	NUMBER OF DATE 2016	NUMBER OF ATHLETES	ROOM NIGHTS
Liv Bermuda	July	226	271
Bermuda Triple Crown Billfish Tournament	June/July	250	1500
King of De Rock Lacrosse Tournament	Sept	40	160
Executive Women's Golf Association	Sept	65	325
Pro World Championship of Golf	Sept	35	175
Round the Sound Open Water Swim Race	Oct	150	600
Canadian PGA of Golf	Oct	75	300
Bermuda Rugby Classic	Nov	350	2800
St. Andrews College Swim Team	Nov	15	75
Goodwill Golf Tournament	Dec	40	160
Gosling's Invitational Golf Tournament	Dec	30	150
Germantown Academy Swim Team	Dec	35	210
Indiana University Swim Team	Dec	75	600
Total		4451	20482

From post-event reports received by quarter-end, the ROI from these experiences and events combined yielded in Q2 over 2,900 visitors and almost 19,000 room nights.

National Sports Centre in 2016	Visiting Participants
Ariel Re Bermuda Rugby 7s	12 colleges/universities including Yale & Dartmouth attracted over 190 visitors
Training for Rio Olympics 2016	Danish Swim Team included 15 Olympic Medallists & World Champions
SwimMac Carolina Spring Training	Included American Olympic gold medallist Cullen Jones, Zimbabwean Olympic gold medallist Kirsty Coventry, Bahamian Olympian Arianna Vanderpool-Wallace, and Bermuda's Olympian Roy Allan-Burch
CAIS Women's Soccer	12 Canadian accredited schools, comprised over 200 visitors
Elite Athlete Swim Camp	Swimming Canada Under-18 national team. Comprised total of 20 swimmers and coaching/support staff. The athletes also participated in the Bermuda National Swimming Championships
Bermuda Post-Collegiate Lacrosse	Six visiting teams with over 90 athletes and coaching Tournament staff
St. Andrews College Swim Team	This group comprised a total of 30 athletes and support (Toronto) staff
Germantown Academy Swim Team	A total of 25 athletes and support staff (PA)
Indiana University Swim Team (IN)	75 athletes and support staff for a pre-season training camp from December 29, 2016 - January 5, 2017

From post-event reports received by quarter-end, the ROI from these experiences and events combined yielded in Q4 over 825 visitors and almost 2,050 room nights.

Sales & Marketing



VK Photos

“Across the country things are happening. The buzz around Bermuda has returned. Look no further than the long list of travel best lists our island made for 2017. We estimate readership of those publications is equivalent to an exposure of 105 million travel consumers”.

David Dodwell, Chairman BTA Board

Overview

In 2016, the BTA created a new brand identity to bring Bermuda into the conversation and get people to think differently about Bermuda by connecting with the audience emotionally and inspiring them to visit the island. The subsequent launch enabled the Sales & Marketing division to reach out in numerous and diverse ways to raise awareness of Bermuda as a destination set apart from all others. Building on relationships shaped with media and travel trade partners over the past two years, the Division used the new brand platform to introduce experiential marketing and advertising tactics. A new sense of fun and excitement was seen throughout the hosted events, travel trade training and media trips, all of which aimed to drive interest and enthusiasm about our island.

The Division also found firm footing in the lead-up to the 35th America’s Cup, using every opportunity to entice attendees at each of the Louis Vuitton World Series events to come to Bermuda for the grand event in May and June 2017. Some of the highlights from those events and other promotions, advertising and marketing efforts are shown in the following sections.



A new sense of fun and excitement was seen throughout the hosted events, travel trade training and media trips.

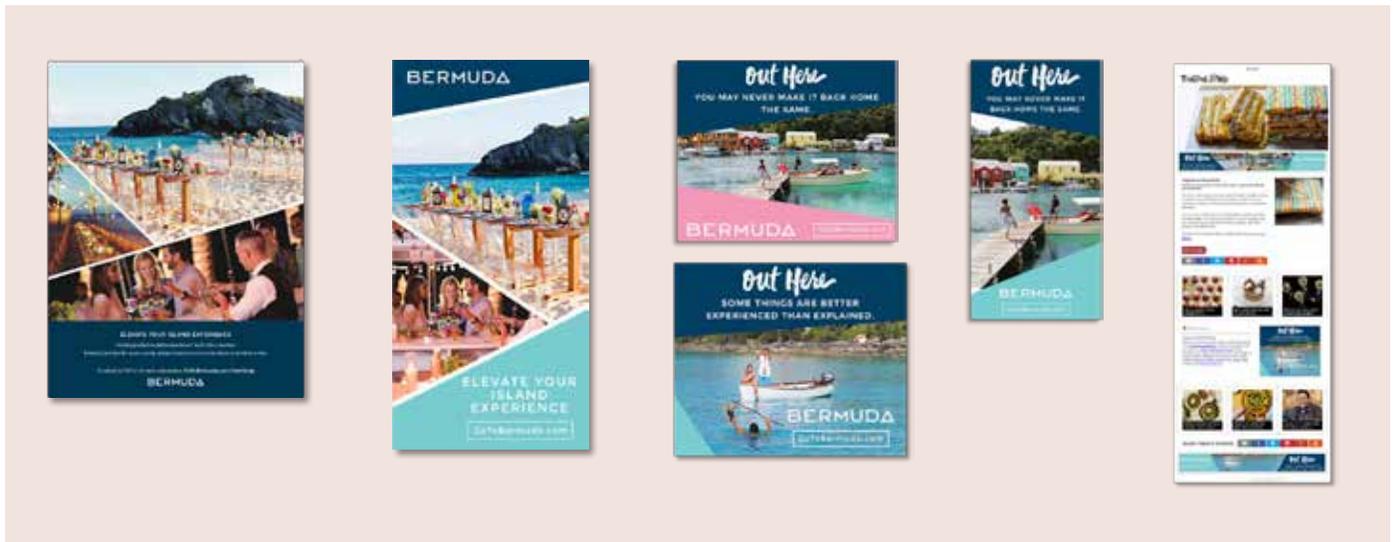
Launched new Brand Platform for Bermuda

The Sales & Marketing Division utilised an integrated and targeted approach including out-of-house, digital (email, display, social) magazine and newspaper digital media to maximize reach and efficiency, with the overall goal to increase air arrivals and economic impact on-island, particularly in paid accommodations. The Division geo targeted Boston, New York, Washington,, DC, Chicago, Philadelphia, Toronto and Atlanta to four persona categories.

BRAND STATEMENT

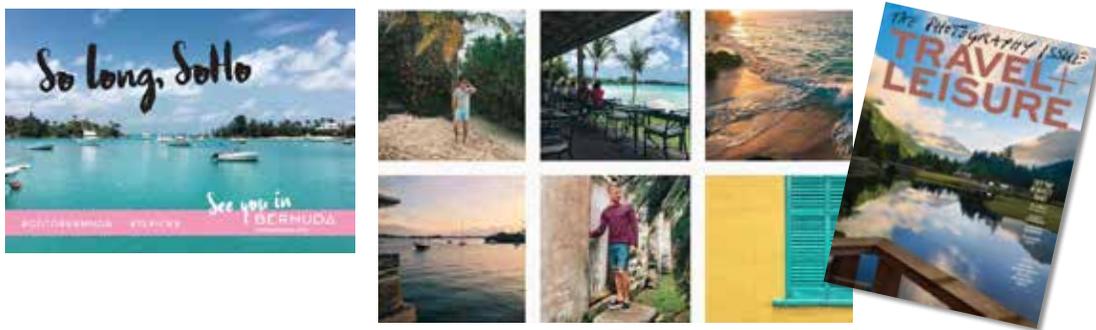
To the adventure seekers, explorers, romantics & originals among us:

BERMUDA IS SET APART BY ITS LOCATION & WAY OF LIFE; IT'S WHERE PEOPLE, CULTURES & A CERTAIN MYSTIQUE SWIRL TOGETHER, CONNECTING YOU TO A PLACE FAR FROM YOUR EVERYDAY LIFE.



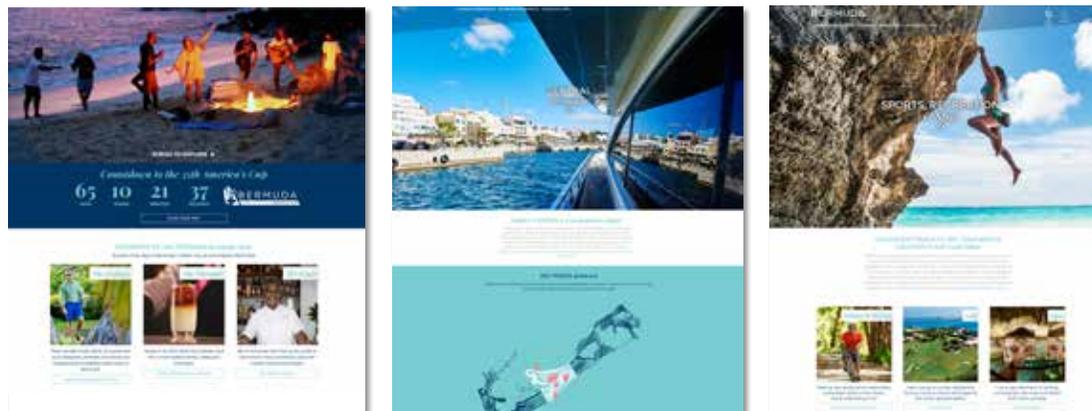
Travel & Leisure Integrated Ad Partnership

As part of launching the new brand platform, the BTA partnered with industry leading lifestyle and news publications to reach affluent travellers. Programmes were created with a seamless look and feel to ensure readers were reached via many different touch points, using a combination of national and regional print, paired with digital, Social and unique activations.



New Website

As part of the rebranding, the BTA launching a fresh new design on its website in the autumn with new content, photography and videos aimed at the luxury consumer. The new responsive site, which is compatible for mobile, tablet and desktop devices and innovative functionality, has improved navigation and user experience. Engaging content was developed in an authentic voice, not only to inform, but also to inspire.



Targeted Retail Sales

In 2016, the Sales & Marketing Division worked with hotel and airline partners to coordinate two targeted retail sale periods to build incremental demand for Bermuda, and therefore reducing the “always on sale” positioning of the hotel product.

Pink Sale:



Sites include:

- Expedia • Kayak • USAToday • eTarget • Secret escapes • Toronto star • NYTimes

The Annual Pink Sale helped to bolster hotels sales during the off-season as well as layers in business throughout the year. The offer included 50% off accommodation rates at 13 participating resorts, with a booking window from 8 January – 1 February, and travel window from 8 January – 30 April and 7 September – 31 December, 2016. The campaign targeted age groups of 25 years plus, with a household income of over \$100,000 in Boston, New York, Washington, DC, Chicago, Philadelphia, Toronto and Atlanta. The strategies used to reach these targets combined tactics to increase the impact of targeted digital messaging (email, display, social media), and retail newspaper and out-of-house advertising to maximize reach. The dynamic creative was based on a 30°F difference in temperature between the target area and Bermuda. The resulting impact of this campaign was a total of 19,900 room nights and an estimated direct spend of \$8.8 million.

Results:

62 MM
impressions (digital + offline)

529,158
engagements (136,496 web visits,
402,662 non web engagements)

\$0.49
cost per engagement

14,780
Signals of intent: click to book

127 leads;
request for more info

KEY METRICS	2016 YTD	2015 ACTUAL	% ▲ Growth from 2014	2014 ACTUAL	% ▲ Growth from 2015
Website Sessions	171,857	199,739	-14%	88,628	125%
Pink Sale Page Sessions	92,396	132,172	-30%	43,701	202%
Exit Link Clicks (to hotel partners)	N/A	11,552	N/A	6,084	90%
Total Reservations	4,428	1,667	166%	1,149	45%
Room Nights	19,900	6,895	189%	5,552	24%
Direct Visitor Spending	\$8.8 million	\$4.2 million	110%	\$3.3 million	24%
ROI	16:1	16:1		13:1	

Splash Sale



The Splash Sale promoted a 30% off deal at 9 resorts over a five-week time period to increase island visitation. The booking window ran from 22 August to 19 September 2016, while the travel window runs from 5 September 2016 to 30 April, 2017. The campaign targeted age groups of 25 years plus, with a household income of over \$100,000 in Boston, New York, Washington, DC, Chicago, Philadelphia, Toronto and Atlanta. The campaign strategies used to reach these targets included print, TV and digital (including email and social media). The resulting impact of the campaign was a total of 10,141 room nights and an estimated direct spend of \$6.3 million.

Results:

32.2 MM impressions (digital + offline) **796,785** engagements (web visits only) **\$0.33** cost per engagement **228 leads;** request for more info

KEY METRICS	2016 YTD
Website Sessions	284,235
Splash Sale Page Sessions	130,265
Exit Link Clicks (to hotel partners)	34,542
Total Reservations	2,339
Room Nights	10,414
Direct Visitor Spending	\$7 million
ROI	26.8-1

Sales & Event Engagement

A large part of the Sales & Marketing Division's remit is in the area of sales and event engagements with travel companies and other tourism-related agencies and organisations. Some of the highlights of this year's efforts can be seen below.

Group Travel

The Division was instrumental in developing Cycling & Cultural Groups for shoulder seasons, promoting Bermuda as an ideal destination for cycling enthusiasts and putting the island firmly on their maps:



Bikeabouts

Bikabout hosted a site to introduce a new partner to the island for groups or leisure visitors between 15-20 February 2016, making Bermuda the first destination outside of the United States to be placed on Bikabout's website. In addition, Bikabout created a cyclist's travel guide for Bermuda

Through building a relationship with **Ciclismo Classico**, five cycling trips to Bermuda have been generated by the company.



The Division also worked with **Backroads Travel**, billed as an active travel company, based in the United States, to create 16 group cycling trips to Bermuda throughout 2017.

Trade Engagement

As part of the annual travel trade engagement strategy, the Sales & Marketing Division conducted in-person destination training for a total of 3,620 travel professionals and reservation agents throughout the year.



Influential Conferences & Events

The Sales & Marketing Division has been instrumental in organising local arrangements for influential conferences and events, through the BTA's local partners. Some of the conferences and events were organised for 2016 and beyond are:

- **Educational Travel Consortium** – the BTA and local partners hosted a site visit for the leadership of this influential group in May of 2016, and subsequently landed its Annual Conference for Bermuda in 2018. The meeting will attract 450 delegates absorbed in several days of inspired sessions, first-rate social venues, and educationally rich experiences. Delegates include travel planners, suppliers and specialty tour operators booking group educational, experiential and affinity travel worldwide for alumni, museum, zoo, conservation and cultural organizations.
- **Incentive Leadership Summit** – In December 2016, along with Elbow Beach and other on-island partners,

the BTA hosted this targeted group of North American corporate and incentive travel buyers to showcase the island for future business opportunities and events.

- **CHICOS** – Following a successful bid led by the BTA, Bermuda will host the Caribbean’s top hospitality and tourism investment conference in November 2017, bringing to the island hotel owners, operators, associations, developers, investors and lenders.

The 35th America’s Cup - #RacetoBermuda

In 2016, the Sales & Marketing Division leveraged the road to the 35th America’s Cup in Bermuda by activating at key Louis Vuitton World Series Events, other sailing related lifestyle events and partnerships throughout 2016. In April, the team attended the Sailors Ball in New York,

Sailors Ball, New York

29 April

The event, with over 700 guests in attendance, was held on 29 April at the Manhattan Yacht Club in a Bermuda-themed room featuring rose pops, a Bermuda and America’s Cup branded photo booth and pink branded sunglasses. The event generated over 200 opt-ins, and resulted in a sailing group of 40 from the Manhattan Yacht Club booking to visit Bermuda in November 2016.

America’s Cup Louis Vuitton World Series

The AC Louis Vuitton World Series presented the perfect opportunity for the BTA team to promote #RacetoBermuda in 2016, in partnership with some of Bermuda’s key stakeholders at the following locations:

New York, 6-8 May • Chicago, 9-12 June • Portsmouth, UK, 22-24 July • Toulon, France, 10-11 September



In each location, a Bermuda-branded 40x40 activation booth was set up in the event village. The booth was inspired by Bermudian design elements, e.g. moongate archway, customised blue water flooring, rooftop pyramid seating area, etc. The activation space also included a photo booth with a variety of Bermuda scenic backgrounds or, in the case of Portsmouth, a Pink Vespa, in addition to viewfinders with images of Bermuda; a triangular branded bar used for an information booth including a representative from Travel Places to discuss room reservations for 2017. The BTA team also used the opportunity to either entertain or network with media and clients in Club AC over the two-day periods in each location. Additional touches in some of the locations were complimentary Bermuda flavoured popsicles on branded wooden sticks, Bermuda tattoos and other giveaways.

Partnership with Tatler Magazine

The June 2016 issue of Tatler Magazine featured Bermuda in a six-page editorial photo spread. The BTA was instrumental in working with Moët and wooing the shoot to Bermuda (it was originally scheduled for Miami). In addition, the BTA introduced local model, Lily Lightbourne, to the Moët brand, and she was subsequently hired and prominently featured in the shoot. The feature resulted in over 84,000 impressions on its site.



Narragansett's America's Cup Bermuda Style Pilsner Press Launch

In August, the BTA organised a media/social media influencer #RaceTo-Bermuda party to launch the new America's Cup beer on the Spirit of Bermuda in Boston. There were 50 media/influencer types in attendance and at the party, and the social media coverage reached 74,000.



Best of British Event at the British Museum, London

On 10 October, the BTA was a key sponsor at an evening hosted by Sir Ben Ainslie and LandRover BAR to showcase the team and British technology. The Division hosted nine guests from UK media and travel trade partners. The Bermuda theme comprised two large panels showing iconic Bermuda imagery, which flanked the dining area, while Bermudian flags were used to decorate poser tables and Bermuda brochures were handed out to guests. Staff dressed in Bermuda-branded aprons served Dark n' Stormy welcome drinks and a charity auction prize included a trip to Bermuda during the America's Cup.



Bermuda Summer Fridays

The Bermuda Summer Friday campaign was created to align Summer Fridays with Bermuda targeting forward-thinking people who like to live life to the fullest and organisations searching for one-of-a-kind experiences. The goal was to position Bermuda as a top summer Friday vacation spot within its overall competitive set and to steal share from other destinations. The integrated campaign geo targeted Boston, New York, Washington, DC, Chicago, Philadelphia, Toronto and Atlanta and was aimed at consumers above the age of 25 and with a household income of over \$100,000. Seven Bermuda hotels and resorts participated in the promotion, which resulted in a total of 16,619 room nights.

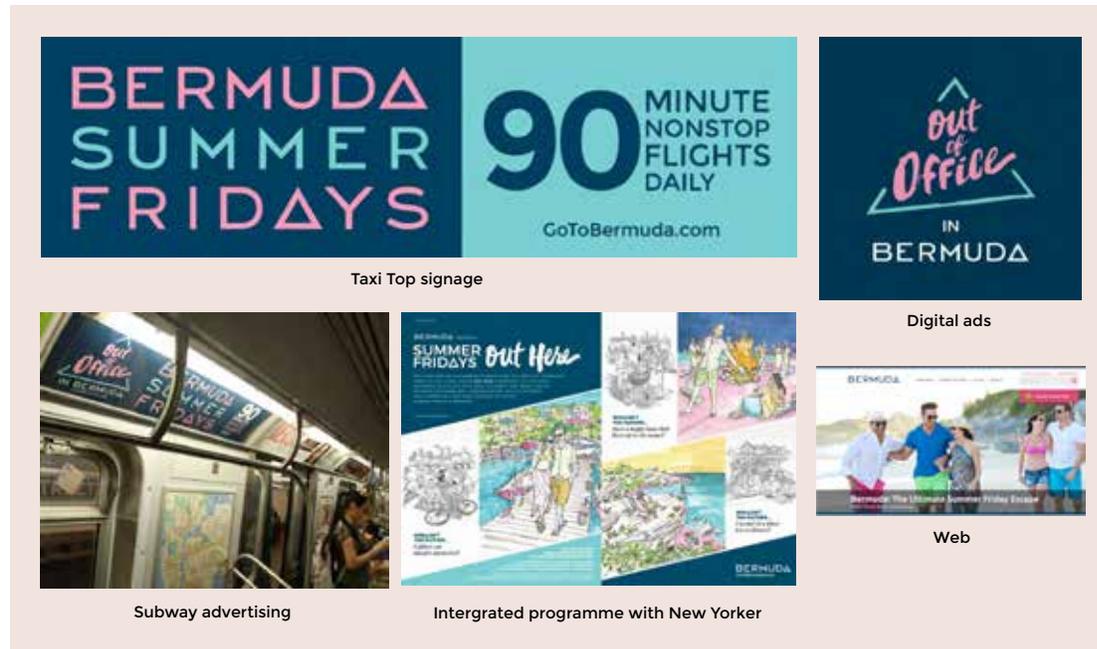
Media support was weighted fairly evenly among the months of April to June with the "4th Night Free" summer promotion being added to the mix later in the quarter. In May and June, the Sales & Marketing Division sent out Summer Friday Kits to get the media excited about the Summer Fridays. The New Yorker featured an integrated



Summer Fridays Media Kit

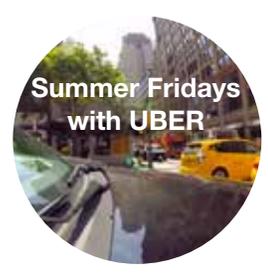
programme of print, digital and social media, while a press trip was organised in June for Improper Bostonian, Refinery 29 and SELF. Other advertising included signage on 200 New York Taxi Tops and 1,000 cards distributed in the Subway systems of New York.

However, in addition to traditional advertising print and media relations, the campaign took on some new and exciting activities to reach the target market.



Stunt Activation – Disappear To Bermuda on Summer Fridays with UBER

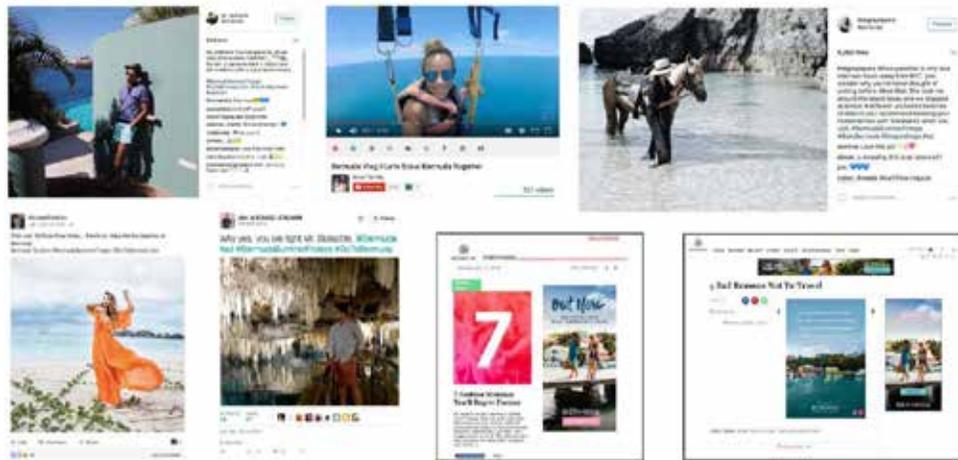
On one designated day, consumers could enter through the UBER app to win a trip to Bermuda. 25 winners were selected and each winner was picked up in an UBER car with a Bermuda ambassador and taken to collect their passport, bag and one guest before leaving that Friday for Bermuda. A social campaign was executed, as well as content compiled for a 2½-minute video pushed out over both UBER and the BTA’s social channels.



Editorial and Influencer Partnership with Refinery 29 – July 2016

In July, the Sales & Marketing Division organised individual influencer trips for five influencers, which resulted in a total earned reach of 7,681,015 impressions and a total engagement of 158,757 comments, likes and shares across social media. The projected paid impressions were 4.45 million. The five participating influencers and the number of their followers were:

- o Ian Michael Crumm (2.2MM+)
- o Jessica Wang (1.3MM+)
- o Sai de Silva (1.3MM+)
- o Anthony Urbano (327.1K+)
- o Jeanne Grey (2.4MM+)



Partnerships with Like-Minded Brands

Daybreakers is a group of millennial professionals who organise early morning dance parties in major markets. The BTA sponsored three Daybreaker Beach parties attended by a total of over 800 people in New York, Boston and Washington, DC in June and July. Bermuda’s on-site presence included Bermuda branding on all props, signage at the dance space, and Bermuda towels for the pre-session yoga class.



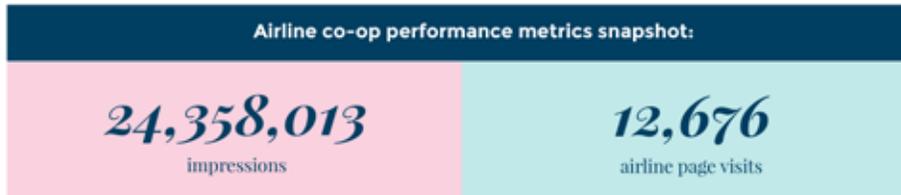
Bermuda was highlighted in 3 invitation emails, 1 thank you email post-event, received 1 Facebook post (geo-specific) on FB event and on website highlighted in Facebook album. Dedicated email to 9k+, Bermuda mentions on Facebook event pages, Instagram and city event pages. Total Earned Reach: 2.965MM (impressions across online sweeps, email, and across all social channels)

The BTA also sponsored an **Equinox** “Out of Office” class at Hotel Commonwealth in Boston in August encouraging Equinox Health Club members to get out of the office, travel, and transform their mind-sets. Bermuda was highlighted as a partner in an email to over 5,000 demographically targeted members in

the Boston area, and the event was attended by approximately 40 Equinox members. At the event, the BTA captured 32 email addresses by giving away a trip and from the photo booth activation.

Airline Co-ops

During the year the Sales & Marketing Division created customised programmes with air service providers to drive traffic to specific Bermuda destination web pages within the airlines' websites to increase sales and flight lift in key markets. The BTA continues to promote direct flights to Bermuda with key air partners Air Canada, Delta, JetBlue and WestJet.



Top Billings for Bermuda



NBC 1st Look

NBC 1st Look is a weekly American travel and lifestyle television programme that is broadcast on NBC. Bermuda was featured in a 21-minute episode that ran in New York City, Philadelphia, Washington, DC and Miami on 25 June. In addition, three 30-second vignettes cut from the original show ran during the Tonight Show, Seth Meyers and the Today Show from 11-24 July and on Taxi-TV in the back of cabs in the New York City, Philadelphia and Miami markets from 5-16 July.

WNBC-TV's Open House, another weekly lifestyle design show, showcased Stewart Hall in a four-minute segment, and a daily show called New York Live featured a two-minute segment about sailing in Bermuda. The two-minute segment also ran on Taxi-TV providing \$100,000 worth of taxi air time.

In addition to the original broadcast of the show on NBC 1st Look, NBC provided four additional air dates that amounted to \$435,000 in added value, as well as \$54,000 in additional commercial spots. An online media schedule promoting all of the NBC shows in major markets totalled 3.85 million impressions between 25 June and 23 July.



Butterfield Bank IPO Activation

The Division created a Bermudian experience at Wall Street in New York City on 16 September, in celebration of Butterfield Bank's IPO, including a Bermudian lounge area, a photo activation on a pink Vespa, an information bar with a trip giveaway, a Hobie flying the Butterfield America's Cup Sail, ginger beer, stress reliever and beach ball giveaways, and Gombey performances throughout the morning. A total of 352 emails were captured through the photo activation and trip giveaway.

Investment Division



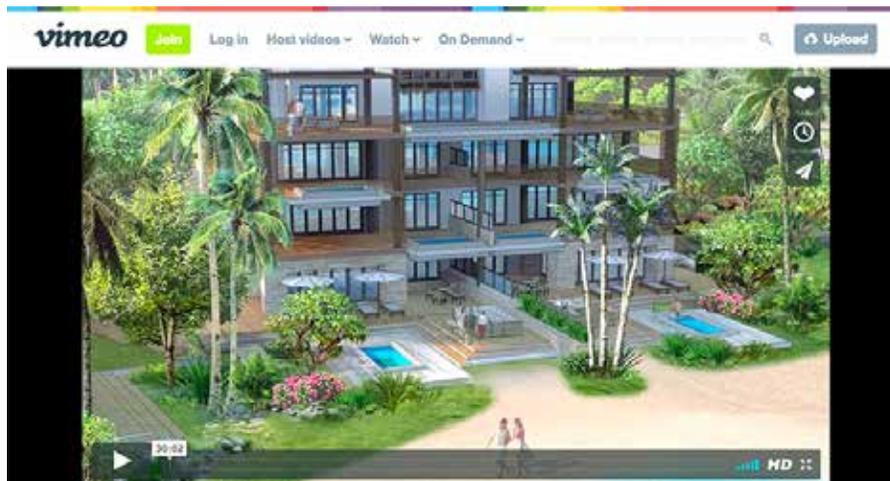
VK Photos

“It is clear that major players recognize Bermuda is undergoing a tourism renaissance and that we are back on the map. We are no longer the destination of nostalgia, but are well positioned to expand our luxury branding and differentiate ourselves from the Caribbean.”

Michael Fahy, Minister of Tourism

Overview

The Investment division’s mandate is to promote Bermuda as a preferred investment country to attract foreign direct investment in all areas of tourism infrastructure. The outreach to international hotel brands, owners and operators, financiers (banking, equity and capital providers), asset managers, commercial property developers, as well as infrastructure service providers, developers and investors remains a core activity and focus.



The principal objective is to reposition and re-establish Bermuda as a premier tourism destination by raising awareness of impending changes to Bermuda’s investment environment.

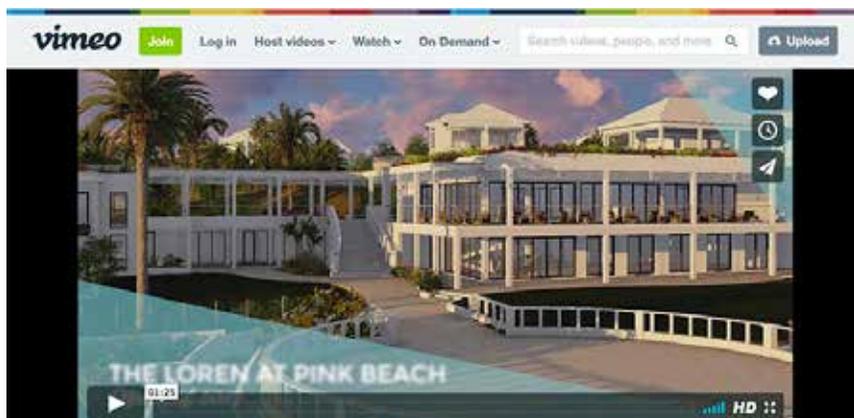
A large part of the Division’s work involves close collaboration with the Bermuda Government on a number of important initiatives to encourage and facilitate investment in Bermuda tourism, as well as to provide support to relevant Government departments on various tourism development and immigration-related matters. The success of this relationship can be seen in the number of investment projects and proposals that are currently underway.

Over the course of the year, the Investment division attended eight investment and development conferences, including the Americas Lodging Investment Summit, Caribbean Hotel and Resort Investment Summit, NYU International Hospitality Industry Investment Conference, National Association of Black Hotel Owners, Operators and Developers and the HVS Caribbean Hotel Investment Conference and Operations Summit. The principal objective is to reposition and re-establish Bermuda as a premier tourism destination by raising awareness of impending changes to Bermuda’s investment environment, highlighting Bermuda’s international reputation as an international financial centre, and to provide updates on Sales & Marketing activities and

results as well as Product & Experiences developments. The target audiences are hotel brands, owners and operators, financiers, asset managers, commercial property developers and infrastructure service providers, developers and investors.

Highlights

The Morgan's Point Resort Amendment Act 2016 was passed in March 2016. The revised Act was created to facilitate the land configuration and financial guarantee for \$185 million, and the Investment division represented the Ministry of Finance in the negotiations and finalisation of the Government Guarantee. The revised Act and the guarantee were the final Acts required to allow the developers to commence the project.



The Hamilton Princess and Beach Club Staff Housing and Facilities Building Hotel Concession Order 2016, Hotel Concession (Former Surf Side Beach Club) Order 2016, and the Hotel Concession (Elbow Beach Hotel) Order 2016 were drafted and presented to Parliament for passing. The concession orders, which were passed by Parliament in the summer session, from March to July, were to assist with the development of the properties through the provision of government rebates.

Following on from the submission of the cabinet paper for the Horseshoe Bay Transportation Hub Redevelopment project in October 2015, the Ministry of Public Works approved and allocated full funding for the project. The project's management has since been transferred to Government.

The Investments division introduced USA-based global infrastructure firms, AECOM and RWL Water, to the Ministries of Public Works, Tourism and Transport and Environment, as well as the Corporation of St George's to advance discussions on assisting with the necessary infrastructure improvements required to accommodate new hotel development and the community at large. We continue to work with the relevant ministries to develop a strategic plan for the required infrastructure development.

Furthermore, the Division supported the CEO Gaming Commission in development meetings with potential investors and casino operators, in preparation for casino operations on the island.

We are very pleased to report that we have secured the Caribbean Hotel Investment and Operator Summit Conference for Bermuda for 2017-18. The conference is considered to be one of the premier hospitality conferences in the region and attracts over 300 regional and international investors and operators. Speakers and other attendees comprise a wide array of hospitality stakeholders, from government representatives through to financial advisors, franchises and hotel chain executives, all of whom gather to discuss the markets and potential of the Caribbean region. The conference is scheduled to take place from 9-10 November 2017 at the Hamilton Princess Hotel.

The Investment division represented the BTA on the Cross Island Legacy Committee, which has been charged with identifying, through public consultation, the potential end uses for Cross Island, Dockyard, post America's Cup. The final proposal was presented to the West End Development Corporation's (WEDCO) Board at the end of 2016 for approval.



The conference is considered to be one of the premier hospitality conferences in the region and attracts over 300 regional and international investors and operators.



We have worked hard during the year to prepare an **Investment Handbook** showcasing hotel incentives and highlighting the investment process but, while close to completion by the end of December, we were unable to publish the book as some of the details depend on the new Investment Incentive Act, which itself has experienced multiple delays. We expect to bring this project to its conclusion in by the end of the first quarter 2017.

Operations Division



VK Photos

We're on the march to a bright tourism future, maybe even as bright as we once knew. But the next leg of the journey will be steep, as we continue to build on recent successes. If we put our hearts and minds to it, I am confident that we're up for it.

David Dodwell, Chairman BTA Board

Overview

In its third year of existence, the Operations division has successfully achieved its objective of creating a solid organisational foundation upon which the BTA can see its efforts being rewarded. Now that much of the initial work on infrastructure has been completed, the Division is able to focus its efforts on growth, efficiency and preparing the ground for the future.

As such, the greater part of 2016 was focused on grass roots community outreach and tourism appreciation programmes, widening stakeholder engagement, growing the island's Certified Tourism Ambassador force, and improving the BTA's internal performance measurement process.

Human Resources

BTA Rotational Development Programme

The BTA created the Rotational Development Programme as part of a succession planning and retention initiative, which seeks to identify and prepare competent individuals to move laterally or into key positions in the organisation. As part of the yearlong programme, participants rotate within internal divisions to gain a greater understanding of how each contributes to the overall goals of the organisation. In addition, the Keep Bermuda Beautiful (KBB) Committee offered the BTA access to their organisation as a training ground for the programme. As a not-for-profit organisation, KBB is a solid and vital partner with the BTA on the Neighbourhood Beautification Project and in advancing the Beach Vision.

The first Rotational Development Programme participant, Rasheeda Burgess, completed her initial three-month assignment within the Operations Division in the first quarter, successfully accomplishing a number of goals pertaining to the following projects: **Vacation Rental Properties**, the **Neighbourhood Beautification Programme**, **Dockyard Visitor Information Centres**, **National Service Standards Programme** and the **Certified Tourism Ambassador Programme**. The assignment was followed by a ten-week placement in Washington DC, the DMO for the capital of the USA, and then a three-month rotation to the BTA's New York office, working directly with the Sales and Marketing Team.

Employee Performance & Review

BTA's compensation philosophy is reflective of its desire to be a high-performance organisation that meets objectives through effective teamwork: Hire employees at the low/mid-range of their respective salary band and provide opportunity for additional compensation based on performance.

The review of team performance, and the individual effort therein, as well as the process for recognition and retention of high performers, was the subject of a full review in the early part of 2016 by both Operations and



Now that much of the initial work on infrastructure has been completed, the Division is able to focus its efforts on growth, efficiency and preparing the ground for the future.

the Board. In addition, the BTA positions and their relevant job and salary bands, encompassing Bermuda and New York, were also completed.

The compensation review exercise highlighted the complexity of BTA's compensation programme due primarily to the lack of comparable positions in Bermuda (outside of International Business); staff expectations based on a former unionised environment; the evolving nature of a new enterprise; budget uncertainties and the subsequent impact on goals and objectives; and the drive to build a high performance culture under intense public scrutiny.

An Employee Survey followed the conclusion of the performance appraisal period, to gain feedback and identify areas where staff engagement can be strengthened. HR will continue to use the questions and responses to this survey as well as other "heartbeat" questions going forward to assist in tracking the success of, and improving the effectiveness of, organisational initiatives, programmes and goals to ensure alignment with BTA goals, employee perceptions and expectations, and the organisation's unique culture.

The BTA held its third Annual Employee Strategy Meeting on 19th and 20th September at the Fairmont Southampton Princess Hotel. Team meetings ran from 7am-10pm on Monday and 7am-7pm on Tuesday and covered presentations from each division; collaborative sessions on a variety of topics; interactive sessions with the Bermuda Hotel Association and the Bermuda Business Development Agency.

Training & Standards

National Standard Service Programme

The Operations division fulfilled its major objectives in the advancement of national service standards in 2016. As addressed by the National Tourism Plan, addressing service standards to provide a level of consistent service delivery is vital to enhancing visitor experience. The goal of the programme aligns with Bermuda's brand promise, setting Bermuda apart from its competitors with superior hospitality and customer service.

As part of this phase, an online industry survey was conducted to identify and build core service principles for Bermuda's tourism sector. We received a high rate of response, after which the data was compiled and a series of stakeholder focus groups were held to review and discuss the results. Based on further industry input, a number of service standards applicable to all sectors were identified, which were shared with a wider audience of industry stakeholders, including front line employees and the Union, for input. Feedback forums took place in October, which were used to inform an implementation plan – from defining principles and behaviours, to development of the certification and implementation of a pilot group.

In order to gain certification, five principles of service must be consistently demonstrated:



HR will continue in tracking the success of, and improving the effectiveness of, organisational initiatives, programmes and goals to ensure alignment with BTA goals, employee perceptions and expectations, and the organisation's unique culture.

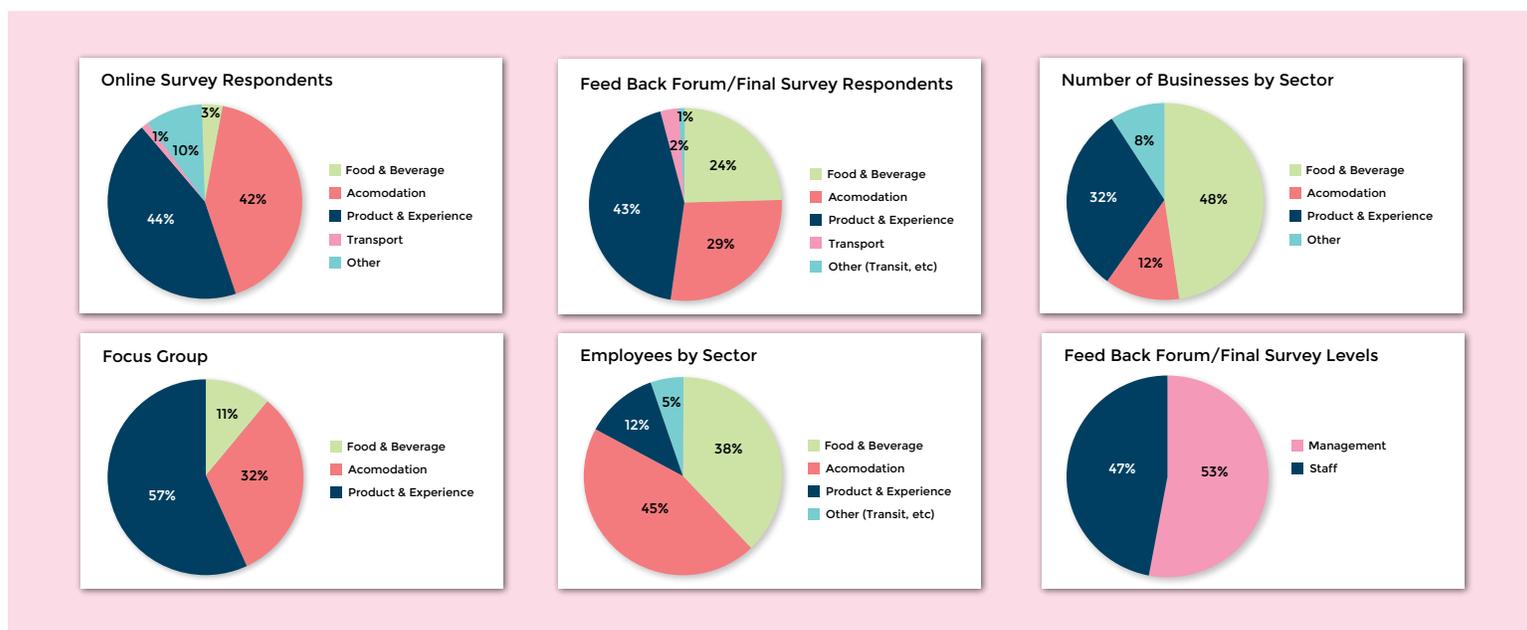


Compliance with these standards will lead to a BTA 'Seal of Approval' via an annual certification process. These principles must be exhibited by employees who deal with customers face-to-face, including business owners and managers who are tasked with creating the work environment where this kind of service is possible. Prior to certification, trained mystery shoppers will evaluate the performance of the businesses to determine whether or not the seal should be awarded.

A pilot group of ten businesses from a diverse array of retail, transport and restaurant sectors began their road to certification in December:

- Alexandra Mosher Studio Jewellery
- Flanagan's Irish Pub & Outback Sports Bar
- Bermuda Transit Services
- La Trattoria Sport Café
- Bermuda Restaurant Group
- Lindo's Group of Companies
- Boulevard Café
- L.F. Wade International Airport/Department of Airport Operations
- Dolphin Quest
- Snorkel Park

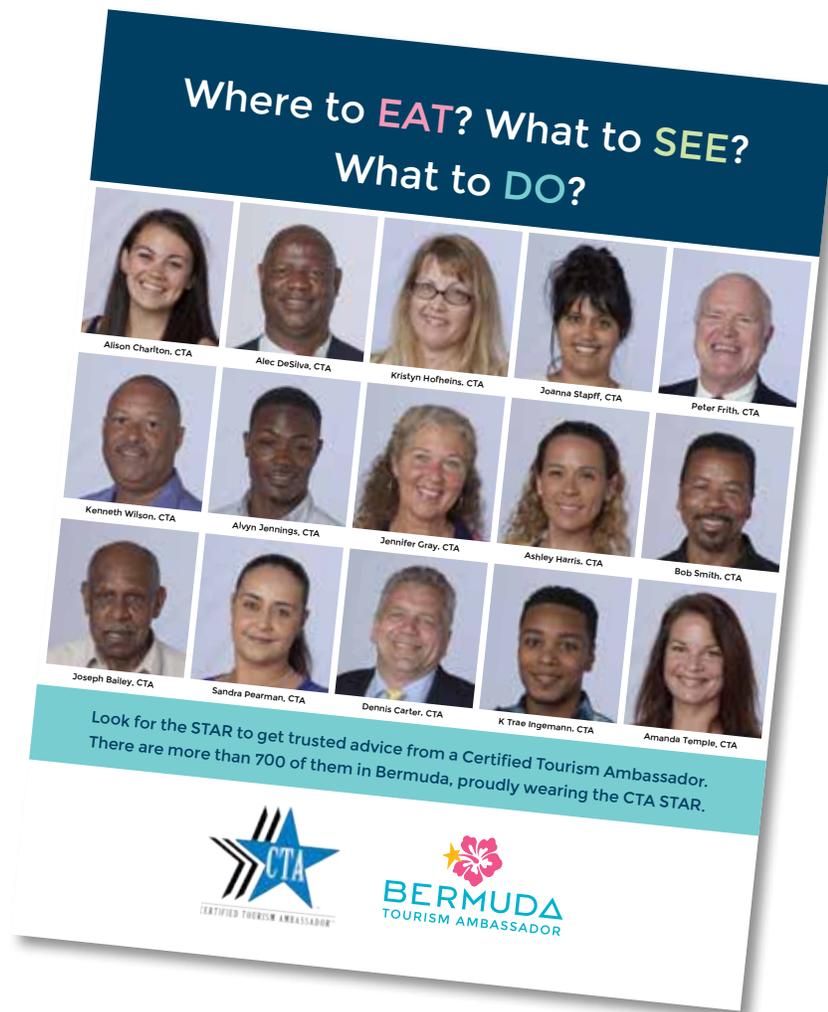
The programme is expected to begin offering Certification to businesses island-wide during the second quarter of 2017.



Certified Tourism Ambassadors (CTA)

In 2016, 343 new customer-facing/front line hospitality and tourism employees registered to participate in the Certified Tourism Ambassador (CTA) programme, so that by the end of the year, there were a total of 765 Certified Tourism Ambassadors.

A retention strategy was also developed in conjunction with the Bermuda Hospitality Institute (BHI) who administers the CTA programme on BTA's behalf. Part one of the strategy was to encourage employers to cover the cost of employee renewals by offering the renewal fee at cost, after which each month the cost will increase. The goal was to retain 70% of those required to renew by year-end. Subsequently, of the 400 CTA's that were up for renewal, 183 (43%) were renewed by the end of December 2016. Moving forward and after further planning in December, multiple service or product providers will be offering a variety of incentives to CTA's, such as discounts, free items and/or free access to their business.



Information sessions were held early in the year to inform and educate CTA's on Bermuda's wide variety of retail products and services available for visitors at various price points, from clothing and accessories to fine jewellery and rum. Upselling and meeting the needs of discerning travellers were also a focus. Interactive and engaging, the sessions involved site visits, samplings and panel discussions. Feedback was overwhelmingly positive and similar sessions took place later in the year.

During Hospitality Month in April, CTA's were recognised through a multi-media campaign running on radio, television and in print. The campaign culminated in an afternoon reception, during which they made on-the-spot contributions to the #LoveMyBermuda campaign. Their submissions will be used for future promotional purposes.



With the number of CTA's now reaching a suitable mass, a publicly focused promotional campaign commenced late in 2016 and will expand throughout 2017. 'Look for the Star' advertisements, promoting the knowledge of Certified Tourism Ambassadors, are on display at the L.F. Wade International Airport and in strategic locations in the City of Hamilton, Dockyard and St. George's.



Businesses were advised of how they could support the training by tendering assistant course facilitators for and offering assessed internships to students.

Expanded Food & Beverage Skills training Initiative

The BTA, through the Operations division, spearheaded a partnership with educational and training stakeholders to deliver an expanded skills programme for waiters/servers. The working team consisted of the Bermuda College, the Bermuda Hospitality Institute, the Department of Workforce Development and the Chair of the Restaurant Sector of the Chamber of Commerce.

Throughout the fourth quarter, the team engaged industry to ensure the programme met the needs of the food and beverage sector; and conducted an intensive grass-roots outreach campaign targeting potential participants from various communities. In November information sessions were held for the benefit of the public at large, including a session targeted at graduating high school students. Another session was devoted to addressing questions raised by the restaurants on the island and gaining their input for incorporation into the programme. The Chamber of Commerce was instrumental in permitting unfettered access to the membership of their Restaurant Sector. This was invaluable as businesses were advised of how they could support the training by tendering assistant course facilitators for and offering assessed internships to students. Other sessions focused on educating audiences about the opportunities that exist in the Industry for those who wish to make hospitality a career focus, and also revealed part-time opportunities.

Once the existence of a course of training had been communicated island-wide, the working group arranged Reality sessions to attract those who wished to pursue the resulting waiter/server certification. Two sessions took place in December, comprising presentations by waiters, captains and bartenders to showcase a 'day in the life of a hospitality worker'. Participants had the chance to make personal contact with training officers at the Department of Workforce Development to apply for course scholarships, and were able to interact with human resource restaurant personnel for invaluable advice and guidance.

At the end of 2016 the First Cohort of students was confirmed for a 9 January 2017 training course.

Public & Stakeholder Communication

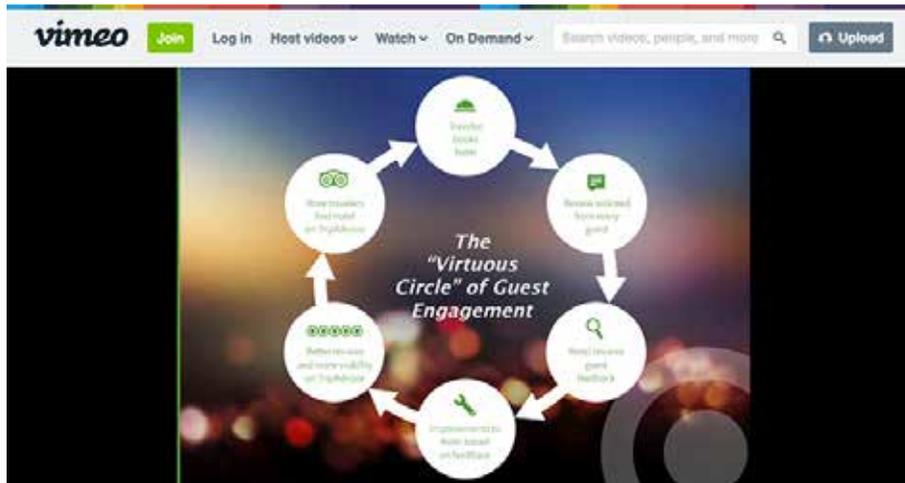
Since the establishment of the BTA, the Public & Stakeholder Communications team has successfully established solid partnerships with local industry stakeholders to promote the benefits resulting from the Product & Experiences division's activities, and to advance the BTA's position on industry issues and legislation. These relationships have not only been important in the lead up to AC35, but have helped stakeholders to understand how they can be a part of bringing business to Bermuda.

Some highlights of how partnerships developed and benefitted local industry stakeholders during the course of the year are as follows:

Trip Advisor

In line with the multi-phased plan that was designed to improve Bermuda's presence on TripAdvisor, during Phase One a series of TripAdvisor workshops were offered to tourism-related businesses. Presenters from TripAdvisor and Viator travelled to Bermuda to facilitate the five free workshops across the island, which were attended by approximately 200 people.

In addition, the TripAdvisor representative conducted business outreach with members of the BTA team, which proved to be worthwhile in generating interest for partnerships. At the conclusion of the workshop activities, the BTA, in collaboration with the Chamber of Commerce and Lili Bermuda, hosted a networking cocktail reception. Moving forward, plans will focus on encouraging local residents to contribute reviews on TripAdvisor whenever they eat, shop or experience Bermuda.



Partnerships with local industry stakeholders have not only been important in the lead up to AC35, but have helped stakeholders to understand how they can be a part of bringing business to Bermuda.



Chamber Roundtable

Chamber of Commerce President John Wight and BTA CEO Bill Hanbury held a roundtable discussion with Chamber division leaders at the Chamber of Commerce in September. The President of the Bermuda Hotels Association Bushara Bushara also participated. The occasion provided an opportunity for the CEO to present August visitor arrival numbers and listen to stakeholders about what is working and what is not working from their perspective. The discussion provided to be highly productive in stakeholder engagement, and we are now seeking other areas where this approach can be replicated.



Attracting Filmmakers

In 2016, the BTA rolled out a comprehensive plan to educate the public on the organisation's position as the official film commission for Bermuda. Messaging focused on the opportunities this can bring to people looking to work in the film industry and to small businesses in the greater economy that could realise new revenue-earning opportunities as a result. The plan included a public forum, Tourism Forward content, a press release, e-mail communication and dialogue with government partners. Ultimately, the BTA is lobbying government leaders to make Bermuda more competitive for attracting filmmakers with the introduction of incentive packages.



Explaining the Impact of Airlift

In 2016, airlift numbers improved sizeably and in each quarter's statistical report, airlift capacity was highlighted to exhibit progress to the public. The BTA endeavoured to inform stakeholders and the public on the connectivity between capacity and increase in visitation, as each is dependent on the other. Focus was especially given to the growth in younger visitors and the success of visitation from New York and New Jersey during presentations. The Bermuda Business Development Agency CEO, Ross Webber, provided a supporting quote in a BTA press release, while the BTA's CEO, Bill Hanbury, spoke on the David Lopes radio show outlining the BTA's contribution to the island's airlift capacity issue in partnership with colleagues in the public and private sector.

“It is encouraging to see this uplift in capacity,” said Ross Webber, CEO of Bermuda Business Development Agency (BDA). “We are happy to work alongside the BTA to ensure routes are available, convenient and, ultimately, better priced.”

In late December, the BTA, alongside the Ministry of Tourism, Transport and Municipalities, announced the expanded JetBlue airlift out of New York City and Boston. As the BTA's CEO and marketing team were heavily involved in securing the marketing arrangements that led to the increased airlift, the focus of BTA's message was the importance of marketing to fill seats as opposed to paying for seats unfilled.

Community Outreach

Two informative presentations were offered to the community during 2016, which were aimed at educating stakeholders and the general public on the:

- America's Cup – Exposure, Impact & Legacy
- Bermuda Beach Economy Vision

The America's Cup presentation deck educates members of the community about the exposure Bermuda is receiving as a travel destination, the impact the event is having on the local economy and the potential socio-economic legacy benefits. Presentations were held at KPMG, Deloitte, Mount Saint Agnes, RenaissanceRe, Willis Watson Tower and the Bermuda Hospitals Board.



The Bermuda Beach Economy Vision aims to create jobs for Bermudians, increase visitor spending and improve the overall beach experience for locals and visitors alike.

The Bermuda Beach Economy Vision presentation is aimed at engaging locals around a new strategy for the island’s beaches. The vision aims to create jobs for Bermudians, increase visitor spending and improve the overall beach experience for locals and visitors alike. The presentation was made to BEST, the Environment Minister, beach stakeholders, the Rotary Club and, consistent with the BTA’s commitment to bipartisanship, to the PLP and OBA Caucuses. In addition, the Bermuda Beach Economy Vision participated in the recording of a CITV show on the subject that aired in September.

Stakeholder AC35 Information Session

In June at the Bermuda Underwater Exploration Institute (BUEI), the BTA’s third America’s Cup-related presentation for the tourism industry prepared stakeholders for AC35, and comprised:

- **Preparing for America’s Cup Visitors** – insights into the timing of anticipated air and cruise visitor arrivals; details on all inclusive visitor packages. Presented by Glenn Jones, Bermuda Tourism Authority & Nina Thompson, Travel Places
- **Delivering on the Host Venue Agreement** – logistics from transportation to build-out. Presented by Mike Winfield, America’s Cup Bermuda
- **Planning the World’s Greatest Sailing Event** – team and event day updates. Presented by Sam Hollis, America’s Cup Event Authority



The presentations were recorded on video and placed on the BTA’s website for any stakeholder to review.



Tourism Forward TV

In 2016, the Public & Stakeholder Communication team established the first Friday of each month as Tourism Forward Friday, whereby the BTA distributed a short video to stakeholders, focusing on one relevant topic concerning the industry. This reuse of material not previously shown during the Tourism Forward television series at the end of 2015 and early 2016 is a cost-effective way for the BTA to continue highlighting the wide range of activities and programmes within the organisation's remit. In the third quarter, the focus shifted to the creation of new content for Tourism Forward Friday that was produced internally each month. In addition to e-mail distribution, the video content was shared with Bernews, who posted the videos as part of an advertorial agreement.



Topics covered during the quarter are as follows (with some performance stats included):

Topic	Performance Stats
 October – Beach Entertainment	<ul style="list-style-type: none">• 307 opens (34% of total)• 53 clicks (CTR 16%)• 258 views on Vimeo
 December – Dive Vacationers	<ul style="list-style-type: none">• 327 opens (32% of total)• 37 clicks (CTR 11%)• 139 views on Vimeo

BTA also created videos on **Mini Car Rentals** (Vimeo views: 1,525); **stakeholder engagement in St. George's**, re: cruise ship scheduled (FB views: 7,181); and **Winter Sports Training Camps at the Aquatics Centre** (Vimeo views: 228).

Tourism Appreciation

#LOVEMYBERMUDA

The third phase of this grass roots campaign continued through the first and second quarters of 2016, as the BTA engaged local high schools in the #lovemybermuda video challenge. Two schools, MSA and Berkeley, participated utilising SocialBox, an interactive photo and video booth that allows users to post their content online instantly.

In addition, a radio and video campaign featuring Certified Tourism Ambassadors (CTAs) was produced to air throughout April's Hospitality Month. The spots feature CTAs, selected from a cross-section of the industry, sharing why they feel the CTA programme is important and expressing how their love for Bermuda impacts their careers in the hospitality industry.

This phase concluded in May, with the airing of #lovemybermuda television spots featuring school children, as well as the radio and video campaign featuring CTA's. Three high school students were awarded a variety of industry experiences for their particular #lovemybermuda statements.



Focus returned to students in September with a 'Back-To-School' edition of #lovemybermuda. Students from five schools (MSA, Berkeley, Whitney, Dellwood and Saltus) were captured on video stating what they love about Bermuda. These interviews were then compiled into a short video and voice clips for promotions as well as

on local television and in local movie theatres. Underscoring the Bermuda Spirit of the campaign, the Johnny Barnes mascot was onsite rallying the children. On 7 November and 5 December, the mascot stood at the Crow Lane roundabout welcoming motorists with Johnny Barnes signature wave. The mascot was on the first date joined by a youth athletic group and on the second date a Mount St. Agnes sports team, all holding #lovelybermuda signs while greeting morning traffic.

The BTA also signed on as a sponsor of the Pembroke Hamilton Club's (PHC) annual Good Friday Community Day to further fulfil its mandate to increase tourism appreciation. The event, under the title of #lovelybermuda, provided an ideal opportunity for outreach both onsite and across social media channels. Hundreds of spectators actively engaged on their social channels throughout the day or directly through the BTA social tent. Content was streamed live from participants who were posting images and videos on Facebook, Instagram, Twitter and others during the event. BTA's visible presence, positive community engagement and #lovelybermuda theme will be repeated at this event next year.

Neighbourhood Beautification Programme

In support of BTA's mission to reinforce its role as a vested community partner, the Neighbourhood Beautification Programme (NBP) was launched at the end of March 2016 with the following objectives:

- Build coalitions with key community constituencies
- Demonstrate the positive impact individual actions can have on the tourism product and vice versa
- Raise community confidence in the BTA

The initiative, a three-part programme addressing soft and hard landscaping issues as well as beautification, launched after more than six months of collaboration with the public and private sector. Not only does the NBP serve a practical purpose, such as clearing and revitalising roadsides in Bermuda, it also serves to create a heightened sense of community and pride by giving residents a greater sense of unity, friendship, and a collective purpose.

BTA partnered with businesses and support organisations who collectively utilised their expertise and resources to ensure the project's success, including: Keep Bermuda Beautiful, The Bermuda Landscaping Association, Almeida's Landscaping, Ministry of Works & Engineering/Highways, SAL Limited and Butterfield & Vallis.

Horseshoe Road and Lighthouse Road, selected as the pilots for the NBP, required the collective efforts of neighbours, professional landscapers and outside volunteers to tackle trash pick-up, the clearing of landscaping and cutting back foliage.

The success of both pilot programmes informed the creation and implementation of an application process for the wider public to participate in the programme, which involved the creation of an online application process and solidifying the selection process. A strategic communication plan was also implemented to inform a broad sector of the community on the opportunity to participate, which includes television and radio advertisements and PR. To date, following the successful projects taking place at Devon Spring Road and Lighthouse Road, the BTA have showcased the Neighbourhood Beautification Programme on local television and in local movie theatres.

- After implementing the new online application process, Devon Spring Road and Harmony Close on South Shore Road, Paget, were accepted into the programme bringing the total participating neighbourhoods to four.
- Devon Spring Road commenced Phase One of the project in the third quarter, while Lighthouse Road expanded their reach, and Horseshoe Road is nearing Phase 3 beautification.
- Harmony Close was expected to begin Phase One in the fourth quarter, but was postponed due to Hurricane Nicole, which swept through the island on 13 October. Phase One is therefore expected to commence early in 2017.



Horseshoe Rd



Lighthouse Rd



Devon Spring Rd



Not only does the NBP serve a practical purpose, it also serves to create a heightened sense of community and pride by giving residents a greater sense of unity, friendship, and a collective purpose.



Corporate Information



BACK ROW - LEFT TO RIGHT: David Dodwell, Jessica Mello, Peter Everson, Earl (Butch) Graves Jr.

FRONT ROW - LEFT TO RIGHT: Paul Telford, Allison Towlson, Phil Barnett, Allison Reid

Board of Directors

David Dodwell (Chairman)

Owner of The Reefs Hotel & Club in Bermuda and Nisbet Plantation Beach Club in Nevis.

Phil Barnett

Director and President of the Island Restaurant Group.

Peter Everson

President of PE Consultants Ltd.

Earl (Butch) Graves Jr.

President & CEO of Black Enterprise.

Jessica Mello

Director of Consulting Services, Deloitte Bermuda, serving banking and public sector clients in Bermuda and the Caribbean.

Allison Reid

Senior Vice President of Real Estate of Starwood Hotels & Resorts Worldwide Inc.

Paul Telford

Managing Director at the Rosewood Tucker's Point Resort in Bermuda.

Allison Towlson

Regional Executive and Chief Operating Officer for ACE.

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