

Crown Corporation Business Plans 2016–2017

Tourism Nova Scotia



Contents

- Message from the Chair 5
- Mandate 7
- Planning Context 7
- Alignment with Government's Priorities 8
- Strategic Goals and Priorities 9
- Core Responsibilities 11
- Outcomes and Performance Measures 11
- Financial Summary 15

Message from the Chair

It is an important time for Nova Scotia's tourism industry as we work to double tourism revenues to \$4 billion by 2024 – a goal set out in the *Now or Never* report, produced in 2014 by the Nova Scotia Commission on Building Our New Economy.

Last April, in response to this goal, government created Tourism Nova Scotia as a private sector–led provincial Crown corporation with a mandate to drive tourism growth in Nova Scotia and foster a more globally competitive tourism industry.

Tourism Nova Scotia has developed a strategic plan for the organization that articulates how it will align resources and prioritize opportunities to drive sustainable growth and lead the tourism industry toward the \$4 billion revenue goal. The plan focuses on four key strategies:

- Attract first-time visitors to Nova Scotia.
- Invest in markets of highest return.
- Focus on world-class experiences.
- Build tourism confidence.

Tourism Nova Scotia's 2016–2017 business plan aligns with these strategies and outlines the actions the organization will take to deliver successful outcomes.

It gives me great pleasure to present Tourism Nova Scotia's 2016–2017 business plan. We look forward to working together with industry and stakeholders to drive strong, measurable results.

Sincerely,

Ben Cowan-Dewar
Chair of the Board, Tourism Nova Scotia

Mandate

The Tourism Nova Scotia Act, passed on May 4, 2015, states the objects of the corporation are to

- achieve tourism growth in the province and maximize the value of tourism to the economy of the province
- develop and implement a long-term strategy for tourism to drive sustainable tourism in the province that delivers growth and profitability in the tourism sector, provides economic benefit to the province, and is consistent with the province's strategic priorities
- communicate and collaborate with communities, private industry, and the tourism industry in the province

Planning Context

Twice the Challenge. Twice the Opportunity.

"We can't keep doing what we have always done. Government needs to get out of the way and let the private sector lead . . . the creation of a Crown corporation will position us well to double our tourism revenues from \$2 billion to \$4 billion annually."

(Source: "Private Sector to Lead Tourism Growth," press release, Finance and Treasury Board Minister Diana Whalen, March 25, 2015.)

The *Now or Never: An Urgent Call to Action for Nova Scotians* report is the foundation for the Nova Scotia Government's Framework for Private Sector Growth. This report identifies several economic development goals to be

achieved by 2024. The report acknowledges the importance of the tourism industry as a contributor to economic growth in the province, and issues a challenge to the Nova Scotia tourism industry to double tourism revenues from the 2010 level of \$2 billion to \$4 billion by 2024.

Goal #14: Tourism Expansion. "As Nova Scotia's leading source of service sector exports, gross business revenues from tourism will reach \$4 billion."

(Source: Nova Scotia Commission on Building Our New Economy. *Now or Never: An Urgent Call to Action for Nova Scotians*, 2014.)

Following its emergence as a Crown corporation in 2015, Tourism Nova Scotia embarked on a strategic planning exercise. Its strategic plan, unveiled in November 2015, represents an evolution of 2013's *A Tourism Strategy for Nova Scotia*, which was developed under Nova Scotia Tourism Agency's mandate.

The strategic plan identifies Tourism Nova Scotia's and key stakeholders' roles, and Tourism Nova Scotia's strategies to support the industry goal to reach \$4 billion in tourism revenues by 2024. Tourism Nova Scotia's strategic plan aligns with key government priorities and the Government's Framework for Private Sector Growth, and it underpins the corporation's 2016–2017 business plan.

Alignment with Government's Priorities

Government priority: Innovation

Government outcome: Nova Scotia has a strong and globally competitive economy and a sustainable, modern government.

Government goal: Create the climate for private sector and social enterprise economic growth to support the ONE NS economic goals.

Government's Framework for Private Sector Growth (Framework) is guiding government's actions to create the climate for private sector and social enterprise growth so the ONE NS goals can be achieved. As such, it is fundamental to the government's Innovation priority. Tourism Nova Scotia supports the Framework priorities of

- striving for global competitiveness, trade, and investment
- building capacity in high potential clusters (ocean industries, agri-food, and seafood)

Our success in attracting higher-yield first-time visitors, leading the development of world-class experiences, and stakeholder engagement supports the ONE NS goal of doubling tourism revenues (non-resident visitor expenditures are exports) and maximizes the value of tourism to the economy.

Stakeholder Roles

Successfully tackling an aggressive tourism revenues goal means that everyone has to be focused on aligning with that goal, and everyone has to "own their role." In concert with Tourism Nova Scotia, key stakeholders play a critical role in growing tourism revenues to meet the ambitious \$4 billion goal.

Industry

- Close the sale pre-trip and during trip.
- Drive repeat visitation by exceeding visitor expectations.
- Invest in product.
- Deliver world-class experiences.

Community

Community is defined as municipalities, destination marketing organizations, and regional tourism industry associations.

- Partner with industry to deliver destination development and marketing.
- Visitor servicing.

Government

- Align policy agenda in support of the ONE NS goal to reach \$4 billion in tourism revenues by 2024, including
 - community economic development
 - attraction of inward investment
 - infrastructure development

Strategic Goals and Priorities

In order to deliver on government's and the Government's Framework for Private Sector Growth priorities, Tourism Nova Scotia has developed key strategies to guide its activities in 2016–2017.

Attract First-time Visitors to Nova Scotia

While Tourism Nova Scotia cares about *all* visitors, our marketing messages and execution will focus on converting those who have not been to Nova Scotia before.

Invest in Markets of Highest Return

Tourism Nova Scotia is investing in markets of highest return; that is, visitors who will spend the most money while visiting. Staying longer is not necessarily a requirement as daily spend can compensate for length of stay.

2015–2016 was a banner year for tourism growth in Nova Scotia. In 2016–2017, Tourism Nova Scotia will build on the previous year's success, with particular focus in the following areas:

- Deliver a consumer-focused marketing campaign. In 2016–2017, Tourism Nova Scotia will launch a consumer marketing campaign that targets key Explorer Quotient segments (Authentic Experiencers, Cultural Explorers) in markets of highest return (Ontario, Quebec, the northeastern U.S., U.K., Germany).
- Conduct research to identify and deepen understanding of Nova Scotia's target

markets (demographic, geographic, psychographic).

- Extend marketing reach through strategic initiatives with key stakeholders (e.g., co-operative advertising) and align tourism marketing and air access plans. New in 2016–2017 is a Search Engine Marketing (SEM) program that will leverage the scale of Tourism Nova Scotia's SEM activities and unite operators under one cohesive search effort for maximum efficiency in key markets of Ontario, Quebec, and the northeastern U.S.
- Extend our consumer marketing reach and grow visitation through the travel-trade sales channel. In 2016–2017, Tourism Nova Scotia will launch China as a new market. This includes developing partnership activity with Destination Canada and selecting travel-trade contacts.
- Conduct a Nova Scotia brand review. Building on our strengths as a tourism destination, in 2016–2017, we will conduct a brand review to ensure the strongest connection between Nova Scotia's tourism brand and our target markets.
- Deepen our understanding of the sharing economy. In 2016–2017, Tourism Nova Scotia will undertake a review of the sharing economy to better understand the opportunities and challenges it presents to Nova Scotia's tourism industry.
- Evolve Tourism Nova Scotia's content strategy. In 2016–2017, Tourism Nova Scotia will develop an approach to shift our focus from the development of the best possible content for NovaScotia.com

to the acquisition and distribution of the best possible content to where consumers are, including NovaScotia.com, online travel agencies, traveller review websites, social media, YouTube, etc. A Content Development program will enable the development of content that can be leveraged by Tourism Nova Scotia and tourism operators.

- Monitor collective progress of the tourism industry against the ONE NS \$4 billion tourism revenues goal. Tourism Nova Scotia is responsible for developing annual tourism revenue estimates. In 2016–2017, we will develop preliminary tourism revenue estimates for 2016.

Focus on World-Class Experiences

Tourism Nova Scotia will lead tourism experience and sector development through a “world-class” lens to support attracting first-time visitors.

Explorer Quotient, the traveller values-based segmentation, will inform experience development in 2016–2017. Members of Tourism Nova Scotia’s Development team are working to become Explorer Quotient experts, and will attain Explorer Quotient Associate Trainer status this year.

Key 2016–2017 priorities include the following:

- Conduct research, leveraging the Explorer Quotient segmentation model, to identify opportunities for tourism sector development.
- Nova Scotia must position itself as an attractive place to invest and operate a tourism business. In 2016–2017, Tourism Nova Scotia will, in collaboration with key stakeholders, explore opportunities and create a work plan for investment

attraction and Nova Scotia’s investment readiness to respond to opportunities.

- Strategically prioritize and influence tourism sector development opportunities. New in 2016–2017 is the world-class Experience EXCELLerator program, which will inform development of up to 10 new purchasable experiences in Nova Scotia.
- Build Tourism Nova Scotia’s program evaluation capacity. To build on success and ensure strategy alignment, we will establish key performance indicators for new programs, and track and benchmark results (e.g., industry engagement, revenues, media, first-time visitors).

Build Nova Scotia’s Tourism Confidence

Tourism Nova Scotia will build stakeholder knowledge of, and support for, Tourism Nova Scotia’s strategic direction to attract increased investment, grow revenues, and boost Nova Scotia’s tourism confidence. Key 2016–2017 priorities include the following:

- Platform/channel development. Tourism Nova Scotia will redesign and implement marketing communications channels to reflect the corporation’s new mandate and communications objectives, including the following:
 - Corporate website redesign: Tourism Nova Scotia’s corporate website will be the go-to source for information about Nova Scotia’s tourism goals and priorities, Tourism Nova Scotia’s strategic plan, monthly visitation reports, industry’s progress toward the 2024 \$4 billion tourism revenues goal, and Tourism Nova Scotia’s corporate information, tools, resources, and programs for industry. The site will provide potential

investors and entrepreneurs with information on how to explore business/investment opportunities in Nova Scotia.

- Social media: Tourism Nova Scotia will establish corporate social media channels for the purposes of educating our partners and industry about what we are doing, and providing insights about opportunities that will help them.
- Assess resident and stakeholder views of the tourism industry and Tourism Nova Scotia. Tourism Nova Scotia will conduct market research to track Nova Scotia residents' views of the provincial tourism industry, and to benchmark stakeholder views of the industry and Tourism Nova Scotia.

Core Responsibilities

Government outcome: The delivery of core services by government to Nova Scotians is effective and efficient.

In addition to the key 2016–2017 priorities identified above, Tourism Nova Scotia provides support to the tourism industry in the following areas.

Provincial Visitor Information Centres

Tourism Nova Scotia operates six provincial Visitor Information Centres (Halifax Stanfield International Airport, Halifax waterfront, Amherst, Yarmouth, Peggy's Cove, Port Hastings). Visitor Information Centre staff assist visitors with planning their travel throughout Nova Scotia and encourage increased spending and length of stay. Tourism Nova Scotia also provides funding that contributes to the operation of local visitor information centres across the province.

Tourism Contact Centre

The Tourism Contact Centre supports the marketing programs as the point of contact for marketing program inquiries for Nova Scotia travel planning and reservation services. In 2016–2017, the Tourism Contact Centre's role will be optimized to fully align with Tourism Nova Scotia's strategic direction.

Literature Distribution Program

The Literature Distribution Program supports the marketing programs to generate visitation to Nova Scotia. The program includes direct-to-consumer and public sector tourism literature services to key target markets.

Outcomes and Performance Measures

While Tourism Nova Scotia is working in concert with key stakeholders to increase visitor expenditures, Tourism Nova Scotia cannot directly increase all visitor expenditures. One component of our work is to influence awareness and consideration of Nova Scotia as a vacation destination, and the other is to engage and influence Nova Scotian stakeholders to implement the tourism strategy that was developed in consultation with industry.

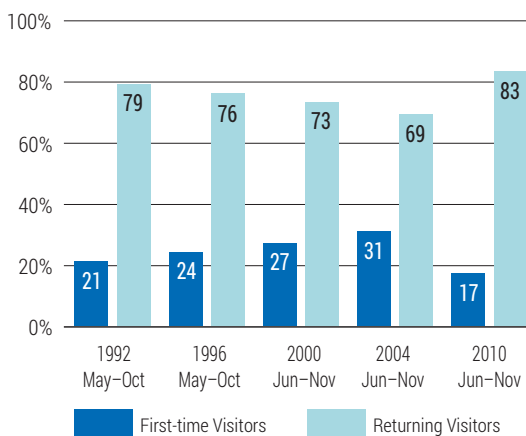
Outcome: Increase tourism expenditures by attracting more first-time visitors to Nova Scotia.

While Tourism Nova Scotia cares about all visitors, an important part of increasing the level of visitor expenditures is increasing the

number of first-time visitors to Nova Scotia. Research indicates that 83 per cent of our visitors are return visitors, so it is important for us to increase the exposure of Nova Scotia to those who have not yet visited.

The 2010 Nova Scotia Visitor Exit Survey reported that 13 per cent of visitors to Nova Scotia were first-time visitors, a marked decline from previous levels of first-time visitation. Increasing first-time visitation to Nova Scotia is essential to the long-term prosperity of the tourism industry. Tourism Nova Scotia will continue to track first-time visitation to the province via the Nova Scotia Visitor Exit Survey. Results for the 2015 Visitor Exit Survey (running from May 1, 2015, to April 30, 2016) will be reported in 2016.

First-time and Returning Visitors



Not all factors that affect the decision to visit Nova Scotia are under our control; however, Tourism Nova Scotia influences consumer decisions by marketing Nova Scotia to specific markets. Tourism Nova Scotia's advertising campaigns create awareness and drive consideration and choice of Nova Scotia as a vacation destination. Encouraging non-visitors to learn more about the province is an important step on the path to purchase.

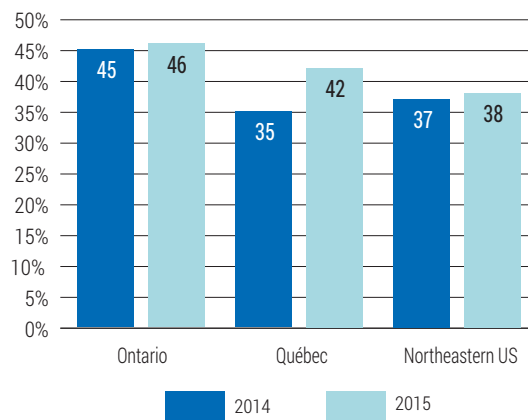
One way to get insight on the success of our activities is the monitoring of new visitors to our website, NovaScotia.com. In 2015, approximately 1.4 million (or 59%) of the 2.3 million unique visitors to NovaScotia.com had not yet visited Nova Scotia. This is a measure that provides insight on the effectiveness of our marketing campaigns. Tourism Nova Scotia will continue to track the number of visitors to NovaScotia.com who have not yet visited the province. As advertising campaigns become more effective, the pool of people who have not visited Nova Scotia may actually decline.

Outcome: Increase visitor expenditures by strategic investment in high-yield markets.

By investing in markets of higher yield to influence people to consider Nova Scotia as a vacation destination, Tourism Nova Scotia seeks to increase visitor expenditures. High-yield markets have a variety of characteristics, whether geographic, demographic, or psychographic (related to values, motivations, aspirations). Our marketing investment seeks to influence the decision to come to Nova Scotia by creating awareness and interest in Nova Scotia as a vacation destination. A lead indicator for assessing the effectiveness of our marketing dollars is consideration of Nova Scotia as a vacation destination. Tourism Nova Scotia monitors the strength of the Nova Scotia tourism brand among non-visitors to Nova Scotia in key target geographic markets, currently Ontario (Toronto/Ottawa), Quebec (Montreal), and the northeastern U.S.

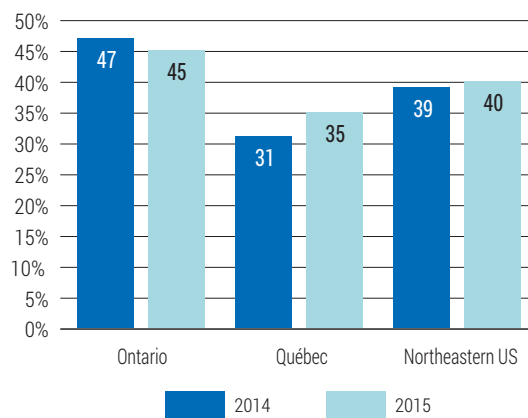
Rating of Nova Scotia as a Vacation Destination among Non-visitors

(percentage rated 8, 9, or 10 on 10-point scale)



Interest in Visiting Nova Scotia among Non-visitors

(percentage rated 8, 9, or 10 on 10-point scale)



Having a highly favourable opinion of Nova Scotia, and being highly interested in visiting the province are important steps on the path to purchase. In 2015, indicators for consideration of Nova Scotia as a vacation destination in key markets among non-visitors were stable in the Ontario and northeastern US markets, and up in the Quebec market. The goal is to maintain this strong performance.

Outcome: Develop world-class visitor experiences to appeal to first-time visitors.

Tourism Nova Scotia will lead tourism experience and sector development through a “world-class” lens to support attracting first-time visitors.

Tourism Nova Scotia’s Experience EXCELLerator pilot program is focused on the development of up to 10 tourism experiences that are aligned with Nova Scotia’s target Explorer Quotient segments. In 2016–2017, we will focus on developing and benchmarking measures, including the number of Explorer Quotient–aligned experiences developed and sales of experiences.

Outcome: Improve engagement in tourism industry by Nova Scotia stakeholders and residents.

An important component of the ability of the Nova Scotia tourism industry to achieve its goal of doubling tourism revenues is the engagement of the industry, particularly stakeholders, to support Tourism Nova Scotia’s strategic direction. In 2016–2017, Tourism Nova Scotia will benchmark, via a stakeholder survey, perceptions of the provincial tourism industry, and stakeholders’ intent to take actions to grow tourism as a service export.

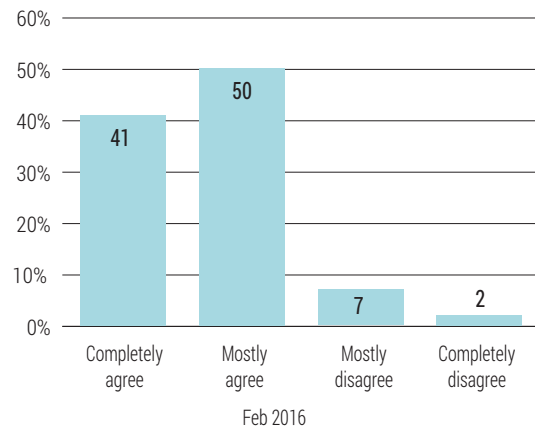
It is not only the physical infrastructure that is important to the tourism industry in Nova Scotia. Personal interactions with Nova Scotians are critical to the visitor experience and influence the desire of visitors to recommend Nova Scotia as a vacation destination and to become repeat visitors.

It is impractical to measure visitor–Nova Scotian interactions; however, the attitudes held by Nova Scotians about pride of place and the importance that Nova Scotians place on the tourism industry are proxy indicators for positive visitor–Nova Scotian interactions.

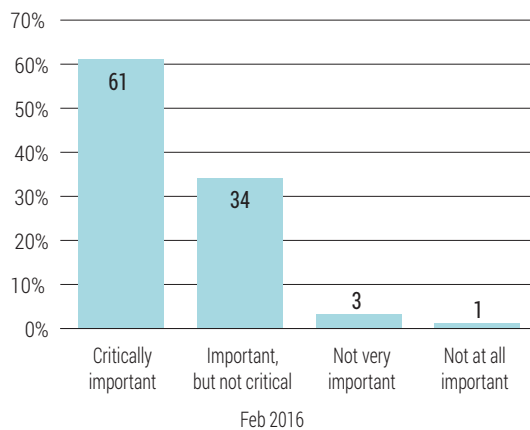
In 2015–2016, Tourism Nova Scotia benchmarked Nova Scotia residents’ confidence in the provincial tourism industry. The majority of Nova Scotians view the provincial tourism industry as critically important to Nova Scotia’s economy. Over 90 per cent completely or mostly agree that they are proud of what Nova Scotia offers to visitors. Pride in provincial tourism offerings is important; a population that takes pride in its tourism offerings will share this pride with visitors and will be more likely to feel a sense of personal ownership and involvement in the tourism industry.

In 2016–2017, Tourism Nova Scotia will update the resident tourism confidence measures.

Proud of What Nova Scotia Offers to Visitors



Importance of Tourism Industry to NS Economy



Financial Summary

	Budget 2015–16 (\$)	Forecast 2015–16 (\$)	Budget 2016–17 (\$)
Revenue			
Provincial operating grant	22,618,000	22,933,000	21,164,000
Tourism fees and charges	–	954,000 ¹	729,000
Tourism Recoveries	–	155,000 ¹	577,000
Total revenue	22,618,000	24,042,000	22,470,000
Expenses			
CEO and board administration	260,000	172,300	352,400
Corporate services	6,824,200	10,856,200	7,033,700
Marketing	10,968,000	10,546,100	11,637,300
Sector development	4,277,800	3,593,400	3,276,700
Total expenses	22,330,000	25,168,000	22,300,100
Surplus (deficit) before other items	288,000	(1,126,000)	169,900
Other items			
Provincial capital grant	–	8,783,000 ²	–
Amortization	288,000	197,000	169,900
Surplus (deficit) after other items	–	7,460,000	–

¹ The fees, charges, and recoveries have been shifted from the Province of Nova Scotia's general revenues to Tourism Nova Scotia.

² The provincial capital grant is comprised of a one-time grant primarily for the transfer of assets from the Department of Business to Tourism Nova Scotia.

