

Accountability Report

Tourism Nova Scotia

2017 - 2018

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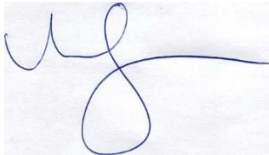
Accountability Statement

Tourism Nova Scotia's Accountability Report for the year ended March 31, 2018 is prepared pursuant to the Finance Act and government policies and guidelines. These authorities require the reporting of outcomes against Tourism Nova Scotia's Business Plan for the fiscal year just ended. The reporting of Tourism Nova Scotia's outcomes necessarily includes estimates, judgements and opinions by Tourism Nova Scotia management.

We acknowledge that this Accountability Report is the responsibility of Tourism Nova Scotia management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in Tourism Nova Scotia's 2017-18 Business Plan.

A handwritten signature in blue ink, appearing to read "R. I. d'Entremont".

R. Irene d'Entremont, C.M., O.N.S., D.Comm hc
Chair, Tourism Nova Scotia Board of Directors

A handwritten signature in blue ink, appearing to read "M. Saran".

Michele Saran, CEO
Tourism Nova Scotia

Message from the Chair & CEO

We are pleased to present Tourism Nova Scotia's 2017-18 Accountability Report, which reflects the activities and accomplishments of the past year.

2017-18 was a year of strategic alignment for Tourism Nova Scotia and our industry partners. We published our 2017-22 strategic plan, *Driving Export Revenue*, to clarify roles for all tourism stakeholders; avoid duplication of effort; make limited resources go further; and encourage private-sector initiative, innovation and collaboration.

Collaboration is key to growing Nova Scotia's tourism industry. Locally, we partnered with industry to develop high-quality visual media, targeted digital campaigns, and compelling travel experiences through our Inspiring Content, Digital Marketing and World-class Experience EXCELLerator partner programs. Nationally, we have continued to work closely with Destination Canada and members of the Atlantic Canada Agreement on Tourism to promote Nova Scotia in our key international markets.

Pre- and post-campaign research told us that our 2017 "If You Only Knew" marketing campaign performed above industry standards in terms of motivating visitation to Nova Scotia, uniqueness and appeal. Over the course of 2017-18, we built on the success of last year's campaign to develop another compelling campaign for 2018. Next year, we plan to measure this campaign's return on investment using a methodology.

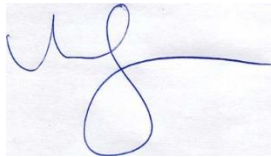
Advertising was an effective part of our marketing strategy last year, but we also made great strides in travel media and travel trade. We hosted Canada's signature travel media event, GoMedia Canada, which welcomed over 130 travel writers, photographers, videographers, and social media influencers to Halifax. These professionals experienced Nova Scotia first-hand throughout the event and on a series of familiarization tours. Meanwhile, our travel trade efforts expanded to include an in-market representative in China, the world's fastest-growing, highest-spending travel market, aiming to increase the sale of Nova Scotia holidays.

Nova Scotia's tourism industry is working to reach the Ivany Report goal of \$4 billion in tourism revenues by the year 2024. This is a challenging goal that requires strategic alignment across the tourism industry, and is contingent, at least in part, upon favourable economic conditions and a favourable public policy environment. We are committed to working with our government, community and industry partners to align efforts and maximize the value of tourism to Nova Scotia's economy in pursuit of this goal.

This Accountability Report demonstrates the impact of the hard work of Tourism Nova Scotia and its partners. In 2017, Nova Scotia's tourism industry had its best year in history and fourth consecutive year of growth. In all, a record 2.4 million visitors came to the province in 2017 and tourism revenue for the year reached an estimated \$2.7 billion. Congratulations to all tourism stakeholders on your continued success and commitment to growing Nova Scotia's tourism industry for the benefit of all Nova Scotians.

A handwritten signature in blue ink, consisting of the initials 'R.I.' followed by a stylized, cursive name.

R. Irene d'Entremont, C.M., O.N.S., D.Comm hc
Chair, Tourism Nova Scotia Board of Directors

A handwritten signature in blue ink, appearing to be 'M. Saran'.

Michele Saran, CEO
Tourism Nova Scotia

Financial Results

	Budget 2017-18	Actuals 2017-18	Variance	
Revenue				
Provincial Operating Grant	21,514,000	20,654,933	(859,067)	1
Tourism Fees and Charges	709,000	1,179,757	470,757	2
Tourism Recoveries	577,000	1,218,708	641,708	3
Total	22,800,000	23,053,398	253,398	
Expenses				
Salaries & Wages	6,600,400	5,607,385	(993,015)	4
Travel	315,100	180,837	(134,263)	
Professional Services	2,920,200	4,245,336	1,325,136	5
Supplies and Services	2,257,100	1,378,941	(878,159)	6
Advertising	7,690,800	8,911,551	1,220,751	7
Other	747,100	974,472	227,372	
Other Provincial Obligations	78,000	74,414	(3,586)	
Grants and Contributions	2,191,300	1,680,462	(510,838)	8
Total	22,800,000	23,053,398	253,398	
Surplus (Deficit)	0	0	0	

Notes:

1 - Reduction due to external revenue sources and temporary salary and operating savings.

2 - Travel guide revenue for summer 2017 recognized in 17-18 due to late production/distribution of guide (April 2018) - travel guide revenue for summer 2018 also recognized in 17-18 due to early production/distribution of guide (March 2018); expansion of retail space at Amherst location

3 - Pines employee retired. HIAA recovery, ACOA recovery, RVC Destination Halifax Partnership recovery not budgeted.

4 - Temporary vacancy savings

5 - Professional services budgeted as advertising, travel guides

6 - Savings in Marketing Travel Shows, Distribution Centre postage, Contact Centre Licenses and Telecommunications, VIC and Signature Resort Maintenance

7 - Increased advertising spend due to increased partnership contributions

8 - Decreased Signature Resort maintenance, decreased Sector Development initiatives and projects

Measuring Our Performance

Tourism Nova Scotia's 2017-18 Business Plan identified outcomes and associated measures that are discussed below. As new sources of measurement data become available, measures will be added to assess the organization's performance. **Specifically, Tourism Nova Scotia will continue to move away from broader tourism measures towards measures that more directly link with activities conducted by Tourism Nova Scotia.** In 2018, Tourism Nova Scotia will benchmark marketing return on investment (ROI) measures.

Key 2017-18 Initiatives

In 2017-18, Tourism Nova Scotia undertook the following key initiatives to address the outcomes identified in the 2017-18 Business Plan:

- Continued to build awareness of, and interest in, Nova Scotia as a vacation destination in current markets of Ontario, Quebec and the Northeastern United States through a consumer-focused advertising campaign. The campaign targeted key traveller types that are predisposed to find Nova Scotia's tourism product highly appealing (Explorer Quotient™ Cultural Explorers and Authentic Experiencers). The campaign generated foundational interest in the province, and directly influenced visitation to Nova Scotia.
- Extended the consumer marketing campaign and motivated travel through third-party media influencers. Tourism Nova Scotia hosted a key tourism media event, GoMedia Canada, in October 2017. This signature business-to-business event brought together more than 130 national and international travel media to explore Nova Scotia first-hand, and meet with marketing and communications professionals from various Canadian tourism organizations.
- Delivered co-investment programs to increase Nova Scotia tourism operators' and organizations' marketing capacity and extend Nova Scotia's tourism marketing reach. 2017-18 marked the second year of Tourism Nova Scotia's Digital Marketing (18 co-investment partners) and Inspiring Content (13 co-investment partners) programs.
- Engaged in strategic co-investment partnerships with Destination Canada in key international markets to extend Nova Scotia's market reach under the Canada brand. These co-investment partnerships leveraged Destination Canada's scale and reach across the direct-to-consumer, trade, and media channels.
- As part of Tourism Nova Scotia's long history of working collaboratively with Atlantic Canada and federal government partners, Tourism Nova Scotia entered into a new three-year "Atlantic Canada Agreement on Tourism" in 2017-18 under the auspices of the Atlantic Canada Tourism Partnership, a partnership between the federal government, the four Atlantic Provinces, and their industry associations that focuses on marketing, trade, and travel media initiatives in targeted international markets. In addition, Tourism Nova Scotia participated in the "Atlantic Canada Growth Strategy for Tourism" to support the growth of a more vibrant and sustainable tourism economy for Nova Scotia.
- Increased Nova Scotia's tourism marketing reach in the China market. 2016-17 marked

Nova Scotia's first year in the China market. In 2017-18, Tourism Nova Scotia increased our China market investment to build interest in Nova Scotia as a vacation destination. Key activities included hiring a China in-market representative, and partnering with Destination Canada on trade marketing activities.

- Increased the number of world-class experiences that will motivate travel to Nova Scotia. Tourism Nova Scotia's World-class Experience EXCELLerator program directly informed the development of 12 new Explorer Quotient™ Free Spirit-focused experiences in 2017-18.
- Increased Nova Scotia tourism operators' export-readiness capacity. In 2017-18, Tourism Nova Scotia developed and delivered the Export Readiness program curriculum through industry workshops. Through partnership with the Tourism Industry Association of Canada (TIAC), a China-readiness workshop was delivered. Delivery of these workshops will continue through 2018-19. In addition, Tourism Nova Scotia, in collaboration with the Tourism Industry Association of Nova Scotia (TIANS), developed a framework for the Enhanced Quality "Tourism Excellence" program.
- Conducted research to identify and deepen understanding of Nova Scotia's target markets. Key 2017-18 initiatives included the 2017 Visitor Exit Survey, and a quantitative assessment of the 2017 consumer-focused marketing campaign.
- Focused on enhancing stakeholder engagement to build Nova Scotia's tourism confidence. In 2017-18, Tourism Nova Scotia engaged in strategic stakeholder outreach to inform industry stakeholders on Tourism Nova Scotia's export growth strategy, roles, industry success stories, and tourism performance.

Performance Measures

While tourism activity depends on a variety of external factors such as weather, economic conditions, and exchange rates that are outside the control of Tourism Nova Scotia and the tourism industry, Tourism Nova Scotia seeks to attract more high-value visitors to Nova Scotia through marketing initiatives in key markets.

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

Measure: Tourism Nova Scotia's EXCELLerator program directly influences the development of world-class experiences that will motivate travel to Nova Scotia. The experience concepts are tested prior to development to ensure they are highly appealing to the program's target market segment (Explorer Quotient™ Free Spirits).

Target: Lead the development of at least 20 experiences that motivate travel to Nova Scotia by the end of 2017-18.

Result: 2017-18 marked the second year of the EXCELLerator program. Across the two years, a total of 22 experiences have been developed. In 2017-18, Tourism Nova Scotia developed

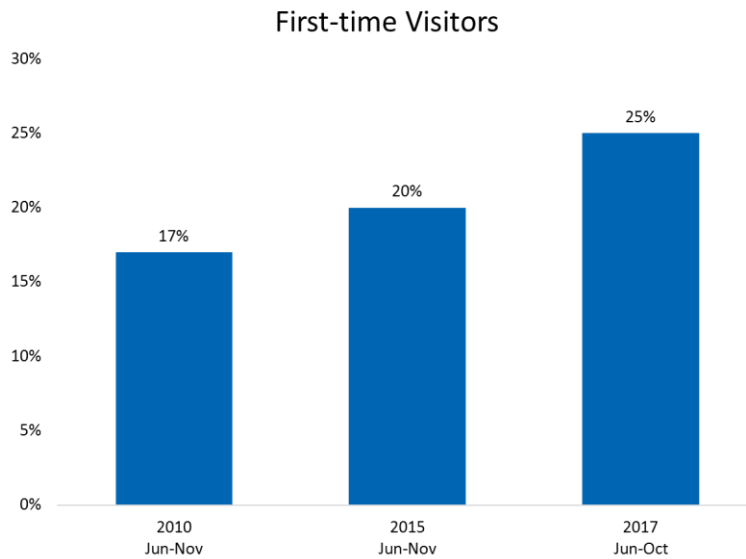
measures to assess the impact of the EXCELLerator program on operator capacity. Benchmark results will be developed in 2018-19.

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

Measure: Tourism Nova Scotia cares about all visitors; however, an important part of increasing the level of visitor expenditures is increasing the number of first-time visitors to Nova Scotia. Tourism Nova Scotia monitors first-time visitation to Nova Scotia through its “Nova Scotia Visitor Exit Survey.”

Target: Increase in first-time visitors to Nova Scotia to comprise between 20% and 25% of overall visitation by 2017.

Result: The most recent “Nova Scotia Visitor Exit Survey,” conducted in 2017, reported an increase in the percentage of visitors to Nova Scotia that are first-time visitors, compared with 2015. The percentage of first-time visitors remains within the target range, at 25 per cent.



In 2018-19, this measure will be replaced with a measure that more directly reflects the impact of Tourism Nova Scotia’s activities.

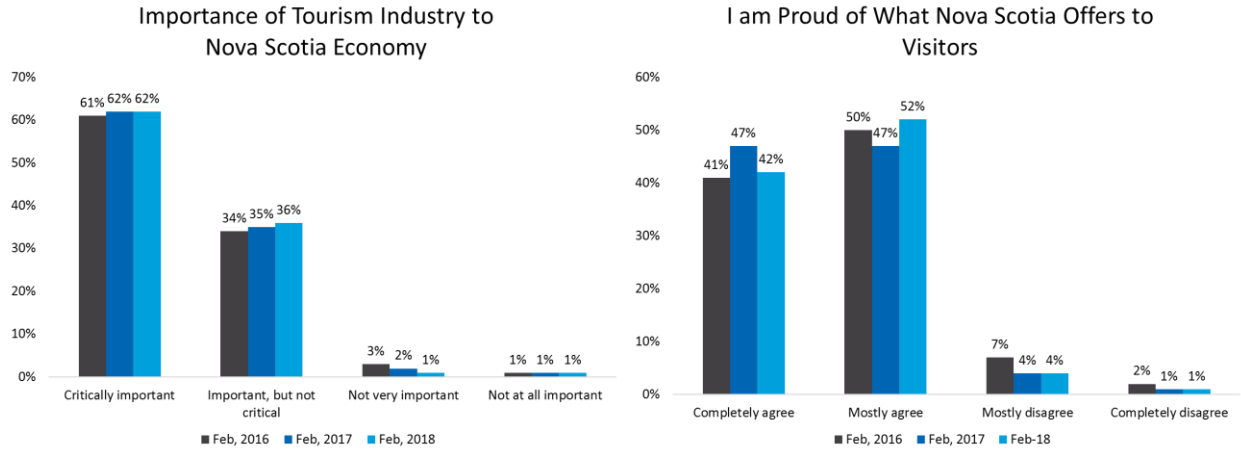
Outcome: Influence pride in what Nova Scotia offers to visitors, resulting in Nova Scotians adopting a more visitor-focused mindset.

Growth in Nova Scotia’s tourism industry will benefit everyone, and having an engaged and informed population will provide a positive environment for industry growth.

Measure: Each year, we interview Nova Scotians about the importance of tourism to the province.

Target: Maintain current performance in awareness of, and appreciation for, Nova Scotia’s tourism industry among residents in 2017-18, with the intention of increasing in future years.

Result: In 2017, Nova Scotians’ perceptions of the economic importance of the provincial tourism industry are stable compared with 2016.



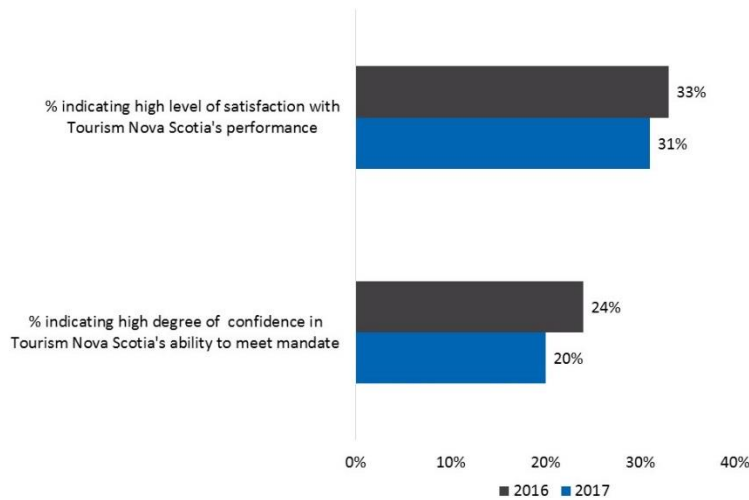
The tourism industry’s ability to achieve \$4 billion in annual tourism revenues by 2024 is contingent on engagement of all stakeholders to achieve support for Tourism Nova Scotia’s strategic direction.

Measure: In 2016-17, Tourism Nova Scotia benchmarked, via a stakeholder survey, perceptions of the provincial tourism industry and stakeholders’ assessment of Tourism Nova Scotia’s performance against its mandate and strategy.

Target: Maintain or increase 2016 performance, with the aim being to increase over the next several years.

Result: Perceptions of Tourism Nova Scotia are stable in 2017 compared with 2016, and reflect Tourism Nova Scotia being a new Crown corporation with a new mandate.

Stakeholder Assessment



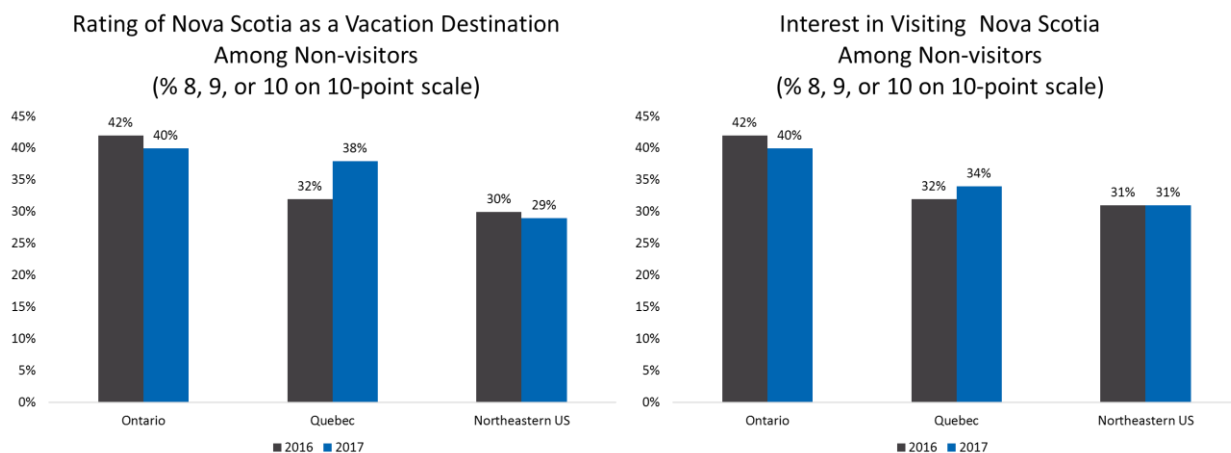
Outcome: Increase Nova Scotia brand recognition in key markets.

Tourism Nova Scotia monitors Nova Scotia's tourism brand health in key markets.

Measure: Tourism Nova Scotia's "Brand Health Monitor" measures awareness and appeal of Nova Scotia as a vacation destination, and of key Nova Scotia tourism brand attributes, over time. Annual surveys in Tourism Nova Scotia's key markets of Ontario, Quebec, and the Northeastern United States are conducted to measure Nova Scotia's tourism brand health.

Target: Maintain or increase performance in consideration of Nova Scotia as a vacation destination in 2017, with intention of increasing in future years.

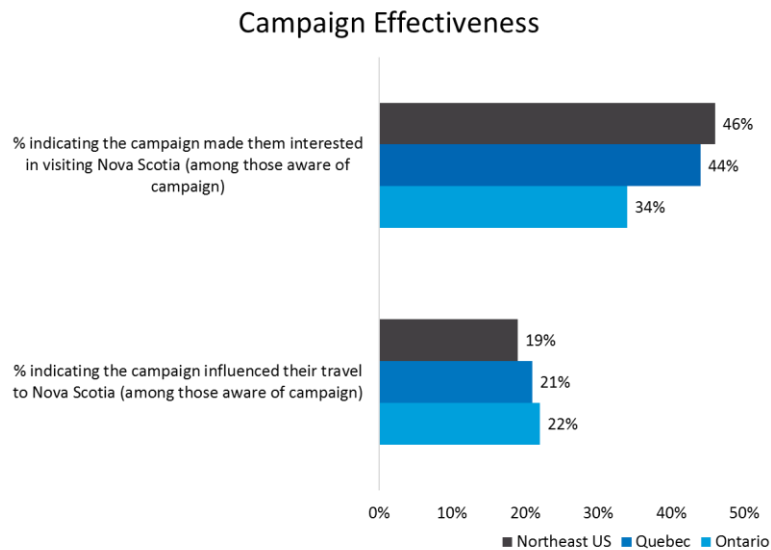
Result: 2017 performance was consistent with 2016 results.



Nova Scotia’s tourism brand health is not a direct reflection of the impact of Tourism Nova Scotia’s marketing activities. **In 2018-19, brand health measures will be replaced with measures that more directly reflect the impact of Tourism Nova Scotia’s activities.** In 2018-19, Tourism Nova Scotia will benchmark a marketing ROI measure.

Measure: Benchmark marketing campaign effectiveness in key target markets.

Result: In 2017-18, Tourism Nova Scotia conducted a pre/post “Campaign Assessment Study.” Results from the study confirmed that the campaign directly influenced travel to Nova Scotia, and generated foundational interest in the province.



**Tourism Nova Scotia Accountability Report
2017-2018**

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