

TOURISM
NOVA SCOTIA 



TOURISM NOVA SCOTIA

2020-21 BUSINESS PLAN UPDATE
COVID-19 RECOVERY

November 2020

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MESSAGE FROM THE CHAIR & CEO

This business plan is an update to our 2020-21 business plan published at the end of February. At that time, Tourism Nova Scotia was preparing to execute strategic marketing initiatives in key Canadian and international markets while partnering with industry to develop and offer a greater inventory of trip-motivating experiences; improve product quality; and provide more coaching, training and partnership opportunities to help tourism operators grow and expand their businesses.

The rapidly evolving COVID-19 public health crisis has disrupted our plans and brought with it a great amount of uncertainty for Nova Scotia's tourism industry. What started as a fast-spreading virus in China quickly became a global pandemic that unexpectedly stopped the travel industry in its tracks, along with many other sectors of the economy.

COVID-19 has closed international borders and grounded airlines and other means of travel. It has temporarily closed businesses. It has delayed the opening of campgrounds and seasonal tours and experiences, and travellers have had to cancel or postpone their vacation plans. Consumer confidence and fear of travel are also key factors as tourism businesses and destination marketers rethink how we operate and what we need to do to recover.

As a provincial Crown corporation, Tourism Nova Scotia's mandate, strategy and activities are aligned with government's overarching economic development priorities. As we learn more about the medium and longer-term impacts of COVID-19, we anticipate that a new tourism goal will need to be defined, and a corresponding strategy will need to be developed. In the meantime, TNS is developing an interim strategy to guide our activities during the next 12 to 18 months. This strategy aligns with provincial priorities of building resilience and identifying new opportunities for tourism recovery.

In the short term, we are committed to carrying out our mandate to lead tourism growth through research, marketing, sector development and communications initiatives. Our overarching goal this year is to help create the conditions for tourism operators to re-open for business within the evolving operating environment, and to attract visitors to Nova Scotia at the right time to help the industry rebound and rebuild.

As the COVID-19 situation evolves, we will work with our marketing agency of record, our in-market representatives in China, United Kingdom and Germany, Destination Canada and Google to gather insights to inform where we market, when we market and what we say to potential travellers. We will work with our tourism colleagues in Atlantic Canada, and with transportation partners and regional marketing organizations to coordinate marketing efforts.

Our business development team will help operators respond in the short term to this crisis, while offering training and coaching to support rebuilding and strengthening their businesses. Our experience development team will work with operators and organizations to package and develop products and experiences with the highest potential to attract visitors from Nova Scotia and our neighbouring Atlantic provinces.

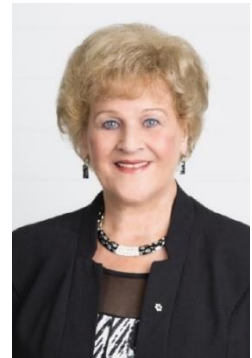
As we move forward this year with many unknowns, we will make research-based decisions, while remaining flexible and nimble to opportunities as they arise. We will share our plans and resources, and keep stakeholders informed on tourism-related COVID-19 developments through our corporate website, tourismns.ca, and our inTouch newsletter.

As we move forward, let's take time to remember how much work we have done as an industry to build Nova Scotia's tourism brand. We have achieved tremendous visitation and revenue growth in recent years, which positions us well for recovery. We have what it takes to come back from this – and we will do it together.

Sincerely,

R. Irene d'Entremont, C.M., O.N.S., D.Comm, hc, HL-Col

Michele Saran, CEO, Tourism Nova Scotia



R. Irene d'Entremont,
Chair, Tourism Nova Scotia



Michele Saran,
CEO, Tourism Nova Scotia

TOURISM NOVA SCOTIA

Tourism Nova Scotia was established as a private sector-led Crown corporation to achieve tourism growth in the province and lead the industry towards the goal of growing annual tourism revenues to \$4 billion by 2024. As the destination marketing organization for Nova Scotia, Tourism Nova Scotia is responsible for developing a tourism strategy and leading tourism marketing and development efforts for the province.

2020-21 BUSINESS PLANNING CONTEXT

In 2014, the Nova Scotia Commission on Building Our New Economy issued a call to action for Nova Scotians to change their attitudes and behaviours and chart a new economic future for our province. Tourism was identified as one of several key sectors with the potential for growth. The commission challenged the industry to double annual tourism revenues from \$2 billion in 2010, to \$4 billion by 2024.

Tourism Nova Scotia was established to lead the industry towards this goal. Led by a private sector board of directors, the organization developed a five-year strategic plan that aligned with the provincial government's strategic sector and export growth priorities. The strategy, *Driving Export Revenue*, focused Tourism Nova Scotia's efforts on increasing tourism spending from export markets of highest return and identified clear roles and responsibilities for tourism stakeholders. Tourism Nova Scotia worked closely with industry partners to align efforts and reduce duplication. By co-investing with private businesses and other organizations, Tourism Nova Scotia and the industry effectively stretched budgets and strengthened marketing initiatives.

The \$4 billion goal galvanized the industry. It was a catalyst for greater collaboration, more investment in tourism businesses, a new willingness to innovate and adapt to changing customer expectations, and high levels of tourism confidence and optimism about the future.

As of 2019, Nova Scotia's tourism revenues stood at \$2.64 billion, an increase of \$600 million compared with the baseline year of 2010. Business planning for 2020-21 reflected the tourism industry's optimism for the future, with continued focus on driving tourism growth through activities that aligned with government's inclusive economic growth goal, and TNS's four strategic pillars:

1. Invest in markets of highest return
2. Attract first-time visitors
3. Focus on world class experiences
4. Build tourism confidence

The COVID-19 pandemic rendered the \$4 billion goal, as well as most of Tourism Nova Scotia's planned 2020-21 activities, unattainable. Tourism Nova Scotia quickly pivoted to adjust to new realities and operating conditions as a result of the pandemic.

COVID-19 IMPACT

Tourism Demand

The COVID-19 pandemic has had a significant impact on tourism demand beginning in March 2020 when travel restrictions, shelter-in-place directives, social distancing, and other public health orders were introduced.

On March 18, 2020, the federal government restricted all international travel of an optional or discretionary nature, including tourism, recreation and entertainment, across all ports of entry and all modes of transportation – land, marine, air, and rail. International visitors typically account for 14 per cent of non-resident visitors to Nova Scotia and generate one-quarter of non-resident tourism revenues. It is unknown when restrictions on international travel will be lifted.

The federal government also banned all cruise ships that carry more than 100 passengers from operating in Canadian waters. The ban is in place until at least February 28, 2021. Cruise visitors to Nova Scotia typically generate about three per cent of overall provincial tourism revenues.

Research conducted in August 2020 shows that very few Canadians (one in 10) feel comfortable welcoming visitors from outside of Canada to their communities. This sentiment is closely related to Canadians' perceptions of their personal health and safety, and factors such as:

- control of the pandemic in Canada as well as internationally
- availability of a vaccine
- health and safety public policy measures, such as social distancing and mask requirements
- travel industry operators' health and safety protocols

The COVID-19 pandemic and associated public health orders and travel restrictions have resulted in a significant decline in travel within Canada. Travel intentions research completed in July 2020 indicates that Canadians are most interested and willing to travel within their own provinces, and only moderately interested in travelling to other parts of the country. For Nova Scotia, non-resident visitation from other Canadian provinces typically accounts for 86 per cent of visitors and generates three-quarters of non-resident tourism revenue. In 2018, Nova Scotians spent approximately \$800 million on travel within the province.

In addition to affecting Canadians' desire and ability to travel, the pandemic has also influenced consumer preferences. Research suggests that less-crowded, more rural destinations are more appealing than busy urban destinations, and that travellers will avoid crowded spaces. In addition, outdoor activities are increasing in popularity. Ongoing research will assess the extent to which these become enduring travel patterns.

Despite concerns about travelling, Nova Scotians remain steadfast in their support for the tourism industry. Research conducted in July 2020 indicated that nearly all Nova Scotians believe tourism is important to the provincial economy.

Air Capacity

In recent years, approximately one-third of non-resident visitors to Nova Scotia have arrived by air. Globally, air capacity has collapsed, with airlines cancelling or reducing routes and laying off staff. Public sentiment regarding the spread of COVID-19 on aircraft, along with border restrictions and self-isolation requirements, are slowing the rate of recovery for the airline industry. At Halifax Stanfield International Airport, passenger volumes in the April to July 2020 period were down 90 per cent compared with 2019.

Business Regulations

New provincial regulations have required tourism businesses and organizations in Nova Scotia to reduce hours of operation and/or operating capacity, invest in infrastructure and adapt their business models to comply with public health orders related to employee and customer safety. For many businesses, these new regulations have contributed to revenue losses and cash flow challenges.

Technology Adoption

The accelerated adoption of technology since COVID-19 has increased the gap between current technological capabilities of many Nova Scotia tourism businesses and customer expectations. With large segments of the population encouraged to stay home for several months, consumers became much more comfortable going online to search for and purchase goods and services. From a travel perspective, consumers are now much more comfortable looking for and booking travel-related products online. Going forward, they will expect tourism businesses to have the type of online content and services (e.g., online booking) they seek.

Seasonality

The pandemic highlighted an issue that had previously been identified as a challenge for the provincial tourism industry: seasonality. Historically, July and August have been Nova Scotia's strongest months in terms of visitation and tourism revenues. The impact of the pandemic has resulted in dramatically reduced demand during the most important months of the year. Many tourism businesses operate on a seasonal basis and most year-round businesses rely on the traditional peak season for the bulk of their revenues.

2020-21 BUSINESS PLAN UPDATE: COVID-19 RECOVERY

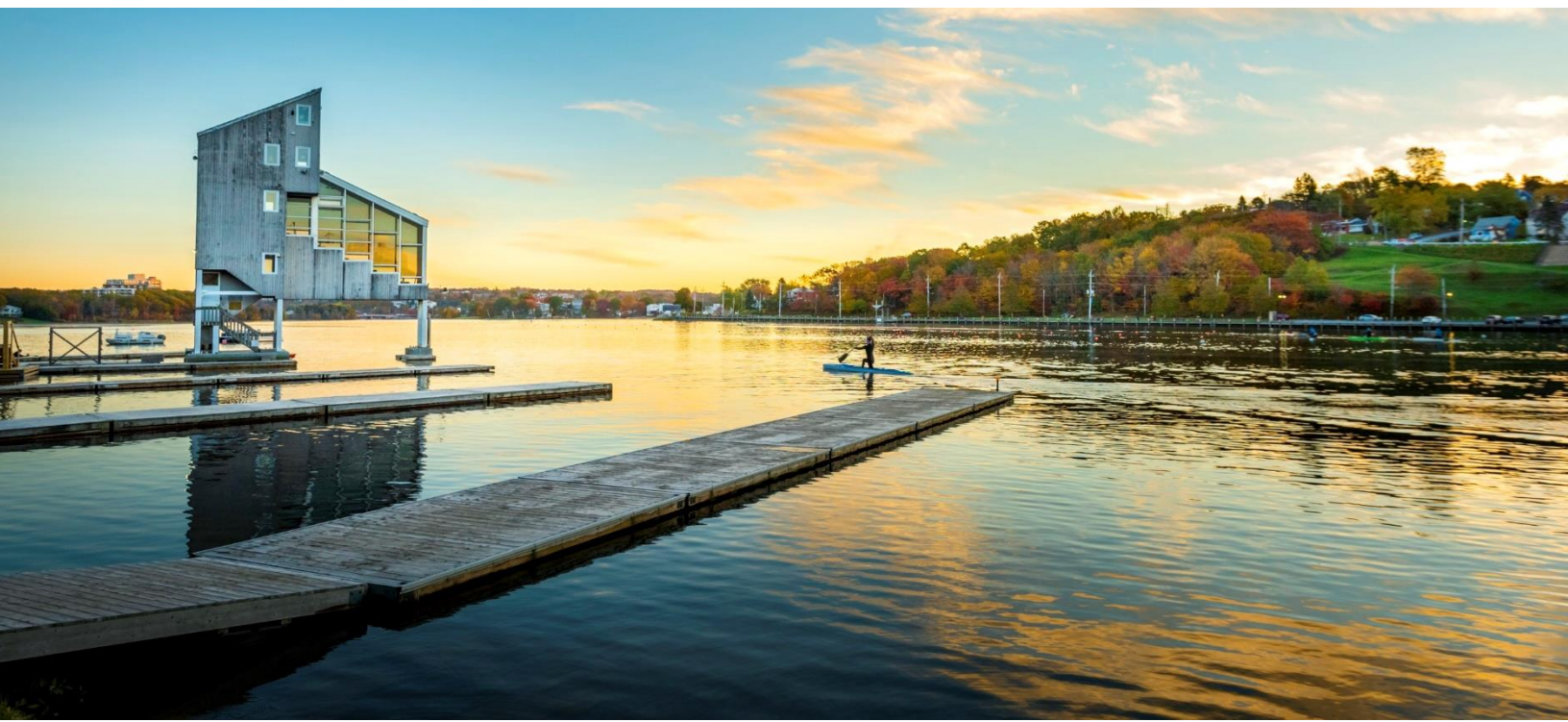
The full extent of the impact of COVID-19 on Nova Scotia's tourism operators and visitor demand in 2020-21 is unknown. This updated business plan is based on what is known as of August 2020 and identifies how Tourism Nova Scotia will work to help the provincial tourism industry adapt to new conditions and maximize opportunities to generate tourism revenues.

2020-21 is not a "business as usual" year. Tourism Nova Scotia, as the provincial tourism marketing and sector development organization, will continue to carry out its mandate to lead tourism growth, while adjusting its business activities to reflect the rapidly evolving environment.

Tourism Nova Scotia is acutely aware of the immediate and significant impact that the COVID-19 pandemic is having on Nova Scotia's tourism industry, as well as nationally and globally. COVID-19 recovery planning started early in March 2020. Recovery planning is, and will continue to be, flexible and fluid, and will depend on operating conditions.

Tourism recovery from the COVID-19 pandemic depends on several complex factors, including many that are out of the tourism industry's control. How well the virus is contained and if a vaccine is developed and widely available will be important for the revival of the industry. Other factors will also directly inform tourism recovery.

- Travellers must be able and willing to travel.
- Tourism operators must be able to open with adequate staffing and the ability to generate revenue.
- Businesses and attractions must have appropriate health and safety measures in place to meet public health requirements and customer expectations for a safe experience.
- Communities must also have appropriate health and safety measures in place and be ready to adapt to evolving traveller preferences (e.g., allowing restaurants to open/increase outdoor patio space).
- Within communities, residents must be willing to welcome visitors and extend Nova Scotia's renowned hospitality.



COVID-19 RECOVERY KEY ACTIVITIES

Tourism Nova Scotia recognizes that adapting to significant external events is critical to success. 2020-21 business plan activities, therefore, are focussed on tourism recovery and rebuilding. Marketing, development, research and communications activities will be unwavering in their focus: to help create the conditions for tourism operators to re-open for business, and to attract the right visitors to Nova Scotia at the right time to maximize the provincial tourism industry's ability to rebound and rebuild.

Sector Development

Business Development

Tourism Nova Scotia's business development team will focus on helping operators respond to this crisis in the short term while helping them build capacity to compete in the new travel environment. As an immediate response to COVID-19, Tourism Nova Scotia staff engaged in direct outreach to tourism operators across Nova Scotia to identify their challenges and help navigate available resources. This outreach will continue for the duration of the pandemic and will inform the development and implementation of training and development programs.

Webinar Series

Tourism Nova Scotia launched a webinar series in April 2020. These webinars provide tourism businesses and organizations with relevant information and coaching related to increasing industry capacity and enhancing business readiness within the COVID-19 operating environment. The webinars are a collaboration between Tourism Nova Scotia, the marketing agency of record, and Digital Nova Scotia, with all parties contributing content. To date, these webinars have attracted more than 1,200 attendees. All webinars are recorded, with accompanying tip sheets, and may be accessed at any time on tourismns.ca.

Tourism Digital Assistance Program

Having a strong online presence is essential to attracting customers and closing the sale. The new Tourism Digital Assistance Program, as part of a cross-Crown digital adoption collaboration, helps tourism businesses increase their visibility online and provide the services customers expect, like online booking. Through this program, more than 50 tourism businesses will adapt their online presence to become more competitive.

Tourism Business Support

Quality remains a critical success factor for Nova Scotia's tourism industry and is even more important in the COVID-19 world, as Nova Scotia works to meet consumer expectations and compete against other vacation destinations. Tourism Nova Scotia remains committed to working with tourism businesses to improve their competitiveness and enhance their ability to attract visitors and meet expectations. The following initiatives will support increasing the quality of Nova Scotia's tourism offerings:

- Offering one-on-one coaching to help tourism businesses and organizations with their planning and operations, to enhance their competitiveness.
- Conducting research to identify the best opportunities for tourism operators to improve the quality of their products and services.
- Providing one-on-one business coaching for tourism operators who have completed the introductory "Travel Trade Readiness" workshop to advance their ability to work with tour operators and travel agents.
- Increasing industry's technology capacity through website incubator workshops.
- Cost-sharing projects with other Atlantic provinces and the Atlantic Canada Opportunities Agency (ACOA) to increase capacity and readiness of Indigenous tourism operators.
- Working with the Tourism Industry Association of Nova Scotia (TIANS) to assist tourism businesses in adapting to the new operating environment

Experience Development

Tourism experiences that are grounded in the province's competitive strengths will motivate travel to and within the province. Tourism Nova Scotia will continue to lead and facilitate the development of quality experiences that align with traveller needs and expectations, primarily in partnership with the private sector. In recent years, the focus of experience development has been on further away markets. As part of COVID-19 tourism recovery response, experience development activities are now focussed on those markets that have the greatest potential to travel to/within Nova Scotia, starting with Nova Scotians and closer drive markets such as New Brunswick and Prince Edward Island.

RADIATE Tourism Program

Tourism Nova Scotia paused delivery of the World-class Experience EXCELLerator Program in 2020 and will resume this program once market conditions are more favourable. To respond to current conditions, Tourism Nova Scotia launched the RADIATE program in July 2020 to help tourism businesses and organizations develop and market travel packages to sell to travellers in the Maritime provinces in 2020-21. The program offers two streams – one for tourism businesses and one for tourism organizations (regional destination marketing organizations, industry organizations, and business consortiums).

Participants in the program will be supported with market research insights about the Maritime provinces, coaching on experience and package development, marketing assets including photos, and marketing activities such as digital marketing, sponsored content, and influencer content. RADIATE will help with the development of travel packages to increase the availability of products and experiences across all four seasons.

This program will support more than 50 tourism businesses and organizations to increase their ability to attract local and regional visitors.

Experience Development Coaching

Tourism Nova Scotia staff will continue to offer one-on-one coaching and webinars to help tourism businesses and organizations develop compelling experiences that will motivate travel to and within Nova Scotia by Maritime travellers. This will include a focus on increasing Nova Scotia's inventory of compelling products and experiences in the fall and winter months.

Tourism Revitalization of Icons Program

Tourism Nova Scotia is responsible for administering the Tourism Revitalization of Icons Program (TRIP). Through this program, the provincial government is investing \$6 million to enhance five iconic tourism sites: the Cabot Trail; Halifax waterfront; Lunenburg waterfront; Peggy's Cove; and the Bay of Fundy including Annapolis Royal. Investing in infrastructure improvements at these iconic locations will create more opportunities for the private sector to develop world-class experiences that appeal to target markets and increase visitor spending. In 2020-21, investments will be made through strategic partnerships, working in collaboration with Develop Nova Scotia and other partners, to support planning and infrastructure improvements in these iconic tourism sites. Where possible, program investments will leverage partner funds and federal, provincial, and municipal funding

Consumer Marketing

Research indicates that the recovery of tourism travel will start at a very local level, and move to regional, domestic, and finally, international markets. Tourism Nova Scotia has focussed its consumer marketing activities accordingly.

There are six key components to Tourism Nova Scotia's marketing recovery plan. The timing of activation for each component will be based on assessment of the various factors that are influencing the pace of and potential for recovery. Tourism Nova Scotia is working with its marketing agency of record and Destination Canada, as well as conducting proprietary research to develop and capture the appropriate insights to help identify the right time to go into the right markets with the right messages.

1. Stay home marketing (March/April 2020)

This initiative, aimed at Nova Scotians and travellers, encouraged travellers to stay home and stay safe until conditions improve.

2. Nova Scotia confidence build: Part 1 (May 2020)

The “Still Together” video helped create a sense of optimism and pride in Nova Scotia as a vacation destination and stressed the importance of welcoming visitors again.

3. Nova Scotia marketing campaign (July 2020-March 2021)

Recognizing that initial recovery will be local, the “Rediscover Nova Scotia” consumer advertising campaign engages with Nova Scotians’ love for the province and entices them to travel within the province. This campaign will evolve to include fall and winter messaging to continue to encourage tourism spending by Nova Scotians throughout the rest of the year. This campaign includes television and online video ads, billboard and social media ads, as well as a social media contest (Ultimate Nova Scotia Road Trip).

4. Regional marketing campaign (July 2020-March 2021)

This “Do More in Nova Scotia” consumer advertising campaign extends the recovery marketing to the regional markets and offers Maritime residents compelling reasons to travel to Nova Scotia, and to continue to explore the province throughout the fall and winter. The “Do More in Nova Scotia” campaign includes television and online video ads, outdoor ads including billboards and transit shelters, and social media ads.

5. Further away Canadian markets (timing TBD)

Tourism Nova Scotia will extend recovery marketing to other markets when the time is right, to inform travellers in these markets in Canada, the United States and overseas that Nova Scotia is open for business and looking forward to seeing them.

6. Nova Scotia confidence campaign: Part 2 (timing TBD)

This campaign will foster pride and confidence in the provincial tourism industry and remind Nova Scotians of their role as welcoming ambassadors for the tourism industry.

Tourism Nova Scotia will continue to assess conditions and activate other marketing activities as appropriate to help drive tourism recovery.

NovaScotia.com

NovaScotia.com will continue to be travellers’ go-to website for information on the wealth of things to see and do in Nova Scotia, as well as information related to COVID-19 regulations. Content on NovaScotia.com has been updated and will continue to evolve to reflect the applicable recovery marketing activities.

Trade Marketing

Tourism Nova Scotia’s travel trade strategy engages Canadian and international inbound tour operators and travel agencies to extend Nova Scotia’s tourism marketing reach and sales through product development, training, and partnership marketing.

While many trade marketing activities are paused, Tourism Nova Scotia will maintain relationships with tour operators and travel agents in international markets through training and itinerary development to ensure Nova Scotia is well positioned to attract visitors from these markets once travel conditions improve.

Travel Media

Tourism Nova Scotia's media relations strategy has evolved to reflect current conditions. Local and regional travel writers are travelling around the province, writing compelling stories about Nova Scotia's places and experiences.

Tourism Nova Scotia will continue to attend travel media marketplaces virtually, to keep Nova Scotia top-of-mind with travellers in further away markets.

Strategic Partnerships

Alignment of industry efforts is critically important as Nova Scotia's tourism industry navigates the COVID-19 pandemic. Strategic partnerships will use resources from all levels of government, regional destination marketing organizations and tourism businesses to enhance marketing effectiveness and extend marketing reach.

Digital Content Marketing Program

The Digital Content Marketing Program allows businesses and communities to co-invest with Tourism Nova Scotia to develop marketing assets and extend their reach through customized digital advertising and/or content asset development activities.

In response to COVID-19, this program evolved to focus on Nova Scotia and regional markets. In addition, Tourism Nova Scotia, with co-investment from ACOA, is helping participants offset their costs of participating in this program. Tourism Nova Scotia will work with more than 25 partners, developing creative assets that will inform partners and Tourism Nova Scotia's consumer marketing activities, and extending marketing reach to attract visitation and associated tourism spending.

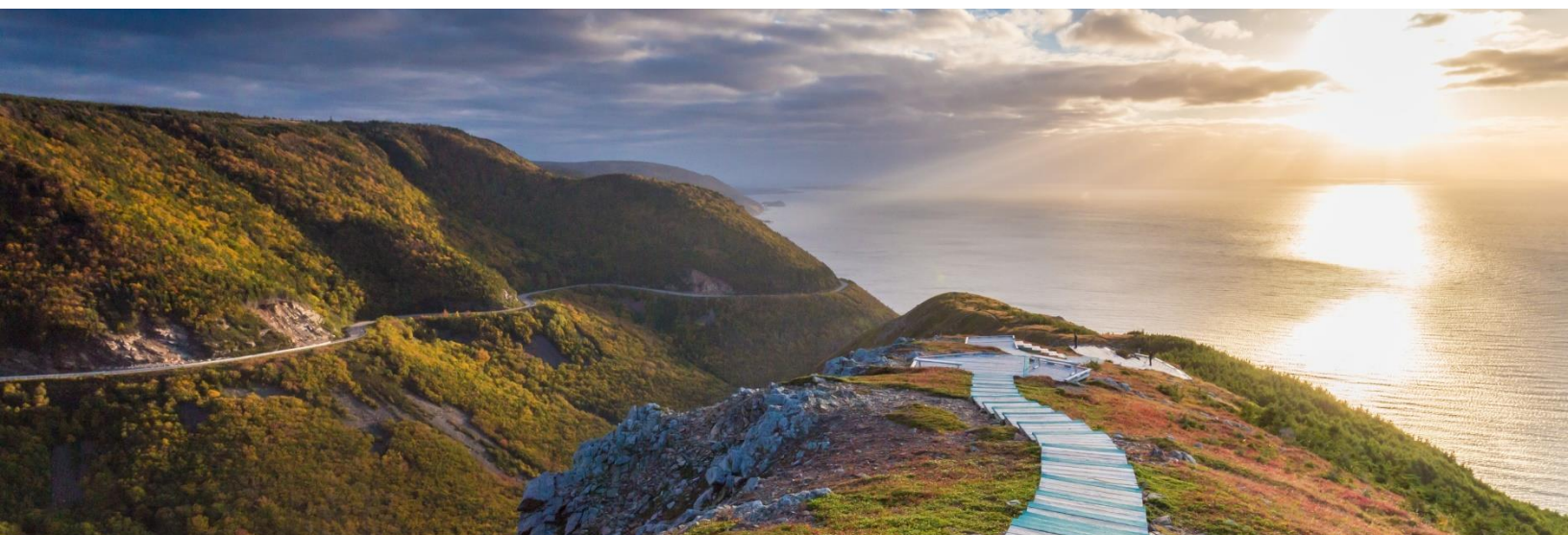
Regional Destination Marketing Organization Partnership Program

The COVID-19 pandemic has had significant impact on the activities of regional destination marketing organizations across the country and around the world. Many of these organizations depend on accommodation levies and membership fees to operate, and travel restrictions left them in challenging situations.

To assist, Tourism Nova Scotia, in partnership with Destination Canada, launched the Regional Destination Marketing Organization Partnership Program to help regional destination marketing organizations in Nova Scotia with marketing and recovery initiatives. This program helps eligible regional destination marketing organizations implement marketing activities that are complementary to Tourism Nova Scotia's marketing recovery plan.

Crown Collaboration

Collaboration is a crucial element of Tourism Nova Scotia's approach to partnerships. Tourism Nova Scotia will work with Develop Nova Scotia, Nova Scotia Business Inc., Innovacorp, and Events East to identify areas of collaboration that will contribute to tourism recovery.



Atlantic Canada Agreement on Tourism (ACAT)

Tourism Nova Scotia will co-invest with the Atlantic Canada Opportunities Agency (ACOA) and the Atlantic provinces in marketing and development activities that align with provincial and federal tourism priorities.

COVID-19 Recovery Research

Tourism Nova Scotia's research activities are focussed on understanding the impact of COVID-19 on tourism demand and identifying indicators that will provide insights on the optimal timing for recovery marketing activities. Key initiatives include:

- Understanding COVID-19 impact – Tourism Nova Scotia has developed an impact model that examines the impact of reduced tourism demand on provincial tourism revenues.
- Research in Nova Scotia and the Maritime provinces to better understand traveller needs and behaviour over the next 18 months.
- Co-investment with Destination Canada in travel intentions research in Canada and the US.
- Collaboration with Destination Canada in ongoing research that assesses resident sentiment and readiness to return to activities such as travelling on an aircraft or visiting a restaurant.
- Development of Nova Scotia-specific recovery indicators.
- Custom research to support marketing and sector development recovery activities.
- Information sharing – Tourism Nova Scotia is committed to providing industry stakeholders with the most current information on COVID-19 impact and recovery opportunities.

Communications

Tourism Nova Scotia's communications activities are focused in three key areas: sharing information and opportunities with Nova Scotia tourism businesses and organizations; engaging with tourism stakeholders to encourage tourism growth, alignment and collaboration; and building Nova Scotia's tourism confidence. During the COVID-19 crisis, tourism businesses, organizations and travellers are looking to Tourism Nova Scotia for leadership, reliable and timely information about public health directives, analysis of COVID-19 impacts on the tourism industry, and information about programs and supports specific to tourism businesses.

Tourism Nova Scotia's COVID-19 recovery communications activities include:

- Continuously updating the corporate website, tourismns.ca, with COVID-19 developments and business resources.
- Updating the COVID-19 information and FAQ pages on Tourism Nova Scotia's trip planning website, NovaScotia.com, with relevant information for travellers.
- Ensuring Tourism Nova Scotia staff have up-to-date information to help them respond to questions related to COVID-19 and tourism/travel.
- Responding to inquiries related to COVID-19 and travel.
- Organizing industry and stakeholder information sessions to share information, receive feedback, and encourage collaboration and alignment with Tourism Nova Scotia's COVID-19 recovery plans.
- Publishing regular articles in Tourism Nova Scotia's blog/newsletter, inTouch, to provide tourism operators with important updates and business opportunities.

- Managing social and traditional media outreach to share information and highlight industry innovation and successes as Nova Scotia's tourism industry works to recover and rebuild from COVID-19.
- Launching a refreshed corporate website with improved navigation.

Other Responsibilities/Services

Tourism Nova Scotia's six provincial visitor information centres (VICs) at Halifax Stanfield International Airport, Halifax waterfront, Amherst, Yarmouth, Peggy's Cove, and Port Hastings re-opened in July and closed in November. Tourism Nova Scotia will continue to monitor provincial health guidelines to inform operating status of the VICs.

The Tourism Contact Centre, following a brief closure, is operational.

Performance Measures

Tourism Nova Scotia shifted course in 2020 to address the many challenges related to the COVID-19 pandemic. These activities are fundamentally different from previous years; metrics to assess performance are being developed and will be reported in the annual Accountability Report.

