

TOURISM
NOVA SCOTIA 



ACCOUNTABILITY REPORT 2018-19

TOURISM NOVA SCOTIA

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ACCOUNTABILITY STATEMENT

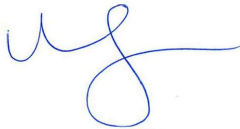
The Accountability Report of Tourism Nova Scotia for the year ended March 31, 2019 is prepared pursuant to the Finance Act and government policies and guidelines.

These authorities require the reporting of outcomes against the Tourism Nova Scotia Business Plan for the fiscal year just ended. The reporting of Tourism Nova Scotia outcomes necessarily includes estimates, judgments 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 the Tourism Nova Scotia 2018-2019 Business Plan.



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



Michele Saran
CEO, Tourism Nova Scotia

MESSAGE FROM THE CHAIR & CEO

Tourism Nova Scotia works with industry partners to market Nova Scotia as a vacation destination, enhance industry competitiveness, and create unique experiences that motivate travel to Nova Scotia—ultimately increasing tourism revenues.

In 2018-19, we partnered with a range of tourism businesses and organizations to develop compelling marketing content and execute digital marketing campaigns through the Inspiring Content and Digital Marketing programs.

Through the World-class Experience *EXCELLerator* Program, our industry partners created new experiences that will help raise Nova Scotia's profile and generate revenue. We conducted market research to inform the evolution of the program to include Indigenous cultural experiences and off-peak seasonal activities.

We partnered with Destination Canada and members of the Atlantic Canada Agreement on Tourism to raise awareness of Nova Scotia among travellers in our target international markets of the Northeastern United States, the United Kingdom (UK), Germany, and China. We supported and promoted new international air routes through marketing partnerships with the Halifax International Airport Authority and airlines, and through participation in inaugural flights and trade missions.

Our 2018 campaign assessment research confirmed that the marketing campaign was effective in generating interest in Nova Scotia and influencing visitation to the province. The research estimated that for each dollar invested in media buy in our target markets of Quebec, Ontario, the Northeastern US, and the UK, visitation influenced by the campaign generated \$26 in tourism spending in Nova Scotia.

Leveraging the expertise of our in-market representatives, Tourism Nova Scotia built relationships with tour operators, travel agents, and travel media in key overseas markets. Nova Scotia also hosted Rendez-vous Canada, Canada's premier international tourism marketplace, in May 2018. The event brought more than 1,900 delegates from 33 countries to Nova Scotia and broke previous attendance records.

We launched the Tourism Revitalization of Icons Program on behalf of the Province of Nova Scotia to enhance infrastructure at Nova Scotia's most iconic tourism sites, ensuring our icons continue to draw visitors, and enabling businesses to offer compelling visitor experiences.

Tourism Nova Scotia's extensive stakeholder outreach helped encourage alignment with our tourism strategy and foster partnerships and confidence in our work. Tourism Nova Scotia also delivered business development workshops and contributed to a successful Tourism Summit in partnership with the Tourism Industry Association of Nova Scotia.

Nova Scotia's tourism industry has rallied behind the Ivany Report goal of achieving \$4 billion in annual tourism revenues by 2024. In 2018, Nova Scotia had its best tourism revenue year on record, reaching \$2.61 billion in tourism revenues. Collaboration and innovation are key to reaching \$4 billion. This Accountability Report demonstrates the hard work of Tourism Nova Scotia and its partners to drive tourism growth and maximize the value of tourism to Nova Scotia's economy.

Sincerely,

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

Michele Saran
CEO, Tourism Nova Scotia

FINANCIAL RESULTS

| | Budget 2018-19 | Actual 2018-19 | Variance |
|------------------------------|-------------------|-------------------|------------------------|
| REVENUES | | | |
| Provincial Operating Grant | 21,291,000 | 21,171,159 | (119,841) ¹ |
| Tourism Fees and Charges | 734,000 | 621,760 | (112,240) ² |
| Tourism Recoveries | 728,900 | 1,491,802 | 762,902 ³ |
| Revenues Total | 22,753,900 | 23,284,720 | 530,820 |
| EXPENSES | | | |
| Salaries and Wages | 6,420,900 | 6,255,195 | (165,705) ⁴ |
| Travel | 286,000 | 273,826 | (12,174) |
| Professional Services | 3,662,900 | 3,787,208 | 124,308 ⁵ |
| Supplies and Services | 1,538,700 | 1,008,508 | (530,192) ⁶ |
| Advertising | 7,650,600 | 8,350,910 | 700,310 ⁷ |
| Other | 1,241,500 | 1,135,258 | (106,242) ⁸ |
| Other Provincial Obligations | 78,000 | 59,662 | (18,338) |
| Grants and Contributions | 1,875,300 | 2,414,152 | 538,852 ⁹ |
| Expenses Total | 22,753,900 | 23,284,720 | 530,820 |
| SURPLUS (DEFICIT) | 0 | 0 | 0 |

Notes:

1 - Additional external revenue sources and retro wage adjustment resulted in lower grant requirement.

2 - Travel guide ad sales revenue managed in-house for 2018-19 instead of using external source.

3 - Additional digital marketing partnership revenues, additional recoveries for Rendez-vous Canada, and retro wage increase from PNS.

4 - Temporary vacancy savings.

5 - Additional partner matched dollars, Inspiring Content Program.

6 - Travel guide inventory adjustment, and savings in travel guide printing and VIC maintenance.

7 - Increased advertising spend due to increased partnership contributions. Additional spend in UK, Germany, and Canada.

8 - Savings in staff training and hospitality expenses for Rendez-vous Canada.

9 - Tourism Revitalization of Icons Program.

MEASURING OUR PERFORMANCE

Tourism Nova Scotia's 2018-19 Business Plan indicated that Tourism Nova Scotia would refine the performance measures related to influencing awareness and consideration of Nova Scotia as a vacation destination and building Nova Scotia's tourism confidence. In 2018-19, Tourism Nova Scotia adopted a Balanced Scorecard approach to strategic planning and performance measurement. This approach informed the development and refinement of the performance measures in this Accountability Report.

Key 2018-19 Initiatives

In 2018-19, Tourism Nova Scotia continued to focus on activities related to its mandate and strategy to lead sustainable tourism growth in the province. Tourism Nova Scotia undertook the following key initiatives:

- Generated interest in the province as a vacation destination and directly influenced travel to Nova Scotia through a consumer-focused advertising campaign directed at key target markets of Ontario, Quebec, the Northeastern US, and the UK. The 2018 "If You Only Knew" campaign highlighted the breadth of experiences and activities in Nova Scotia that appeal to key Explorer Quotient® segments (Authentic Experiencers and Cultural Explorers).
- Extended the consumer marketing campaign and motivated travel through third-party media influencers. Tourism Nova Scotia hosted 115 media and travel influencers in 2018-19, generating 490 million in circulation with a media value of \$17.6 million.
- Developed overseas markets by supporting and promoting new international air routes through marketing partnerships with Halifax International Airport Authority and airlines, as well as participation in inaugural flights and international trade missions. In addition, Tourism Nova Scotia's in-market representatives in the UK, Germany, and China worked to increase awareness of Nova Scotia as a vacation destination and facilitate sales opportunities with international tour operators and travel agents.
- Increased the number of world-class experiences that will enhance Nova Scotia's appeal and motivate travel to the province. In 2018-19, through the World-class Experience *EXCELLerator* Program, tourism operator partners developed seven new experiences that align with the Free Spirits Explorer Quotient® segment. Experience concept testing was completed to assess the potential of new experience concepts, including Indigenous and off-peak seasonal experiences.
- Launched the Tourism Revitalization of Icons Program (TRIP), a \$6 million investment over three years to enhance five iconic tourism sites: the Cabot Trail; Halifax waterfront; Lunenburg waterfront; Peggy's Cove; and the Bay of Fundy including Annapolis Royal. Nine projects were approved for funding in 2018-19, including the Halifax Harbour Islands Visitor Experience Strategy and the Lunenburg Big Boat Shed Project. Revitalizing Nova Scotia's most competitive tourism icons creates a platform for private sector businesses to develop new tourism products and world-class experiences.
- Worked with sector associations and industry to enhance the export and travel trade readiness of industry operators. Key initiatives included: delivering travel trade and China readiness workshops to over 90 industry and staff; supporting the efforts of the Tourism Industry Association of Nova Scotia (TIANS) to develop a new enhanced quality program and seek new funding opportunities; sharing the results of the 2017 Accommodation Needs Assessment report to inform more than 30 stakeholders including potential investors, new accommodation businesses and various economic development agencies on the status and opportunities for accommodations in Nova Scotia; and sharing information and resources with Office of Immigration on labour needs, seasonality, and tourism research to inform discussions on potential future collaboration.

- Partnered with tourism operators to increase their marketing capacity and extend Tourism Nova Scotia's marketing reach. Tourism Nova Scotia worked with 21 partners through the Digital Marketing Program, and 12 partners through the Inspiring Content Program.
- Participated in strategic co-investment partnerships with Destination Canada, Atlantic Canada Opportunities Agency (ACOA), and the Atlantic provinces to extend Nova Scotia's marketing reach across the direct-to-consumer, trade, and media channels in key international markets in the US, UK, Germany, and China markets.
- Engaged stakeholders to build Nova Scotia's tourism confidence. Tourism Nova Scotia conducted extensive stakeholder outreach to encourage alignment with Nova Scotia's tourism strategy, inspire confidence, and foster partnerships. This included more than 20 corporate presentations to industry stakeholders in regions throughout the province, outreach to provincial government departments, and meetings with industry organizations and business associations. Emphasis was placed on sharing industry and community success stories with Nova Scotians through traditional and social media. Through the inTouch industry newsletter, more than 110 articles were published to inform stakeholders about programs, services, and opportunities.
- Hosted Rendez-vous Canada, Destination Canada's signature business-to-business event, which brought together more than 1,900 international travel trade and tourism industry leaders to meet with marketing and sales professionals from various Canadian tourism organizations. This event showcased Nova Scotia's strengths as a vacation destination with a highly influential travel trade audience.
- Conducted research to deepen understanding of Nova Scotia's target markets. Key initiatives included campaign effectiveness research, including a marketing return-on-investment (ROI) study, experience concept research, and research to understand stakeholder engagement with the tourism strategy.



Performance Measures

Tourism Nova Scotia works to maximize the value of tourism to the province. Through its activities, Tourism Nova Scotia creates the conditions that will generate interest in Nova Scotia as a vacation destination and lead to visitation. It is important to note that Tourism Nova Scotia does not directly influence all visitation to Nova Scotia or the resulting visitor expenditures. The performance measures in Tourism Nova Scotia's Accountability Report reflect the impact of the corporation's activities rather than broad tourism industry metrics.

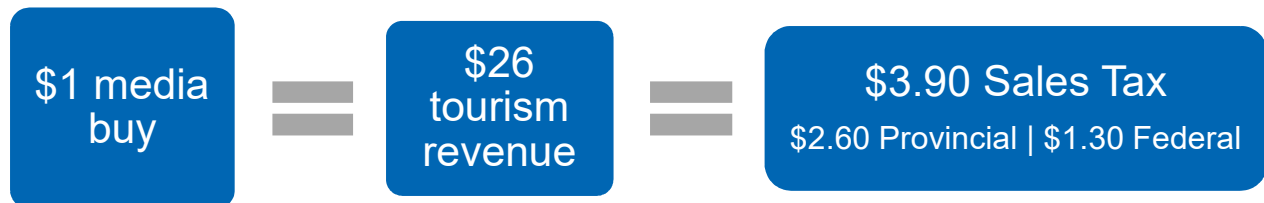
Outcome: Invest in markets of highest return

Tourism Nova Scotia's annual advertising campaign influences visitation to Nova Scotia from key target markets.

Measure: Advertising campaign return-on-investment (ROI)—the impact of Tourism Nova Scotia's advertising campaign on target markets can be evaluated by estimating the tourism spending attributable to each \$1 spent on the media buy.

Target: Tourism Nova Scotia's goal for 2018-19 was to benchmark the tourism spending attributable to each \$1 spent on the media buy.

Result: The campaign ROI research estimated that each \$1 invested in media buy in Tourism Nova Scotia's target markets of Quebec, Ontario, the Northeastern US, and the UK generated \$26 in tourism spending in Nova Scotia. This, in turn, generates \$3.90 in total HST, with the provincial sales tax portion being \$2.60. This is a strong result for the 2018 campaign—the industry standard of a strong campaign is one that returns between \$2 and \$4 in taxes for each dollar spent on media buy.



Outcome: Develop interest in, and influence visitation to, Nova Scotia

Tourism Nova Scotia’s annual consumer-focused advertising campaign generates interest in, and influences travel to, Nova Scotia from key target markets. The 2018 “If You Only Knew” campaign, deployed in key target markets of Ontario, Quebec, the Northeastern US, and the UK, highlighted the breadth of experiences and activities in the province.

Measure: Tourism Nova Scotia assesses the effectiveness of the advertising campaign with respect to generating interest in Nova Scotia as a vacation destination through an annual campaign evaluation study conducted in Ontario, Quebec, and the Northeastern US. Through the study, travellers review and assess Tourism Nova Scotia’s ads.

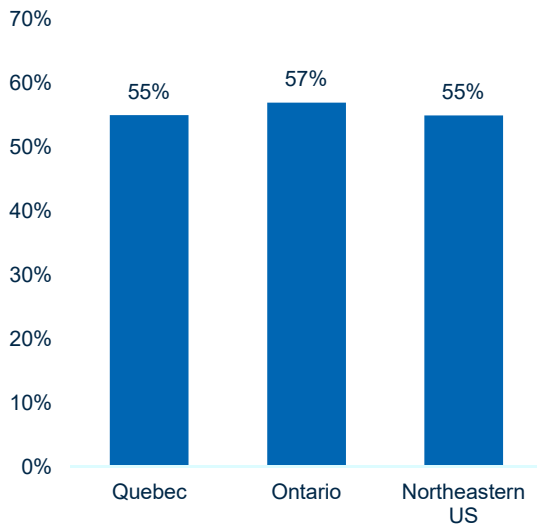
There are two performance measures:

- 1) The percentage of study participants who strongly agree that “the ads made me want to find out more about Nova Scotia”; and
- 2) The percentage of study participants who strongly agree that “the ads made me feel more positively towards Nova Scotia.” For this measure, the industry standard is 24%.

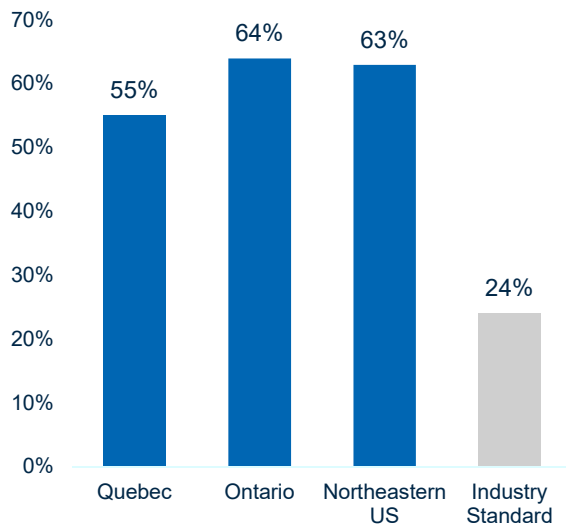
Target: In 2018-19, Tourism Nova Scotia developed benchmarks for these two measures, by market.

Result: The benchmark measures were strong, and well above the industry standard based on similar campaigns in terms of creating positive feelings about Nova Scotia.

The Ads Made Me Want to Find Out More About Nova Scotia
(% strongly agreeing - 8, 9, 10 on 10-point scale)



The Ads Made Me Feel More Positively Towards Nova Scotia
(% strongly agreeing - 8, 9, 10 on 10-point scale)



Outcome: Develop world-class experiences that motivate travel to Nova Scotia

Tourism Nova Scotia's World-class Experience *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 Explorer Quotient® segments.

Measure: Number of experiences developed through World-class Experience *EXCELLerator* Program.

Target: Tourism Nova Scotia's 2018-19 target was to develop 7-10 new experiences, and to work towards the development of Indigenous and off-peak seasonal experiences.

Result: Tourism Nova Scotia led the development of seven new experiences through the World-class Experience *EXCELLerator* Program in 2018-19. In addition, Tourism Nova Scotia conducted research to assess the appeal of new experience concepts, including Indigenous and off-peak seasonal concepts.

Outcome: Facilitate industry growth

Tourism Nova Scotia is responsible for administering the Tourism Revitalization of Icons Program (TRIP) on behalf of the Province. 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.

Measure: Projects identified and initiated; amount of funds committed to projects; amount of leveraged funding identified.

Target: Tourism Nova Scotia's target for 2018-19 was to launch the TRIP Program.

Result: The TRIP Program was launched successfully. Nine projects were approved for funding in 2018-19, with Tourism Nova Scotia investing \$740,000 in these projects in 2018-19 and committing (including the 2018-19 investment) a total of \$1.7 million in TRIP funding for these nine projects. Tourism Nova Scotia identified an additional \$2.3 million to be leveraged from other sources.



Outcome: Achieve support for Tourism Nova Scotia’s strategic direction

Tourism Nova Scotia’s mandate includes collaboration and communication with tourism industry stakeholders. Having an engaged tourism industry that supports and understands the value of Nova Scotia’s tourism industry provides a positive environment for industry growth.

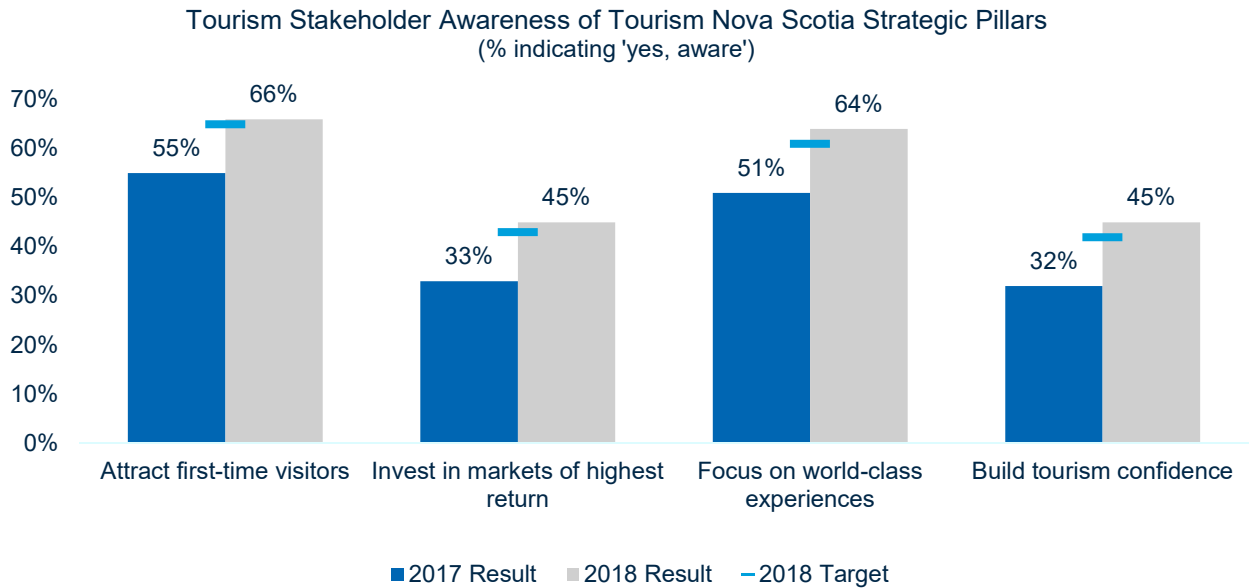
Each year, Tourism Nova Scotia conducts a stakeholder survey with tourism stakeholders from across the province. The survey provides insight into perceptions of the state of the tourism industry and Tourism Nova Scotia’s activities.

Measure: Percentage of stakeholders familiar with each Tourism Nova Scotia strategic pillar.

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

Target: The 2018-19 target was to increase stakeholder familiarity with each strategic pillar by 10 percentage points over 2017-18.

Result: Tourism Nova Scotia exceeded the target of a 10-percentage point increase across each of the four strategic pillars.



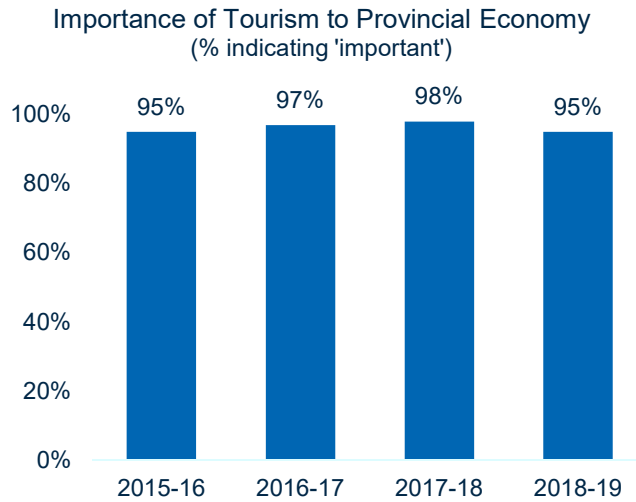
Outcome: Influence pride in what Nova Scotia offers to visitors

An engaged and informed population will provide a positive environment for industry growth. Each year, Tourism Nova Scotia conducts a survey of Nova Scotia residents to assess residents’ attitudes towards the provincial tourism industry.

Measure: Nova Scotia residents’ perceptions of the importance of tourism to the provincial economy.

Target: The 2018-19 target was to maintain the already high percentage of Nova Scotia residents who consider tourism to be important to the provincial economy.

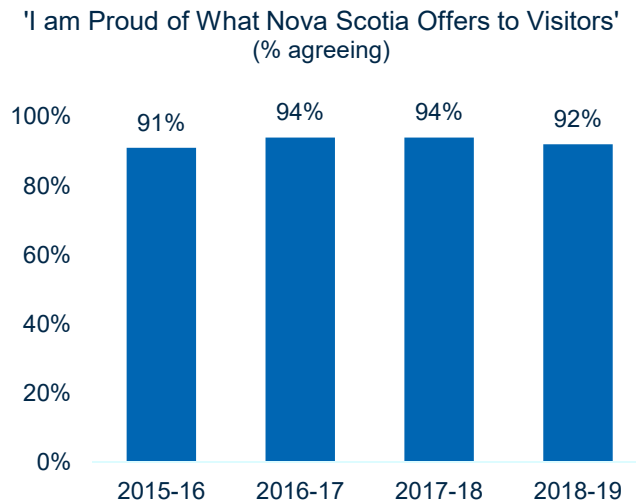
Result: Nova Scotians consistently report that they consider tourism to be important to the provincial economy.



Measure: Nova Scotia residents’ pride of place as a tourism destination.

Target: The 2018-19 target was to maintain the already strong result of the percentage of Nova Scotians who report being proud of what Nova Scotia offers to visitors.

Result: Nova Scotians consistently report agreeing that they are proud of what Nova Scotia offers to visitors.



**Tourism Nova Scotia Accountability Report
2018-2019**

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