

DRIVING EXPORT REVENUE

2018-2023 STRATEGIC PLAN



TOURISM
NOVA SCOTIA 

tourismns.ca

TABLE OF CONTENTS

1 LETTER FROM THE CHAIR & CEO

2 TOURISM NOVA SCOTIA

- 2 GOVERNANCE
- 3 MANDATE
- 3 MISSION
- 3 VISION

4 THE GOAL - \$4 BILLION BY 2024

6 TOURISM DEFINED

7 ROLES

- 7 TOURISM NOVA SCOTIA
- 8 INDUSTRY
- 9 COMMUNITY
- 10 GOVERNMENT
- 11 TOURISM INDUSTRY ASSOCIATION OF NOVA SCOTIA
- 11 NOVA SCOTIA TOURISM HUMAN RESOURCE COUNCIL

12 SITUATIONAL ANALYSIS

14 PATH TO THE \$4 BILLION GOAL

16 NOVA SCOTIA SWOT ANALYSIS

18 THE PLAN

- 18 PILLAR 1: ATTRACT FIRST-TIME VISITORS
- 20 PILLAR 2: INVEST IN MARKETS OF HIGHEST RETURN
- 21 PILLAR 3: FOCUS ON WORLD-CLASS EXPERIENCES
- 22 PILLAR 4: BUILD TOURISM CONFIDENCE

23 TARGET MARKETS

- 23 CANADA
- 26 NORTHEASTERN UNITED STATES
- 27 UNITED KINGDOM
- 28 GERMANY
- 28 CHINA

30 MARKETING APPROACH

- 30 CONSUMER ADVERTISING CAMPAIGN
- 31 TRAVEL TRADE
- 32 TRAVEL MEDIA
- 32 IN-MARKET REPRESENTATIVES
- 32 PARTNERSHIPS

34 SECTOR DEVELOPMENT

- 34 EXPERIENCE DEVELOPMENT
- 36 BUSINESS DEVELOPMENT

37 CORPORATE COMMUNICATIONS

38 RESEARCH AND POLICY

40 STRATEGIC GAME CHANGERS

- 42 ACCOMMODATIONS
- 42 SEASONALITY
- 42 LABOUR
- 42 CHINA
- 43 AIR CAPACITY

44 BENEFITS TO STAKEHOLDERS

45 RESOURCES AND STAKEHOLDERS

LETTER FROM THE CHAIR & CEO

There are many factors that contribute to a destination's ability to grow and sustain a strong and healthy tourism industry. That is why Tourism Nova Scotia is committed to reviewing its strategic plan on an annual basis to reflect current economic conditions and travel trends.



R. Irene d'Entremont
Chair, Tourism Nova Scotia

Tourism Nova Scotia's strategic plan, *Driving Export Revenue*, is directly aligned with the provincial government's priority to achieve inclusive economic growth. With a focus on increasing export tourism spending throughout the province, this strategy is designed to lead the industry to achieve the Ivany Report goal of \$4 billion in tourism revenues by 2024.

After four consecutive years of non-resident visitation growth and a record-breaking 2017, it is estimated that tourism is a \$2.7 billion industry in Nova Scotia. According to Nova Scotia's Department of Finance and Treasury Board, that equates to \$158 million in provincial government revenue that can be reinvested in programs that Nova Scotians depend on, like health care and education. It is also estimated that the industry creates more than 39,000 jobs in rural and urban communities across Nova Scotia. Tourism is something all Nova Scotians can and should get behind. It instills pride, creates Nova Scotia ambassadors, and is often a catalyst for new business investment in the province.

With 2017's Canada 150 celebrations behind us, visitation has levelled off in 2018. The tourism



Michele Saran
CEO, Tourism Nova Scotia

industry has significant work to do to stimulate continued growth. The pillars of Tourism Nova Scotia's strategy remain the same: 1) attract first-time visitors; 2) invest in markets of highest return; 3) focus on world-class experiences; and 4) build tourism confidence.

Additionally, it will take deliberate collaboration by Tourism Nova Scotia, government departments, Crown corporations, communities, and industry stakeholders to solve challenges and capitalize on opportunities to achieve the \$4 billion goal. Tourism Nova Scotia has labelled those challenges and opportunities "strategic game changers." They include: increasing the quality and supply of accommodations throughout the province; extending the tourism season; addressing labour challenges; growing visitation from China; and increasing air capacity.

As partners, we must focus on what the visitor wants, own our roles, and do what we can to affect change. The road to \$4 billion by 2024 is steep but achievable if all industry partners work together and make the strategic investments necessary to get us there.

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

TOURISM NOVA SCOTIA

GOVERNANCE

Tourism Nova Scotia is led by a private sector board of directors consisting of 10 industry and business leaders from across Nova Scotia.

Directors are elected to the board based on a nomination process.

Tourism Nova Scotia's chief executive officer reports to the chair of the board of directors. The chair reports to the minister of business.





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 industry, provides economic benefit to the province, and is consistent with the province's strategic priorities; and
- Communicate and collaborate with communities, private industry, and the tourism industry in the province.

MISSION

To market Nova Scotia's tourism experience to the world through innovation and collaboration.

VISION

To be recognized globally as the leading destination marketing organization.

THE GOAL: \$4 BILLION BY 2024



In 2014, the Nova Scotia Commission on Building Our New Economy conducted research and held public consultations across Nova Scotia in pursuit of ideas to create a brighter, more sustainable economic future for Nova Scotia. The commission, comprised of respected leaders from diverse backgrounds and communities throughout Nova Scotia, published a report called *Now or Never: An Urgent Call to Action for Nova Scotians*, commonly referred to as the Ivany Report. The report asks Nova Scotians to come together and focus on one common goal, with each person and sector doing what they can to positively shift the province's economic and social potential, which is threatened by a diminishing fiscal situation and aging demographics. One of the main messages in the report is that Nova Scotians must stop relying on government to solve our challenges. We must shift our attitudes and come up with new ways of doing things.

The report challenged several sectors and industries in the province to take action and identified the following goal for Nova Scotia’s tourism industry:

GOAL #14: TOURISM EXPANSION

“As Nova Scotia’s leading source of service sector exports, gross business revenues from tourism will reach \$4 billion by 2024.”

- Now or Never: An Urgent Call to Action for Nova Scotians

At the time the report was published in 2014, growth signs were positive, but it was clear that Nova Scotia’s approach would need to change to truly maximize tourism’s impact on Nova Scotia’s economy. 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. Significant work has been done to develop a strategic plan that will drive transformational growth of the industry.

Tourism Nova Scotia’s strategic plan, *Driving Export Revenue*, has four pillars that guide the organization’s efforts and investments in marketing, sales, sector development, research, and corporate communications.

STRATEGIC PILLARS

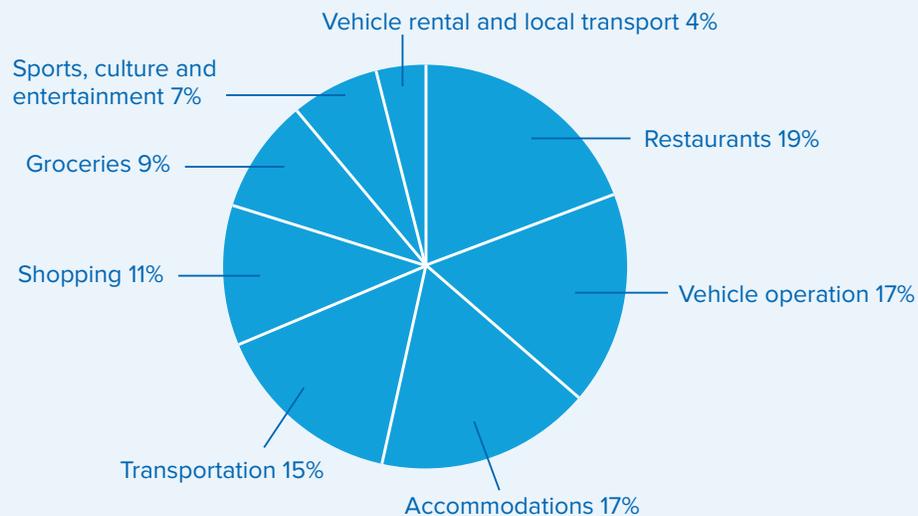
1. ATTRACT FIRST-TIME VISITORS
2. INVEST IN MARKETS OF HIGHEST RETURN
3. FOCUS ON WORLD-CLASS EXPERIENCES
4. BUILD TOURISM CONFIDENCE

The strategic plan describes the roles of communities, government, industry stakeholders and Tourism Nova Scotia. Co-operative and productive relationships between all stakeholders are crucial to create the conditions for continued growth and to reach the \$4 billion goal.

TOURISM DEFINED

The United Nations World Tourism Organization defines tourism as “... a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal or business/professional purposes. These people are called visitors (residents or non-residents) and tourism has to do with their activities, some of which imply tourism expenditure.” Tourism is a multi-dimensional industry, with visitor spending occurring across many sectors.

TOURISM REVENUES BY SECTOR*



*2015 (most recent estimate)



ROLES

Role clarity, leadership, and collaboration are key to achieving industry growth and reaching revenue targets. To avoid redundancy and optimize resources, roles and responsibilities associated with tourism industry stakeholders must be clearly articulated, and mandates aligned. The following stakeholder groups directly impact Nova Scotia's ability to achieve \$4 billion in tourism revenues by 2024.



TOURISM NOVA SCOTIA

Tourism Nova Scotia's role is focused on marketing and sector development initiatives that will motivate pleasure travellers to visit and spend their vacation dollars in Nova Scotia. Through its annual marketing campaigns, contact centre, and NovaScotia.com, Tourism Nova Scotia generates awareness and consideration of Nova Scotia, and provides trip planning information to prospective visitors. Through partnership programs, sharing of information, and coaching, Tourism

Nova Scotia helps industry operators and organizations enhance product and experience offerings, implements new revenue-generating strategies, and leverages marketing investments in key target markets. By communicating stories of innovation and success in Nova Scotia's tourism industry, Tourism Nova Scotia works to boost tourism confidence.



INDUSTRY

The role of tourism operators and businesses is to offer the types of experiences and products visitors want, and to make cash registers ring. Industry operators are uniquely positioned to close the sale pre-trip and during-trip. Visitors want and expect more from a tourism purchase. They are in search of unique, quality experiences, and an emotional connection to the place they are visiting. It is the role of industry operators and businesses to offer these world-class experiences and

deliver on visitor expectations. Visitors who have a positive Nova Scotia experience are motivated to come back and to recommend Nova Scotia to others. Tourism Nova Scotia is committed to helping interested industry stakeholders gain an understanding of the types of travellers being targeted and what those travellers are interested in purchasing. With this insight, operators can improve their current offerings and implement new revenue-generating ideas.



**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 comprised of municipalities, regional destination marketing organizations, regional tourism industry associations, and community-based organizations with tourism interests. Community also includes Nova Scotia residents. Personal interactions with Nova Scotians are critical to the visitor experience and they influence the desire of visitors to return to Nova Scotia and recommend the province as a vacation destination. Community stakeholders are uniquely positioned to plan, innovate, and collaborate with local tourism operators and businesses to welcome tourism in their areas. Communities that choose to be in the tourism business by creating compelling, visitor-friendly destinations will have the greatest opportunity to attract visitors and tourism investment. Another important role for communities is visitor servicing. Being mindful of the

needs of visitors and offering size-appropriate amenities, such as parking and public washrooms, is important. Community and industry stakeholders have a role in helping residents understand the value of tourism, while arming them with information about experiences, events, and attractions so they can better service visitors. Tourism Nova Scotia is committed to supporting visitor servicing.



Visitor servicing



Partnering with industry to deliver destination development and marketing



GOVERNMENT

All levels of government enable tourism growth by implementing policies and making investments in programs and infrastructure that will improve the operating environment for tourism businesses. Understanding tourism trends, consumer behaviour, and visitor expectations when making decisions can enhance Nova Scotia's competitiveness as a tourism destination, leading to more visitation and increased

investment in new or existing tourism businesses. Many government departments and Crown corporations have mandates that can affect or assist with tourism industry growth. Tourism Nova Scotia is aligned with the provincial government's inclusive economic growth strategy, and will work across government to share opportunities and help advance the economic goals of the province.



Consider policy agenda in support of goal



Community economic development



Attraction of inward development



Infrastructure development





TOURISM INDUSTRY ASSOCIATION OF NOVA SCOTIA

The role of the Tourism Industry Association of Nova Scotia (TIANS) is to be the “voice of tourism” and lead the advancement of the industry. TIANS is the advocacy organization that supports and champions emerging issues, while encouraging policy improvements, innovation, and quality enhancement. TIANS’ role is to lead, coach and encourage industry operators to offer the type of high-quality offerings that visitors expect.

NOVA SCOTIA TOURISM HUMAN RESOURCE COUNCIL

The role of the Nova Scotia Tourism Human Resource Council is to promote and support the development of a skilled and professional workforce for Nova Scotia’s tourism industry.

THE ROAD TO \$4 BILLION BY 2024 IS STEEP BUT ACHIEVABLE IF ALL INDUSTRY PARTNERS WORK TOGETHER AND MAKE THE STRATEGIC INVESTMENTS NECESSARY TO GET THERE.

SITUATIONAL ANALYSIS

The United Nations World Tourism Organization (UNWTO) identifies tourism as “...one of the fastest growing economic sectors in the world.” According to the UNWTO, tourism accounts for 10% of global gross domestic product (GDP), and for many developing countries, tourism is the most important sector. In 2017, global tourism increased by 5% and accounted for \$1.3 trillion USD in revenues.

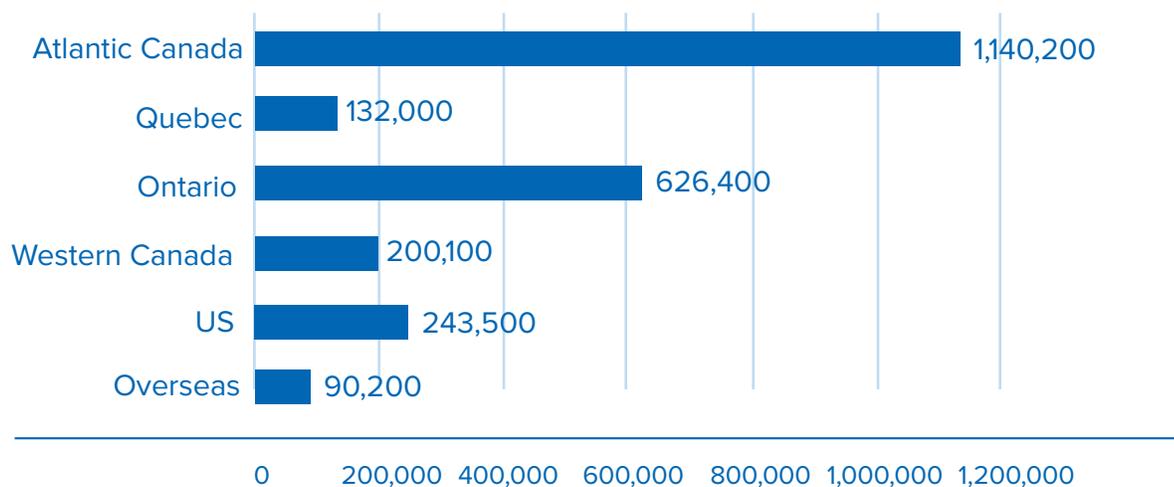
VISITATION

Tourism is big business in Canada. In 2017, international arrivals to Canada increased by 4%, setting a new annual record for the country. Nova Scotia, meanwhile, has experienced four years of exceptional growth, and 2017 was the strongest year on record. Sustaining growth will require collaboration and alignment, and increased investment across the tourism industry. Nova Scotia welcomed 2.4 million non-resident visitors in 2017—an increase of 9%, or 196,000 additional visitors, compared with 2016.

ORIGINS OF VISITORS

In Nova Scotia, visitors from other Canadian provinces account for most non-resident visits. In 2017, visits to Nova Scotia by international travellers (United States and overseas) increased by 10%, well above the national average.

2017 NON-RESIDENT OVERNIGHT VISITORS TO NOVA SCOTIA BY ORIGIN

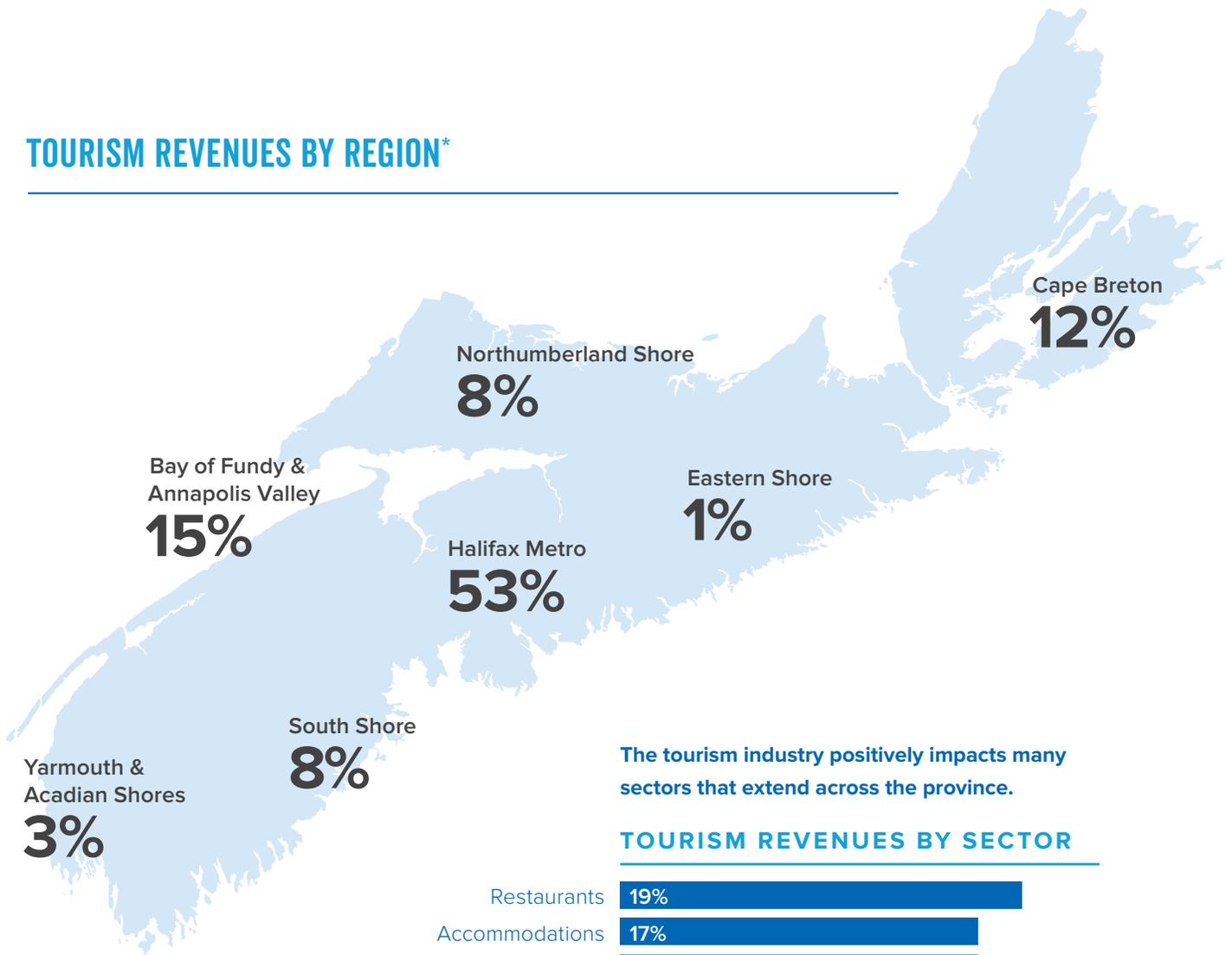


REVENUES

Tourism in Canada generated approximately \$97 billion in tourism revenues in 2017 (source: Statistics Canada).

Nova Scotia's tourism revenues for 2017 are estimated at \$2.7 billion and represent approximately 3% of national tourism revenues.

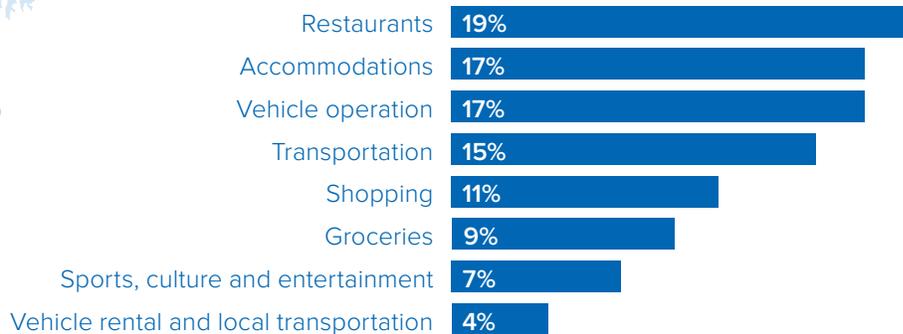
TOURISM REVENUES BY REGION*



*2015 (most recent estimate)

The tourism industry positively impacts many sectors that extend across the province.

TOURISM REVENUES BY SECTOR



PATH TO THE \$4 BILLION GOAL

The tourism industry makes a significant contribution to Nova Scotia's economy.



The table, below, illustrates the impact of the 2017 estimate of \$2.7 billion in tourism revenues, and the potential impact if tourism spending in Nova Scotia were to rise to \$4 billion (based on 2017 expenditure patterns).

ECONOMIC IMPACT

TOURISM REVENUES	\$2.7 BILLION	\$4.0 BILLION
Provincial Government Revenue (direct + spinoff)	\$158 million	\$234 million
Tourism-related GDP (direct + spinoff)	\$2.2 billion	\$3.3 billion
Jobs (direct + spinoff, person-years)	39,500	58,500

Source: Nova Scotia Department of Finance and Treasury Board

\$4 BILLION GOAL: VISITATION AND SPENDING TARGETS BY MARKET

Record-breaking visitation growth in 2016 and 2017 is a positive indication of growing interest in the province. However, tourism revenue growth is not keeping pace with overall visitation growth, and following an extraordinarily strong 2017, visitation growth has softened in 2018. Based on the current trajectory, tourism revenues will reach only \$3.2 billion by 2024. In order to reach the \$4 billion goal, the rate of growth must increase, and current visitor composition will need to shift to include more high-value visitors.

The table below illustrates the number of visitors by market, as well as the premium required (adjusted for inflation), for Nova Scotia to achieve \$4 billion in tourism revenues in 2024.

MARKET	# OF VISITORS		EXPENDITURE
	2017	2024	PREMIUM*
Atlantic Canada	1,140,200	1,140,200	10%
Quebec	132,000	150,000	10%
Ontario	626,400	700,000	10%
Western Canada	200,100	250,000	10%
United States	243,500	352,000	20%
Overseas (excl. China)	90,200	130,000	20%
China	Minimal (~3,000)	50,000	20%

*premium: % increase in spending by visitors (excluding inflationary increases)

2024 \$4 BILLION GOAL ASSUMPTIONS

- Base case is 2010 tourism revenues of \$2.02 billion.
- Gross tourism revenues will reach \$4 billion by 2024.
- Per visitor spend is based on 2010 data expressed in 2024 dollars (with inflation assumed at 2%).
- All revenue growth will come from export markets, with increased focus on high-yield markets.
- Revenue from Nova Scotia residents and same-day visitors remains constant (adjusted for inflation).
- Exchange rates (status quo, based on 2017 rate).
- Opportunity exists to increase yield/spending per visitor—a premium outside of any inflation-related increases in spending.

NOVA SCOTIA SWOT

STRENGTHS WEAKNESSES OPPORTUNITIES THREATS

STRENGTHS

Seacoast: Nova Scotia has 13,300 kilometres of pristine and accessible coastline. Many people come to Nova Scotia to explore the seacoast, beaches and ocean, and experience the world's highest tides.

Size: Nova Scotia is a small province, making it easy to access all the iconic tourist sites and breathtaking scenery around the entire province. Visitors are no more than 60km from the ocean at any time.

Diverse coastal activities: From whale watching to coastal hiking and biking, to kayaking, surfing, fishing, sailing and swimming, Nova Scotia's accessible coast offers many diverse opportunities for tourism operators and visitors to engage with Nova Scotia's natural beauty.

Highly effective marketing: Tourism Nova Scotia's marketing campaigns perform above industry standards. Research indicates the campaigns both build foundational interest and motivate visitation.

Safe: Nova Scotia is a safe destination with health, safety, and security measures in place to protect visitors.

Culture and heritage: Nova Scotia offers a wealth of cultural experiences and attractions rooted in its proud Indigenous, Celtic, and Acadian history, and informed by the current cultural landscape.

Culinary: Nova Scotia offers many high-end culinary experiences including local seafood, lobster, wineries, craft breweries, and distilleries.

Accessible: Nova Scotia is accessible by air, ferry, road and rail at various entry points throughout the province.

Hub of Atlantic Canada: As the largest airport, Halifax Stanfield International Airport is the regional gateway hub of Atlantic Canada and attracts many international flights.

Proximity: Nova Scotia is in close proximity to its North American markets, particularly Ontario, Quebec and the Northeastern United States. It is a short non-stop flight from many key European markets, and a short flight for Chinese visitors entering the country through Toronto or Montreal.

Engaged industry: Industry partners recognize the important contribution of tourism to the provincial economy and that strategic alignment is necessary to drive growth.

Broad impact: Tourism touches all regions of the province and contributes to both urban and rural economies.

Strong repeat visitation: Once visitors experience Nova Scotia, they report a high level of satisfaction and a strong desire to return.

WEAKNESSES

Accommodations: Nova Scotia lacks both the supply and quality of accommodations needed to meet visitor demand.

Aging infrastructure: Poor road conditions and aging accommodations influence the visitor experience and can discourage visitation.

Transportation: Public transportation options are limited for visitors wishing to travel outside urban centres and it can be difficult and expensive to obtain a rental car.

Labour shortage: The availability of employees continues to be problematic.

Seasonality: Currently, Nova Scotia's peak tourism season is June to October. For many operators, the seasonal nature creates challenges relating to labour attraction and retention, and the short season limits profitability.

Accommodations for seasonal workers: The difficulty in hiring and retaining seasonal workers is further compounded due to a lack of affordable accommodations for seasonal workers.

Market-ready: Some operators and the industry as a whole are not always prepared to meet the expectations of potential visitors, including quality of facilities and services, range of services provided, information services, business policies and other practices that directly or indirectly affect the visitor experience.

Trade-ready: Some operators lack the advanced level of preparedness necessary to actively seek out and accommodate travel trade business. Many businesses are not equipped to market via the travel trade because of a lack of understanding of the distribution system and its requirements.

Cost: The cost of travelling to and within Nova Scotia is fairly high relative to international vacation destinations.

OPPORTUNITIES

Awareness: There is a significant opportunity to increase awareness and consideration of Nova Scotia's tourism brand.

Canada brand: Nova Scotia can leverage the strength of Canada's brand and reputation as a safe and welcoming destination in key international markets.

"Next hotspot" for China: China is one of Canada's fastest growing markets. There is significant potential for Nova Scotia to attract visitors from China based on the province's product offering.

Volume of quality products: Nova Scotia has the opportunity to develop more high-end accommodations and experiences to attract more high-yield visitors. Higher-quality offerings have the potential to open new markets for Nova Scotia.

Extend the tourism season: A longer tourism season fueled by events, meetings and conventions, and compelling products and experiences will enable greater profitability and growth within the industry.

Partnerships: Nova Scotia can extend marketing reach and drive tourism growth through strategic public and private sector partnerships.

Policy alignment: Government can consider changes to policy to support the achievement of tourism goals.

Air capacity: Air access to the province from strategically important markets can be increased through the International Air Service Investment.

Accommodations trends: Nova Scotia has the opportunity to learn from and adjust to the consumer behaviour trends that drive use of sharing economy platforms.

Foster innovation: The tourism industry can be innovative and embrace emerging trends.

Provincial priority: Tourism is identified as a strategic economic growth priority for the province.

THREATS

Insufficient marketing investment: Without significant investment in marketing efforts it will be challenging to attract the volume of first-time, high-spend visitors that are necessary for the continued growth of the tourism industry.

Accommodations capacity: The province will not be able to accommodate more visitors if accommodations capacity in Nova Scotia does not increase.

Air capacity: Nova Scotia will be unable to grow visitation if air capacity does not increase at the Halifax Stanfield International Airport. In addition, long-term continuity of air routes is not guaranteed.

Economic volatility: Changes to the value of the Canadian dollar and to the price of gas may affect visitation to Nova Scotia.

Price competitiveness: Increases in the price of tourism products, services, and experiences, in the absence of increased perceived value, could cause Nova Scotia to struggle to compete with other vacation destinations.

Global affairs: International incidents, such as war, violence, political unrest, terror, trade issues and sociopolitical issues could affect travel to Canada and Nova Scotia.

Environmental factors: Extreme weather events, natural disasters and climate change could impact transportation routes, including air, ferry, and road, to Nova Scotia and could damage some of Nova Scotia's key tourist attractions.

Lack of adaptability: Slow adaptability to evolving consumer behaviour and preferences could be a hindrance to tourism growth.

THE PLAN



As a provincial Crown corporation, Tourism Nova Scotia has made bold changes necessary to facilitate industry and revenue growth. The organization's resources are aligned around four strategic pillars.

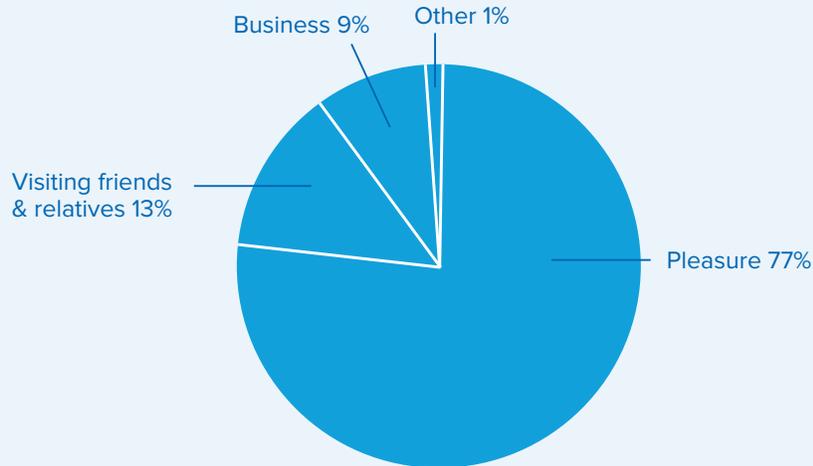
PILLAR 1: ATTRACT FIRST-TIME VISITORS

While all visitors are important, Tourism Nova Scotia's advertising messages and execution focus on those who haven't been to the province before; specifically,

the first-time pleasure visitor. Research demonstrates that first-time pleasure visitors spend more in Nova Scotia—\$2,700 compared to \$1,500 for a repeat visitor (per party per trip spending). Return visitation is highly influenced by the experience that first-time visitors have in the province. A marketing strategy targeting first-time visitors ensures resources and budgets are optimized to generate measurable, incremental visitation and revenue growth.

First-time visitors are most likely to be pleasure visitors, and these pleasure visitors are the most likely to be influenced by Tourism Nova Scotia's marketing activities.

PURPOSE OF TRIP AMONG FIRST-TIME VISITORS, 2017



Other first-time visitors may come to Nova Scotia for business or to visit family or friends. In these instances, Tourism Nova Scotia's marketing efforts are less likely to be a key factor in their decision to visit. Tourism Nova Scotia's marketing activities are critical to building awareness of the province as a vacation destination, and motivating visitation by first-time visitors. First-time visitors may also be attracted to the province for major events, niche experiences, and meetings and conventions.

MAJOR EVENTS

Major events generate significant immediate and long-term economic impacts for Nova Scotia and have the potential to attract media coverage from outside the province, benefiting Nova Scotia's brand. Communities, Culture and Heritage (CCH) is the provincial department responsible for the development, attraction and funding of major events. Tourism Nova Scotia's role is to work with CCH and other partners to ensure events are leveraged to have maximum impact on the tourism industry.

NICHE MARKETS

Nova Scotia is seeing annual growth in large and small port cruise visitation. It is also a popular international golf destination and is gaining recognition as a culinary destination. Industry initiatives to develop products and experiences are attracting visitors who are keenly interested in experiencing what Nova Scotia has to offer in these areas. Tourism Nova Scotia may work with organizations or businesses through its industry partnership programs to enhance niche experience offerings or support marketing efforts.

MEETINGS AND CONVENTIONS

In 2017, 4% of non-resident visitor parties to Nova Scotia reported the purpose of their trip was to attend a conference, convention or trade show. Pre- and post-conference activity has the potential to generate additional tourism spending from meeting and convention delegates and drive leisure business to all parts of the province. The effort to attract first-time visitors to Nova Scotia through meetings and conventions is led by Events East, Discover Halifax, and businesses with meeting and convention facilities.

PILLAR 2: INVEST IN MARKETS OF HIGHEST RETURN

Tourism Nova Scotia defines “market” as who Nova Scotia’s potential visitors are, and where those visitors are located. Tourism Nova Scotia relies on market research to ensure decisions and investments are informed by consumer expectations and evolving travel trends. Research includes demographic, geographic, and psychographic market segmentation and targeting. Research is used to understand the travel objectives and interests of visitors and to help identify marketing and sector development initiatives that will result in more high-value visitors coming to Nova Scotia. Visitors do not necessarily need to stay longer, but it is imperative that they spend more. While research informs who, where, and how potential visitors are targeted, strengthening relationships with the travel trade, as well as partnerships with Atlantic Canada Agreement on Tourism, Destination Canada, Halifax International Airport Authority, airlines, and other transportation organizations will amplify reach and increase awareness of Nova Scotia.

EXPLORER QUOTIENT® (EQ) AND NOVA SCOTIA’S TARGET TRAVELLERS

Tourism Nova Scotia has licensed Destination Canada’s traveller segmentation approach, Explorer Quotient® (EQ), to help identify and understand high-potential visitor prospects. The EQ segmentation approach considers more than traditional demographics (age, income, gender, family status, or education level); it delves deeper into psychographics to understand why people travel, why different types of travellers seek out different travel experiences, and how tourism operators can engage with visitors based on their travel values. A thorough review of EQ has been conducted and Tourism Nova Scotia’s research team has matched Nova Scotia’s visitor population to their respective EQ segments. Tourism Nova Scotia has identified three priority EQ visitor segments:

AUTHENTIC EXPERIENCERS

Authentic Experiencers are understated travellers looking for authentic, tangible engagement with the destinations they visit. They prefer to do their own thing at a destination, having control over what they see and when they see it. They do not rush around to take in all the “must-sees.” For this segment, travel is about personal development and learning. They are not looking to escape or “get away” from the stress of their everyday lives. Some Authentic Experiencers have a particular interest in understanding the history of the places they visit. Authentic Experiencers will actively seek the most authentic cultural experiences possible, going so far as to learn the local language and to find the sights and experiences that are not considered “touristy.” They seek to connect meaningfully and will not shy away from living like the locals. They do not need to be pampered or have everything taken care of for them. Authentic Experiencers will not seek out overly luxurious amenities or gourmet experiences. Although they are relatively affluent and may make high-cost purchases, they do not derive pleasure from ostentatious consumption.

CULTURAL EXPLORERS

Cultural Explorers are defined by their love of constant travel and continuous opportunities to embrace, discover, and immerse themselves in the culture, people and settings of the places they visit. Part of the joy of travel is learning about how life really is in a destination and connecting with the locals. To them, not feeling like a “tourist” is thrilling, and they do not want to feel rushed to visit the highlights of a destination. This segment truly values authentic local experiences that allow them to immerse themselves in the local culture. They have a desire for exploration, and enjoy trying new things. This segment is not overly materialistic. Although price conscious, they will pay for a truly unique experience, but they want it to be worth it. They make efforts to be ethical consumers and appreciate environmentally and socially responsible options.



FREE SPIRITS

Free Spirits are highly social and open-minded. Their enthusiasm for life extends to their outlook on travel. Experimental and adventurous, they indulge in high-end experiences that are shared with others. They are the most social of the EQ segments and are attracted to groups and shared experiences. Free Spirits want to see all the major attractions but do not need to go into depth with any of them. They may rush around to see the highlights of a location. Free Spirits are highly motivated to succeed and like to show off their success. Status and brands are important. Free Spirits have busy lives and feel time-stressed. Travel is an escape—a time to let loose, have fun and indulge themselves. This segment often aspires to stay at the most luxurious accommodations and venues. Vacationing is a time to be more indulgent and carefree than at home. They are confident risk-takers, and are not afraid to take local transportation, stay in accommodations, and eat food that may not be the same as at home. They like to try new things for the novelty.

A deep understanding of these three segments will inform experience and product development for the overall tourism industry, as well as all aspects of marketing. For a more detailed description of EQ traveller segmentation, visit tourismns.ca/research/explorer-quotient.

PILLAR 3: FOCUS ON WORLD-CLASS EXPERIENCES

New is necessary if Nova Scotia is going to increase tourism revenues to \$4 billion by 2024. New ideas, new investment, and new ways of doing business will differentiate Nova Scotia from destinations around the world and motivate visitors to travel to the province now versus putting the province on a “bucket list” for the future. Collaborating with the private sector to showcase and create experiences that align with the values and expectations of Nova Scotia’s target travellers will help position Nova Scotia as a world-class tourism destination.

When marketing Nova Scotia, it is important to lead with the province’s strengths to capture the attention of target market segments. These strengths include the accessible seacoast, marine wildlife, national parks, world heritage sites, icons like the Cabot Trail, Lunenburg, Bay of Fundy, Bluenose II, and Peggy’s Cove, and Nova Scotia’s burgeoning culinary reputation

(including wineries, distilleries and craft breweries). Leveraging the province's assets and icons to create new, purchasable experiences elevates Nova Scotia's strengths and inspires visitation. World-class experiences aren't necessarily luxury; rather, they differentiate Nova Scotia as a destination, such as experiences that are authentic to the culture, heritage, terroir and coastal landscapes, and those that generate buzz and build on the cachet of Nova Scotia as a vacation destination.

TOURISM REVITALIZATION OF ICONS PROGRAM

Tourism Nova Scotia is responsible for administering the Tourism Revitalization of Icons Program. 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.

Nova Scotia's tourism icons represent some of the most compelling aspects of Nova Scotia's tourism brand. Research indicates these icons motivate travellers to visit Nova Scotia; there is an opportunity to use their power to leverage visitor spending opportunities. 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.

PILLAR 4: BUILD TOURISM CONFIDENCE

A population that feels confident and optimistic about Nova Scotia's tourism industry will support the effort required to increase tourism revenues over a 10-year period to \$4 billion by 2024. Tourism Nova Scotia's communications efforts will seek to ensure all industry stakeholders and Nova Scotians understand the importance of tourism to the province and feel compelled to talk positively, with pride, about Nova Scotia's tourism industry. It is important to harness the collective voice of all Nova Scotians to create a province of tourism ambassadors that can invite the world to visit via their personal channels.



TARGET MARKETS

Tourism Nova Scotia directs its marketing activities at specific geographic markets.



CANADA

Canada continues to be Nova Scotia's main source of visitors. Tourism Nova Scotia's strategy in Canada is to market outside of Atlantic Canada, primarily to Ontario (Toronto) and Quebec (Montreal) to build awareness of Nova Scotia and stay top-of-mind among potential travellers. The strategy within the Canadian market is to use smart media tactics and a robust content marketing program to lure visitors from outside of Atlantic Canada who fit target EQ segments. Key marketing tactics include a consumer marketing campaign featuring TV, out-of-home

(e.g., billboards), search engine marketing (SEM), social ads, digital video, and digital display units. These activities are supported by a travel trade and travel writer/influencer strategy that leverages partnerships to create awareness of Nova Scotia and to push potential visitors down the sales channel through the travel trade.

Within Canada, the advertising saturation point has not been reached. Because awareness of Nova Scotia is high, increased visitation is possible with more marketing investment. Tourism Nova Scotia will look to increase investment in Canada to begin targeting regions outside of the current target markets.

QUEBEC

Quebec currently represents approximately 5% of overall non-resident overnight visitors. Visitation from this market has been growing steadily since 2013, with exceptional growth in 2017. Visitation from Quebec has moderated in 2018.

Quebec

Arrivals by air 26%

Arrivals by road 74%

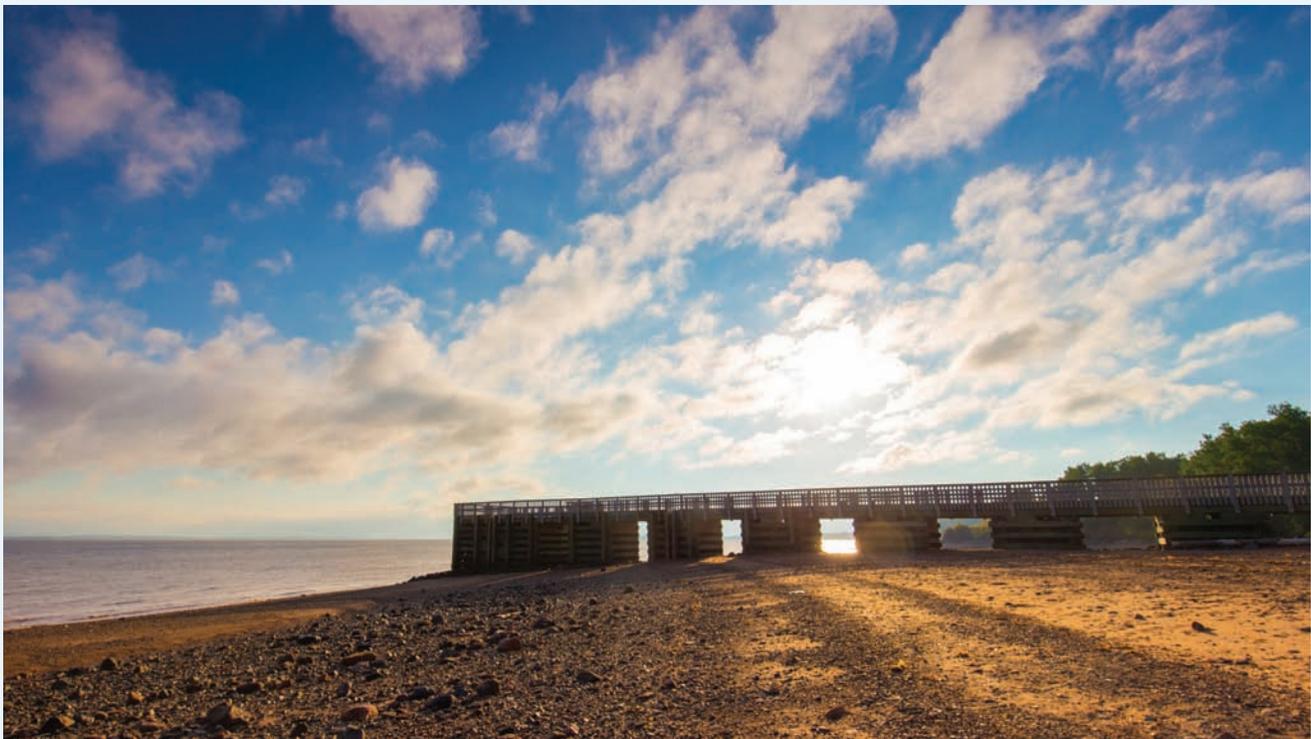
Average pleasure party spend \$1,700

2017 visitation growth +22%

2013-2017 average annual visitation growth +7%

2018 visitation growth estimate -8%

NON-RESIDENT OVERNIGHT VISITATION - QUEBEC



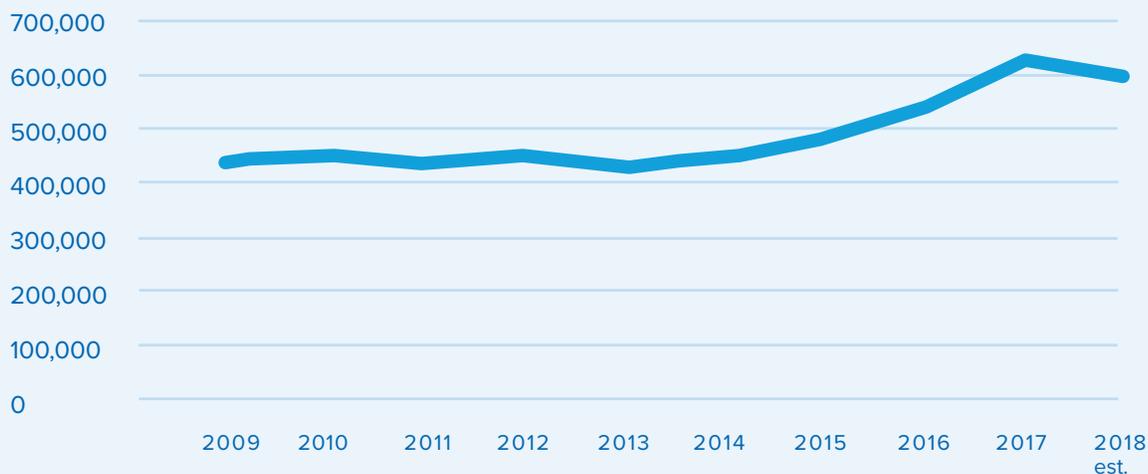
ONTARIO

Ontario is Nova Scotia's largest market outside of Atlantic Canada. Ontario visitors comprise one-quarter of Nova Scotia's non-resident overnight visitor population. Growth in visitation from Ontario in 2017 (+16%) exceeded overall non-resident overnight visitation growth (+9%), and average annual growth from Ontario over the past five years is +7%. Visitation from Ontario has moderated in 2018.

Ontario

Arrivals by air 44%
Arrivals by road 56%
Average pleasure party spend \$2,100
2017 visitation growth +16%
2013-17 average annual visitation growth +7%
2018 visitation growth estimate -4%

NON-RESIDENT OVERNIGHT VISITATION - ONTARIO



NORTHEASTERN UNITED STATES

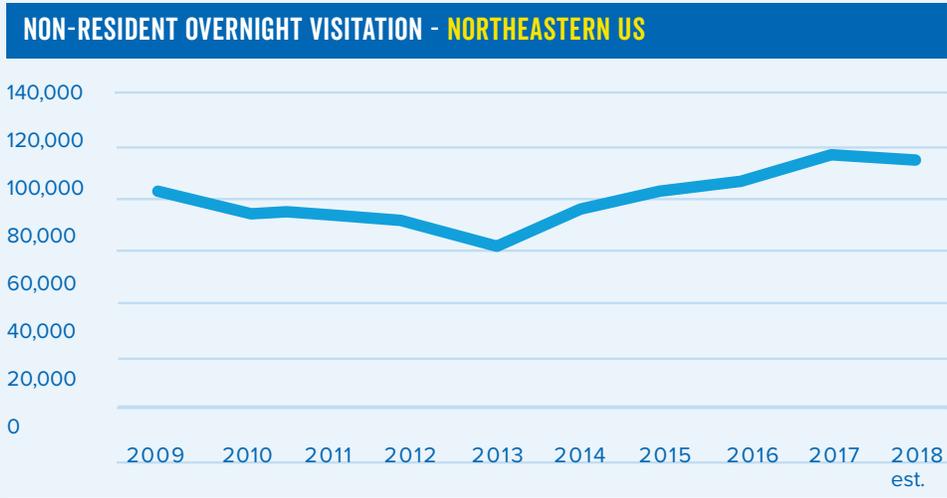
The United States is Nova Scotia’s largest international market, representing approximately 10% of Nova Scotia’s non-resident overnight visitor population. The Northeastern US is Nova Scotia’s most significant US market. Nova Scotia welcomed 114,600 visitors from the Northeastern US in 2017, a 10% increase over 2016. This exceeded overall non-resident overnight visitation growth (+9%). Following several years of decline, growth in visitation was strong between 2014 and 2017, but has moderated in 2018.

Tourism Nova Scotia’s marketing strategy is to target the Northeastern US, primarily the greater Boston area and New Haven/Hartford, due to their proximity for driving, coupled with alternate access via ferry and air. The direct-to-consumer advertising campaign is the leading strategy in this market; however, given the significant size of the American market, it is extremely difficult to garner enough advertising dollars to create a broad impact. The campaign combines conventional and digital marketing tactics including TV, out-of-home, search engine marketing, social ads, digital video, and digital display units, combined with a robust content marketing campaign using travel media and influencers to build and push out content using digital channels. To extend

reach, partnerships are critical. The campaign leverages Tourism Nova Scotia’s core investment through Atlantic Canada Agreement on Tourism activities, complemented by Destination Canada’s Connecting America Program investment which includes content marketing using influencers and digital advertising. These channels are low cost and deliver high impact because each targets a specific message, to the right audience, at the right time. They also complement Tourism Nova Scotia’s stand-alone brand campaign. Efforts are amplified by the Atlantic Canada regional advertising that is done through Atlantic Canada Agreement on Tourism, which also extends reach into New York. Additionally, a partnership with Halifax International Airport Authority helps promote flights from New York, and Tourism Nova Scotia continues to work closely with transportation partners such as Bay Ferries, Air Canada, and WestJet to build destination awareness.

Northeastern United States

- Arrivals by air 74%
- Arrivals by road 26%
- Average pleasure party spend \$2,100
- 2017 visitation growth +10%
- 2013-2017 average annual visitation growth +6%
- 2018 visitation growth estimate -2%



The strategy for the Northeastern US also includes travel trade activities and strategic engagement with travel writers/influencers which results in compelling travel stories and content being seen by travellers. It leverages partnerships with Atlantic Canada Agreement on Tourism and key tour operators to create awareness of the destination and to push potential visitors down the sales channel through the travel trade.

UNITED KINGDOM

The United Kingdom is Nova Scotia's largest overseas tourism market, but it is also an underdeveloped market. For many years, visitation from this market remained consistent at approximately 20,000, but with the launch of a new flight from Glasgow to Halifax in 2015, visitation increased to 30,000, a nearly 50% increase over 2014. 2016 and 2017 saw a decline in visitation, which is not unexpected following a year of such significant growth in 2015. A new London Gatwick-Halifax flight launched in April 2018, with strong visitation growth seen in 2018.

Travel trade and travel writers/influencers are the leading strategy in the UK market. In-market representation is

key to this strategy. In-market representation in this market provides professional services for Tourism Nova Scotia, including strategic planning, sales, market intelligence, marketing, measurement, promotional and consulting services. Tourism Nova Scotia also leverages partnerships with Destination Canada, Atlantic Canada Agreement on Tourism, key tour operators and travel writers/influencers to create awareness of the destination and to push potential visitors down the sales channel through the travel trade.

Tourism Nova Scotia also runs a direct-to-consumer marketing campaign in this market in partnership with Halifax International Airport Authority to promote awareness of Nova Scotia and the direct air route access.

United Kingdom

Average pleasure party spend **\$4,400**

2017 visitation growth **-1%**

2013-2017 average annual visitation growth **+7%**

2018 visitation growth estimate **+22%**



GERMANY

Germany represents a relatively small percentage of overall non-resident overnight visitation to Nova Scotia. However, growth in visitation from this high-value market has been strong in recent years, averaging +8% annually over the past four years from just over 10,000 visitors in 2013 to almost 14,000 in 2017. Visitation from Germany continues to increase in 2018. As in the UK, Tourism Nova Scotia's strategy in Germany is to work with in-market representatives who have strong relationships with trade partners to create and implement opportunities that build awareness of Nova Scotia and increase the sale of Nova Scotia holidays by tour operators. Tourism Nova Scotia also partners with Destination Canada and Halifax International Airport Authority to build awareness of the destination and the direct flights to Nova Scotia. Key marketing tactics include content marketing using influencers and digital advertising, and a direct-to-consumer marketing campaign. To move the needle further in Germany, it is imperative that more investment be made to increase awareness and consideration of Nova Scotia. Partnerships with other Atlantic Canadian provinces and Destination Canada, for example, will increase investment in both trade and digital channels, expanding reach and building awareness of Nova Scotia.

Germany

Average pleasure party spend \$4,400

2017 visitation growth +9%

2013-2017 average annual visitation growth +8%

2018 visitation growth estimate +15%

CHINA

China currently represents a small percentage of overall non-resident overnight visitation to the province. Nova Scotia has an ambitious goal to increase annual visitation from the current level of fewer than 5,000 to 50,000 by 2024.

Tourism Nova Scotia is working to develop methods to better estimate visitation and tourism spending from this important market.

Travel trade and travel writers/influencers are the leading strategy in this market. Tourism Nova Scotia's in-market representation is a key component of this strategy. The in-market representative works directly with trade partners across the country. This includes the Shandong and Guangdong provinces with which Nova Scotia has friendship agreements, to build awareness of Nova Scotia and increase the sale of Nova Scotia vacations by qualified tour operators. Tourism Nova Scotia also leverages partnerships with Destination Canada, the other Atlantic Provinces, Tourism International Market Expansion, key tour operators and travel writers/influencers to create awareness of Nova Scotia and to push potential visitors down the sales channel through the travel trade.

There is a significant opportunity for Nova Scotia to target the growing affluent, independent Chinese travel market. For perspective, in 2017, Canada welcomed 682,000 Chinese visitors, a dramatic increase from approximately 75,000 in 2000. Gaining a foothold, however, will require a substantial investment and specialized market intelligence. Nova Scotia already has a competitive advantage with its province-wide accessible coastline, uncrowded easy-to-explore communities, and the type of products and experiences that Chinese travellers seek.

Nova Scotia has much to gain by developing more unique, purchasable experiences, focusing on the needs of Chinese visitors, and preparing operators to be trade-ready for this specialized market.

**NOVA SCOTIA IS POISED TO
BECOME THE “NEXT HOTSPOT”
IN CANADA FOR CHINESE
TRAVELLERS.**



MARKETING APPROACH

There are two key challenges in attracting first-time visitors to Nova Scotia. The first is generating awareness of Nova Scotia as a compelling vacation destination. Research shows that people may have an impression of Nova Scotia being a beautiful place, but they are not easily able to imagine what a vacation in the province might look like. The second is converting awareness to active consideration, leading to visitation. Tourism Nova Scotia seeks to showcase known icons in its advertising campaigns, while also revealing unique experiences that may not be expected by the traveller—experiences so compelling that they motivate travel to happen quickly and not just land Nova Scotia on a “bucket list.”

The cost of entry into destination marketing has decreased substantially in recent years with the advent of social media and widespread availability of user-generated content. Peer-generated stories, videos, photography, and reviews are increasingly important to travellers, and Tourism Nova Scotia amplifies and repurposes wherever possible. As advertising moves more and more into the digital realm, the challenge is finding new and relevant content that will inspire target travellers to book their vacations immediately.

Tourism Nova Scotia is focused on achieving efficiencies in media buying, leveraging partnerships to maximize share-of-voice in target marketplaces, and allocating dollars to channels that demonstrate the best return on investment.

CONSUMER ADVERTISING CAMPAIGN

Tourism Nova Scotia implements a direct-to-consumer advertising campaign annually to capture the attention of prospective visitors who are making their vacation plans. Campaign tactics vary depending on budget, objectives, and past campaign performance. To maximize reach and frequency, Tourism Nova Scotia evaluates channels each

year to achieve the best media mix. The 2018 campaign focused on the following channels:

- Television;
- Digital banner ads and videos;
- Social media;
- Search engine marketing; and
- Out-of-home billboards in high-traffic locations.

Tourism Nova Scotia will continue to leverage evolving consumer, media, and technology trends and opportunities to inform direct-to-consumer campaigns.

Tourism Nova Scotia’s research confirmed the 2018 marketing campaign performed well above industry standards in terms of appeal, uniqueness and motivation in key markets. More specifically, the ads:

- Clearly showed that Nova Scotia is better than other places that could be visited;
- Were seen as really different from other tourism advertising;
- Made people feel more positively towards Nova Scotia;
- Made people want to find out more; and
- Made people excited about the idea of visiting Nova Scotia.

TRAVEL TRADE

Tour operators and travel agents are an important market development and sales channel, particularly in international markets, and it is expected they will continue to play a significant role over the next five years. They provide added value to customers who are less familiar with Nova Scotia and its product offerings, as well as for those who prefer to book travel with the assistance of a travel expert. Tour operators and travel agents source a range of holiday itineraries, and they can provide services and experiences that may not otherwise be available directly to consumers. The travel trade not only provides a sales opportunity for Nova Scotia's tourism industry, it also offers access to customers and markets that Nova Scotia tourism operators could not easily reach on their own.

Tourism Nova Scotia will continue to undertake travel trade initiatives to promote a greater understanding of the province, and to facilitate sales opportunities for trade-ready products and experiences. These initiatives include:

- Participating in key travel trade marketplaces in all target markets to build sales relationships and identify new opportunities;
- Implementing partnership marketing activities with key accounts to increase the promotion and sale of Nova Scotia holidays; and
- Hosting qualified travel trade clients on familiarization tours. These tours offer travel buyers the opportunity to experience Nova Scotia first-hand in order to discover new product for them to sell, and to become sales ambassadors for the province. Industry support for these tours is an important marketing investment for operators to showcase their products and experiences in a cost-effective way. Tourism Nova Scotia will continue to encourage operators to help facilitate and support these important visits to their businesses.

Destination Canada leads several travel trade initiatives to help develop key travel trade accounts that are committed to selling more Canada product. Leveraging Destination Canada's activity and in-market relationships will continue to be important as Tourism Nova Scotia evolves its international marketing efforts. A key tactic in promoting the province to international tour operators was hosting Rendez-vous Canada (RVC) in Halifax in 2018. RVC is Destination Canada's signature travel trade event and features a business-to-business marketplace. Approximately 1,800 tour operators and industry professionals experienced Nova Scotia during the tradeshow, networking events, and familiarization tours.

Recognizing that visitors from further away markets will often combine a visit to Nova Scotia with one of the other Atlantic Provinces, Tourism Nova Scotia works with Atlantic Canada Agreement on Tourism on several travel trade sales activities, including tour operator marketing partnerships, trade shows, and destination training.

Building strong relationships with tour operators requires a long-term approach and an understanding of their business requirements. A new trade-readiness initiative, developed in 2017 in partnership with Atlantic Canada tourism partners, will support a greater understanding of the requirements of working with the travel trade. This program is the foundation of a focused effort to introduce more Nova Scotia product and experiences into the international sales distribution channel.



TRAVEL MEDIA

Travel media is an important channel through which to reach potential visitors to Nova Scotia. Media from print, TV, digital, and other influencers offers valuable third-party endorsement and content to promote Nova Scotia as a vacation destination.

Tourism Nova Scotia's media relations specialists identify and assess opportunities to increase exposure for Nova Scotia by sharing inspiring story ideas that align with target EQ segments. An in-depth understanding of Nova Scotia's regions, experiences, and operators is required to pitch the story angles that will appeal to a journalist's or influencer's audience. Working collaboratively with industry operators to host these media influencers on familiarization tours of Nova Scotia is essential. A strong partnership delivers the best experience for influencers and journalists, and allows for leveraging resources to host more qualified media.

Tourism Nova Scotia will continue to undertake initiatives to increase media coverage. Examples include:

- Participating in media marketplaces to build relationships with media contacts, providing new story ideas and information;
- Hosting media on familiarization tours, creating and organizing customized itineraries to match the journalists' needs;
- Providing destination knowledge and product information for media enquiries;
- Sharing destination news and highlights with a variety of media contacts through media sales calls, events, e-newsletters, and press releases; and
- Partnering with Atlantic Canada Agreement on Tourism and Destination Canada to extend media reach through in-market events, marketplaces, and press releases.

A key opportunity to promote Nova Scotia to international media is GoMedia Canada. This annual signature business-to-business event moves from province to province and brings together more than 120 national and international travel media to meet with marketing and communications professionals from various Canadian tourism organizations. The

VIP attendees are introduced to interesting Nova Scotia story ideas during marketplace appointments, networking events, and familiarization tours. Tourism Nova Scotia hosted GoMedia in Halifax in 2017.

IN-MARKET REPRESENTATIVES

Tourism Nova Scotia's work in priority overseas markets is supported with contracted market development specialists that have an established network of travel trade, travel media, and other influential contacts. In-market representatives provide market expertise and identify and implement initiatives that increase Nova Scotia's profile, and ultimately drive visitation from overseas markets. Currently, Tourism Nova Scotia has representation in the UK, Germany and China. Examples of an in-market representative's work include:

- Promoting Nova Scotia in core markets as a vacation destination through a variety of sales, media and marketing activities;
- Increasing the number of Nova Scotia holiday itineraries/products offered and sold by tour operators in these markets; and
- Promoting increased air capacity and routes to Nova Scotia from these markets.

PARTNERSHIPS

Strategic partnerships and leveraging all available resources are critical to achieving tourism growth. Through a mix of traditional, non-traditional, and industry partnerships, Tourism Nova Scotia:

- Develops compelling content;
- Increases direct-to-consumer media investment and reach;
- Creates more awareness of the destination;
- Reaches target EQ segments; and
- Shares learnings to increase knowledge and ability to deliver against target segments.

GOOGLE

Tourism Nova Scotia and Google have been partners since 2014. The focus of the partnership is to support Tourism Nova Scotia in three key areas:

- Create a deeper understanding of target audiences;
- Attract first-time visitors from markets of highest return; and
- Ensure the Tourism Nova Scotia team and partners are best-in-class in the digital realm.

DESTINATION CANADA

Tourism Nova Scotia works with Destination Canada, the national tourism marketing organization, to extend its reach into markets where Canada has an established presence and where Nova Scotia can benefit. With limited marketing dollars, Tourism Nova Scotia leverages established relationships and channels built by Destination Canada to increase reach and build awareness of the province.

A tactical example of the partnership with Destination Canada is the Connecting America program. Launched in April 2016, this program was created to drive 680,000 additional pleasure travellers to Canada from the US and generate \$400 million in incremental visitor spending. It targets urban, active, first-time visitors aged 25-44. Tourism Nova Scotia participates in this program as an independent brand and through Atlantic Canada Agreement on Tourism.

In 2018, Tourism Nova Scotia targeted the cities of Boston, New York, and Philadelphia. Another element of the Connecting America program is a co-op opportunity which allows Tourism Nova Scotia to leverage partner funds from Destination Canada to extend the reach of its co-investment marketing programs.

ATLANTIC CANADA AGREEMENT ON TOURISM

Atlantic Canada Agreement on Tourism is a joint marketing initiative of the Government of Canada, the four Atlantic Canada provincial tourism marketing organizations and tourism industry organizations, and industry operators. The purpose of the agreement is to

grow tourism in Atlantic Canada from targeted areas of the US and UK.

Nova Scotia has a history of working collaboratively with Atlantic Canada and federal government partners. Tourism Nova Scotia participates in the Atlantic Growth Strategy for Tourism to support the growth of a more vibrant and sustainable tourism economy for Nova Scotia. This strategy, led by the federal government with involvement from all four Atlantic Canada provinces, is focused on three key areas:

- International marketing and market development;
- Tourism product innovation; and
- Investigative market research and improved measurement metrics.

TOURISM INTERNATIONAL MARKET EXPANSION

Through the Atlantic Growth Strategy, Tourism International Market Expansion was created to extend Atlantic Canada's tourism marketing reach in Germany and China. This program focuses on creating digital content in partnership with Destination Canada that promotes Atlantic Canada as a vacation destination. The digital ads and articles push traffic to "key account" tour operators. In addition, Tourism International Market Expansion supports travel trade partnerships in China.

NOVA SCOTIA TOURISM INDUSTRY BUSINESSES AND ORGANIZATIONS

Following an in-depth review of past tourism partnership programs, Tourism Nova Scotia initiated a new partnership model in 2015, built on the foundation of collaboration, co-investment, and accountability. At one time, the provincial tourism organization issued grants to organizations for advertising and content development activities. Under the new model, Tourism Nova Scotia engages as a co-investor with industry to develop marketing assets and digital advertising activities that are mutually beneficial, and that allow Tourism Nova Scotia and its partners to market more broadly as well as be consistent in terms of "look and feel."

SECTOR DEVELOPMENT

Tourism Nova Scotia's sector development efforts are focused on increasing Nova Scotia's competitiveness as a tourism destination. Nova Scotia's tourism industry must continue to work to enhance the quality and availability of experiences, services, and accommodations to meet the expectations of priority target market segments.

Compelling experiences distinguish Nova Scotia from other travel destinations and motivate travellers to visit the province. Through crafted experiential tourism opportunities, visitors are provided with unique, entertaining, and/or educational activities that allow them to immerse themselves in Nova Scotia's rich heritage, culture and natural assets.

To realize strong tourism revenue growth, it is necessary to understand target visitors and lure them to Nova Scotia with "wow" experiences, while ensuring sustainable businesses that are ready to deliver world-class products, services, and lasting memories. There is an opportunity to further develop Nova Scotia's tourism icons and leverage the province's competitive strengths. There is also an opportunity to identify and share investment opportunities with industry to support this development.

Tourism Nova Scotia's sector development team will continue to work with businesses, associations, and government partners to enhance the competitiveness and readiness of Nova Scotia's tourism industry.

EXPERIENCE DEVELOPMENT

Tourism Nova Scotia facilitates the development of world-class experiences, primarily in partnership with the private sector, through the World-class Experience *EXCELLerator* program, coaching and workshop opportunities.

WORLD-CLASS EXPERIENCE EXCELLERATOR PROGRAM

Tourism Nova Scotia proactively identifies and tests opportunities for experience development and works with industry partners to turn these concepts into reality through the *EXCELLerator* program. This program tests experience concepts through the lens of key market segments to identify experiences that will resonate and motivate travel to the province. Tourism businesses and organizations are invited to partner in the development of the concepts that score the highest in appeal and ability to motivate visitation to the province. Through a three-year agreement, Tourism Nova Scotia staff share expertise in EQ training, market-readiness assessment, experience development coaching, and maximizing marketing/sales/travel media. Partners also benefit from



the development of photography and/or video assets under the creative direction of Tourism Nova Scotia's marketing agency to ensure the experiences can be featured in both the partners' and Tourism Nova Scotia's marketing and sales channels.

Since its inception in 2016, the *EXCELLerator* program has expanded from its initial focus on the Free Spirits EQ segment to include Indigenous and seasonal experiences that appeal to all three target EQ segments.

OTHER EXPERIENCE DEVELOPMENT INITIATIVES

Beyond the *EXCELLerator* program, Tourism Nova Scotia's experience development team delivers workshops and programs that challenge tourism operators to innovate and embrace change to create unique and authentic Nova Scotian experiences that engage and delight visitors. Experience development work includes:

- Continuing the development of world-class experiences, primarily in partnership with the private sector with a strong emphasis on using market research (EQ, primary research) and insights to initiate and influence development. This includes coaching operators, partners, and destinations on the development and enhancement of world-class experiences that appeal to target segments;
- Elevating export-ready experiences to the Canadian Signature Experiences collection to increase Nova Scotia's presence in Destination Canada's global markets; and

- Identifying and prioritizing Nova Scotia's most competitive existing and emerging products and tourism icons that match the interests and values of targeted EQ market segments and high-yield niche markets. Examples of strategic initiatives include: Good Cheer Trail; Seafood Trail; cycling trails (Blue Route); and destination trails. New products and enhanced icons can provide a platform for the private sector to create and sell experiences, strengthen target market appeal, and increase revenues.

TOURISM REVITALIZATION OF ICONS PROGRAM

Tourism Nova Scotia is responsible for administering the Tourism Revitalization of Icons Program. 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.

Nova Scotia's tourism icons represent some of the most compelling aspects of Nova Scotia's tourism brand. Research indicates these icons motivate travellers to visit Nova Scotia. There is an opportunity to use their power to leverage visitor spending opportunities. 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.

BUSINESS DEVELOPMENT

Tourism Nova Scotia will continue to provide advice and guidance to individuals and organizations interested in enhancing or starting a tourism business. These activities will improve quality and help the industry prepare for future investments.

Business development initiatives include:

- Ongoing jurisdictional scans of current business development/investment resources and best practices;
- Developing strategies that will increase operating efficiencies for Tourism Nova Scotia business clients and reduce costs of integration with government and government regulation;
- Providing business advisory services to new and existing businesses through in-house expertise or directing businesses to partner agencies for specialized advice;
- Identification and remediation of individual tourism business development problems and identification of systemic issues facing the industry;
- Providing coaching to assist tourism operators in opening and running a business;
- Working with partners to help build the capacity of communities and organizations to respond to investment attraction opportunities;
- Providing support on succession planning and investment attraction to economic development partners that have identified tourism as a key sector in their region; and
- Working in partnership with industry to develop and implement quality improvement initiatives in accommodations and other sectors, implementing technology training, succession planning strategies and human resource programming.

Tourism Nova Scotia continues to work with current and prospective accommodations operators to facilitate new developments. It provides business advice and coaching to accommodations operators to encourage new accommodations developments and to provide quality accommodations with market appeal by sharing industry statistics, trends, market opportunities and directing investment enquiries to various partners. Given the findings of the 2017 *Accommodations Needs Assessment* report and recognizing the important role that accommodations contribute to reaching the tourism revenues goal, Tourism Nova Scotia will develop a workplan to direct efforts towards business outreach, investment attraction, quality improvements and industry/community partnerships.

FACILITATING INDUSTRY EXPORT GROWTH

As Tourism Nova Scotia continues to market to and attract visitors from out-of-region and international markets, industry must be prepared to do business and meet the expectations of visitors from these markets. Tour operator feedback and traveller reviews have identified a significant opportunity to optimize industry's ability to leverage export dollars from these markets.

TOURISM EXPORT EXCELLERATOR (E²) PROGRAM

The goal of the planned Tourism Export *EXCELLerator* (E²) program is to increase industry's capacity to do business in international markets, as well as to service visitors from those markets. A significant portion of international travellers book their trips through travel trade channels, and international tour operators are increasingly interested in working with Nova Scotia tourism businesses; however, many local businesses are not familiar with how to work with the international travel trade. Workshops and resources for the industry on how to work with the travel trade and be China market-ready will increase industry's ability to do business and serve international markets.

CORPORATE COMMUNICATIONS



ENGAGEMENT, COMMUNICATIONS, AND CONFIDENCE-BUILDING

Stakeholder engagement, communications, and confidence-building are key to achieving the \$4 billion goal. Nova Scotia's tourism industry has experienced significant changes in recent years, and strong leadership from Tourism Nova Scotia is necessary to achieve role clarity, reduce duplication, and foster stakeholder alignment with this strategy. Tourism Nova Scotia will engage industry, government, and community tourism stakeholders to encourage business, infrastructure, and community investments that will help motivate travel to the province and provide spending opportunities for visitors. Tourism Nova Scotia will share stories of innovation and competitiveness happening

throughout the industry to instill pride and confidence among Nova Scotians, and will provide regular updates on the industry's collective progress towards the \$4 billion goal. Tourism Nova Scotia's corporate website, tourismns.ca, will continue to be the go-to source for news, research, advertising opportunities, industry partnership programs, and tourism performance results. Through a variety of channels, including workshops, presentations, Tourism Nova Scotia's industry newsletter (inTouch), social and traditional media, and partner initiatives, Tourism Nova Scotia will inform, engage, and inspire Nova Scotians to be proud of who we are as a tourism destination.

RESEARCH AND POLICY



RESEARCH

Research is a critical area of focus for Tourism Nova Scotia. Research initiatives support and inform marketing, sector development, and communications activities. Tourism Nova Scotia shares its research insights with industry, stakeholders, and partners to enable them to make strong evidence-based decisions.

Key research initiatives include:

- Reporting various tourism performance indicators related to visitation, accommodations, revenues and activities, and continuously investigating other sources of performance measures;
- Leveraging Destination Canada’s EQ segmentation, a travel-values based segmentation model, to provide insights into visitors’ travel values and motivations;
- Evaluating Tourism Nova Scotia’s annual advertising campaign;
- Conducting the Visitor Exit Survey—the most comprehensive survey of visitors to the province. The survey is conducted every two years, rotating between full-year data collection and peak-period data collection (June to October);

- Leveraging the Tourism Nova Scotia Online Advisory Panel to conduct research on various topics, e.g., culinary, trails, travel guide;
- Developing and administering evaluation frameworks to ensure effective and accountable programming within Tourism Nova Scotia;
- Investigating and adopting new technologies to optimize operational effectiveness and continuous improvement of collecting and disseminating tourism statistics and visitor information;
- Participating on various regional and national research committees (Destination Canada, Tourism Research Partners, Atlantic Canada Agreement on Tourism), and continuing to actively partner on select joint research initiatives that will benefit the province; and
- Sharing tourism research and monthly tourism statistics via Tourism Nova Scotia’s website, inTouch newsletter, enquiries, and presentations.

POLICY

Tourism Nova Scotia’s policy team informs the strategic direction and priorities for Tourism Nova Scotia including strategic and business planning processes, accountability framework, and other provincial priorities, and serves as a key linkage between Tourism Nova Scotia and the Department of Business.

Key policy initiatives include:

- Ensuring Tourism Nova Scotia’s operations and policies align with organizational priorities and public sector regulations;
- Developing and implementing Tourism Nova Scotia’s performance management Balanced Scorecard framework;
- Leading Tourism Nova Scotia’s strategic planning and business planning processes; and
- Monitoring and measuring Tourism Nova Scotia’s performance in all areas identified in the annual Business Plan and Accountability Report.

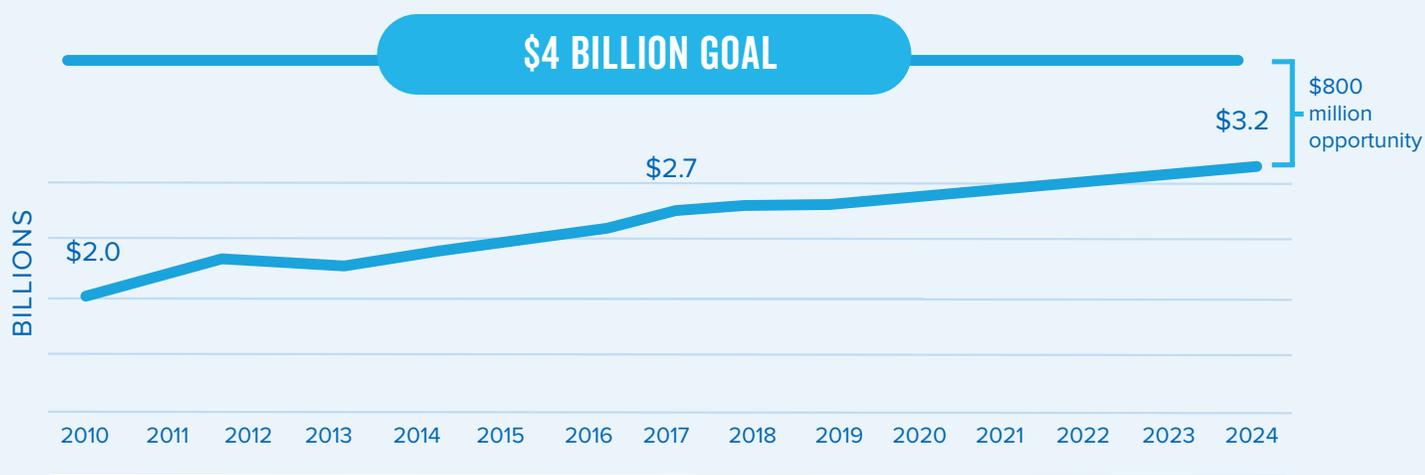
**RESEARCH AND POLICY INITIATIVES
SUPPORT AND INFORM MARKETING,
SECTOR DEVELOPMENT, AND
COMMUNICATIONS ACTIVITIES.**

STRATEGIC GAME CHANGERS



The \$4 billion tourism revenues goal will not be reached if Nova Scotia does not tackle the challenges it faces. Under current conditions, the tourism industry will achieve \$3.2 billion in revenues by 2024. This leaves an \$800 million opportunity.

TOURISM REVENUES UNDER CURRENT CONDITIONS



VISITATION IN 2024

The following table illustrates the visitation shortfall that will occur in the absence of change:

MARKET	# OF VISITORS TO ACHIEVE \$4 BILLION TARGET	# OF VISITORS IF CURRENT CONDITIONS CONTINUE	VISITATION GAP
Atlantic Canada	1,140,200	1,140,200	--
Quebec	150,000	110,000	40,000
Ontario	700,000	554,000	146,000
Western Canada	250,000	170,000	80,000
United States	352,000	225,000	127,000
Overseas (excl. China)	130,000	120,000	10,000
China	50,000	10,000	40,000

In addition to increased marketing investment, Tourism Nova Scotia has identified five strategic game changers to drive tourism industry growth towards the \$4 billion goal. These strategic game changers are informed by the pillars of Tourism Nova Scotia's strategy and stakeholder roles as identified in the strategy, and are reflective of the identified strengths, weaknesses, opportunities and threats facing the provincial tourism industry. These game changers must be embraced by all tourism industry stakeholders to create the conditions for continued growth.

1. ACCOMMODATIONS
2. SEASONALITY
3. LABOUR
4. CHINA
5. AIR CAPACITY

ACCOMMODATIONS

There is a significant opportunity with respect to both the quantity and quality of accommodations in Nova Scotia. The 2017 *Accommodations Needs Assessment* report identified the opportunity to increase current room supply by between 4,500 and 6,000 rooms to support the visitation levels required to reach \$4 billion in tourism revenues by 2024.

The accommodations sector makes up 17% of overall tourism revenues but is also foundational to other visitor spending in Nova Scotia. Visitors who rely on paid accommodations will not come to the province if they do not have somewhere to stay.

Tourism Nova Scotia's activities in this key area include:

- Conducting and sharing research, such as the *Accommodations Needs Assessment* report with key stakeholders;
- Providing coaching to operators to inform new accommodations developments across the province; and
- Providing coaching to encourage improvements in accommodations quality.

SEASONALITY

An opportunity exists in Nova Scotia to develop year-round tourism operations and experiences. Currently,

the majority of tourism activity occurs between June and October. Nova Scotia is not viewed by travellers as a year-round destination and has limited product and experiences available outside the peak months. In addition, many tourism operators are closed for business in the late fall, winter, and spring months. In addition to limiting industry profitability, the seasonal nature of the tourism industry is a challenge for employee attraction and retention.

Developing year-round operations is essential for tourism growth. Tourism Nova Scotia's current growth plan includes a seasonal stream through the experience development programs and content development for operators with off-peak seasonal offerings.

LABOUR

Tourism growth will require addressing shortages of qualified labour. Many operators have trouble attracting and retaining employees, due to both a general shortage of labour across the province and the seasonal nature of tourism. The peak season of June-October makes it difficult to hire and retain students, as the season extends into the school year, and also discourages workers who are inclined to choose year-round jobs over seasonal positions.

Tourism Nova Scotia's growth plan includes supporting the Nova Scotia Tourism Human Resource Council, whose role is to promote and support the development of a skilled and professional workforce for the tourism industry.

CHINA

China is one of the fastest growing tourism markets for Canada. Export growth to China, which includes tourism exports, is a key provincial initiative. There is a significant opportunity for Nova Scotia to be the "next hotspot" for Chinese visitors coming to Canada. Tourism Nova Scotia's growth plan includes expanding awareness through in-market representation, working with tour operators and travel media/influencers, and leveraging Destination Canada programs. **In order to reach the 2024 \$4 billion goal, Nova Scotia needs to host 50,000 visitors annually from China.** This will require improved air access, increased marketing investment and operators working to be ready to welcome these visitors.

AIR CAPACITY

Nova Scotia’s highest-spending visitors are those who arrive by air. Research shows that these visitors are more likely to spend more, stay longer, stay in paid accommodations, and be first-time and/or pleasure visitors. Improving air access to the province is critical to attracting high-value international visitors—if it is not easy to get to the province, travellers may choose an alternative vacation destination. Nova Scotia has a strong competitive advantage within Atlantic Canada to attract international flights, as Halifax Stanfield International Airport is the largest airport and the regional gateway hub of Atlantic Canada.

Tourism Nova Scotia does not directly increase air capacity; its activities are aimed at identifying and supporting strategic air markets through direct-to-consumer advertising, in-market representatives and ongoing work with Halifax International Airport Authority to influence the International Air Service Investment.

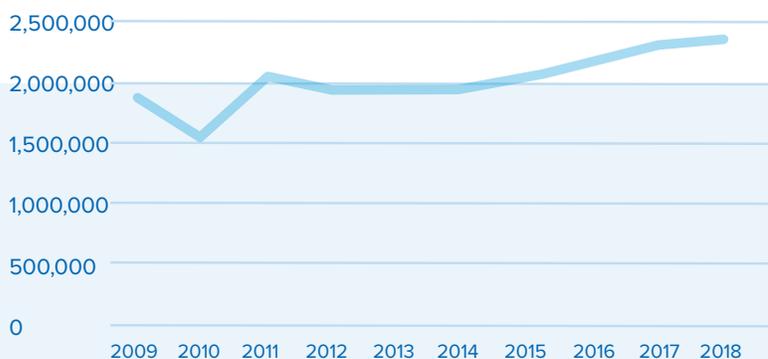
Inbound seat capacity from overseas increased significantly in 2018 due to the introduction of direct routes from Paris and London Gatwick, which run as frequently as daily in the peak summer tourism season. This builds on positive growth in 2015 from the introduction of direct flights from Glasgow, UK.

There has been an increase in inbound capacity from within Canada over the past eight years. However, inbound capacity from US markets has declined.

To reach the \$4 billion goal, Nova Scotia needs to attract approximately 1,000,000 air visitors annually by 2024.

This would require an additional 210,000 above the 2017 level of approximately 790,000 visitors.

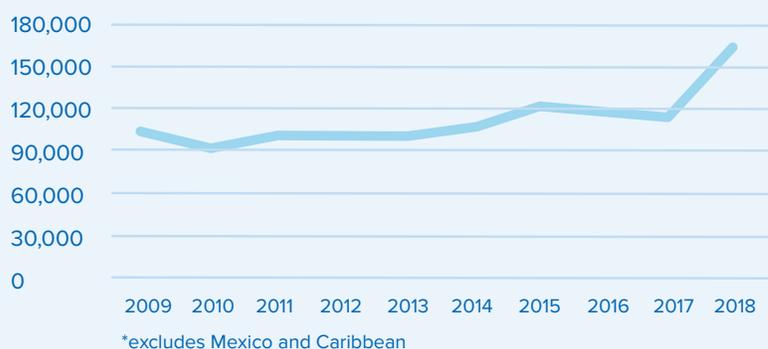
HALIFAX STANFIELD INTERNATIONAL AIRPORT - INBOUND DOMESTIC SEAT CAPACITY



HALIFAX STANFIELD INTERNATIONAL AIRPORT - INBOUND US SEAT CAPACITY*



HALIFAX STANFIELD INTERNATIONAL AIRPORT - INBOUND OVERSEAS SEAT CAPACITY*



BENEFITS TO STAKEHOLDERS



Tourism Nova Scotia offers many opportunities for tourism businesses, organizations, and stakeholders to deepen their understanding of visitors, develop experiences that will motivate travel to the province, and promote their offerings. Tourism Nova Scotia's partnership programs enable the tourism industry to co-invest in initiatives that leverage dollars, utilize expertise, and increase marketing reach. Tourism Nova Scotia's trip planning website, NovaScotia.com, and social media channels offer tourism businesses an opportunity to promote their products and services to millions of potential customers. Tourism Nova Scotia amplifies

these channels to gain exposure in international markets through partnerships with organizations such as Destination Canada, Halifax International Airport Authority, Tourism International Market Expansion and Atlantic Canada Agreement on Tourism. Tourism Nova Scotia's research expertise and coaching services, paired with collaborative industry partnership programs, provide operators with opportunities to implement new revenue-generating ideas and grow their businesses.

RESOURCES AND STAKEHOLDERS

IVANY REPORT

<https://onens.ca/img/now-or-never.pdf>

TOURISM INDUSTRY ASSOCIATION OF NOVA SCOTIA (TIANS)

www.tians.org

NOVA SCOTIA TOURISM HUMAN RESOURCE COUNCIL

www.tourismhrc.com

INDUSTRY PARTNERS

The Nova Scotia tourism industry is made up of a diverse group of private businesses and public organizations, including the Tourism Industry Association of Nova Scotia, regional tourism industry associations and destination marketing organizations, community groups, specialized organizations with tourism interests, and municipalities. By forging strategic partnerships and leveraging investments, a strong industry is being built that will allow Nova Scotia to become more competitive and innovative in key markets and expand reach.

NATIONAL, ATLANTIC AND FEDERAL PARTNERS

- Atlantic Canada Agreement on Tourism
- Atlantic Canada Opportunities Agency
- Cruise Atlantic Canada
- Destination Canada
- Halifax Port Authority
- Halifax Stanfield International Airport / Halifax International Airport Authority
- J.A. Douglas McCurdy Sydney Airport
- Parks Canada
- Port of Sydney
- Tourism Human Resource Council of Canada
- Tourism Industry Association of Canada
- Tourism International Market Expansion

NOVA SCOTIA PROVINCIAL AND MUNICIPAL GOVERNMENT

- Department of Agriculture
- Department of Business
- Department of Communities, Culture and Heritage
- Department of Environment
- Department of Fisheries and Aquaculture
- Department of Labour and Advanced Education
- Department of Municipal Affairs: Regional Enterprise Networks
- Department of Natural Resources
- Department of Transportation and Infrastructure Renewal
- Develop Nova Scotia
- Events East
- Nova Scotia Federation of Municipalities
- Nova Scotia Immigration

REGIONAL TOURISM ASSOCIATIONS AND CHAMBERS OF COMMERCE

- Annapolis Valley Chamber of Commerce
- Destination Cape Breton Association
- Destination Eastern and Northumberland Shores Association
- Digby and Area Tourism Association
- Discover Halifax
- South Shore Tourism Co-operative
- Truro and Colchester Chamber of Commerce
- Yarmouth and Acadian Shores Tourism Association

TOURISM INDUSTRY ASSOCIATIONS/ ORGANIZATIONS

- Campground Owners Association of Nova Scotia
- Craft Brewers Association of Nova Scotia
- Hotel Association of Nova Scotia
- Innkeepers Guild of Nova Scotia
- Inns of Nova Scotia
- Nova Scotia Bed and Breakfast Association
- Restaurant Association of Nova Scotia
- Taste of Nova Scotia
- Winery Association of Nova Scotia

