This bulletin presents research findings from the 2010 Visitor Exit Survey (VES), and includes new insights on Nova Scotia's pleasure visitors.

The 2010 Visitor Exit Survey can be found at www.gov.ns.ca/econ/tourism/research/reports

Contact us:
Tourism Research
Economic and Rural Development and Tourism
902.424.3958
crouselg@gov.ns.ca

NOVA SCOTIA
Economic and Rural Development and Tourism

Nova Scotia Tourism Market Profile: Big Spenders Segment

Segmentation analysis of pleasure visitors to Nova Scotia revealed 10 groups representing 74% of pleasure visitors, shown in Figure 1.

This bulletin profiles Big Spenders, a segment representing 12% of the province's pleasure visitors (See Figure 1). Figure 2 illustrates the segments across three dimensions: segment size (size of the bubbles), average length of stay and average party spend. The chart shows that Big Spenders are among the top four high-yield segments. They spend an average of $1,997 per party while in Nova Scotia and have a below average length of stay (3.2 nights). While their average party spend is not the highest of our segments, the amount spent per day is significantly higher.

Figure 1: NS Visitor Segments, by Market Share

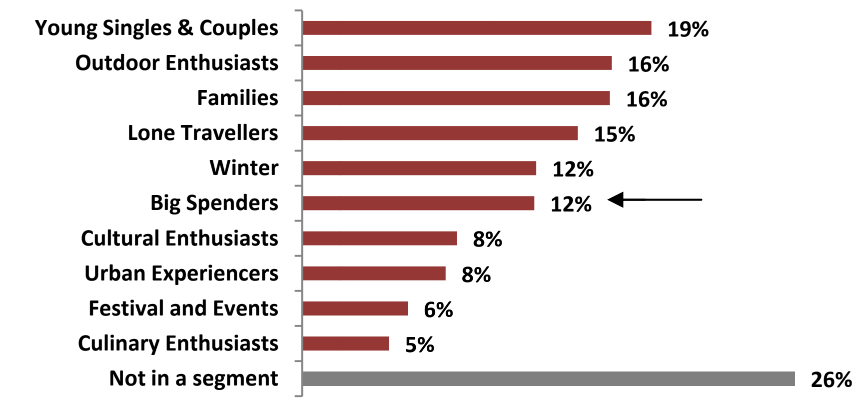
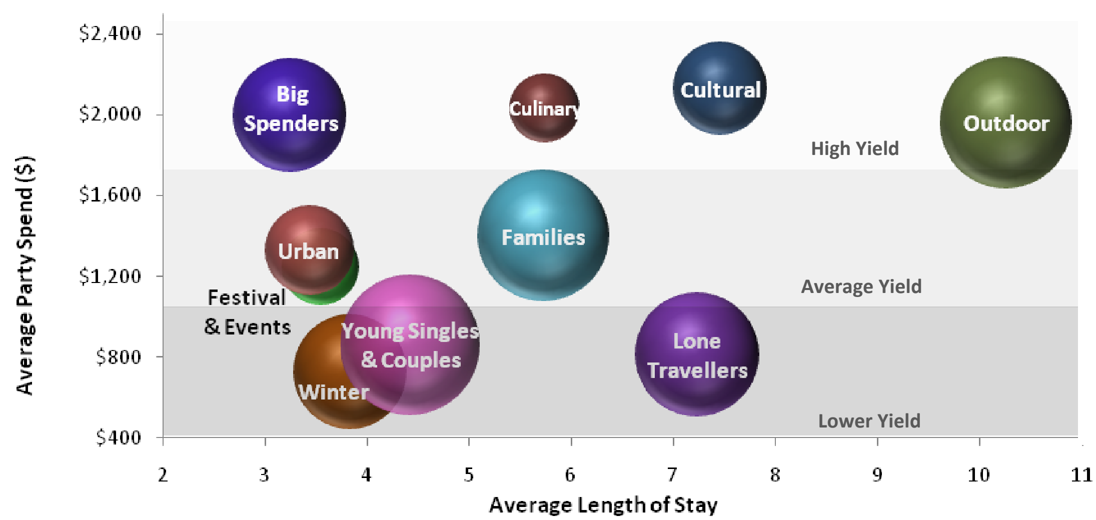


Figure 2: NS Visitor Segments by Yield Band and Length of Stay



The methodology used to develop these segments is detailed at the end of this report. Research bulletins are available for other visitor segments at www.gov.ns.ca/econ/tourism/research/reports.

Big Spenders: Defined

Big Spenders include visitors with high per party, per day spending. This segment was developed by examining various spending levels to determine where unique characteristics emerged, which was $250 (per person, per day) for high yield visitors. Those visitors who spend less are well represented in the nine other segments.

Big Spenders is the only high-yield segment that is not related to activity or motivation-based factors. Visitor and trip characteristics are noted in Table 1.

Big Spenders are primarily comprised of couples (55%) and lone travellers (25%) who tend to have higher incomes compared to all pleasure visitors. Their average party size of 1.9 is much lower than the other high yield, activity and motivation-based segments.

The Big Spender segment can be split into two smaller groups – those spending just one night in the province (33%), and those who spend two or more (66%). Big Spenders staying only one night are almost entirely from the Atlantic Canadian region (90%). These visitors tend to spend more than average on clothing and other shopping items. Big Spenders who visit two or more nights spend significantly higher amounts in every major spending category including accommodation, meals in restaurants, shopping, transportation and entertainment, and stay an average of 4.5 nights. See Table 4 for detailed spending information.

Big Spenders report average visitor characteristics in several areas including:

- Visitor origin: 38% are from the Atlantic region, 22% from Ontario, 16% from Western Canada, 16% from the US, and 3% are from overseas.
- Age: Big Spenders tend to be baby boomers, consistent with Nova Scotia's average visitor profile. However, Big Spenders visiting for only one night have more younger adults (25-44 years) compared to all pleasure visitors.
- Satisfaction ratings and motivation scores: Big Spenders report average satisfaction ratings and motivation scores for most categories (exceptions include landscapes and wildlife and the opportunity to visit friends and family, which received lower than average scores).
- Electronic device use: Big Spenders also report average use of electronic devices while here to find travel information including laptops, Smartphones and GPS units.

Visitation to rural tourism regions is slightly lower than average, which in part is related to their shorter length of stay (Table 3). Although not shown, those spending two or more nights in the province have average visitation to rural tourism regions.

A significantly higher percentage of Big Spenders stay in hotels while in Nova Scotia (73%) compared to the average pleasure visitor (43%). Big Spenders are also much less likely to have stayed with friends or family members (20% compared to the average of 42%).

Generally, fewer Big Spenders reported having

Table 1: Big Spenders' Visitor and Trip Characteristics compared to Pleasure Visitors

	Big Spenders	All Pleasure Visitors
Party Composition	Couples, lone travellers	Couples, families, lone travellers
Completed University	52%	51%
Household Income	Over $80,000: 56%	Over $80,000: 46%
Accommodation Preferences	Hotels (73%), friends/family (20%), B&Bs (13%)	Hotels (43%), friends/family (42%), motels (12%)
Top Motivations for Visiting (1-10; 10 being highest)	Seacoast (7.1), do interesting things (7.1), rejuvenation (7.0), friends/family (6.8), culture & people (6.8)	Seacoast (7.7), landscape and wildlife (7.5), do interesting things (7.1), culture & people (7.0), rejuvenation (7.0)
Satisfaction Ratings	Trip exceeded expectations: 33%	Trip exceeded expectations: 39%

participated in outdoor activities, although there are differences between those who stay one night versus those staying two or more. Only 17% of Big Spenders staying one night reported participating in an outdoor activity, while 44% of those spending two or more nights reported doing so. Similarly, Big Spenders staying one night reported either average or below average participation in cultural activities with the exception of going to the casino, which was higher than average. For those here two or more nights, cultural activities received average or above average participation scores (see Table 2).

Altogether, Big Spenders report average use of the internet and novascotia.com to find travel information prior to visiting. However, those spending one night (who are largely from within the Atlantic Region) report lower use of the internet for travel planning, and those spending more than two nights report higher than average use. Seventy-two percent of Big Spenders staying two or more nights browse the internet prior to visiting, and 48% use novascotia.com (compared to 59% and 36% for all pleasure visitors).

Table 2: Activity Rate Comparison for Big Spenders to All Pleasure Visitors

Activities	Big Spenders (1 night)	Big Spenders (2+ nights)	Pleasure Visitors
Cultural Activities			
Halifax Waterfront	38%	64%	50%
Craft shops/studios	12%	45%	40%
Museums	3%	43%	36%
Parks, fossils, geo sites	3%	22%	20%
Nightclubs/lounges	36%	37%	27%
Art galleries	4%	21%	14%
Music performances	15%	17%	18%
Festivals/events/fairs	5%	14%	13%
Outdoor Activities	17%	44%	53%
Coastal sightseeing	3%	25%	27%
Hiking	3%	18%	23%
Beach exploring	3%	19%	24%
Nature observing	2%	14%	17%
Swimming/sunbathing	0%	8%	16%
Whale watching	0%	5%	7%

As noted in the methodology section, there is overlap between the segments due to the characteristics used to create the visitor segments. The largest overlap is with Young Singles and Couples segment and the Urban segment (those who only visit Halifax).

Table 3: Regions Visited by Big Spenders

	Big Spenders		All Pleasure Visitors	
	Stopped or Stayed	Stayed Overnight	Stopped or Stayed	Stayed Overnight
Halifax Regional Municipality	88%	82%	76%	65%
Fundy Shore & Annapolis Valley	35%	14%	44%	22%
Northumberland Shore	35%	9%	37%	14%
South Shore	29%	8%	37%	15%
Cape Breton Island	20%	15%	29%	25%
Eastern Shore	8%	2%	9%	4%
Yarmouth & Acadian Shores	4%	2%	7%	3%

Table 4: Average Party Spend

Big Spenders have an average per person, per day party spend of over $250. Below is a detailed breakdown of their expenditures.

	Big Spenders (1 night)	Big Spenders (2+ nights)	Pleasure Visitors (All)
Accommodations	$160	$630	$320
Campgrounds	$0	$10	$15
Meals in restaurants, bars	$175	$570	$290
Groceries and liquor	$40	$130	$110
Gas, auto repair	$70	$160	$130
Car rental	$15	$240	$100
Taxis, limos	$10	$15	$10
Tolls	$7	$6	$5
NS cultural products	$20	$150	$60
Clothing	$150	$200	$80
Shopping	$100	$330	$80
Culture and entertainment	$60	$120	$60
Sport and recreation	$5	$40	$20
Total	**$817**	**$2,608**	**$1,280**

Note: Big Spenders staying one night have a lower party spend because of their short length of stay; they are still Big Spenders because of the amount spent during this short time.

Research Methodology

Basic segmentation of tourists generally involves dividing the visitor population into three main groups – business, pleasure and visiting friends and relatives (or VFR). A more extensive segmentation exercise was undertaken to look deeper into the pleasure visitors to determine the main motivation behind their visit. The definition of pleasure visitors was broadened to include VFR tourists who indicated they combined their VFR trip with a pleasure component as they share many similar characteristics to those visiting entirely for pleasure.

Initially, the approach involved grouping respondents by selecting factors visitors ranked highly in their decision to visit and the activities they participated in. This approach was used to find what visitors were highly motivated by and to also ensure motivation matched intention.

After the initial activity and motivation groups emerged, additional analysis involved determining which segments did a good job of representing the pleasure visitor population based on meeting the following criteria:

- did the segment demonstrate unique characteristics so that separate profiles emerge;
- was the segment large enough to be relevant to the visitor population; and,
- were there enough respondents in the segment that didn't belong to (or overlap with) another segment.

The resulting groups were useful, however the range of segments needed to represent a larger portion of the visitor population. Additional dimensions outside of activities and motivations were added to the selection criteria, such as party composition and time of year, and new segments emerged from this exercise.

These new segments met our criteria for having unique characteristics and a useful size, however a higher level of overlap was allowed. This was necessary because a selection criterion was based on characteristics that had natural overlap. For example, those in the family segment do outdoor and cultural activities while here, so there are respondents who belong to both groups.

Not all segments made the cut. The following were eliminated due to size, lack of unique characteristics, or overlap:

- Classic Touring
- Rejuvenation Seekers
- Heritage Enthusiasts
- Low & Average Spenders
- Cottagers

Other dimensions considered but did not yield relevant results included: age (other than the young segment), mode of travel, travelling with friends, and new and repeat visitors.

There are many ways to approach segmentation and results can vary from basic to very detailed and specific. This segmentation exercise involved a top-down approach to help ensure results: resonated with industry partners; provided enough detail to be relevant without being too narrow in focus; and are aligned with tourism product.