

# ***Doubling Tourism Revenues: Transforming Tourism in Nova Scotia***





The  
**\$4 Billion  
Challenge!**

Doubling Tourism Revenues

**Tourism**  
NOVA SCOTIA

# Now or Never Goal #14: Tourism Expansion

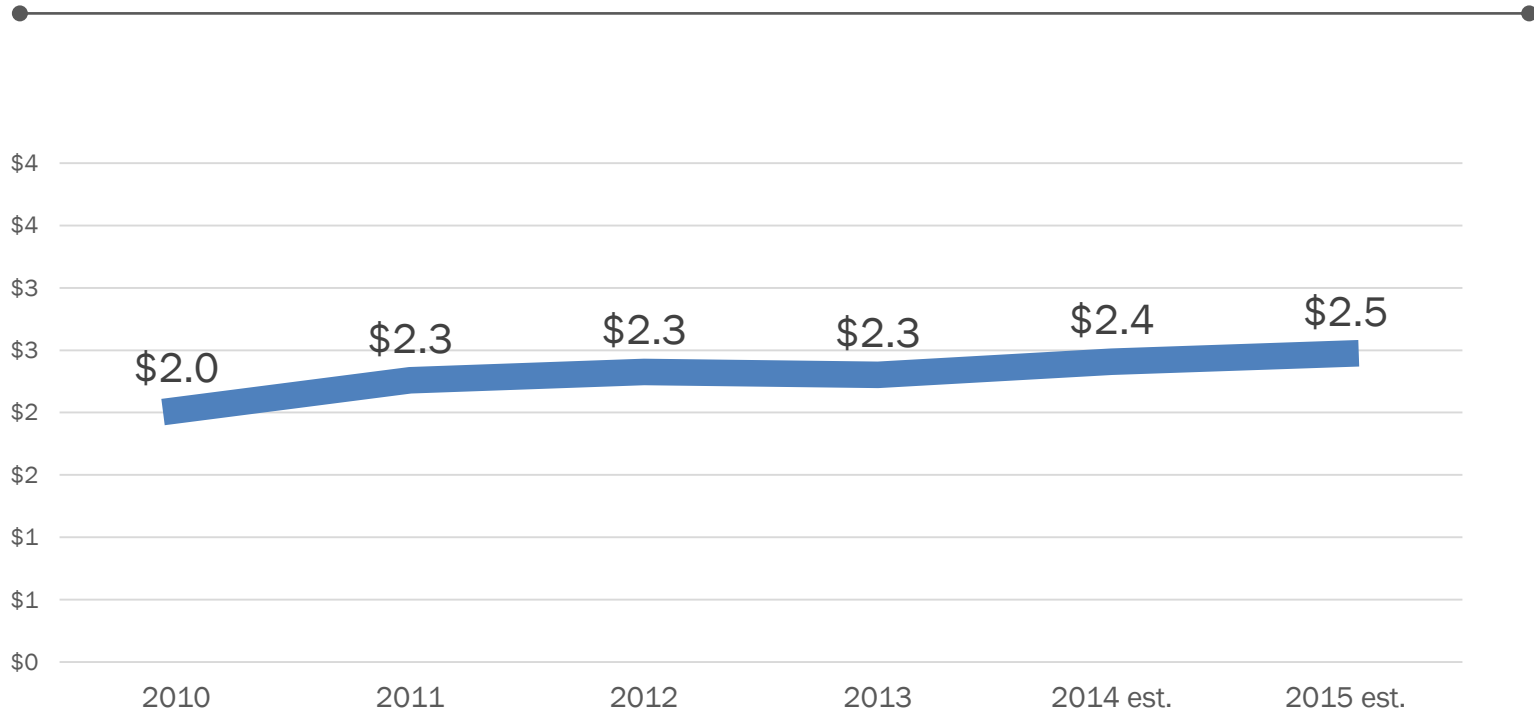
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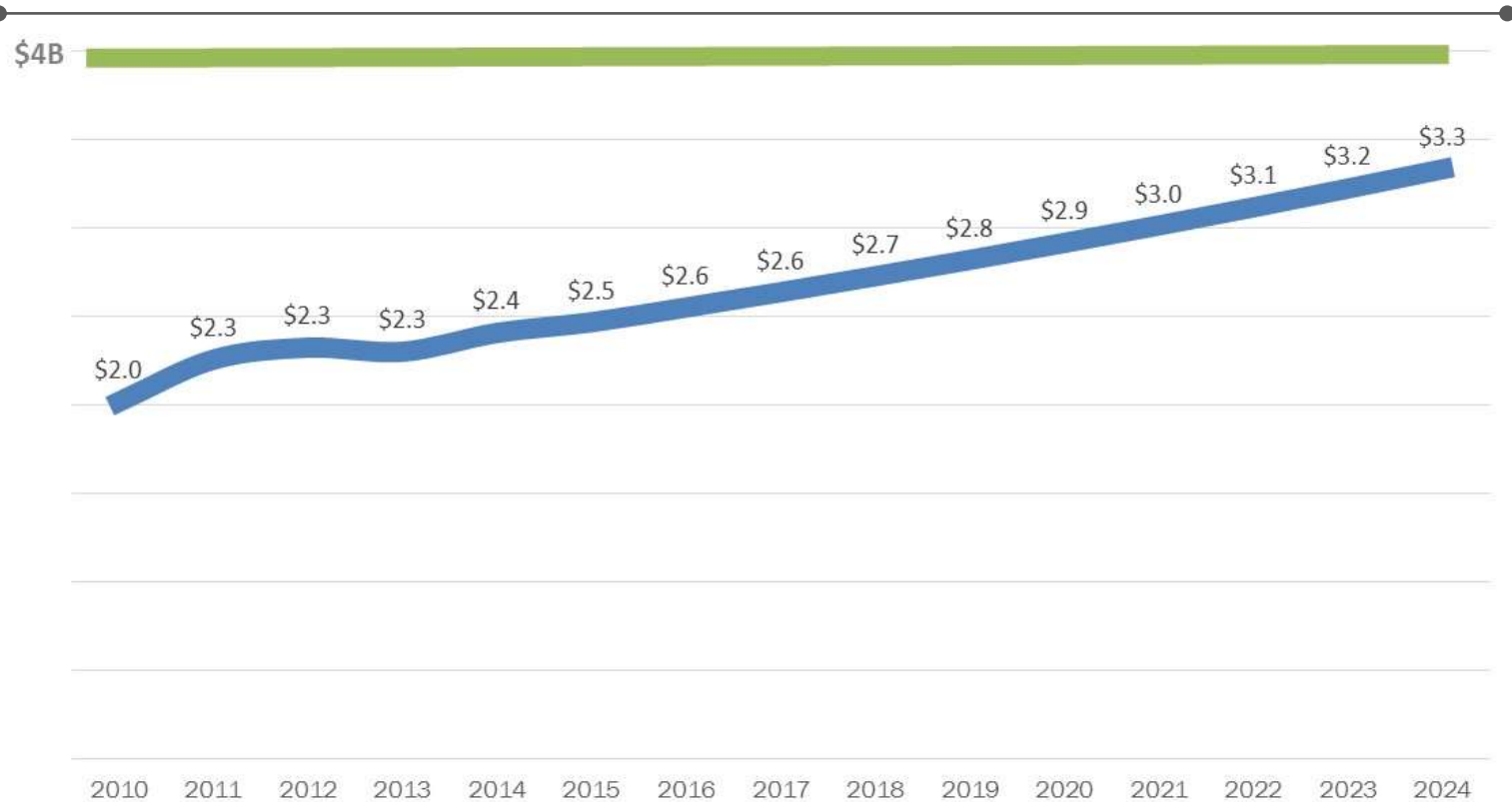
As Nova Scotia's leading source of service sector exports, gross business revenues from tourism will reach

**\$4 billion**

# Progress as of 2015 (\$ Billions)



# Status Quo Will Not Get Us To \$4B



# \$Doubling Revenues – Assumptions

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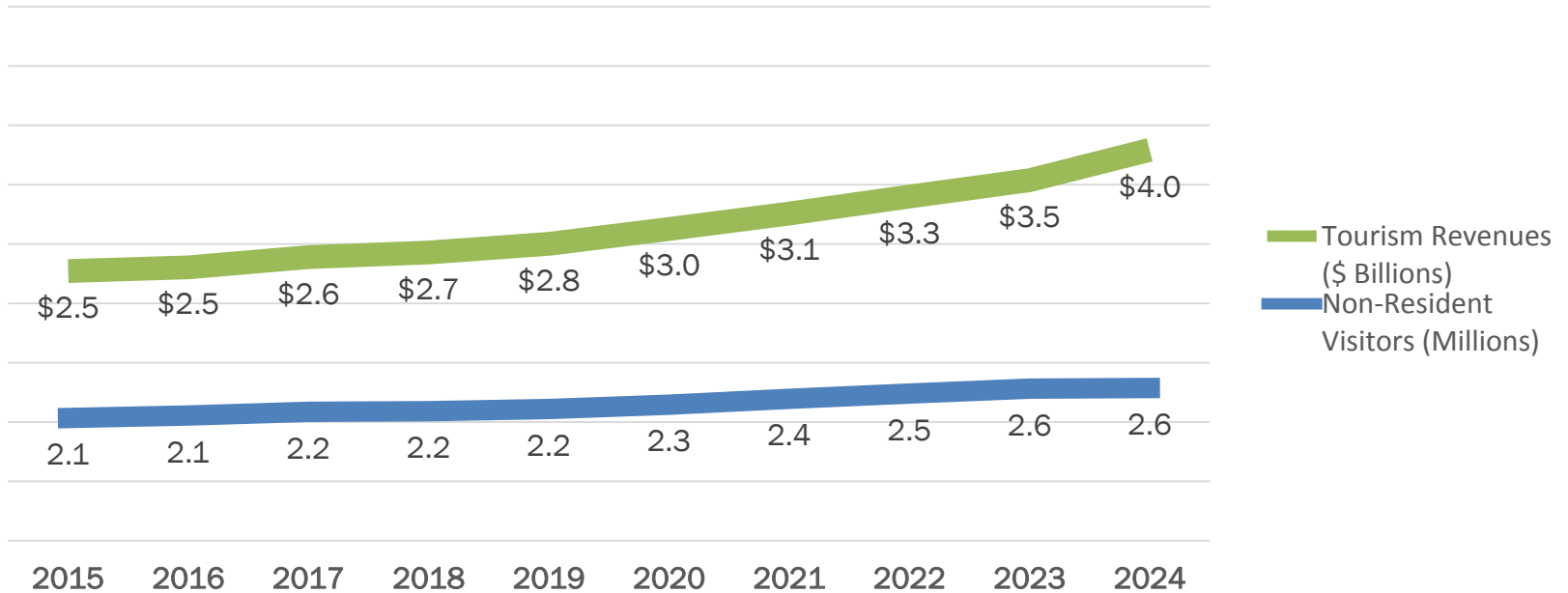
- Base Case is \$2.02B – 2010 revenue
- Target is \$4B revenue in 2024
- Spend per Person – uses 2010 data expressed in 2024 dollars (with inflation assumed at 2%)
- All revenue growth will come from export markets
- Revenue from Nova Scotia residents and ‘same day’ remains constant (adjusted for inflation)
- Exchange rates – status quo
- Opportunity exists to increase yield/spending per visitor - premium

# Doing the Math - \$4B Revenue

Target Visitation 2.6M (from 2.0M in 2015)

MARKET	VOLUME		% OF VISITOR POPULATION		EXPENDITURES
	2015	2024	2015	2024	
Atlantic Canada	1,053,200	<b>1,035,000</b>	51%	<b>40%</b>	10% premium
Quebec	100,100	<b>120,000</b>	5%	<b>5%</b>	10% premium
Ontario	486,300	<b>564,000</b>	24%	<b>22%</b>	10% premium
West	154,100	<b>259,000</b>	7%	<b>10%</b>	10% premium
U.S.	194,000	<b>379,000</b>	9%	<b>15%</b>	20% premium
Overseas	81,400	<b>198,000</b>	4%	<b>8%</b>	20% premium
China	Minimal, included in Overseas	<b>50,000</b>	Minimal, included in Overseas	<b>2%</b>	20% premium

# Doing the Math – Volume and Revenue







TNS Crown  
Corporation

Tourism  
NOVA SCOTIA

# Crown Corporation: Tourism Nova Scotia

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“ We can't keep doing what we have always done.  
Government needs to get out of the way and let the  
private sector lead,..the creation of a Crown corporation  
will position us well to double our tourism revenues from  
\$2 billion to \$4 billion annually. ”

Finance and Treasury Board Minister Diana Whalen

**10 private sector  
directors**

**Tourism Nova Scotia  
CEO reports to Chair**

**Chair of the Board  
reports to Minister of  
Business**

# Tourism Nova Scotia Mandate

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**1**

**Achieve tourism growth** and maximize the value of tourism to the economy

**2**

**Develop and implement a long-term strategy** for tourism to drive sustainable tourism

**3**

**Communicate and collaborate** with communities, private industry and the tourism industry



Tourism  
Nova Scotia  
Strategic Plan

**Tourism**  
NOVA SCOTIA

# Guiding Documents

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- **A Tourism Strategy for Nova Scotia (5 Year Tourism Strategy)** – Nova Scotia Tourism Agency, 2013
- **One Nova Scotia ‘Now or Never’ Report** – Nova Scotia Commission on Building Our New Economy, 2014
- **Tourism in the New Economy, Doubling Tourism Revenues in Nova Scotia** – McKenzie Strategies, 2014
- **Repositioning Tourism in the Nova Scotia Economy** – Tourism Industry Association of Nova Scotia, 2015
- **We Choose Now, A Playbook for Nova Scotians** - ONE Nova Scotia Coalition – 2015
- **Private Sector Growth Strategy** – Department of Business, 2015 (in development)

# Tourism Nova Scotia's Role

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Attract **first-time visitors** from markets of highest return



Focus on **world class experiences**



Focus on **private sector initiative** that can attract first-time visitation

# Industry's Role

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**Close  
the sale**

pre-trip and  
during trip



Drive **repeat  
visitation** by  
exceeding visitor  
expectations



**Invest** in  
product



**Deliver** world  
class  
experiences

# Government's Role

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**Align policy agenda** in support of goal

## Thereby informing...



Community economic development



Attraction of inward investment



Infrastructure development



# Community's Role

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## **Partner with industry**

to deliver destination  
development and  
marketing



## **Visitor servicing**

# Tourism NS \$4B Strategies

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**Invest in markets of highest return.**



**Focus on world class experiences.**



**Attract first-time visitors to Nova Scotia.**

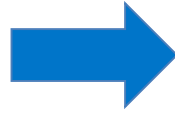


**Build Nova Scotia's Tourism confidence.**

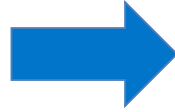
# Invest in Markets of Highest Return

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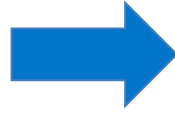
Markets:  
Market is defined as  
**“THE CUSTOMER”**



**GEOGRAPHY**  
(where they live)



**DEMOGRAPHICS**  
(age, party type, HH income)



**PSYCHOGRAPHICS**  
(values, motivations, aspirations)

## HIGHEST RETURN:

Those who will spend the most money while visiting  
(staying longer not necessarily a requirement)

# Invest in Markets of **Highest Return**

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- Focus on priority Explorer Quotient segments
- Pay attention to niche marketing opportunities
- Focus on global competitiveness
- Recognize importance of air access

# Explorer Quotient®

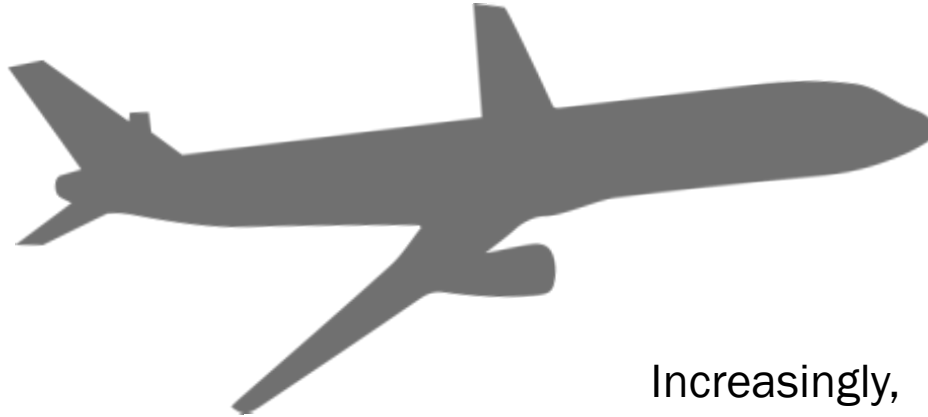
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- Tourism Nova Scotia has licensed Destination Canada's segmentation approach, Explorer Quotient®
- Segments the market by travel values
- Moves away from more traditional demographic/activities-based segmentation



# Importance of Air

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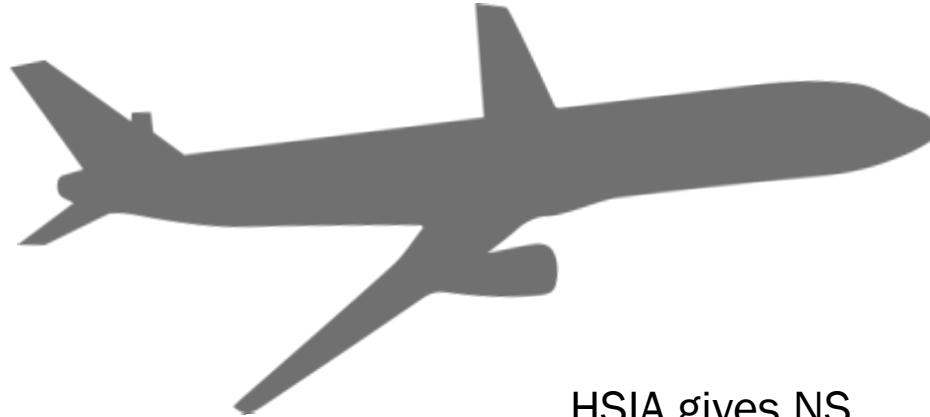
Worldwide growth in  
tourism is being fueled by  
**growth in air travel**  
*this trend will continue*

Increasingly,  
consumers are seeking  
**direct connectivity**

**Air travelers  
spend more**  
per person per day  
than other modes

# Importance of Air

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**Challenges**  
*with air policy in  
Canada*

HSIA gives NS  
**competitive  
advantage**  
within Atlantic Canada

HSIA is promoting the  
**Air Route  
Development  
Fund** seeking policy  
and funding support

# Attract First-time Visitors

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Why first-time visitors?

- While we care about all visitors, our marketing messages and execution will focus on converting those who haven't been here before.
- This approach is about spending marketing dollars to have maximum impact.
- First-time visitors are most likely to be directly influenced by marketing.
- If we convert a “first-timer,” chances are they will be back again.



# Focus on World Class Experiences

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## World Class Experiences:

- Build the cachet of Nova Scotia as a vacation destination – visitors want to share and talk about the experience
- Motivate travel to Nova Scotia
- Are underpinned by Nova Scotia's seacoast
- Align with Destination Canada's signature experience criteria
- Leverage Explorer Quotient as a market segmentation tool
- Dining on the Ocean Floor: a world class experience that motivates Cultural Explorers

# Build Nova Scotia's Tourism Confidence

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## Collaborate with industry to:

- Educate Nova Scotians about our approach to growing tourism and why tourism growth matters
- Help Nova Scotians get behind the \$4B goal
- Help Nova Scotians understand who is coming and why they are coming
- Help Nova Scotians see that our destination/tourism brand is “special” and we can all play a role in delivering on visitor expectations