

New Realities,

New Directions

Nova Scotia's Tourism Plan

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Dear Tourism Partners,

On behalf of the Government of Nova Scotia, I am proud to present Nova Scotia's Tourism Plan, New Realities, New Directions. The industry-led Tourism Partnership Council has designed a plan to invigorate the sector with new ideas and strategies that will lead us in achieving our vision.

This is truly a time of new realities. We have seen significant changes in the tourism environment. Canada is facing challenges in attracting visitors while Canadians themselves are taking an increasingly global perspective when considering travel destinations. Our potential visitors are affluent and are in a position to consider many destinations. The tools to plan their travel can be instantly accessed via the Internet. They are looking for experiences that will enrich their busy lives. Increasingly, they will book a flight on short notice to get to the destination.

This plan is a bold step forward, in new directions that keep us on the leading edge of tourism marketing and allow us to gain maximum benefit from the changes occurring in the marketplace. One of the most significant new directions is a more comprehensive role for the online medium in our marketing strategy. Another is a plan to accelerate the growth in air travel to Nova Scotia and take advantage of new opportunities such as US pre-clearance. And finally, we will present the experiences offered by our world class destination in new ways that will engage potential visitors.

We have a huge depth of product and a passionate industry. We can deliver authentic experiences like no other place. I am excited about the future and what this plan has done to build a solid foundation for growth in this industry.

Our government is committed to working with the industry as it pursues its vision. As always, my door is open to any suggestions you may have.



Len Goucher
Minister of Tourism, Culture and Heritage

Dear Tourism Colleagues:

It is my pleasure to present the new plan from the Nova Scotia Tourism Partnership Council (TPC).

This plan represents the input and expertise of tourism operators throughout the province. I want to express my profound appreciation for the many weeks and months of concerted effort put forth by my TPC colleagues and the Department of Tourism, Culture and Heritage in order to complete this plan.

Ours is a billion-dollar plus industry in Nova Scotia, and many people rely on tourism for their livelihood. The success of the tourism industry impacts every community in the province, both rural and urban. Industry and government are therefore committed to smart, research-based planning that consistently addresses the changing realities of the marketplace.

This plan is the product of that commitment. It is the product of highly valued and productive partnerships between tourism operators, the government, and other industry stakeholders. The year ahead promises to be marked by innovation and progress. Let's continue working together to keep the lines of communication open in order to ensure that our plan is able to deliver on its full potential.

Regards,



Patricia Lyall
Chair
Nova Scotia Tourism Partnership Council

Executive Summary

Tourism has a long history of success in Nova Scotia. As a billion dollar per year industry, tourism is a major force in the Nova Scotia economy. Each year we host over two million visitors. In the current environment, global changes, such as cheaper airfares, the strong Canadian dollar, the continuing growth of the Internet, and the increasing sense of time pressure on North Americans have created a new consumer. One that is no longer the hunted – but is now the hunter.

This new hunter is seeking a high-quality experience that speaks to his or her own passions, is easily and quickly accessible, and matches the traveller's perceived value.

In this time of new realities, we have new directions to continue to lead us toward realizing our tourism vision:

We will meet our hunters on their territory

by maximizing our use of online media and the powerful marketing tool we have at our disposal: novascotia.com

We will choose those markets that offer the greatest

ease of access to Nova Scotia through direct flights – the emerging preferred form of travel.

And we will differentiate ourselves from the world of choices available through core experiences that compel our new hunter to choose us.

The implementation of this plan is a multi-year task. It provides a firm foundation from which we can adapt and evolve to meet consumer needs and the changing marketplace.

Nova Scotia is well poised to become a world leader in tourism development and marketing. Through partnerships and collaborative efforts, we will succeed.

New Realities, New Directions

Maximizing Opportunity in Changing Times

This plan is a confident step forward into a new era for Nova Scotia. Our market has changed and due to national and global influences, our customers, their interests and their travel planning behaviour have changed as well. But our vision and our commitment to reach it have never changed.

This plan explores the new realities of the consumer and the marketplace, as well as the opportunities these changes present. It also identifies new strategic directions that will help us maximize our results.

Many members of the industry have come together to ensure our ambitious tourism vision becomes reality. Numerous achievements came out of this process, such as the work on Tourism Destination Areas (TDAs) and e-marketing initiatives.

We are a 1.3-billion dollar industry that welcomes over two million visitors annually, directly or indirectly employs over 33,000 people and generates more than \$200-million in tax revenue. Nova Scotia's potential as a global tourism leader is extraordinary and our future is now.

New Realities

Meet the New Customer:

The Canadian Tourism Commission (CTC) reports that today's traveller is looking for natural wonders, historical sites, different and distinct cultures, and unspoiled landscapes. Travellers also want to spend quality time with their loved ones and enjoy peace and relaxation in an authentic environment.

How else can you describe them?

Affluent: especially boomers, but all travellers are on the look out for best value.

Time-Starved: most do not use their full vacation allotment, are taking trips of shorter duration, and are making their travel plans closer to their departure date.

Info-Junkies: they have access to more information than ever before; 70% of consumers research and explore destinations online before buying.

Option-Rich: cheap flights to exotic locations such as Cuba, the Dominican Republic, and all-inclusive destinations are right at their fingertips.

Experience-Hungry: they're not looking for a vacation; they're looking to collect an experience in sync with their own souls.

There was a time when we were the hunters, targeting our consumers with research and taking aim with messages and offers. But that time is gone. Now all the power is in the hands of the consumer. They have the technology and tools to do their own research, when and where it's convenient for them.

The new customers are no longer the hunted:
They are now the hunters.

Welcome to the New Marketplace:

Global issues are influential in our customers' travel planning:

The Canadian Dollar: A recent CTC analysis revealed that in addition to exchange rates, higher air fares, accommodation and other trip costs are hurting Canada's price competitiveness in North America and overseas travel markets.

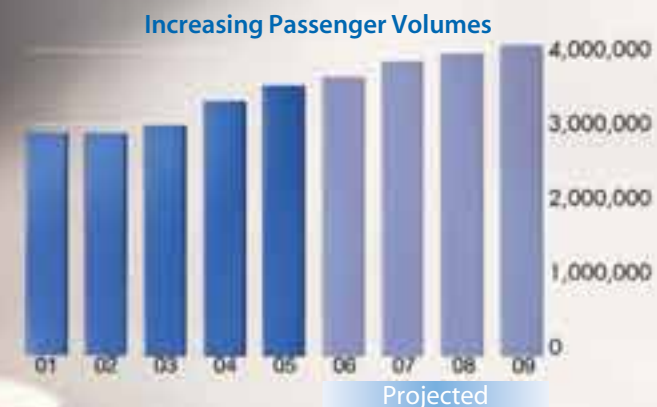
The Canadian Brand: Travel to Canada has declined and a number of studies show that Canada is not on the radar of American travellers.

A New Perspective on Competition: Long-term trends from Statistics Canada report that the number of Canadians visiting Caribbean and European destinations in recent years has increased significantly.

New Realities

New Opportunities:

Air Travel: US pre-clearance is an important opportunity, and immediate growth potential could be as much as 30%. Seat capacity is projected to grow by 36%, resulting in an anticipated four million passengers coming through Halifax International Airport Authority (HIAA) by 2009. The seasonal re-introduction of Icelandair service also presents a significant opportunity.



Motorcycle Tourism: Motorcycle ownership has significantly grown around the world in recent years. Nova Scotia can draw out-of-province visitors by offering exceptional scenic touring.

Cruise Visitation: Cruise marketing activities will continue to promote Halifax as a home port for niche cruises, and we will continue to research growth opportunities in this sector of the industry.

Gay & Lesbian Travellers: This market spends a disproportionately high amount on travel and tends to take more trips than the average traveller, making it an opportunity for further development.

New Directions

A New Focus

As we look ahead, we recognize that Nova Scotia must take full advantage of the opportunities presented by the changing consumer in a competitive industry. There are three objectives that have guided the strategic development process:

Maximize use of the online channel

Increase the volume of air visitation to Nova Scotia.

Develop our experiences in a way that will stimulate intention to visit

Going forward with our partners, we will employ three primary strategies to achieve our tourism goals:

- 1 Courtship strategy
- 2 Gateway strategy
- 3 Building our brand around core experiences

70% of potential visitors to Nova Scotia look for information online

1 Courtship Strategy

Great brands in the tourism and hospitality business are founded on great relationships with customers. The start of the relationship is the courtship. A new way of building relationships with our potential visitors is at the core of our strategy. It reflects the ways that our visitors are planning their travel and maximizes our capability to entice them. The entire strategy can be encapsulated in three simple steps: lure, sample, buy.

Lure	Sample	Buy
Television	Vignettes	Online Booking
MPR	Events	Click to Talk
Search	E-newsletters	Check In
E-mail	Downloadable PDF's	VIC
Online Ads	Travel Guide	Link to Operator
Radio		
Print		
Editorial		

Lure them to novascotia.com. All communications will entice customers – lure them – to explore more about Nova Scotia at novascotia.com. Our job is to get on their radar and become a viable destination option.

Let them sample Nova Scotia. Now, we have to intrigue them even further. We will do that by providing top-notch web content and marketing materials so they can sample Nova Scotia online. We will engage them in interesting facts and stories that will increase their knowledge and give them even more reasons to visit. And we will use the power of video to inform and emotionally engage them in the Nova Scotia experience.

Buy online. Once our customer has decided to come to Nova Scotia, we must make it as easy as possible for them to buy our product. One way to accomplish this is by integrating partnerships, packages and core experience offers available on novascotia.com.

Strategic Initiative:
**Building Awareness and
Intrigue by Appealing to
Interests**

Our customers' interests run the gamut: wine and cuisine, the great outdoors, motorcycling, music, history, authentic culture and, of course, the sea. Nova Scotia is well poised to satisfy their cravings and interests in so many ways.

Tourist attractions such as **Port Royal, Louisbourg, Grand Pré,** and the **Halifax Citadel**, among many others, appeal to history enthusiasts. High-profile events including **Tall Ships Challenge**, the

Look for partnership
opportunities at
nstpc.com

Gathering of the Clans, the ECMAs, Celtic Colours International Festival, Drum! and other major concert events encourage music fans to come and experience our province. We will build these attractions and events into our marketing communications programs.

We will use a combination of conventional and online media to build awareness. The specific tactics will include advertising, editorial coverage, marketing public relations and search engine optimization.

Strategic Initiative:
**Creating Desire
through the
Online Channel**

Novascotia.com is an extremely powerful marketing tool. That is why it is critical we lure our customer to our website.

At novascotia.com, the best of what we have to offer can be combined and presented in a way that intensifies our customers' desire to experience our province. Compelling web content will allow potential customers to sample Nova Scotia through rich content sections built around Nova Scotia's core tourism experiences. Nova Scotia will be experienced through video and downloadable pdf's that capture experiences and meet the information needs of potential visitors.

The site also provides us with the opportunity to leverage industry partnerships in outbound e-mail collaborations, co-branded partner advertising, and multi-partner sales and promotions.

55% of potential visitors
to Nova Scotia book
via the Internet

We must also make it as easy as possible for our customer to buy our product online. We will do this by ensuring the site's architecture remains flexible and by offering a significant selection of bookable product that reflects our core experiences.



**Strategic Initiative:
Make it Easy to Buy**

While the online channel will eventually become the primary source of information, we will ensure that the same information and resources will be available in channels that meet the individual needs of each traveller. This will include printed materials, contact centre service and face-to-face service at Visitor Information Centres (VICs).

All of these channels will be supported by a common information base, our Tourism Customer Contact System (TCCS), which is currently under development.

30% of visitors arrive by air – and this is increasing

2 Gateway Strategy

Air travel to Nova Scotia is increasing and our province is well positioned to increase it even more. One way we can do so is by focusing on those markets with direct air access to Nova Scotia – our *gateway* markets.

Air is fast becoming a preferred mode of travel due to shorter travel time and the extra time it allows the traveller to spend at their chosen destination. That’s a bonus for time-starved consumers, as well as Nova Scotia. Recent developments, such as the opening of new routes and the introduction of US pre-clearance at Halifax International Airport, make our “easy-to-get-to” proposition even stronger.

Gateway cities fall primarily within our existing geographic target markets. We have an opportunity to bring greater focus to our marketing efforts within these markets. In Ontario, we will focus on the markets that surround the Toronto and Ottawa airports. In the US, we will focus on markets surrounding Boston, New York, and Washington. Other markets with easy, reliable air access include Calgary and key European cities such as London and Frankfurt. The return of Icelandair presents other opportunities to attract visitors from new markets.



**Strategic Initiative:
Marketing Partnerships
with Transportation Carriers**

Nova Scotia benefits when a range of transportation carriers, our airport and port facilities are all operating closer to full capacity and our customers know that Nova Scotia is easy to get to. Therefore, we will place increasing emphasis on joint marketing with transportation partners in our geographic areas surrounding gateway cities. We will initiate joint in-market promotions and include transportation-related content in our marketing messages wherever relevant and practical.

While we place greater emphasis in this plan on air travel in support of the shifting consumer market. We will continue to work closely on joint marketing initiatives with our ferry partners, particularly in the American Northeast, where our collective resources will work together to increase awareness of Nova Scotia and the sea links that offer a unique experience - and easy access to our province.



Cruise ship visits provide other opportunities for Nova Scotia by bringing hundreds of thousands of day visits to our ports - and the possibility of repeat visits from those cruise passengers who have sampled the experiences Nova Scotia has to offer. We will also continue to explore opportunities with "homeporting" by working in partnership with high-end specialty cruises, supporting Nova Scotia as a gateway for this type of vacation and reaping the benefits of pre and post-cruise visitation.

3 Building Our Brand Around Core Experiences

We are going to build Nova Scotia's tourism brand around core experiences and differentiate ourselves based on those experiences that match our customers' interests. In order to do this, we must focus on product areas in which Nova Scotia has a competitive advantage. We must also continue to improve the quality of our brand through destination and industry development.

Strategic Initiatives: To Build the Brand through Destination Development

World-class tourism experiences are fundamental to increasing visitor satisfaction and length of stay in our communities. Better traveler experiences mean more return travel. Accordingly, the development of Tourism Destination Areas throughout Nova Scotia driven by active communities will remain a primary focus in 2007.

Tourism Destination Areas (TDAs)

Our vision is to cultivate and grow Nova Scotia's core experience collection, in order to offer visitors high-quality, centralized services and experiences. In this vein, we will continue to make use of the extremely successful TDA (Tourism Destination Area) process, which has proven to be a pivotal factor in the attainment of our goal.

In 2007, we will implement a variety of destination market-readiness programs, including destination mystery shopping, mentoring and workshops, as well as marketing audits, and providing destination information through a kiosk program. In order to monitor progress and communicate lessons learned, as well as share best practices, the results and progress of these destinations will be communicated on a regular basis. Destinations will receive additional tools, such as case studies and operating principles, to assist them in developing ways that respect our SMART guiding principles, that is Sustainable Marketable Assets Relevant to Tourism.

Attraction Enhancement and Development

The past two years have seen significant investments made in the development of our province's attractions, including the creation and opening of several new interpretive attractions - Glooscap Heritage Centre, Celtic Music Interpretive Centre, and DUC Green Wing Legacy Centre. In 2006, we saw the implementation of enhanced visitor's services and interpretation at Peggy's Cove creating an enhanced visitor experience. These initiatives have attracted many visitors to Nova Scotia, and we will continue to work closely with these and other partners as they continue to advance and develop their sites, in order to foster the sorts of new and exciting experiences which create cherished, lifelong memories.

New experiences. New opportunities.

Through the planning process by destinations and with tourism partners, we look forward to enabling and supporting the development and enhancement of competitive, unique experiences that speak to today's customer. Music, culinary and wine, coastal experiences and living history are but a few areas of opportunity. Developing new product experiences is vital in order to remain competitive in the global marketplace.

Investing in Tourism

We're starting a new tourism investment initiative. One of the first steps is the development of a tool kit to attract new investment in tourism called the "The Business Advantage." In 2007 we will continue to work proactively with partners to identify regional investment opportunities for business and destination development. We are building our stock of online resources to help businesses research investment opportunities. We will continue to build upon our investment website www.gov.ns.ca/tourisminvestment to link those opportunities with prospective investors.

Strategic Initiative: Build the Brand through Industry Development

Investing in People

Visitors expect a high-quality service experience when they get here. Delivering it at every contact point right through until the moment they leave is part of our new brand focus.

So we're going to invest in the people who create those experiences. We will enhance our successful partnership with the Tourism Human Resource Council (THRC) to promote human resource development by ensuring the industry has access to cost-effective professional development opportunities.

Our Business Resource Kit

Training for both front-line and management levels of the industry is a key component in creating and delivering a top-notch visitor experience. In 2007 we will work with THRC towards improving business effectiveness and quality through the development of a Resource Kit for Tourism Businesses. The kit will provide the tools required to make our vision a reality by including:

- ➔ Catalogue of training opportunities for businesses to use for staff training, including service excellence programs and the new addition of:
 - Tourism Masterclasses: A series of one-day workshops targeting business leaders and managers who are responsible for strategic development of their businesses. Subject areas are directly relevant to tourism businesses, focusing on the challenges presented by increasing customer expectations, the global economy, the need to innovate and develop new skills.
- ➔ Inventory of existing tourism business resources and programs including:
 - Business Development Guides: Utilizing the existing detailed how-to manuals for new business start-ups and enhancement of existing businesses.
 - HR Tool Kit: Assists businesses with effectively attracting and retaining staff.
 - Market-readiness programs.
 - Study tours and best practice missions to expose operators to successful development and business models.
- ➔ Best practices and available resources to assist businesses in applying SMART (Sustainable Marketable Assets Relevant to Tourism) principles and apply Tourism Industry Association of Canada's (TIAC) Code of Ethics in their practices.



Quality

Are our customers satisfied with their Nova Scotia experience? In order to answer that question, we will develop an online assessment tool that will enable Nova Scotia operators to capture consumer input on quality. Deliverables will include a detailed quality report card for participating properties and a sector-wide provincial benchmark. Knowing what our customers think of us and benchmarking is the first step towards enhancing quality in Nova Scotia.

Strategic Initiative: Getting Closer to our Customers through Research

Timely and well-implemented initiatives start with solid research. Sound strategies and effective decision-making depend on accurate and up-to-the-minute research information. We will continue to provide the tourism industry with a wealth of information through printed documents, online information and e-mail bulletins to all stakeholders.

In addition to communicating information on a timely basis, we will enhance our existing industry-activity measurement systems. These are the systems that provide us with insights and considerations critical to the decision-making process. Nova Scotia is already a nationally recognized leader in tourism industry activity measurement systems, some of which have been emulated by other jurisdictions.

New Directions for Research

Specific activities to support the three strategies outlined in this plan include:

Courtship

We will:

- refresh the Ad Awareness Tracking Study to reflect evolving market and communications environments
- refresh the Ad Evaluation Study to reflect evolving communications environments (i.e.: we will test an online questionnaire for Internet enquiries)
- study the opportunities to integrate findings from traditional enquirers and anonymous web visitors

Gateway

We will:

- produce a seasonal outlook for inbound air capacity by originating cities
- continue to monitor customers' perceptions of accessibility to Nova Scotia through advertising awareness and evaluation research
- study potential impacts of cruise ship home porting and the role of cruise ship visitation in generating future land-based visits

Core Experiences

We will:

- analyze the 2005 Travel Attitudes and Motivations Survey to profile Canadian and American travellers who share a common interest in areas such as motorcycling, culture, and hiking
- work with partners to document best practices for ways we can measure the success and impact of events that don't have specific ticket sales or gate counts
- continue to assess emerging travel trends (such as motorcycling) to see if and how they fit with the Nova Scotia experience and how we can capitalize on them

Measuring Success in the Digital Marketplace

Research tells us that shifting our efforts to Internet channels means we must also shift our measurement tactics. The new customer values anonymity and typically visits novascotia.com without leaving their name and address.

We will conduct new types of research and tracking that allow us to measure our success in the digital marketplace. In the world of digital marketing, response is everything. A response is defined as any action caused by our marketing that leads the customer to find out more about Nova Scotia. Response can be measured in a variety of ways, including:

- requests for printed material via web, telephone, business reply cards, etc.
- web visits
- downloads
- newsletter sign-ups
- click-through rates to partner offers
- e-mails
- bookings

Other key measures include brand health and awareness, advertising impact and applicable conversion rates. We will increase our usage of innovative research tools such as web-based surveys as part of the measurement systems.



Facing the Future Together

Words alone will not fulfill our vision—particularly in a sector so susceptible to change and global shifts. Realizing our vision is going to require innovative thinking backed up by bold action. We all have a contribution to make and an opportunity to thrive and prosper.

Our industry has always been enriched by collaboration and cooperation. The Tourism Partnership Council—which is responsible for this plan—is a prime example of that spirit. Pooling our industry and government knowledge and resources affords us greater leverage to accomplish things that would simply not be possible alone. Our new Tourism Plan emphasizes the importance of working collectively to bring the world to Nova Scotia.

Together, with this plan as a guide and novascotia.com as our touchstone, we know we are closer than ever to successfully reaching our vision.