

*EVALUATION OF THE  
ATLANTIC CANADA TOURISM PARTNERSHIP (ACTP)*

*2006-2009*

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**February 2009**

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## EXECUTIVE SUMMARY

- The 2006-2009 Atlantic Canada Tourism Marketing Partnership (ACTP) was successful in meeting its overall objectives. Over the three years of the Program, the partnership generated a total of \$280.8 million in tourism expenditures in Atlantic Canada and attained an overall return on investment (ROI) of 18:1.
- Despite weak market conditions, the US program continued to perform well in 2008. It generated \$66.9 million in revenues and attained an ROI of \$16.99. Over the three years of the Agreement, the US Program generated \$268.1 million in expenditures and attained an ROI of \$21.68. This was well above its 14:1 objective.
- In 2008, the Overseas Program was successful in meeting its 6:1 ROI objective. The Program generated \$5.5 million in expenditure and attained an ROI of \$6.10. The ROI was up from \$4.74 last year and \$4.00 in 2006. Over the three years of the Agreement, the Overseas Program generated \$12.8 million in revenues and attained an ROI of \$4.94.
- The US consumer advertising campaign attained an ROI of just over 22:1 in 2008. This was the sixth consecutive year the campaign has delivered an ROI of more than 20:1 in unstable market conditions.
- In addition to the expenditures generated by the consumer campaign, the most recent bi-annual surveys carried out in New England show advertising awareness for the Atlantic Provinces increased in 2007 and generally ran equal to or better than awareness for its leading Canadian competitors (Quebec and Ontario).
- Reaction to the new consumer campaign in Europe was very positive. The campaign attracted 31,300 unique visitors to Atlantic Canada web site and generated an estimated \$2.7 million in spending in Atlantic Canada in 2008.
- Tour wholesaler partnerships in Europe were successful in generating \$8.4 million in tourism expenditures in the Atlantic Region over the course of the Agreement. A total of 34 partnerships were formed and attained an ROI of 14:1.
- Although partnerships with US tour operators generated \$4.3 million in expenditures over the course of the Agreement, the ROI for the program continued to slip in 2008. It fell from \$30.19 in 2006 and \$10.17 in 2007 to \$9.92 in 2008. Overall, the program met its objectives with a three year ROI of \$14.77.
- Media-brokered savings and added value in the US market totaled \$987,000 in 2008. Over the course of the Agreement, media-brokered savings totaled \$3.4 million. Savings exceeded objectives in all three years.
- Media relations programs continued to be very successful in both the US and overseas markets. The equivalent of \$12.57 million in media coverage was attained in the US in 2008. This was well above the \$7 million target. In overseas markets, media coverage in 2008 totaled \$14.1 million and reached all time highs in all markets.
- Over the course of the Agreement, the equivalent of \$34.8 million in media coverage was attained in the US and \$30.8 million was attained in overseas markets.

- Two very successful Atlantic Canada Showcases were held over the course of the Agreement. The two marketplaces were attended by a total of 80 buyer companies and 220 Atlantic Canadian seller companies. Despite weak market conditions there was minimal fall-off in attendance at the 2008 Showcase.
- The most recent International Travel Survey data show visitation to Atlantic Canada from both New England and the Mid-Atlantic States declined in 2007 but expenditures by New England visitors increased by 5.9 percent and expenditures by Mid-Atlantic visitors increased by 29.5 percent.
- In 2007, Atlantic Canada captured its highest share of total expenditures by New England visitors in Canada in four years (20 percent) and its highest share of Mid Atlantic expenditures in three years (6.5 percent).
- The International Travel Survey showed very positive momentum for Atlantic Canada in overseas markets in 2007. Visitation from overseas markets increased by 6.2 percent and expenditures increased by 2.7 percent. Visitation and expenditures were up for three of the Regions four primary markets.
- Germany was the only market showing a decline in visitors and expenditures although this was offset by the fact that Atlantic Canada's share of the German market increased dramatically, from 6.8 percent of total expenditures in Canada to an all time high of 8.4 percent.
- Although Japan continues to be a relatively small market, a significant turn-around appears to have occurred in 2007. Visitation, expenditures, and shares increased for Japan in 2007 and the Anne 100<sup>th</sup> promotion appears to have generated considerable impact. Media coverage, which had been flat, increased by more than 4 times the level of the past two years. All of the coverage in 2008 was devoted to Anne.
- Although specific measures are not available, indicators suggest 2008 was an exceptionally good year for Corporate Communications. The Secretariat carried out all activities as scheduled; an estimated 930 member of industry were in audiences at Association Conferences for the full ACTP presentation; more than 400 are regular readers of the ACTP newsletter (e-mail) and more than 7,000 visited the ACTP web site in 2008.
- ACTP continues to be a leader in tourism research. The ACTP web site provides access to one of the most comprehensive and up-to-date inventories of tourism research in the country.

## **SECTION 1**

### **BACKGROUND AND SITUATION**

***1.1 OVERVIEW OF THE ATLANTIC CANADA TOURISM PARTNERSHIP***

The Atlantic Canada Tourism Partnership was founded in 1991 and has since been renewed five times for three-year terms. ACTP has traditionally focused on marketing and marketing-related activities in international markets with a sustained focus on the United States.

The current 2006-2009 agreement provides the flexibility to reallocate resources from existing international markets to potentially higher yield domestic markets should conditions dictate.

The conditions of the agreement specify that all marketing programs incorporate the following into annual work plans:

- a. Sound market research
- b. Maximizing economies of scale
- c. Funds being incremental to existing provincial programs
- d. Clear responsive measurement systems built into campaigns
- e. Detailed marketing budgets on a per-market basis
- f. Marketing strategies reflective of current market conditions
- g. Marketing strategies that incorporate internet strategies
- h. Marketing activities dictated by the market and by provincial priorities
- i. Evaluation and performance measurement strategies and tactics
- j. Ensure creative campaigns built on market research
- k. Marketing strategies that enhance and reinforce Canada's new brand where appropriate

The Agreement specifies that all marketing programs must be evaluated annually and assessed against pre-stated goals, objectives and methodologies.

**SECTION 2**

***THE US MARKET PROGRAM***

## 2. THE US MARKET

### 2.1 US BUSINESS AND MARKET ENVIRONMENT

The tourism industry in Canada has been struggling since 2002. US visitation has fallen to record lows and, with few exceptions, domestic travel has failed to fill the void.

Atlantic Canada has not escaped the national downturn. For the past five years, Provinces in Atlantic Canada that routinely ran at 80 percent-plus occupancy rates in July and August have been struggling to hold above 60 percent. The leading cause of the problem is a lack of growth in demand while accommodation capacity in Atlantic Canada has increased by 15 percent since 2000. The number of accommodation units has increased from 39,105 units in 2000 to a peak of 45,182 units in 2006 before falling to its current level of 44,815 units in 2008.

Many factors have contributed to the US decline:

- A lost currency advantage (exchange)
- New destinations and increased competition
- Higher fuel costs
- Border security issues and uncertainty
- A lagging New England economy

The situation in Atlantic Canada has not been limited to a decline in the number of US visitors. There has been a change in the structure of visitation. As illustrated in the following table, the number of US visitors entering the region by automobile and motorcoach has experienced the greatest declines. Touring by automobile or motorcoach have historically been Atlantic Canada's leading product strengths in the US. Only the cruise sector has shown growth in the past five years.

Mode of Travel to Atlantic Canada US Overnight Visitors 2002-2007			
	2002	2007	% Change
Automobile	439,000	312,900	-28.7%
Air	166,000	144,600	-12.9%
Motorcoach	38,000	12,500	-67.1%
Cruise	141,000	162,600	+14.9%

Source: Statistics Canada, International Travel Survey: 2002 & 2007

### Outlook

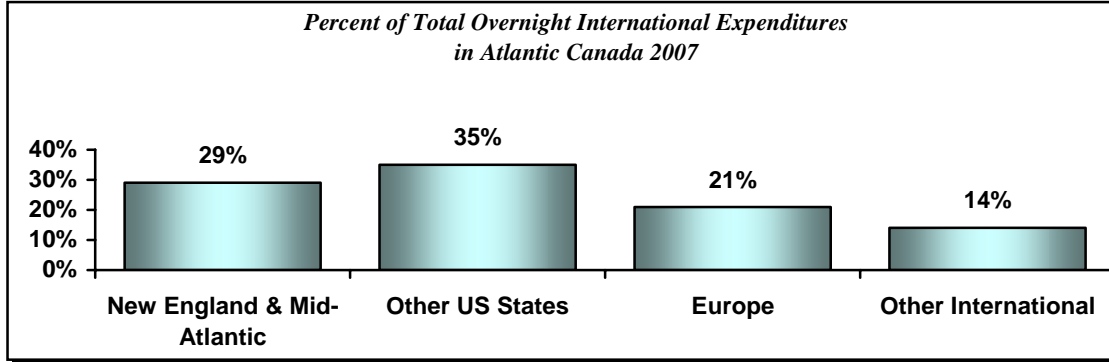
Atlantic Canada will enter the US marketplace in 2009 facing more unknowns than at any time in its history. These unknowns range from the depths of the US recession to the price of fuel and rates of exchange. The outlook for travel is not favorable and this in itself could add to the negatives (excessive discounting, close to home competition, etc.). All travel destinations are likely to experience a very weak US travel market in 2009.



## 2.2 PROGRAM OVERVIEW

The US is the dominant international market for Atlantic Canada. In 2007, visitors from the US spent \$405.4 million in the Atlantic Provinces. This represents 64 percent of total international spending in the region.

New England (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont) is ACTP's primary US market. The Mid-Atlantic States (New Jersey, New York, and Pennsylvania) are a secondary market. Together, these regions generated 45 percent of total US spending in Atlantic Canada (\$184.4 million out of total US expenditures of \$405.4 million) and 29 percent of total international spending (\$184.4 million out of \$629.9 million).



Source: Statistics Canada. International Travel Survey 2007

## 2.3 OBJECTIVES

The primary objective of the US marketing program is to attain an overall ROI of 14:1. This represents an increase of 40 percent in return over the 10:1 objective of the previous Agreement.

The program has other macro-level performance measures including awareness, inquiries, visitor shares, and revenue shares. These are also used to track growth. Performance on these measures is described in the next section.

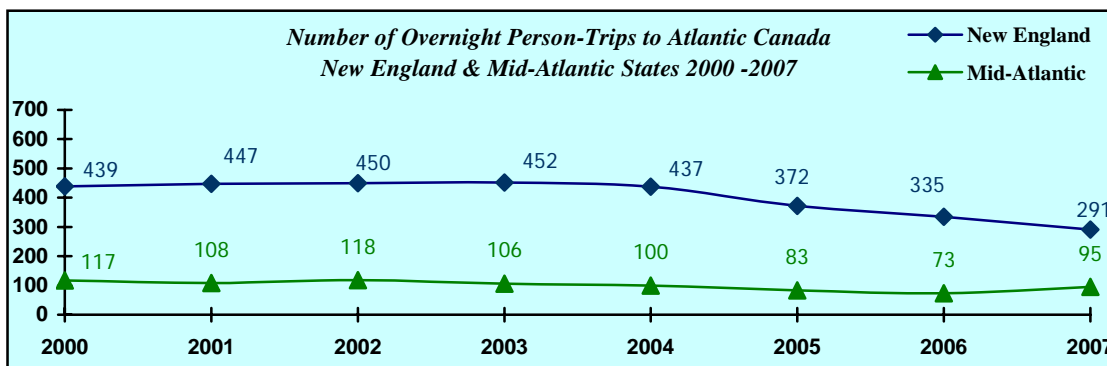
## 2.4 PAST PERFORMANCE

Visitation and revenues are derived from Statistics Canada's *International Travel Survey* (ITS). This data lags one year behind evaluation deadlines. They therefore reflect performance of the previous year's campaigns and represent the baseline situation for the 2008 campaign.

### 2.4.1 Visitation

In 2007, the number of overnight visitors to Atlantic Canada from New England continued to decline. Visitation fell by 13.1 percent to 290,800 person-trips. This represents a decline of 35.6 percent from the record high 452,000 person-trips from New England in 2003.

The number of overnight visitors from the Mid-Atlantic also continued its decline, falling by 12.0 percent in 2007 to a seven-year low of 73,000 visitors. This represents a decline of 38.1 percent from the high of 118,000 visitors reported in 2002.

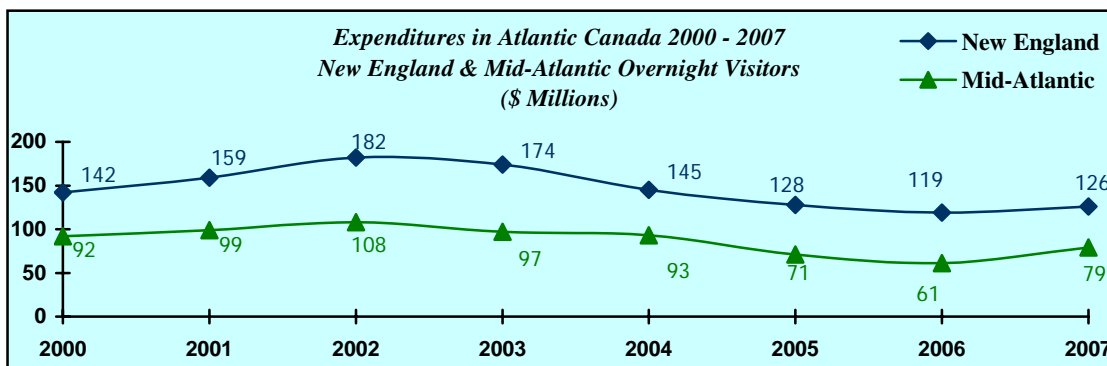


Source: Statistics Canada. International Travel Surveys 2000 - 2007

### 2.4.2 Expenditures

Although visitation was down, spending by overnight visitors from New England increased by 5.9 percent and totaled \$126 million in 2007. Despite this increase, New England expenditures in Atlantic Canada remained 27.0 percent below the peak year of 2002.

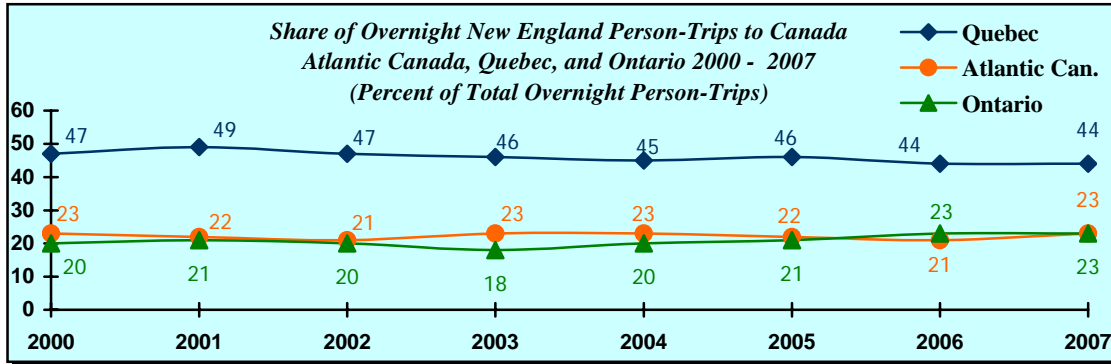
Spending by visitors from the Mid-Atlantic rose by an even higher 29.5 percent to \$79 million. This represented the highest level of expenditures since 2004.



Source: Statistics Canada. International Travel Surveys 2000 - 2007

### 2.4.3 Share of Visits

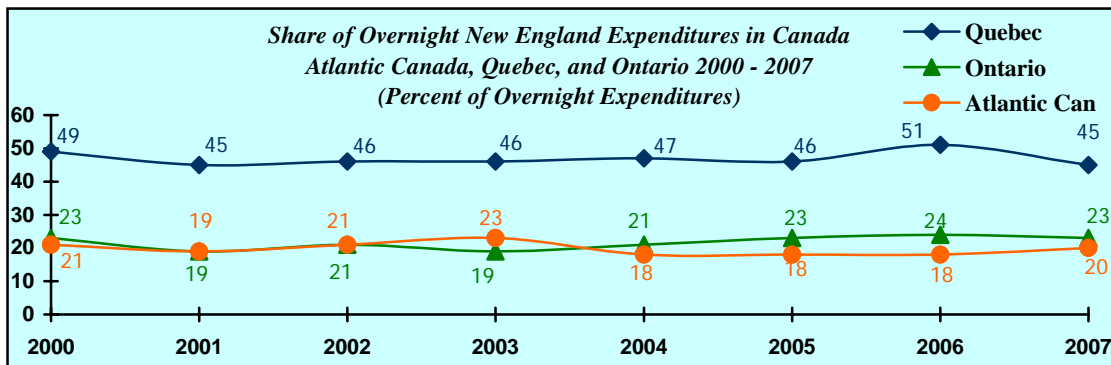
Although the number of visitors from New England has declined over the past five years, Atlantic Canada's share of total visitors from New England to Canada rose from 21 to 23 percent in 2007. Market shares for both Quebec and Ontario (Atlantic Canada's main competitor in New England) showed virtually no change in 2007.



Source: Statistics Canada. International Travel Surveys 2000 - 2007

### 2.3.4 Share of Expenditures

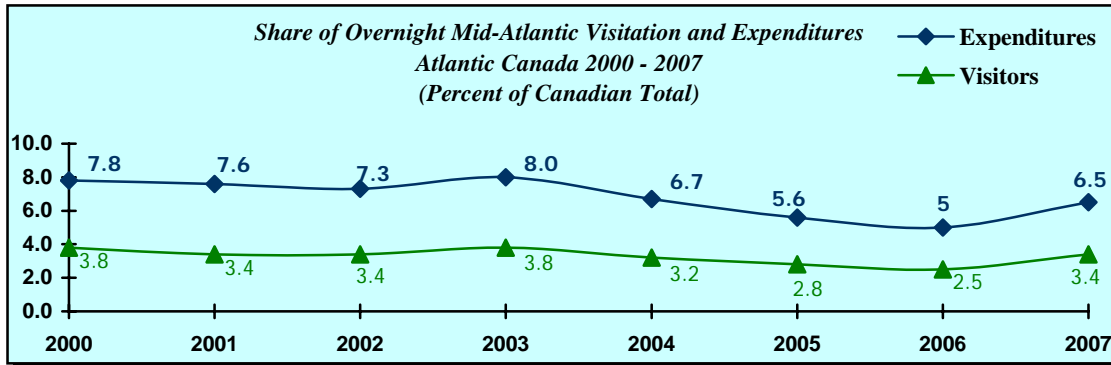
Atlantic Canada's share of expenditures by New England visitors to Canada rose by two percentage points to 20 percent in 2007. This was a 4-year high for the Region. Both Ontario and Quebec experienced drops in share. Ontario's share of expenditures slipped from 24 to 23 percent Quebec's shares fell by 6 percentage points from 51 to 45 percent.



Source: Statistics Canada. International Travel Surveys 2000 - 2007

**2.4.5 Mid-Atlantic Shares**

Atlantic Canada’s shares of visitation and expenditures from the Mid-Atlantic States reversed a three-year decline in both visitors and expenditures. Share of visitors rose from 2.5 to 3.4 percent, the highest level since 2003. Share of expenditures rose from 5.0 to 6.5 percent, the highest level since 2004.

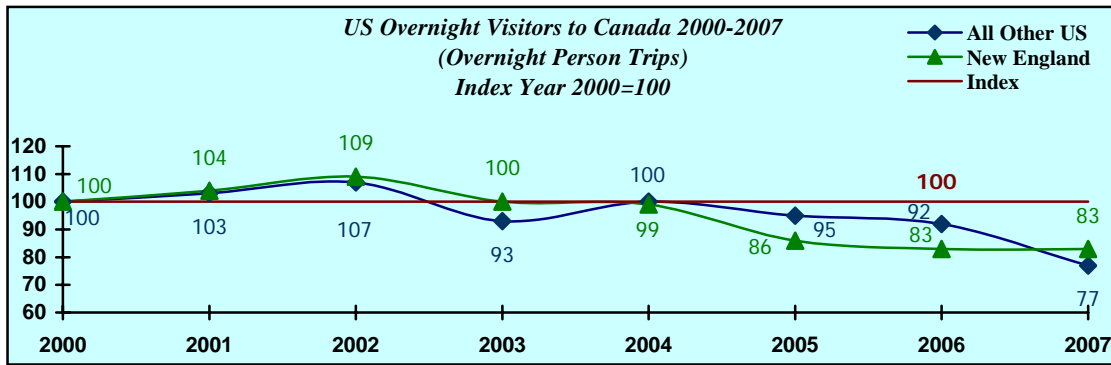


Source: Statistics Canada. International Travel Surveys 2000 - 2007

**2.4.6 Summary: The Baseline for 2008**

Atlantic Canada entered the US market in 2008 following a 5.9 percent recovery in New England expenditures and very strong gains in shares of both trips and expenditures against competitive Canadian destinations. Equally important, the decline in New England travel to Canada, which had been running well above the US average for two years, stabilized in 2007.

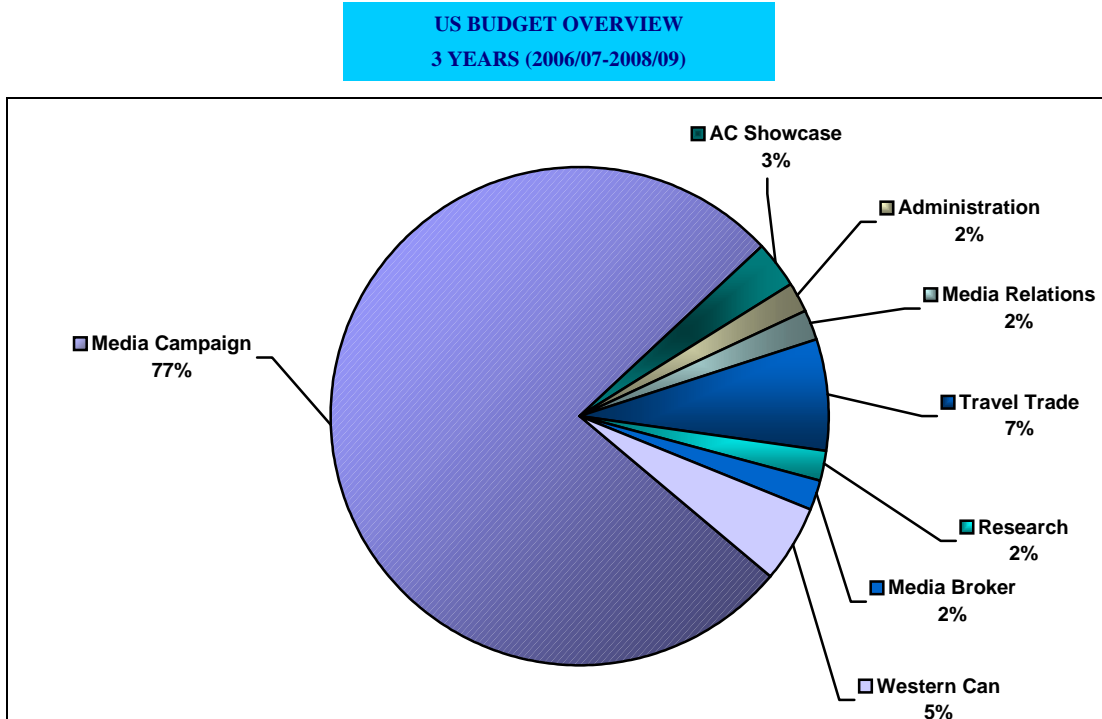
Unfortunately, 2008 was to bring a host of unforeseen negatives that would affect US travel to Atlantic Canada as well as travel to all international destinations.



Source: Statistics Canada. International Travel Surveys 2004 - 2007

**2.5 THE US MARKETING PROGRAM**

Over the course of the three-year Agreement, ACTP invested approximately \$12.1 million into an integrated marketing program in the US. An additional \$634,000 was allocated to markets in Western Canada. The US consumer media campaign (print, electronic, and Internet advertising) accounted for approximately 77 percent of the total program budget.



Source: ACTP Marketing Program Budgets: 2006/07, 2007/08, 2008/09.

**2.5.1 Budget Details**

The following table outlines the US Program budget. Approximately 80 percent of expenditures were directed to immediate returns primarily through consumer advertising program. The remaining 20 percent were market development expenditures. With the exception of trade partnerships, these trade and media programs will not yield results until a year or more in the future. Research investment will yield continuing returns via better informed decisions. Administration and meeting expenses are minimal, and are required for the operation of ACTP programs.

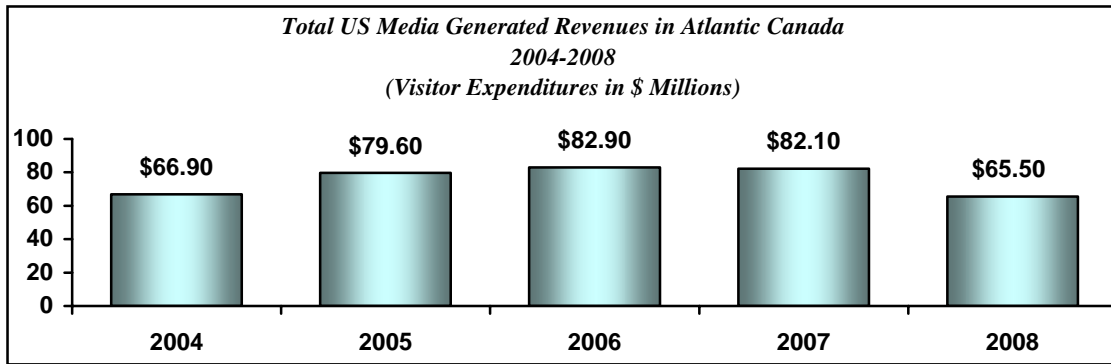
<b>US Budget 2006/07 – 2008/09</b>				
<b>Budgeted Expenditures</b>	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>	<b>Totals</b>
<b>Media Campaign<sup>1</sup></b>				
NB	859,800	1,098,400	1,085,700	3,043,900
NL	47,300	560,400	502,500	1,110,200
NS	975,600	1,445,600	1,218,100	3,639,300
PE	337,200	477,600	384,100	1,198,900
Sub-Total	2,219,900	3,582,000	3,190,400	8,992,300
<b>2009 Early Booking US Media</b>				
NB			275,400	275,400
NL			166,800	166,800
NS			38,100	38,100
PE			126,900	126,900
Sub total			607,200	607,200
<b>Individual Provincial Programs</b>				
PEI – Anne Centenary <sup>2</sup>		8,900	16,100	25,000
PEI Media-Western Canada			103,900	103,900
NB Trade/ Media	190,700	-	-	190,700
NB Media – Western Canada	-	129,300	103,400	232,700
NS Adventure Travel	9,400	-	-	9,400
NS Media – Western Canada		191,500	105,200	296,700
Sub-Total	200,100	329,700	328,600	858,400
<b>Administration</b>				
Program Manager	85,500	86,800	89,800	262,100
Meeting Expenses	3,000	3,600	4,400	11,000
Industry Travel	5,400	7,700	9,900	23,000
<b>Media</b>				
Media Broker	106,000	102,400	101,700	306,100
Media Relations	86,700	75,900	100,000	262,600
<b>Travel Trade</b>				
Provincial Travel Trade		96,600	295,600	579,200
Atlantic Canada Showcase	160,000	20,500	205,400	385,900
<b>Research</b>				
Miscellaneous <sup>3</sup>	84,700	109,100	108,300	302,100
			10,000	10,000
<b>Total Budgeted Expenditures</b>	<b>3,138,300</b>	<b>4,459,800</b>	<b>5,110,800</b>	<b>12,708,900</b>
<b>Notes:</b>				
1. The consumer campaign includes taxes and creative.				
2. Transferred to Japan Program				
3. Miscellaneous includes funds currently uncommitted to specific projects				

**2.6 US PROGRAM AND RESULTS**

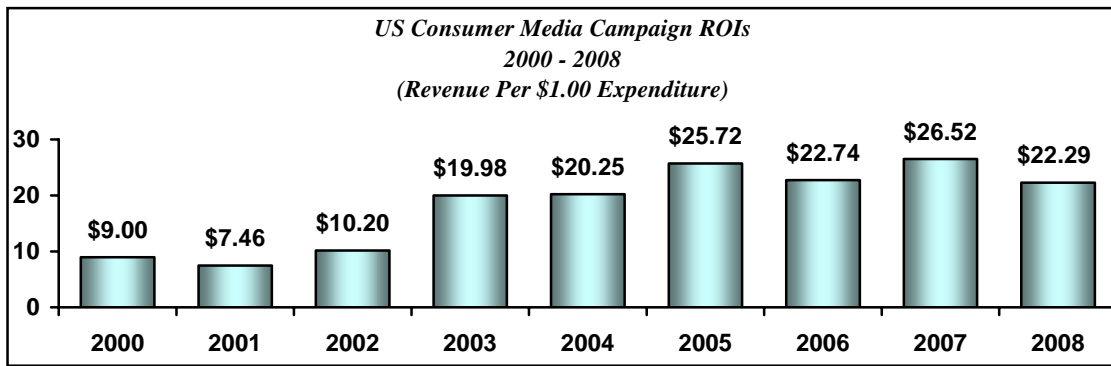
**2.6.1 US Consumer Media (Advertising) Campaign**

The US consumer campaign is the largest individual program in the Agreement. Its success is critical to overall ACTP performance.

The 2008 campaign was successful in generating \$65.5 million in revenues in Atlantic Canada. Over the course of the three-year Agreement, the US campaign generated \$230.5 million in tourism revenues.



In 2008, the US media campaign attained an ROI of \$22.29:1. Over the three years of the Agreement, the US media campaign attained an overall ROI of \$23.81:1. The ROI ran well above the 14:1 objective for each of the three years of the program.



Source: 2008 ACTP Conversion Final Results. January 2009 update

The US Consumer Media Campaign is also given targets for total enquiries, converted party-visits, and revenues.

Prior to 2008, conversion results were based on a combination of toll-free enquiries and anonymous web enquiries. In 2008, the conversion methodology was revised to focus exclusively on on-line enquiries. The new methodology required re-defining a number of targets and indicators.

The following table summarizes key conversion indicators from 2004 through 2008. Due to the change in methodology the number of enquiries, cost per enquiry and conversion rates are not comparable between 2008 and previous years.

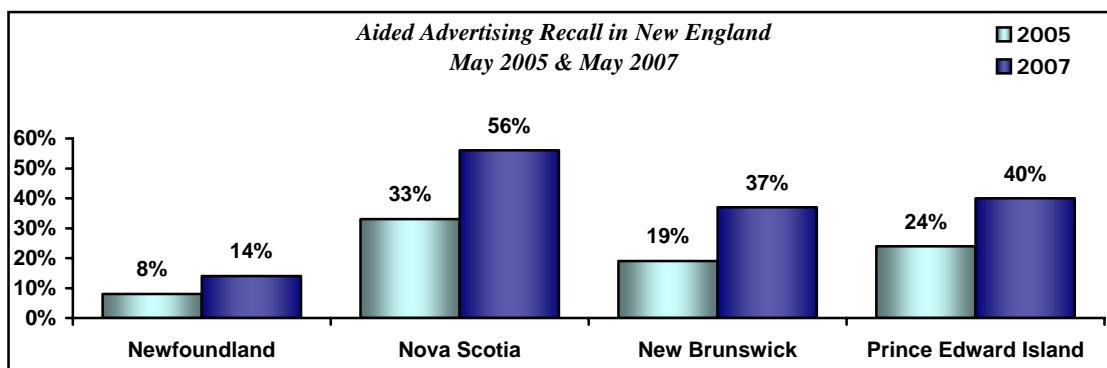
US Conversion Indicators (Direct enquiries plus anonymous web contacts)						
Indicator	2004	2005	2006	2007	2008	Total 2006-2008
Media buy (million)	\$3.31	\$3.09	\$3.65	\$3.09	\$2.94	\$9.68
Enquiries + anonymous visitors to provincial web sites	186,800	208,352	222,379	199,794	---	---
Cost per inquiry	\$18	\$15	\$16	\$14	---	---
Conversion rate	32%	30%	29%	27%	---	---
Converted party-visits	59,000	60,577	65,143	55,385	48,133	168,661
Cost per converted inquiry	\$56	\$56	\$56	\$56	\$61	\$57.39
Spending per visitor-party	\$1,134	\$1,309	\$1,272	\$1,482	\$1,380	\$1,372
Total revenues (million)	\$66.9	\$79.6	\$82.89	\$82.08	\$65.53	\$230.50
ROI	20.25:1	25.72:1	22.74:1	26.52:1	22.29:1	23.81:1

Source: 2008 ACTP Conversion Final Results. January 2009

### 2.6.2 Awareness

One of the main objectives of the US Program is to increase positive awareness in New England. Awareness studies are carried out bi-annually. The most recent post-campaign awareness studies were carried out in 2005 and 2007. They show there has been an upward trend in aided advertising recall for the Atlantic Provinces.

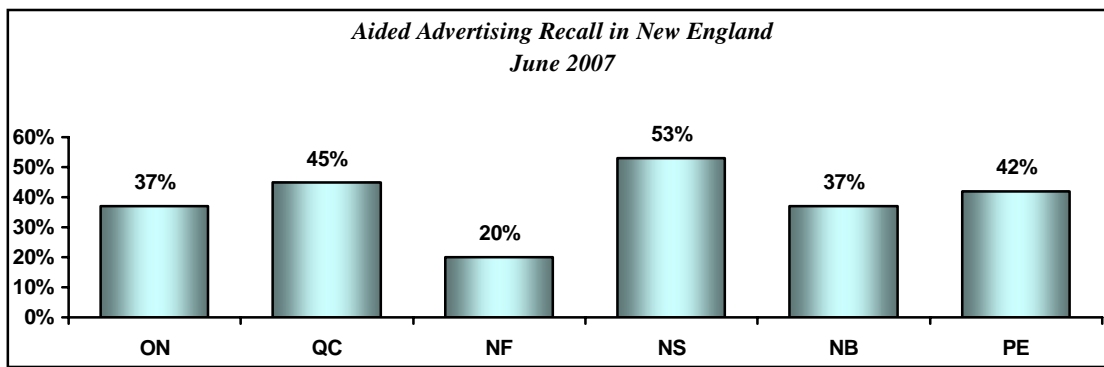
All four provinces have shown increases in New England. Nova Scotia has been especially strong with awareness increasing by 23 points from 2005 to 2007.



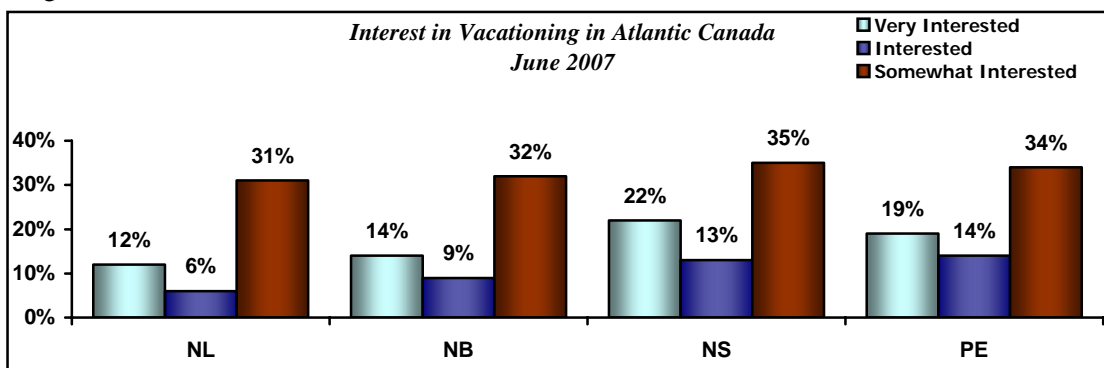
These studies also show awareness of Atlantic Canada advertising has generally kept pace with that of its primary Canadian competitors, Quebec and Ontario.



In 2007, aided-recall of advertising for Nova Scotia was higher than for Quebec and Ontario. Recall of both Prince Edward Island and New Brunswick was higher than that of Ontario and comparable to Quebec.



The 2007 survey also confirmed that interest in vacationing in Atlantic Canada remains strong in New England. Generally, more than 25 percent of New England residents are “interested” or “very interested” in visiting Atlantic Canada.

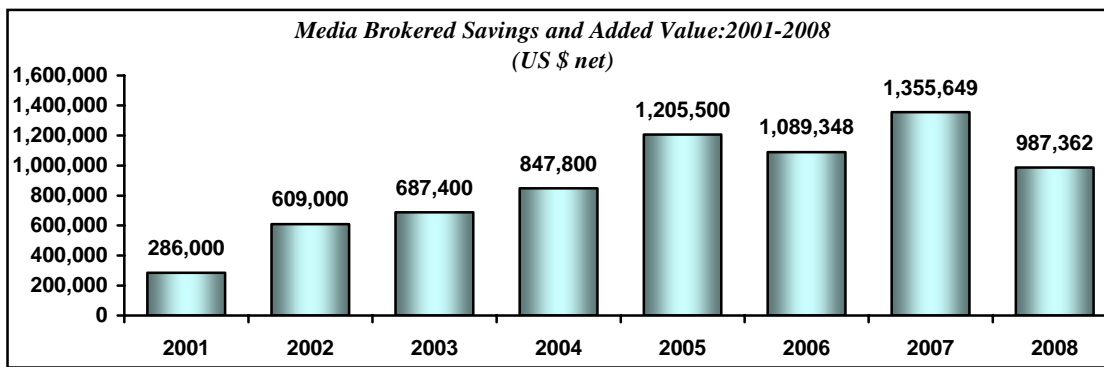


Source: 2007 New England Travel Planners Survey: Final Report

### 2.6.3 Media-Brokered Savings

ACTP uses a media broker to co-ordinate purchases of advertising for the four provincial partners. The broker, through the leverage provided by representing four provinces, is able to negotiate favorable rates, web listings, enhanced circulation, and other benefits.

In 2008, savings and added value achieved through the media broker totalled \$987,000, well above the target of \$900,000. Over the three years of the program, media-brokered savings totalled \$3.4 million.



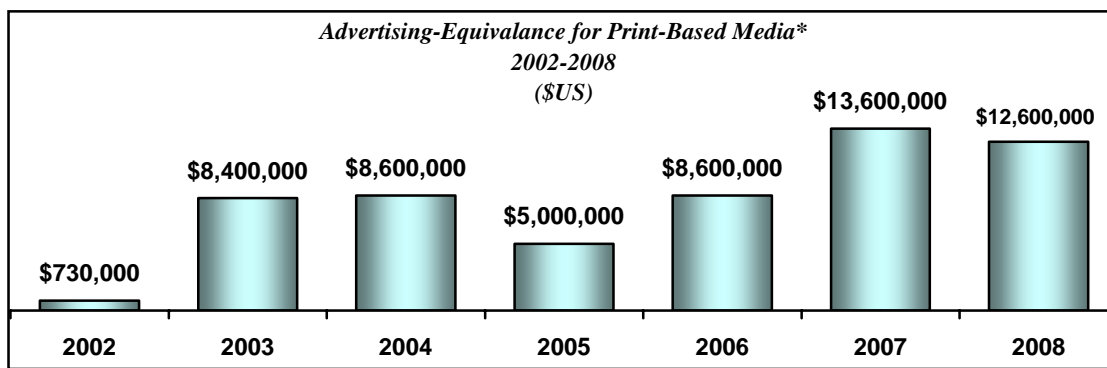
Source: ACTP Secretariat: January 2009 Beyond Added-Value Chart

**2.6.4 Media Relations**

The Media Relations Program is an integral component of the overall ACTP marketing strategy. It is designed to support the ACTP objective of a 14:1 ROI in New England by enhancing the provincial brands with publicity in targeted media.

ACTP engages the services of an in-market firm specializing in media relations to implement this program. Activities undertaken in 2008 included issuing five new press releases and six e-mail blasts; organizing nine press trips; participating in a Media Task Force in New York City and maintaining contact with numerous journalist and editors.

The editorial value of media coverage attained by Atlantic Canada in 2008 totaled \$12.6 million US (based on the use of a multiplier of 4 to convert print media space to advertising-equivalence value), this was well above the target of \$7 million. Over the three years of the Agreement, media coverage totaled \$34.8 million.



Source: ACTP Secretariat

\*The advertising-equivalence of web-based media coverage of Atlantic Canada is not included because there is no standard method for assessing its value.

**2.6.5 Travel Trade Activities**

Atlantic Canada’s US travel trade market has experienced a significant decline since 2002. In response, ACTP has focused its travel trade efforts on top-producing operators only. The geographic scope of potential tour wholesaler partners has also been broadened from New England and the Mid-Atlantic to anywhere in the US, providing the tour operator is recognized as a top producer for the Region.

**a. Trade Promotions**

Travel trade promotional activities undertaken in 2008 focused on three training sessions with AAA travel agencies (30 participants) and a product launch that was attended by 210 travel counselors. Five training sessions were also held with key tour operators. These sessions were attended by almost 300 staff and managers. ACTP also participated in the AARP National Conference (total attendance of 25,000).

**b. Trade Partnerships**

Investment in partnerships with tour operators was considerably higher in 2008 than in 2006 or 2007. Approximately \$142,000 was invested in tour wholesaler partnerships with six suppliers. Based on ACTP’s investment relative to total promotional costs, these partnerships resulted in \$1,410,000 in additional expenditures in Atlantic Canada in 2008. This yielded an ROI of 9.92:1 for the program, which was well below previous performance yet safely above the target of 8:1. Results in 2008 were negatively influenced by two new FIT partnerships which were implemented on a test basis. Although these high risk investments ultimately performed poorly they were in keeping with the recommendations of the 2006 Travel Trade Outlook Study. The Outlook study had recommended that the current state of the market warranted high risk investment.

Over the three years of the Agreement the Trade Partnership program generated \$4.3 million in revenues in Atlantic Canada and attained an ROI of \$14.77:1.

<b>Tour Wholesaler Partnership Results 2006-2008</b>				
	2006	2007	2008	Total 2006-08
Number of partnerships	3	3	6	12
Partner contribution (\$US)	\$84,300	\$75,000	\$476,000	\$635,300
ACTP contribution (\$US)	\$69,300	\$82,000	\$142,200	\$293,500
ACTP attributed sales	\$2,091,100	\$834,100	\$1,410,000	\$4,335,200
ROI	\$30.19:1	\$10.17:1	\$9.92:1	\$14.77:1

Source: Confidential tour operator reports provided to ACTP Secretariat

### **c. Trade Fams**

One trade fams was hosted for a US tour operator in 2008. A total of six trade fams were hosted over the course of the Agreement.

### **d. Atlantic Canada Showcase**

Two very successful Atlantic Canada Showcases were held over the course of the Agreement. They were hosted in Charlottetown in 2006 and in Moncton in 2008.

The two marketplaces were attended by a total of 80 buyer companies and 220 selling companies from Atlantic Canada.

<b>Atlantic Canada Showcase</b>					
	2002	2004	2006	2008	Total 2006 & 08
Number of Buyers	40	56	55	51	106
Number of Companies Represented (Buyers)	---	43	42	38	80
Number of Sellers	---	191	165	139	304
Number of Companies Represented (Sellers)	---	---	115	105	220

### **2.6.6 Provincial Programs**

ACTP's US market strategy permits province-specific travel trade and media relations activities if these are deemed by ACTP to be of benefit to the region. In 2008, only one province-specific project received ACTP support: the Centennial of Anne of Green Gables. This initiative was associated with the Japan Market Program and a transfer of funds from the US Program was authorized by Management Committee.

Other provincial programs carried out in previous years have included travel trade advertising and participation in consumer shows.

### **2.6.7 Research**

The 2006 – 2009 Agreement specifies that all activities must be based on sound research; the Agreement also calls for expanded performance measurements.

ACTP provides a base of research that is unsurpassed in Canada in terms of being comprehensive and up-to-date. In-depth data are available through the ACTP web site for both US consumer and trade markets to 2009.

Recent (2008 – 2009) studies now included on the web site include:

- A series of “Global Tourism Watch” reports partnered with the Canadian Tourism Commission.
- Europe Segmentation Study
- US Travel Market Behavioural Study
- TAMS Reports

In addition to many independent research projects, over the course of the Agreement ACTP has partnered with the Canadian Tourism Commission in the European Segmentation Study (UK, Germany, and France) and with several other partners in the US and Canadian TAMS research projects.

**2.7 US PROGRAM SUMMARY**

The US Program was successful in meeting its objectives in 2008 and in each of the three years of the Agreement. The overall program generated \$268.1 million in direct spending in Atlantic Canada over three years and attained an ROI of \$21.68:1. This was considerably above the target of 14:1. The following table summarizes activities and impacts.

<b>SUMMARY OF US PROGRAMS, ACTIVITIES, AND IMPACTS</b>				
<b>3 years (2006/07-2008/09)</b>				
<b>Program</b>	<b>Expenditure</b>	<b>Summary of Activities</b>	<b>Impact/ Results</b>	<b>Revenue 2007 (Million)</b>
Consumer Campaign	\$9,680,000	<ul style="list-style-type: none"> <li>• 3 Campaigns implemented</li> <li>• 500,000+ inquiries generated</li> </ul>	Immediate expenditures Awareness (consumer) Awareness (trade) 169,000 visitors ROI 23.81:1	\$230.5
Media Broker	\$306,100	<ul style="list-style-type: none"> <li>• 3 Campaigns purchased and added value negotiated</li> </ul>	Savings and added value \$3.4 million	---
Media Relations	\$262,600	<ul style="list-style-type: none"> <li>• In-market representative</li> <li>• 17 fam/in-market press trips</li> </ul>	Media coverage \$34.8M Media coverage future Media coverage future	---
Travel Trade	\$684,200	<ul style="list-style-type: none"> <li>• 12 trade partnerships</li> <li>• 900+ travel counselors trained</li> <li>• 6 trade fam</li> <li>• direct sales calls</li> </ul>	Trade immediate ROI 14.77:1 Trade/consumer future Trade future Trade future	\$37.6 --- --- --- ---
AC Showcase	\$385,900	<ul style="list-style-type: none"> <li>• 2 market places held</li> <li>• 80 buyers (companies)</li> <li>• 220 sellers (companies)</li> </ul>	Trade future	---
Provincial Programs	\$225,100	<ul style="list-style-type: none"> <li>• trade advertising &amp; media</li> <li>• adventure travel</li> <li>• Three consumer shows</li> <li>• Anne 100th</li> </ul>	Trade future Consumer future Western Can in consumer campaign	--- ---
Research	\$302,100	<ul style="list-style-type: none"> <li>• extensive research inventory</li> <li>• TAMS</li> <li>• European segmentation</li> <li>• Global watch</li> <li>• Conversion</li> </ul>	Consumer future Trade future Evaluation	--- --- --- --- ---
Administrative and Contingency	\$521,200	<ul style="list-style-type: none"> <li>• Program management</li> <li>• Industry travel and meetings</li> </ul>	Administration Administration	--- ---
<b>TOTAL</b>	<b>\$12,367,200</b>			<b>\$268.1</b>
<b>ROI: TOTAL US PROGRAM 2006/07-2008/09</b>				<b>\$21.68:1</b>

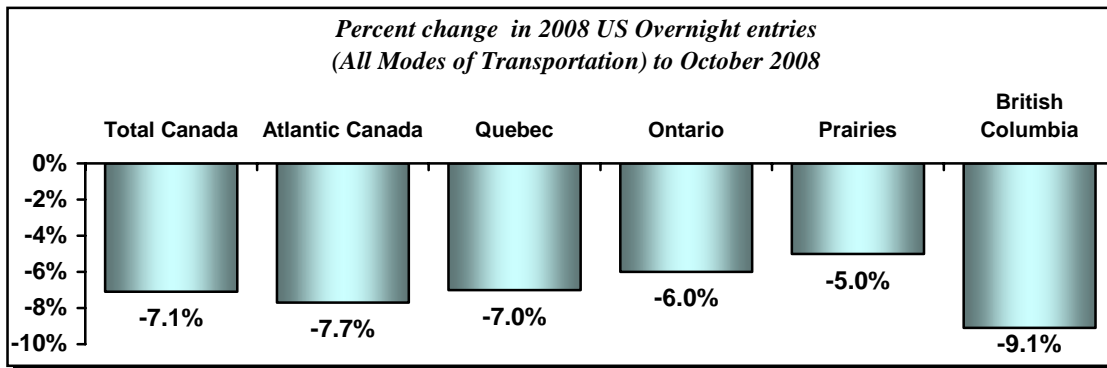
**2.8 CONCLUSIONS: THE US MARKET PROGRAM**

Although market conditions have been very challenging, the US program was successful overall and in all three years of the Agreement.

- The US Program exceeded its overall ROI objectives.
- The Consumer Campaign exceeded its ROI objectives.
- The Trade Partnership Program met its objectives.
- Media Broker and Media Relations Programs exceeded their objectives.
- Programs and activities with future impacts were implemented as planned and are operating on schedule.
- Research is comprehensive and up-to-date.

**2.9 EARLY INDICATORS FOR 2008**

Although US market origin data will not be available for several months, the current trend in US direct entries to Canada indicates a significant decline in US visitation can be expected in all regions of the country in 2008. To the end of October, US overnight entries to Canada are running 7.1 percent below last year. US direct entries to Atlantic Canada are down by 7.7 percent. US direct entries to Atlantic Canada are down by 7.7 percent.



Source: Statistics Canada. International Travel Survey, Preliminary Statistics, 2008.

**SECTION 3**

***THE OVERSEAS MARKET***

### 3.0 OVERSEAS MARKET

#### Introduction

The Overseas Program is based on three separate plans directed to four specific markets. The European plan focuses on the United Kingdom (UK) and the German-speaking countries of Germany, Switzerland, and Austria. Two other plans have been developed for France and Japan.

#### 3.1 OBJECTIVES

The Overseas Marketing Program has the objectives of increasing visitation and revenues from all primary markets, with a target ROI of 6:1.

All overseas campaigns have the objectives of increasing trade and consumer awareness of the regional brand. Unlike the US market where four provincial brands are retained, the Overseas Program builds a regional brand for Atlantic Canada.

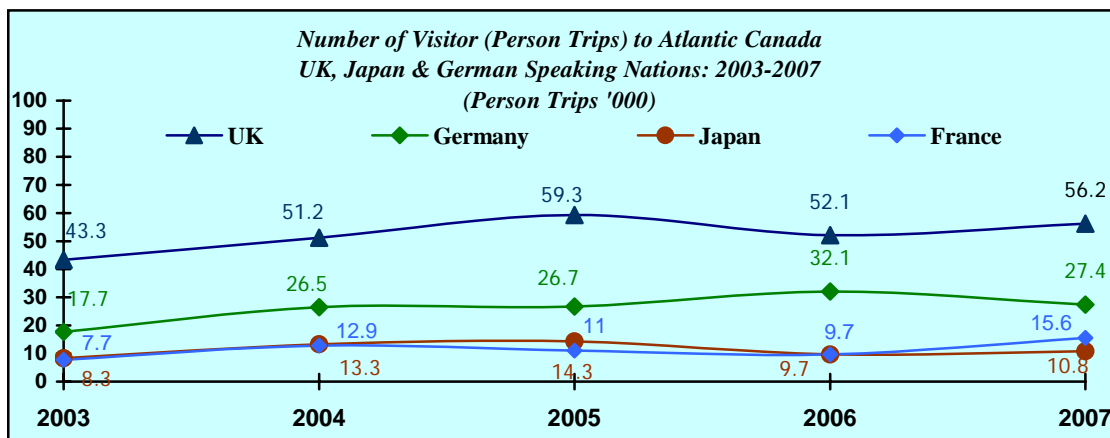
#### 3.2 PERFORMANCE TO DATE

##### 3.2.1 Visitation

The number of overnight visitors to Atlantic Canada from primary overseas markets totaled 110,000 in 2007. This represents an increase of 6.2 percent over the previous year's total of 103,600 overnight visitors.

Visitation increased from three of Atlantic Canada's four primary market areas. The number of visitors from the UK increased by 7.9 percent to 56,200; visitation from France increased by 60.8 percent to 15,600 visitors and visitation from Japan increased by 11.3 percent to 10,800 overnight visitors.

Only the German speaking nations experienced a decline. Visitation from Germany fell by 14.6 percent to 27,400 overnight visitors. The decline in visitation from Germany followed a 20.2 percent increase in 2006.



Source: Statistics Canada: International Travel Survey 2003- 2007

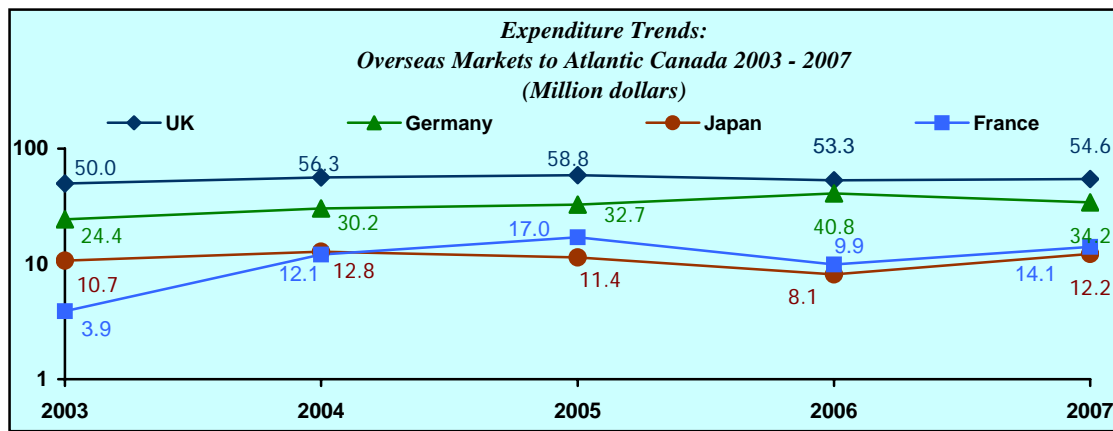


### 3.2.2 Expenditures

Expenditures by visitors from overseas markets totaled \$115 million in 2007. This was up 2.7 percent from the \$112 million spent the previous year.

Expenditures by visitors from the UK increased by 2.4 percent and totaled a market leading \$54.6 million. Expenditures by visitors from both Japan and France remain relatively small yet they increased significantly in 2007. Expenditures by visitors from France increased by 42 percent to \$14.1 million. Expenditures by visitors from Japan increased by 51 percent to \$12.2 million.

Expenditures by visitors from German-speaking countries fell by 16 percent to \$34.2 million. This decline followed a 25 percent increase spending by these visitors in 2006.



Source: Statistics Canada. International Travel Survey, 2003 – 2007

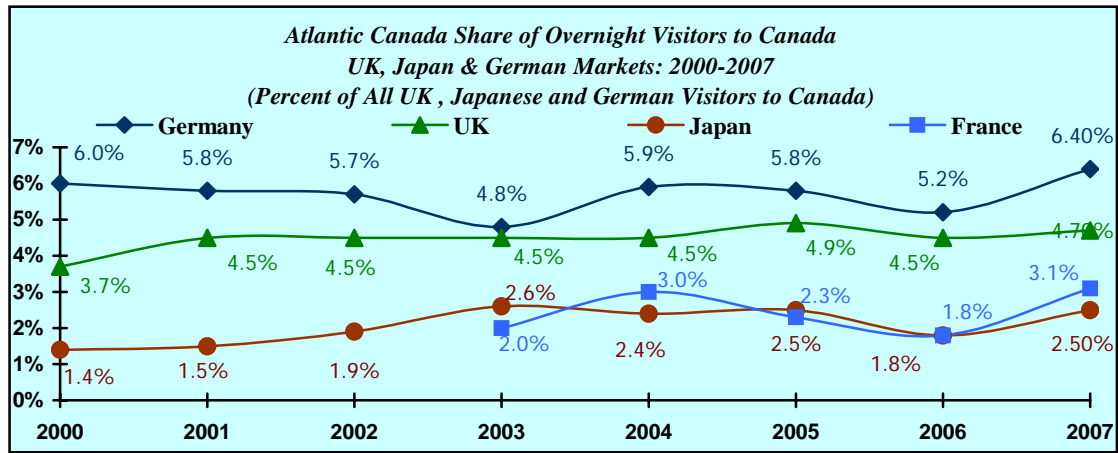
### 3.2.3 Market Shares

#### a. Visitation Shares

In terms of performance relative to the rest of Canada, all markets showed an increase in share of total visitors in 2007. Although visitation to Atlantic Canada from German-speaking markets was down by almost 15 percent, the region's share of total German visitors to Canada increased from 5.2 to 6.4 percent. This represented an eight-year high for Atlantic Canada.

Atlantic Canada's share of visitation from the UK market increased from 4.5 to 4.7 percent. Although the increase was modest it represented the region's second highest share of UK visitation in the past eight years.

Atlantic Canada’s share of total visitation from Japan returned to 2.5 percent after falling to a five year low of 1.8 percent in 2006. The region’s share of visitation from France increased to a five year high of 3.1 percent. Market development activities were not initiated in France until 2006.

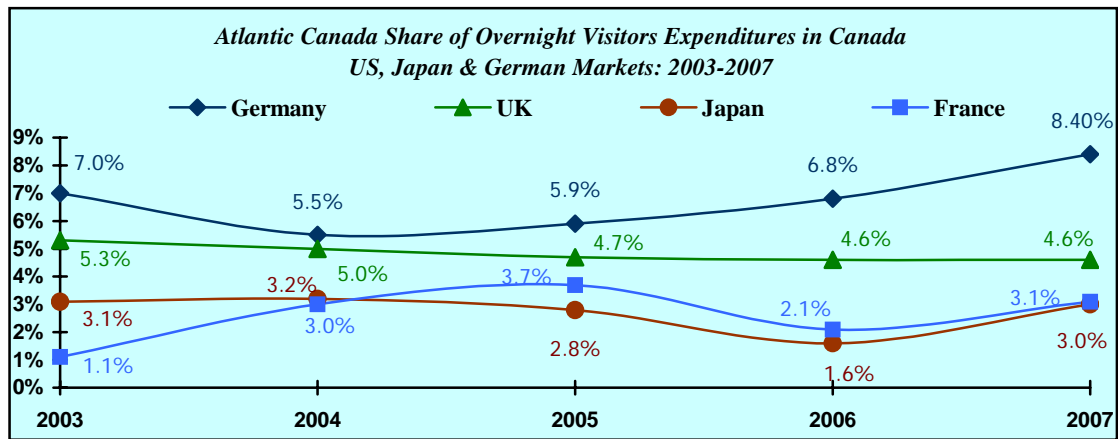


Source: Statistics Canada. International Travel Surveys, 2000 – 2007

**b. Expenditure Shares**

Although expenditures by German visitors in Atlantic Canada declined in 2007, the region’s share of German expenditures in Canada increased to a five-year high of 8.4 percent.

The region’s share of total UK expenditures held at 4.6 percent. Share of expenditures by visitors from Japan recovered from the decline of 2006 and increased to a three-year high of 3.0 percent. Share of expenditure from France also recovered from 1.6 to 3.1 percent.



Source Statistics Canada International Travel Surveys, 2003 – 2007

**3.2.4 Synopsis: Overseas Performance**

The year 2007 was very positive for Atlantic Canada in overseas markets. The downturn in total visitation and expenditures experienced in 2006 was reversed and the region’s shares of visitation and expenditures in all markets were held or improved.

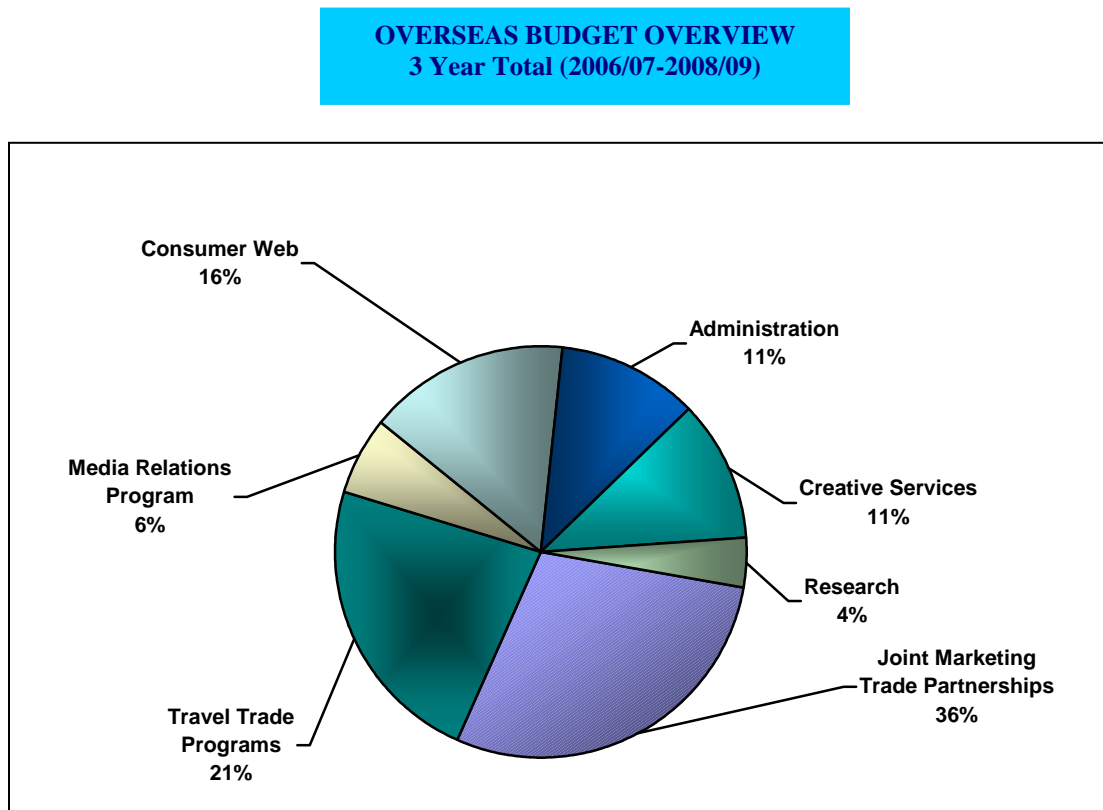
### 3.3 OVERSEAS MARKETING PROGRAM

#### 3.3.1 Budget Overview

In contrast to the US program where approximately two-thirds of the budget is spent on consumer advertising, the largest share in overseas markets has typically been spent on trade. The strategy of the Overseas Program is to integrate travel trade, consumer and media relations to maximize the effectiveness of the limited budget.

Overseas activities include joint marketing with tour operators; partnerships with the Canadian Tourism Commission; in-market travel trade promotions; media relations and participation in marketplaces, trade shows, and workshops. In Japan, a regional sales manager is engaged for in-market sales and promotion.

The following chart illustrates the distribution of total overseas market expenditures over the three years of the Program.

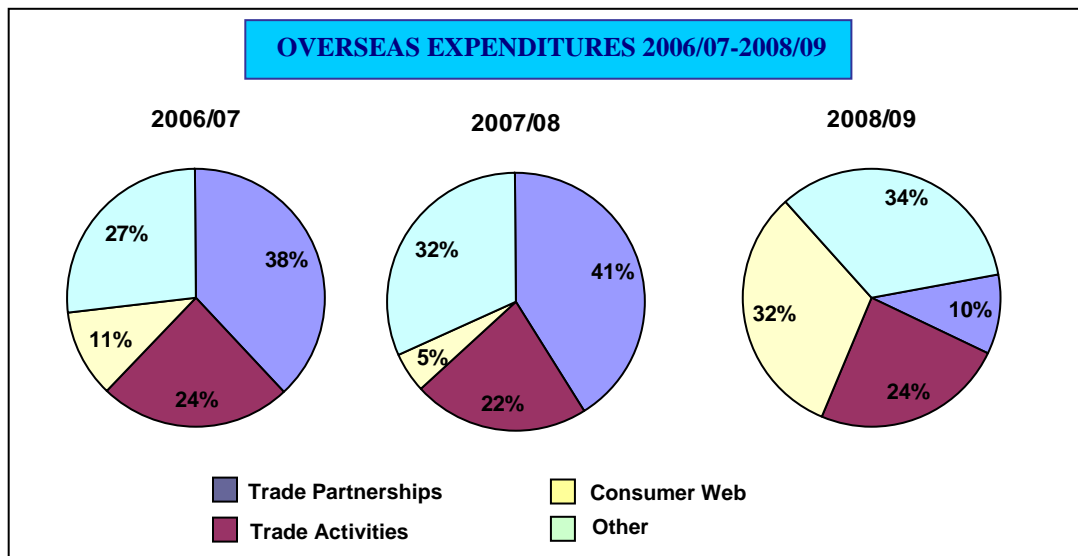


Source: ACTP Marketing Program Budget 2006/07-2008/09. December 2008.

Overseas market expenditures have not been static over the three years of the program. In 2008, a major shift in spending occurred. Approximately 16 percent of funding was directed to consumer advertising which was closely linked to web support. The campaign was carried out in partnership with the Canadian Tourism Commission and it was based on the results of the new European segmentation study (undertaken in 2007).

The previous year (2007) consumer advertising had been carried out in parallel with the tour wholesaler program. The campaign was closely linked to specific tour products.

The following chart illustrates the shifts in spending which have occurred over the three years of the program.



### 3.3.2 Budget Details

The following table provides total budgets for the three overseas markets for the three years of the agreement.

<b>TOTAL OVERSEAS BUDGET (3years: 2006/07-2008/09)</b>				
	UK/Germany	France	Japan	Total
<b>Budgeted Expenditures</b>				
Joint Marketing Partnerships	\$586,400	\$150,000	\$23,100	\$759,500
Seminars/Tradeshows	\$183,900	\$29,700	\$145,000	\$358,600
Trade Fam Tours	\$24,000	\$6,800	\$23,600	\$54,400
Media Relations (Promotional)	\$31,700	\$1,700	\$11,500	\$44,900
Media Relations (Fam Tours)	\$14,200	\$2,500	\$8,200	\$24,900
Consumer Advertising	\$333,900	\$66,500	\$20,800	\$421,200
CTC Germany Clever Woman Program	\$48,100			\$48,100
Trade/Media support: Anne 100th	-	-	\$25,000	\$25,000
Regional Sales Manager	-	-	\$183,600	\$183,600
Creative Services and Collateral	\$234,400	\$23,500	\$20,200	\$278,100
Research*	\$94,600	-	-	\$94,600
Administration and Support	\$135,500	\$44,500	\$42,500	\$222,500
Shipping and Storage	\$25,100	\$6,300	\$8,700	\$40,100
Meeting Expenses	\$10,300	\$5,000	\$3,500	\$18,700
Industry Travel	\$8,600	\$1,400	\$2,800	\$12,800
<b>Total Budgeted Expenditures</b>	<b>\$1,730,600</b>	<b>\$337,900</b>	<b>\$518,600</b>	<b>\$2,587,100</b>

\* CTC European Segmentation Research

Source: ACTP Marketing Program Budget, ACTP Secretariat.

### 3.4 OVERSEAS PROGRAM RESULTS

#### 3.4.1 Europe Overview

Marketing activities in Europe were focussed on four areas:

- Tour wholesaler joint marketing partnerships
- Marketplaces and trade shows
- Media relations
- Co-op consumer advertising / web support

#### 3.4.2 Tour Wholesaler Joint Marketing Partnerships

In the first two years of the European program, tour wholesaler partnerships were the leading area of program investment and the leading generators of direct expenditures in Atlantic Canada. To accommodate the shift to consumer advertising in 2008, partnership funding was reduced to \$56,000 from an average \$275,000 over the two previous years.

In 2008, five partnerships were continued, resulting in \$3.1 million in expenditures in Atlantic Canada, of which \$1.6 million is directly attributed to the program. The 2008 ROI was almost \$28:1.

Over the three years of the Agreement, a total of 34 partnerships were formed with tour operators. ACTP's investment in these partnerships totalled \$603,900. The program was successful in generating \$17.6 million in expenditures in Atlantic Canada. It is estimated that \$8.4 million in expenditures is directly attributable to ACTP. This is based on ACTP's share of total program investment. The ROI for the program over the three years was equivalent to \$13.91:1.

<b>European Tour Wholesaler Partnership</b>				
	2006	2007	2008	Total
Number of Partnerships	15	14	5	34
Total ACTP Investments (\$)	\$308,100	\$239,800	\$56,000	\$603,900
Average Investment Partnership (\$)	\$20,500	\$17,100	\$11,200	\$17,762
Average Partner Investment	\$54,900	\$17,100	\$11,200	\$32,908
Total Expenditures in Atlantic Canada (\$ Million)	\$6.7	\$7.8	\$3.1	\$17.6
ACTP Credited Expenditures (\$ Million)	\$3.1	\$3.7	\$1.6	\$8.4
ROI (Based on Share of Investment)	\$10.00:1	\$15.58:1	\$22.87:1	\$13.91:1

Source: Secretariat. Market Share reports includes estimates for three non-reporting partners in 2007

#### 3.4.3 Consumer (Co-operative) Advertising and Web Activity

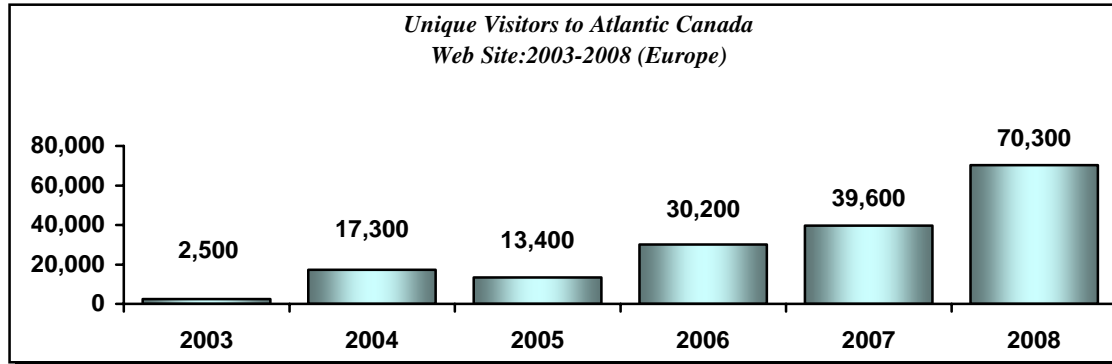
In 2008, a consumer advertising program was carried out in the UK and German speaking Nations in partnership with the Canadian Tourism Commission. The program was based on the findings from the new European Segmentation study and was linked very closely to web support.

In 2008, visitation to the Atlantic Canada web sites increased by 78 percent, from 39,600 to 70,300 unique visitors. This increase was carried by the consumer campaign. During the four months of the consumer campaign web site visitation increased by 31,300 unique visitors (3.1 times the visitation for the same four months the previous year).

Preliminary results from a follow-up evaluation study by the CTC show the 2008 European campaign produced a ROI of \$8:1.

This evaluation assumes the same \$8:1 ROI applies to Atlantic Canada. This appears reasonable as it would require a conversion rate of only 3.7 percent from the 31,300 campaign generated web

inquiries. The US conversion rate for web visitors screened to the same level was 63 percent. Applying the 8:1 ROI to the ACTP European campaign would indicate \$2.7 million in expenditures in Atlantic Canada in 2008.



Source: Secretariat

#### 3.4.4 Marketplaces, Trade Shows, and Seminars

Over the course of the Agreement, a close working relationship was maintained with the CTC in the area of travel trade. A main activity has been conducting educational seminars with leading UK and German tour operators and sales staff. Within the UK, ACTP participates in the Canada Specialist Program which supports agents and tour operators who specialize in Canada.

Three European trade shows and two consumer show have consistently been attended (see following table) and ACTP has been a regular participant in the CTC-sponsored promotion, “Canada Day in Trafalgar Square”.

One European trade fam consisting of 12 German trade representatives was conducted in 2008. This brought the three-year total to 6 fams with 39 trade representatives.

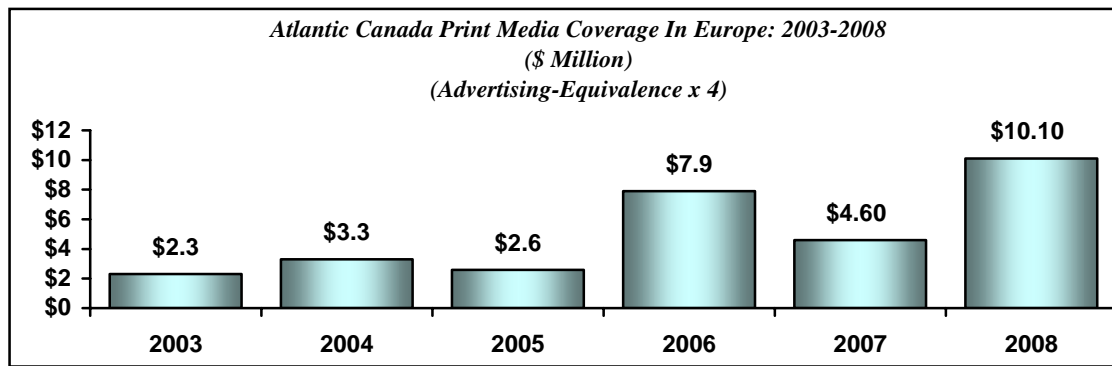
Marketplaces & Trade Shows Attended					
Show	Location	Type	Participation		
			2006	2007	2008
ITB	Berlin	Trade	X	X	X
WTM	London	Trade	X	X	X
Spotlight Canada	London	Trade	X	X	X
CMT	Stuttgart	Consumer	X	X	X
CANUSA	Germany	Consumer		X	X

### 3.4.5 Media Relations

Media relations generated an all-time high \$8.7 million in advertising-equivalence (using a multiplier of 4) in Europe in 2008. This brought the three-year total to \$22.6 million in media coverage, almost three times the total coverage of the three previous years (\$8.2 million). The largest share of the 2008 total (\$8.7 million) was in German-speaking countries.

Media related activities in 2008 were highlighted by ACTP’s participation in Germany’s very high profile “Clever Women” program. This was a major breakthrough for the region in the German market. Participants’ typically include world status destinations.

Over the course of the Agreement, a total of 35 media representatives from Germany or the UK were brought to the region on 9 fam tours.



Source: Secretariat

### 3.4.6 Research

ACTP partnered in the most comprehensive consumer and trade research project Canada has undertaken in the UK, Germany, and France. This CTC-led initiative provided ACTP with the information required to develop and implement its new consumer advertising program in Germany and the UK. Final reports have been posted on the ACTP web site.

## 3.5 FRANCE

France was added as a new overseas market in 2006-07. This followed a successful pilot project in 2005.

The market strategy being implemented in France is similar to the strategy employed in the UK and Germany. The initial focus in 2007 was on joint marketing partnerships with tour operators and parallel partnership initiatives with the CTC. In 2008, funding was re-directed to consumer advertising. As was the case with the UK and Germany, the campaign was based on the results of the new European Segmentation study.

Because France is in the developmental phase, evaluation data are limited.

### 3.5.1 France tour wholesaler partnerships

In 2007, five tour wholesaler partnerships were undertaken in France with a total ACTP investment of \$34,900. Three companies reported results. The three reporting companies brought 227 visitors from France to the region. They spent an estimated \$531,500 of which

\$315,200 is considered directly attributable to ACTP. The ROI for the three companies based on share of investment averaged 10.24:1.

### ***3.5.2 France Marketing Activities***

Activities undertaken in France in 2008 included launching a new consumer advertising campaign in partnership with the CTC; attending TOP RESA, the leading trade show in France, and hosting 4 media representatives from Corsair Media on an Atlantic Canada fam tour.

A synopsis of activities undertaken in France over the past three years includes:

- A new French language tour operator brochure was produced with assistance from the CTC in 2007. It was distributed at all consumer events.
- The leading tradeshow, TOP RESA, was attended in 2006, 2007 and 2008
- Five tour wholesaler partnerships were undertaken in 2007 (ROI = \$10.24 : \$1)
- Hosting 7 tour operators on trade fam tours
- Hosting 5 French journalists on several media fam tours
- Media coverage in France was equivalent to \$450,000 in 2008, up from \$270,600 in 2007
- France was included in the European research project (the results were implemented in 2008 consumer campaign)
- A consumer campaign was carried out in France in 2008 in co-operation with the CTC. Assuming the same \$8:1 impact ratio held, the campaign generated \$530,000 in revenues in Atlantic Canada in 2008.
- The new ACTP French language lure brochure was launched in market in spring 2008.

## ***3.6 JAPAN***

### ***3.6.1 Regional Sales Manager***

The engagement of a regional sales manager and in-market promotional and marketing activities represent the largest single expenditure in the Japanese market. Over the three years of the Program, these expenditures accounted for approximately one third of ACTP's total investment in Japan.

Activities undertaken by the sales manager have included attending five to seven major marketplaces or trade events annually, sales calls, hosting educational sessions, coordinating public relations events including the new "Anne 100<sup>th</sup>" promotion, and organizing trade partnerships.

### ***3.6.2 Japan Tour Wholesaler Partnerships***

In 2007, two partnerships with Japanese tour wholesalers generated 44 Japanese visitors who stayed a total of 216 visitor nights and spent an estimated \$54,000 in the region that was directly attributed to ACTP (based on share of investment). The ROI for the program was 27:1.

In 2008, five Japanese trade representatives were hosted on two fam tours. This brought the three-year total to 30 Japanese tour operator representatives hosted on 5 fam tours.



Japan Tour Wholesaler Partnership Program 2006-2008				
	2006	2007	2008	Total
Tour Wholesaler Partnerships	4	2	4	10
ACTP Investment	\$19,000	\$2,000	\$19,000	\$40,000
Passengers	338	44	146	528
Revenue Generated	\$97,300	\$54,000	\$695,300	\$846,600
ROI	5.12:1	27.00:1	36.59:1	21.17:1

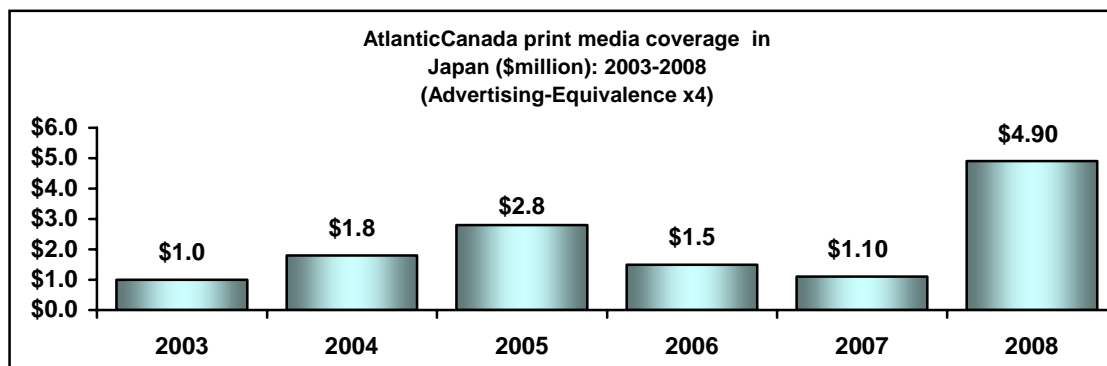
Source: Secretariat

### 3.6.3 Media Relations & Special Promotions

Media coverage resulting from media relations activities reached an all time high of \$4.9 million in Japan in 2008 (based on a multiplier of 4). Media coverage in Japan over the three years of the program totalled \$7.5 million. This was approximately one-third higher than the \$5.6 million in media coverage attained in the previous three years (2003 – 2005).

A promotional highlight of 2008 was the launch of the Anne of Green Gables 100<sup>th</sup> Anniversary Exhibit. This exhibit attracted a total of 116,000 Japanese visitors at the first four of its six scheduled locations. Media coverage in Japan in 2008 was driven totally by the Anne 100<sup>th</sup> promotion (\$4.9M).

A total of 12 media representatives from Japan were hosted on 3 fam tours to Atlantic Canada in 2008.

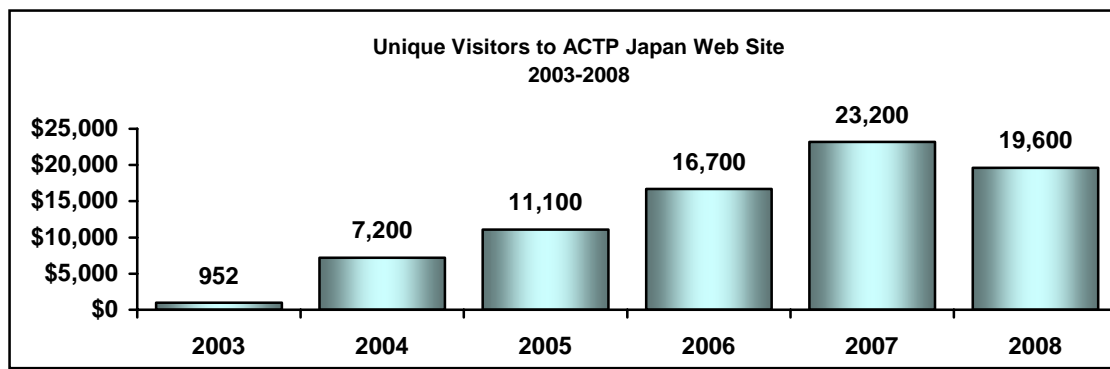


Source: Secretariat

### 3.6.4 E-Marketing & Web Activity

The number of Japanese visitors to the ACTP web site decreased by 16 percent in 2008. The web site had a total of 19,600 unique visitors during the year. The decline in 2008 appears to be due to the absence of an Atlantic Canada campaign to encourage web visitation. In 2007, an Atlantic Canada campaign generated an estimated 5,400 unique visits to the site.

Over the course of the three year program, 59,500 unique visitors in Japan visited the Atlantic Canada web site. This was approximately 3 times the 19,300 who visited in the previous three years (2003 – 2005).



### 3.7 SUMMARY OF OVERSEAS PROGRAM PERFORMANCE

The Overseas Program generated \$5.5 million in expenditures in the Atlantic Provinces in 2008 and attained an ROI of \$6.10: 1. This was the first time the \$6:1 overseas program objective has been met. Over the course of the three-year Agreement, the Overseas Program generated almost \$12.8 million in expenditures and attained an ROI of \$4.94:1.

Summary of Overseas Programs, Activities, and Impacts 3 year total (2006/07-2008/09)				
Program	Expenditure (\$)	Summary of Activities	Impact/ Result	Revenue (\$)
<b>UK and German-Speaking</b>				
Wholesaler Partnerships	\$586,400	• 34 partnerships	Immediate trade ROI: 13.91:1	\$8,400,000
Consumer/ Web	\$333,900	• 140,000 web visitors • 31,300 campaign specific web visitors	Future trade Immediate consumer	\$2,700,000
Trade Shows/Trade Fams	\$207,900	• 5 consumer shows • 9 trade shows • 6 fams: 39 trade	Future consumer Future trade	
Media Relations	\$94,000	• UK Promotions • Clever Woman • 9 fams: 35 media	\$22.6 million Media future	
<b>France</b>				
Wholesaler Partnerships	\$150,000	• 5 partnerships	Immediate (2007) trade ROI: 10.24:1	\$315,000
Trade Shows / Fams	\$36,500	• 2 trade show • 7 tour operators on fams	Trade future	
Consumer/Web	\$66,500	• Consumer campaign launched	Consumer immediate	\$530,000
Media Relations	\$4,200	• 5 media (fams)	Consumer future	
European Research	\$94,600	• Competitiveness and brand awareness	Consumer future Trade future	--- ---
<b>Japan</b>				
Wholesaler Partnerships	\$23,100	• 10 partnerships	Immediate trade ROI: 21.17:1	\$847,000
Trade Shows/ promotions trade FAM	\$168,600	• 4 attended • 30 TO's on 5 fams	Trade future Trade future	
Consumer/ Web	\$20,800	• 59,500 web visitors	Consumer future	

Media Relations Anne 100 <sup>th</sup>	\$19,700 \$25,000	<ul style="list-style-type: none"> <li>• 3 fams: 12 media</li> <li>• 116,000 visitors</li> </ul>	\$2.6 million media \$4.9million media	
Regional Sales Manager	\$183,600	<ul style="list-style-type: none"> <li>• Sales calls</li> <li>• Promotions</li> </ul>	Trade future	
Creative services & collateral	\$278,100	<ul style="list-style-type: none"> <li>• N/A</li> <li>•</li> </ul>	N/A	
Shipping/Storage	\$40,100	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	N/A	
<b>Administration</b>	\$254,000	<ul style="list-style-type: none"> <li>• Management</li> <li>• meeting expenses</li> </ul>	N/A	--
<b>TOTAL</b>	<b>\$2,587,000</b>			<b>\$12,792,000</b>
<b>ROI:</b>				<b>4.94:1</b>

### 3.8 CONCLUSIONS: OVERSEAS PROGRAM

Overseas markets looked positive in 2008. It was the first time the Program's 6:1 objective was met; all markets showed improvement over the previous year:

- Germany continues to look very good. Although visitation and expenditures fell in 2007, the region's share of both visitors and expenditures were up dramatically. Performance appears very solid in 2008 and the new "Clever Woman" campaign may be a significant break-thru in the market.
- The UK showed a solid increase in visitation and expenditures in 2007; reaction to the new consumer campaign appears very positive.
- Japan showed very strong recovery in 2007. Visitation, expenditures, and shares were all up. The new Anne 100<sup>th</sup> promotion appears to have re-generated interest (based on the increase in media attention).
- Results have not yet been released for France.

**SECTION 4**

***CORPORATE COMMUNICATIONS***

## **4. CORPORATE COMMUNICATIONS**

### **4.1 OBJECTIVES**

The Corporate Communications Strategy has the objectives of:

- Creating an awareness of ACTP and its initiatives, successes, and achievements among target tourism industry audiences in Atlantic Canada.
- Maintaining and increasing target audience support for ACTP's activities and promoting funding from its partners
- Identifying and demonstrating the benefits of federal/provincial/industry partnerships
- Identifying and demonstrating the benefits of regional cooperation in Atlantic Canada

### **4.2 STRATEGY**

In 2007, the ACTP Secretariat developed a new communications strategy in consultation with the ACTP Communications Task Force. Implementation of the strategy required that more time and effort on the part of the Secretariat be devoted to Corporate Communications.

### **4.3 ACTIVITIES**

Activities undertaken in 2007 and 2008 included:

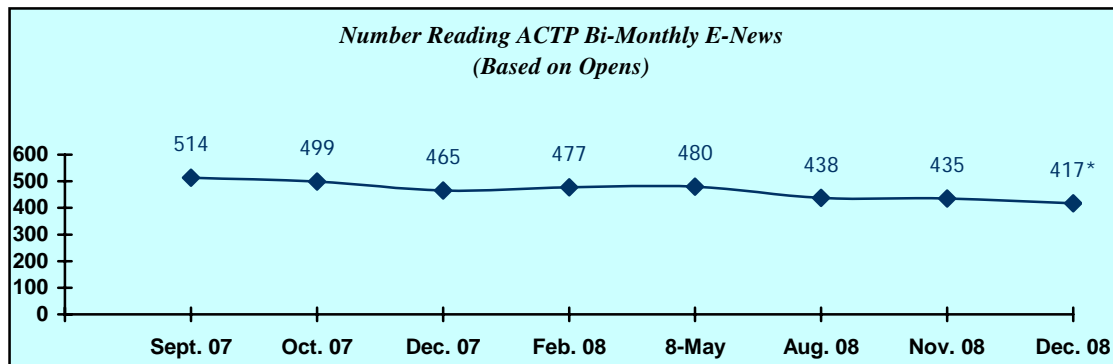
1. Annual updates of ACTP's multimedia presentation and tradeshow materials.
2. Annual participation in Tourism Industry Association Conferences/Summits in all four Provinces. The new ACTP DVD was presented by the Secretariat at all general meetings. A total of 1,241 delegates attended these meetings in 2008. Assuming 75 percent were present at the time of presentation results in a total audience of 930.
3. In 2007, seven newsletters were prepared and distributed to the four Tourism Industry Associations for inclusion in association newsletters/mailings.
4. In September 2007, a new program was launched that involved the Secretariat sending out e-news letters bi-monthly to more than 1,300 industry and partner websites. (See next section).
5. Editorial efforts were highlighted by a six-page article on ACTP in *Atlantic Business* magazine (13,900 subscribers) in the July/August 2007 edition.
6. Internal communications that provided financial and project status presentations to Management Committee and eight briefings to new committee members in 2007 and two in 2008.
7. Regular updating of the corporate website including the posting of more than twenty new research reports in both 2007 and 2008.

### **4.4 E-Newsletters**

A highlight of the communications program has been the e-news letter sent out bi-monthly by the Secretariat. This program provides a consistent ACTP presence to more than 400 partners and members of the Atlantic Tourism Industry (based on opens).

The newsletter has been sent bi-monthly to an average 1,372 recipients and the ratio opening the newsletter has remained consistent in the 32 to 37 percent range.

The e-news letter has been produced and released on schedule since it was started in September 2007. The fact that the ratio of recipients opening the e-mail has remained relatively consistent attests to the fact that the newsletter is well done and the subject matter is of interest. More than 400 consider it worth reading.

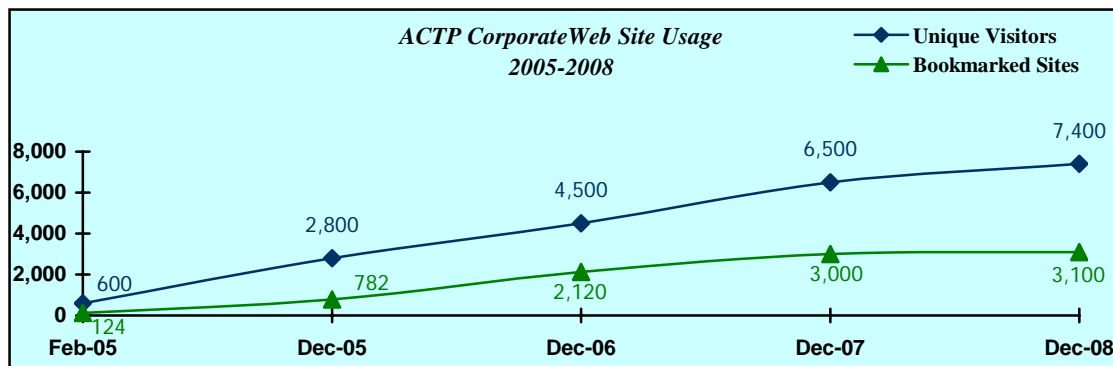


\* Preliminary

#### 4.5 CORPORATE WEBSITE USAGE

The number of unique visitors to the ACTP web site, on an annual basis, has more than doubled: from 2,800 in 2005 to 7,400 in 2008.

The number bookmarking the site has increased almost four times over this period, from 782 in 2005 to 3,100 in 2008.



#### 4.6 CONCLUSION: CORPORATE COMMUNICATIONS

The Secretariat has successfully implemented all aspects of the Corporate Communications Strategy as required and as scheduled.

While follow-up surveys were not carried out to measure the success of the communications program, the numbers accomplished by the Secretariat are impressive:

- More than 900 key Industry players have seen the full ACTP presentation within the past year.
- More than 400 read the newsletter regularly
- More than 7,000 are visiting the web site annually.

**SECTION 5**

***SUMMARY AND RECOMMENDATIONS***

**5.1 ACTP PROGRAM SUMMARY 2006-09**

In 2006 – 2009, ACTP program was successful in meeting its objectives. The combined US and Overseas Programs attained an overall ROI of almost 19:1. Based on the distribution of expenditures and objectives for the two programs, the overall ROI objective was approximately 13:1.

Revenues directly attributable to ACTP programs totaled approximately \$281 million over the three years of the Agreement.

<b>ACTP SUMMARY 2006-2009</b>				
<i>Expenditures and Impacts</i>				
	BUDGET	VISITOR EXPENDITURES	ROI	NON-EXPENDITURE IMPACT
<b>USA</b>				
Consumer Advertising	\$9,680,000	\$230,500,000	\$23.81	---
Travel Trade	\$1,070,100	\$37,600,000	\$14.77	---
Media Relations	\$262,600	---	---	\$34.8M Advertising Equiv
Media Broker	\$306,100	---	---	\$3.4M Savings & Value
Provincial Programs	\$225,100	---	---	---
US Research	\$302,100	---	---	---
Admin/ Other	\$521,200	---	---	---
(Sub-total USA)	\$12,367,200	\$268,100,000	\$21.68	---
<b>OVERSEAS</b>				
Europe Trade	\$794,300	\$8,400,000	\$11.28	---
Europe Consumer	\$333,900	\$2,700,000		
Europe Other	\$94,000	---	---	\$22.6M Advertising Equiv
France Trade	\$186,500	\$315,000	\$6.14	---
France Consumer	\$66,500	\$530,000		
France Other	\$4,200	---	---	\$0.3M Advertising Equiv
Japan Trade	\$375,300	\$847,000	\$0.78	---
Japan Other	\$65,500	---	---	\$7.5M Advertising Equiv
Europe Research	\$94,600	---	---	---
Admin/ Other	\$572,200	---	---	---
(Sub-total Overseas)	\$2,587,000	\$12,792,000	\$4.94	---
<b>TOTAL PROGRAM</b>	<b>\$14,954,200</b>	<b>\$280,892,000</b>	<b>\$18.78</b>	<b>---</b>



## 5.2 RECOMMENDATIONS

### 1. The US Market

Atlantic Canada obviously faces significant uncertainty in the US market in 2009. This evaluation has once again shown that the US program has the potential to take a very hard hit and still be viable. ACTP's marketing activities have a history of success and should be continued, subject to fine-tuning to reflect new market conditions.

### 2. US Travel Trade

Historically ACTP has focused its tour partnerships on top-performing operators. In 2008 new FIT test programs were carried out. The performance of tour partnerships varied dramatically in 2008. The poor performance of test programs pulled down overall results. Continuing testing in the Trade Sector is encouraged and a review of the process by which test partnerships are approved may help improve the number of tour operators who meet ROI targets.

### 3. Conversion Results

A portion of the US Program budget was reallocated to efforts in Calgary. The current conversion methodology does not permit identification of results of this initiative to be separated out from the overall US market efforts. If future investments are made in Western Canada, separate conversion results should be tabulated for those investments.

### 4. Overseas Markets

There continues to be a need to improve the measurement of impacts from the overseas campaigns, especially in the UK and Germany. If the ITS data are correct, they indicate Atlantic Canada is close to capturing 10 percent of the German market. This is very significant and it appears to indicate that something positive for Atlantic Canada is happening in the marketplace.

### 5. Japan

Although Japan is small, it appears to be turning around; especially as a result of the Anne 100<sup>th</sup> promotions (at least there is a turn-around on the part of media). Last year's evaluation questioned whether ACTP should continue in Japan. There now appears to be merit in staying.

### 6. Corporate Communications

Corporate Communications appears to be doing a remarkably good job at holding interest during a period where ACTP's primary markets are becoming less important to industry. This added problem should be noted if readership and other audience indicators begin to fall.

APPENDIX #1

***Follow-up to 2007-2008 Recommendations***

The 2007-08 evaluation made four recommendations. Recommendations and follow-up action are summarized below:

Recommendation #1:

*For purposes of evaluation and especially for purposes of strategy decisions it is recommended that the feasibility of undertaking at least periodic conversion studies of web inquiries in overseas markets be examined.*

Action:

A follow-up study by CTC in 2008 provided a partial solution (means to estimate economic returns) however there is still a requirement for more specific Atlantic Canada data.

Recommendation #2

*It is recommended that the Japanese market and the strategy for Japan be reviewed to determine if changes are required.*

Action:

Major changes were made in the Japan program in 2008 and the evaluation has found the market appears to be turning around.

Recommendation #3

*It is recommended that all new activities be capable of providing “stand alone” evaluations as per ACTP’s ongoing activities in US and overseas markets.*

Action:

There has been some improvement in evaluation data made available for the Western Canada campaign (the activity which prompted the recommendation) however it is still less than complete.

Recommendation #4

*It is recommended that the tourism performance indicators which have been drafted by ACTP be implemented with initial data available in one year (end of Agreement evaluation).*

Action:

Indicators were unavailable at the time of the end of Agreement evaluation (January 2009).