



**EVALUATION OF THE 2009-2012  
ATLANTIC CANADA TOURISM  
PARTNERSHIP**

**2009-2012 FINAL REPORT-  
EXECUTIVE SUMMARY**

**Submitted to:**

**Atlantic Canada Tourism Partnership**

**Submitted by:**

**Gardner Pinfold**

**March 2, 2012**

**Gardner  
Pinfold**  
Consultants Inc.  
[www.gardnerpinfold.ca](http://www.gardnerpinfold.ca)

**Nova Scotia**  
1331 Brenton St.  
Halifax, NS  
Canada, B3J 2K5  
Ph: 902-421-1720  
Fax: 902-422-5343  
[mgardner@gardnerpinfold.ca](mailto:mgardner@gardnerpinfold.ca)

**New Brunswick**  
46 Weldon Street  
Sackville, NB  
Canada, E4L 4N4  
Ph/Fax: 506-939-2261  
[gregmacaskill@gardnerpinfold.ca](mailto:gregmacaskill@gardnerpinfold.ca)

**British Columbia**  
6150 Baillie Rd.  
Sechelt, BC  
Canada, V0N 3A7  
Ph: 604-740-2703  
Fax: 604-885-9450  
[tpinfold@gardnerpinfold.ca](mailto:tpinfold@gardnerpinfold.ca)

# **EXECUTIVE SUMMARY**

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## **Purpose**

This is the final in a series of annual evaluations covering the 2009-2012 Atlantic Canada Tourism Partnership (ACTP) agreement. Consistent with the Treasury Board of Canada *Policy on Evaluation*, the purpose of this evaluation is to provide credible, timely and neutral information on the ongoing relevance and performance of direct program spending.

## **ACTP**

Founded in 1991 and renewed for consecutive three-year terms in 1994, 1997, 2000, 2003, 2006 and 2009, ACTP is dedicated to promoting Atlantic Canada as a tourism destination of choice in key tourism markets. ACTP represents a partnership among the Atlantic Canada Opportunities Agency (ACOA), the four provincial tourism departments and the four tourism industry associations in Atlantic Canada. The three-year \$19,950,000 budget is cost-shared among the partners, with 50% contributed by the Atlantic Canada Opportunities Agency, 33% contributed by the four Atlantic Provinces, and 17% contributed by the four Tourism Industry Associations in the region.

## **Governance**

*ACTP Policy and Operating Guidelines* continue to support the Management and Marketing Committees and the Secretariat in all critical decisions. This evaluation finds that the Secretariat is serving its roles in the timely distribution of research results, corporate communications, and oversight for consistency and coordination of all program activities. It is also acknowledged that all recommendations from the year one and two evaluations were acted upon by ACTP to the satisfaction of this year's evaluation.

The organizational structure of ACTP is compact and efficient. Overall direction is set by a 10-member Management Committee comprised of four provincial Deputy Ministers responsible for tourism, the Presidents (or delegates) of four provincial tourism industry associations, and the Vice-President and Director General of ACOA-PEI and Tourism.

Strategy research, development and implementation are carried out by the Marketing Committee. This committee is comprised of four provincial Directors of Marketing, four industry representatives appointed by their respective industry associations, and two ACOA-PEI and Tourism representatives.

## **Market Focus**

ACTP utilizes a research-based approach to focus its marketing efforts in the United States and in the United Kingdom. The Canadian Tourism Commission's (CTC) Market Portfolio Analysis (MPA) combined with an analysis of international travel statistics, CTC market reports and dedicated ACTP market research activities helped identify three geographic markets for ACTP's marketing programs in 2010 and in 2011. ACTP's three target markets for 2011 were the Mid-Atlantic U.S. (primary), New England U.S. (secondary), and U.K. (sole overseas).



Globally, four factors continue to affect Atlantic Canada's tourism competitiveness in international markets. These factors include the globalization of tourism, geopolitical conditions, changing travel behaviours, and changing travel interests.

The economic climate is particularly important to appreciate as part of the competitive tourism environment. In 2011, the slow economic recovery in the United States and sluggish U.K. economy continued to hamper consumer confidence. The relative strength of the Canadian dollar remained high in 2011 and is a deterrent to both U.S. and U.K. travellers. In the U.S., strong preference for U.S. destinations coupled with border inconvenience reduced visitation to Canada. U.K. travellers also preferred destinations closer to home and long-haul travel was down.

The Management Committee authorized the Marketing Committee to modify its travel trade partnership strategy away from a geographic focus to client-based marketing partnerships that incorporate new marketing tactics. These market adjustments represent significant mid-course corrections in ACTP's three-year marketing strategy, and the Committees acted appropriately.

### ***Market Performance***

ACTP's performance in these markets is measured by comparing visitation and revenue estimates for Atlantic Canada to Canada as a whole. The most recent three years of Statistics Canada data (2008-2010) combined results across all three target markets shows that, although visitation increased and revenues decreased, Atlantic Canada has outperformed the rest of Canada. Combined visitor share increased from 10.7% to 12.5%, and revenue share increased from 8.6% to 9.1%.

### ***ACTP Return on Investment (ROI)***

ACTP's primary overall objective is to achieve a \$10:1 return on investment (ROI) on all marketing investments. Preliminary estimates indicate ACTP generated an ROI of \$12.97 for every dollar invested in marketing over three years (\$11.31 in 2011). ACTP also generated \$6.9 million in media buying efficiencies over three years (\$3.4 million in 2011), and levered \$870,881 from its joint marketing agreement with tour operators in the United States and United Kingdom (\$367,671 in 2011).

### ***U.S. Marketing Program***

Our review of ACTP's marketing strategy documentation continues to find strong evidence that development of target markets and specific tactics are based on the results of market research as well as a solid understanding of the tourism industry and market dynamics.

ACTP's U.S. marketing activities collectively generated estimated revenues of \$124 million over 3 years (\$43.8 million in 2011) for tourism in Atlantic Canada, and achieved a three-year average ROI of \$13.49 (\$10.9 in 2011) for every dollar invested in direct to consumer advertising, travel trade partnerships and media relations. The following represent highlights for individual program elements.

- **Budget** – The three-year \$13.2 million in spending (\$6.6 million in 2011) makes this the largest program managed by ACTP.

- ❑ **Consumer campaign** – Visitation, revenues, and return on investment remained above targets in 2011 and over the three years. The three-year average campaign revenues were \$39 million (\$41.3 million in 2011). The combined ROI was \$13.66 for every \$1.00 (\$10.90 in 2011). The total efficiencies and value-added over three years was nearly \$6.9 million, representing 2.5 times the target on average.
- ❑ **Travel trade** – Travel trade development yielded 379 packages sold, a similar level compared to 2010. The U.S. travel trade ROI was \$5.21 in revenues for every \$1.00 invested, but this only includes two of the three partnerships since the third involved Facebook activity where sales could not be tracked. The annual average over three years was \$12.29 for every \$1.00 invested. Combined delivery of programs, tradeshow, and marketplaces were reaching target levels in 2011 and across the three years.
- ❑ **Media relations** – Publicity value was at the 2011 target level. ACTP invested \$150,000 in its media relations program in 2011 and generated an ROI of \$14.55 in publicity value for every dollar invested in the program. The annual average over three years was \$10.61 for every dollar invested. The press tour targets were also reached in 2011.
- ❑ **Research program** – The research projects, budget allocations, completion dates, and timely distribution of results have all met expectations. ACTP research is considered high quality, effective, and critical for marketing efforts within the provinces and industry.
- ❑ **Administration** – Financial controls, coordination and communication with the Marketing Committee, and supply of briefs, presentations, data, and all other information appear to be provided when and as requested of the Program Manager. A separate secretariat evaluation covers the administration performance and the outcomes are positive across all three years.

### ***U.K. Marketing Program***

Our review of ACTP's marketing strategy documentation continues to find strong evidence that ACTP's U.K. marketing strategy and tactics are based on the results of market research, as well as a solid understanding of the U.K. travel market.

ACTP's U.K. marketing activities collectively generated revenues of \$17.9 million over 3 years (\$11.0 million in 2011) for tourism in Atlantic Canada, and achieved a three-year average ROI of \$10.22 (\$12.82 in 2011) for every dollar invested in direct to consumer advertising, travel trade partnerships and media relations. The following represent highlights for individual program elements.

- ❑ **Budget** – The three-year spending was \$2.6 million, including \$1.2 million in 2011 which was a substantial rise in activity over the previous year (\$675,000 in 2010).
- ❑ **Consumer campaign** – The AtlanticCanadaHoliday.ca website experienced excellent three-year average visitation levels of 33,480 (30,981 in 2011). Consumer revenues attributable to the campaign were \$11.2 million over three years (\$6.1 million in 2011). The three-year estimated ROI was \$9.21 for every dollar invested (\$10.10 in 2011) and is on target.



- ❑ **Travel trade** – Partnerships with tour operators averaged on target across the three years with a substantial increase to 8 in 2011. ACTP generated sales jumped to \$2.3 million in 2011, bringing the three-year average up to \$1.1 million. ACTP's ROI on its joint marketing partnership reached \$35.22 in 2011. The annual average over three years was \$25.67 for every dollar invested. In 2011, ACTP levered a three-year peak of \$115,921 in tour operator funding for its joint marketing agreements. The combined amount over three years was \$212,000 in levered funding.
- ❑ **Media relations** – The target for 2011 was more than doubled with nearly \$2.6 million in publicity value generated. The annual average over three years was \$1.1 million and well above the targets set. The ROI was higher in 2011 at \$13.78 per dollar invested, bringing the three-year average up to \$8.30 for every dollar invested while still below the \$10 target.
- ❑ **Research program** – The research projects, budget allocations, completion dates, and timely distribution of results have all met expectations. ACTP research is considered high quality, effective, and critical for marketing efforts within the provinces and industry.
- ❑ **Administration** – Financial controls, coordination and communication with the Marketing Committee, and supply of briefs, presentations, data, and all other information appear to be provided when and as requested of the Program Manager. A separate secretariat evaluation covers the administration performance and the outcomes are positive across all three years.

## **Recommendations**

The final year and overall three-year ACTP evaluation is very positive with respect to organization, governance, and marketing. The following recommendations are offered:

- ❑ **Recommendation 1** – Continue the partnership – if at this juncture there were any significant challenges it would be incumbent upon evaluators to recommend a change of course. However over three years, \$142 million in revenues stemmed from ACTPs \$11 million investment in direct to consumer, travel trade, and media campaigns resulting in a \$12.97 return on the dollar. ACTP levered \$871,000 from other partners and achieved \$7.2 million in media buying efficiencies. The ACTP clearly represents value to the partners and is operated exceptionally well, therefore it should continue under a new agreement.
- ❑ **Recommendation 2** – Raise prominence of innovation and flexibility – ACTP investments have been firmly research driven and always based on the business case for tourism. This rigorous performance based approach has been a hallmark of ACTP that has allowed for clarity and accountability in all activities. However ACTP partners indicated that as markets evolve, some future developments may require nimble marketing responses. In the context of the next agreement, mechanisms and opportunities should be explored to allow for innovation, flexibility, and creative marketing even if this involves taking some additional risk.