

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

2009-2012 FINAL REPORT

Submitted to:

Atlantic Canada Tourism Partnership

Submitted by:

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EXECUTIVE SUMMARY

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.



OVERVIEW OF ACTP

This is the third and 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*¹, the purpose of this evaluation is to provide credible, timely and neutral information on the ongoing relevance and performance of direct program spending.

Purpose and benefit of evaluations are to:

- ❑ Make evaluation findings available to Ministers, central agencies, and department heads to be used for evidence-based decision-making on policy, expenditure management and program improvements.
- ❑ Make evaluation findings available to governments and Canadians to support accountability for results achieved by policies and programs.

This evaluation report endeavours to link the mandate and role of ACTP with documented activities and performance measures established for the partnership. It is intended to be a non-technical document designed to inform stakeholders, tourism operators and the public on challenges and successes of the 2009-2012 Atlantic Canada Tourism Partnership. The 2009 and 2010 evaluation reports (also prepared by Gardner Pinfold) provided detailed descriptions of ACTP's governance model, operations and activities. Although this evaluation (year three) retains some of this descriptive content for context and background, it focuses primarily on performance indicators across the partnership's program areas.

1.1 FUNDING PARTNERSHIP

Founded in 1991, ACTP is a nine-member, pan-Atlantic partnership consisting of the ACOA, the four tourism industry associations in Atlantic Canada and the provincial departments responsible for tourism in New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island. ACTP was renewed in 1994, 1997, 2000, 2003 and 2006 for consecutive three-year terms. The current three-year Atlantic Canada Tourism Partnership agreement came into effect on April 1, 2009, and will expire on March 31, 2012.

ACTP is dedicated to promoting Atlantic Canada as a leading vacation destination in key American and European markets. Its mission is to grow the tourism industry in Atlantic Canada, which generates \$4.0 billion in revenues annually and employs over 110,000 Atlantic Canadians. ACTP markets Atlantic Canada as a preferred vacation destination through integrated direct-to-consumer advertising, travel trade partnerships and media relations activities.

¹ Treasury Board of Canada. 2009. Policy on evaluation. (online: www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=15024; last viewed February 2011)

The Atlantic Canada Tourism Partnership is founded on the principle that more can be gained through combined efforts and bulk media purchasing than could be achieved by the partners individually. The mandate and policies of ACTP have been shaped over the years to ensure that ACTP does not duplicate provincial efforts (incrementality) and that a common marketing strategy is of benefit to all partners.

Funding for the three-year, \$19.95 million Atlantic Canada Tourism Partnership is cost-shared among all partners. Fifty percent is contributed by ACOA, 33% by the four Atlantic Provinces and 17% by the region's four Tourism Industry Associations. ACTP's three-year marketing budget is \$16.6 million. An additional \$3.4 million is contributed in-kind by industry through fulfillment materials, sponsorship of familiarization tours and press tours, and industry's participation in media and trade events. Table 1 presents ACTP's spending for the 2009-2012 partnership.

Key overall ACTP achievements:

- ❑ ROI is \$12.97 for every dollar invested across 3 years (\$11.31 in 2011).
- ❑ ACTP levered \$870,881 worth of investments in 3 years (\$366,671 in 2011).
- ❑ Achieved \$6.9 million in media buying efficiencies in 3 years (\$3.4 million in 2011).

Table 1: ACTP expenditures by year

ACTP	2009	2010	2011 ¹	Total
3-Year Spending (\$19,950,000¹)				
Administration				
Secretariat (\$594,108)	\$128,712	\$180,177	\$228,531	\$537,420
Communications (\$51,186)	\$23,070	\$17,917	\$10,199	\$51,186
Evaluation (\$123,814)	\$32,378	\$37,082	\$54,354	\$123,814
Sub-total	\$184,160	\$235,176	\$293,084	\$712,420
Marketing Programs				
US budget (\$13,232,243)	\$2,133,762	\$4,241,226	\$6,638,594	\$13,013,582
UK budget (\$2,557,150)	\$665,030	\$674,642	\$1,212,545	\$2,552,216
Sub-total	\$2,798,792	\$4,915,868	\$7,851,139	\$15,565,798
Industry Contribution	\$1,130,500	\$1,130,500	\$1,130,500	\$3,391,500
Total spending	\$4,113,451	\$6,281,544	\$9,274,722	\$19,669,718

Note: Budgets are as of December 31st each year. *2011 includes funds allocated prior to fiscal year-end. At the time of this report, \$280,283 remains to be allocated prior to March 31, 2012.

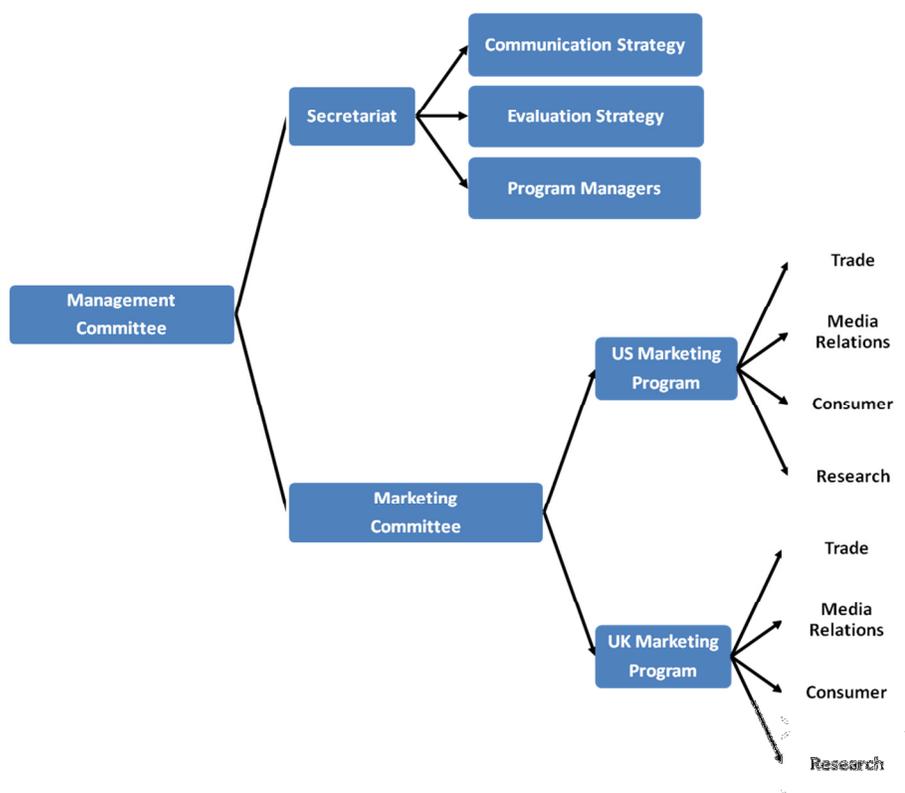
1.2 STRUCTURE AND KEY ACTIVITIES

The organizational structure of ACTP is compact and efficient (Figure 1). 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. The Management Committee provides policy and program direction for the Secretariat and the Marketing Committee. It is responsible for approving all program and administrative budgets. Under the agreement, decisions by the Management Committee are made by consensus.

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. The Committee works closely with ACTP's U.S. and U.K. Program Managers and provides overall approval, support and guidance on all marketing initiatives. Decisions by the Marketing Committee are made by consensus.

The day-to-day administration of the partnership is the responsibility of a Secretariat. The Secretariat administers the agreement, facilitates and coordinates ACTP activities, implements corporate communications strategies, hires and oversees the U.S. and U.K. Program Managers and coordinates annual and end-of-agreement evaluations.

Figure 1: ACTP organizational chart



1.3 BUSINESS AND MARKET ENVIRONMENT

Atlantic Canada competes with other jurisdictions for international arrivals. According to ACTP's U.S. and U.K. market studies and the CTC's Global Tourism Watch, Quebec and Ontario are Atlantic Canada's primary Canadian competitors, while the United States and Western Europe are ACTP's primary international competitors. 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.

1.4 MARKET PERFORMANCE

1.4.1 Marketing 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.

2011 market focus:

- ❑ **Primary market** – Mid-Atlantic U.S. States (New Jersey, New York, Pennsylvania).
- ❑ **Secondary market** – New England States (Maine, New Hampshire, Connecticut, Massachusetts, Vermont, Rhode Island).
- ❑ **Overseas market** – United Kingdom.

ACTP's approach to market consolidation and market segmentation has allowed the partnership to focus on high potential international travellers with an interest in the tourism experiences offered throughout the Atlantic region.

1.4.2 Market Performance – Canada

According to Statistics Canada's International Travel Survey, in 2010 Canada hosted 1.3 million visitors from the New England region of the United States, 2.5 million from the Mid Atlantic region of the United States and 661,000 visitors from the United Kingdom.

As shown in Table 2, between 2009 and 2010 visitation to Canada declined slightly from all three target markets. Despite this, revenues increased 8% from New England, remained the same from the Mid-Atlantic, and only declined from the U.K. by 9%.

Table 2: Visitors to Canada and revenues by market and year (000s)

Market	2009 ¹		2010 ²		% Change	
	Visits	Revenues	Visits	Revenues	Visits	Revenues
New England US	1,358	\$515,000	1,309	\$555,000	-4%	8%
Mid-Atlantic US	2,662	\$1,084,000	2,519	\$1,078,000	-5%	-1%
UK	686	\$894,000	661	\$811,000	-4%	-9%

1. Source: Statistics Canada, 2010. International Travel 2009.

2. Source: Statistics Canada, 2011. International Travel 2010.

1.4.3 Market Performance – Atlantic Canada

The foundation for assessing ACTP's performance in these markets is to compare visitation and revenue estimates for Atlantic Canada to Canada as a whole. Statistics Canada's International Travel Survey provides this comparison. According to Statistics Canada (Table 3), with the

exception of the Mid Atlantic region of the United States, Atlantic Canada outperformed the national average in terms of growth in both visitation and revenues. Of particular interest is that in 2010, Statistics Canada reported a 7% increase in New England arrivals to Atlantic Canada, versus an 4% decline for Canada. Atlantic Canada also recorded an 18% increase in revenues from the Mid Atlantic U.S., and a 30% decline in U.K. revenues.

Table 3: Visitors to Atlantic Canada and revenues by market and year (000s)

Market	2009 ¹		2010 ²		% Change	
	Visits	Revenues	Visits	Revenues	Visits	Revenues
New England	396	\$115,000	423	\$115,000	7%	0%
Mid-Atlantic US	92	\$54,000	90	\$63,000	-2%	18%
UK	68	\$63,000	50	\$44,000	-26%	-30%

1. Source: Statistics Canada, 2010. International Travel 2009.

2. Source: Statistics Canada, 2011. International Travel 2010.

1.4.4 Market Share – Atlantic Canada

An analysis of market share highlights ACTP's market performance relative to other Canadian jurisdictions. According to Statistics Canada's International Travel Survey (Table 4), Atlantic Canada recorded a 3% increase in its share of overnight visits to Canada from New England. However, it lost market share in terms of revenues (down 7%). In the Mid Atlantic U.S., Atlantic Canada held visitor market share and increased its share of revenues by 19%.

In the United Kingdom, Atlantic Canada's share of overnight visits decreased from 7.5% to 6.1%, and its share of spending by overnight U.K. visitors to Canada decreased from 7.0% to 5.5%.

Table 4: Atlantic Canada's share of visitors and revenues in Canada by market and year

Market	2009		2010		% Change	
	Visits	Revenues	Visits	Revenues	Visits	Revenues
New England	29.1%	22.3%	30.0%	20.8%	3%	-7%
Mid-Atlantic US	3.5%	5.0%	3.5%	5.9%	1%	19%
UK	7.5%	7.0%	6.1%	5.5%	-19%	-21%

The 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%.

1.4.5 Target Market Adjustment

In 2010, the economic recovery in the United States from the global recession was lagging that of Canada and other countries. Consumer confidence in the U.S. economy remained low. Leisure travel studies by North American jurisdictions and syndicated travel studies such as TNS Travels America indicated that Americans took fewer trips in 2010, and travelled closer to home.

Knowledgeable of the situation in the United States, conversion and visitation data at the provincial level, ACTP's Marketing Committee requested that the Canadian Tourism Commission provide a new Market Portfolio Analysis (MPA), Market Investment Analysis (MIM) and Return on Investment model (RIM) to determine if any shifts in geographic markets were warranted.

After reviewing the CTC reports in September 2010, the Marketing Committee provided ACTP's Management Committee with a business case to withdraw from the Pacific region of the United States and to re-enter the New England market. After considerable discussion, the Management Committee exercised the flexibility built into the 2009-2012 partnership agreement and authorized a shift in market focus. It directed the Marketing Committee to allocate up to 30% of the U.S. marketing budget to New England. The caveat being that the Marketing Committee adopted a fresh, new approach to its marketing activities in the New England market – a lifestyle approach to marketing in 2011.

Additionally, 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 (online promotions, new products, and new product itineraries). The Management Committee also agreed that travel trade partnerships based exclusively on consumers residing within ACTP's defined geographic markets was too limiting. Subsequently, the Management Committee authorized the Marketing Committee to promote Atlantic Canadian group and fully independent travel (FIT) experiences to tour wholesalers' entire client database, regardless of where these clients resided.

These market adjustments represent significant mid-course corrections in ACTP's three-year marketing strategy. ACTP's policy guidelines provided the necessary authority and guidance for such decisions. The Marketing Committee presented a strong business case for the adjustments and ACTP's Management Committees acted appropriately.

II

ANALYSIS AND FINDINGS

2.1 GOVERNANCE AND MANAGEMENT

2.1.1 Management Committee

ACTP's Management Committee is responsible for the administration and management of the agreement, including the review and approval of all strategies, programming, work plans and budgets annually, and overseeing the work of the Marketing Committee and the Secretariat. The Management Committee is also responsible for coordinating the agreement with other federal and provincial programs and industry activities, developing and overseeing a *Communications Policy* and ensuring the free flow of information among the parties.

Performance

Our evaluation finds that the Management Committee continues to:

- ❑ Find relevance in ACTP's policy guidelines that provide the necessary guidance in decision-making (including the U.S. market shift decision).
- ❑ Operate effectively with a compact organizational structure and clear lines of direction with the Secretariat, Marketing Committee, and Program Managers.
- ❑ Continues to have effective meetings, decision-making, reporting, and approval of funding while operating in a collaborative manner and on a consensus basis among the partners.

2.1.2 Secretariat

Through a competitive process, the Tourism Industry Association of PEI (TIAPEI) was selected as the Secretariat for ACTP. As the Secretariat, TIAPEI manages the activities of ACTP and works in close collaboration with the Management Committee, Marketing Committees and Program Managers in the day-to-day administration of the agreement. The Secretariat is selected by and reports to the Management Committee.

Administration

The Secretariat meets its responsibilities within the annual budget it has been assigned (\$594,108 over three years). The Secretariat serves several functions including financial controls, project and activity tracking, documentation and reporting. Meeting coordination, information sharing, and briefing new ACTP participants are part of the Secretariat's responsibilities.

Distribution of research findings

The Secretariat is responsible for the distribution of pertinent information to all ACTP partners, committees and contracted agencies. In particular ACTP research findings are collated and packaged in usable form for a wide audience. Current research findings posted on ACTP's website and distributed by email and newsletters are useful for local and regional tourism planning efforts.

The Secretariat maintains the flow of communications between all committees and plays an important role in presenting key research findings to tourism operators and the public. The Secretariat attends the four regional Tourism Industry Association conferences annually and promotes ACTP through industry presentations, trade show booth, and other materials.

Corporate communications

The Secretariat is responsible for implementing a corporate communications strategy in accordance with directives received from the Management Committee. The Strategy seeks to achieve the following:

- ❑ Create an awareness of the Atlantic Canada Tourism Partnership, its initiatives, successes and its achievements among targeted tourism industry audiences through consistent and sustained communications and public relations activities.
- ❑ Maintain and increase the target audience's support for the Atlantic Canada Tourism Partnership, its activities and related funding.
- ❑ Identify and demonstrate the benefits of federal, provincial, industry partnerships.
- ❑ Identify and demonstrate the benefits of regional cooperation in Atlantic Canada.

A \$50,000 budget was allocated for implementation over the three years with more weight assigned in the early years along with start-up activities.

Evaluation of corporate communications relies on the following performance measurement criteria established at the outset of the agreement:

- ❑ Attendance at trade shows (target of 4 met each year),
- ❑ Presentations at tourism industry association (TIA) conferences (target of 4 met each year).
- ❑ E-news letters, web statistics and brochure distribution (no targets set).

Marketing program oversight

The Secretariat continues to work with the two Program Managers to ensure that all Program elements follow ACTP's policy guidelines. The Program Managers are accountable to ACTP Secretariat on issues related to hours worked, vacation, and annual performance review, but take direction from the Marketing Committee on all marketing related matters.

Follow-up from previous evaluations

All recommendations from the year one and year two evaluations were acted on by ACTP. In 2011, the first recommendation was to consider a conversion study on direct to consumer marketing for the U.K. to better assess performance of marketing activities and make assessments consistent with the approach for U.S. markets. It was not possible to initiate a conversion study in time for the 2011 year, but this is planned for 2012. The second recommendation in 2011 was to consider broadening the scope for travel trade partnerships, particularly in the U.S., by allowing partnerships with operators that do not sell into all four Atlantic provinces. The requirement set for 2011 was that travel trade operators must sell or be willing to sell product from all four provinces.

2.1.3 Marketing Committee

The Marketing Committee is responsible for developing annual marketing strategies based on sound market research, tourism performance measurement, and liaison with the CTC. The Marketing Committee makes marketing recommendations to the Management Committee, provides project briefs, and implements actions, amendments or revisions required by the Management Committee.

Regional approach

The Marketing Committee's strategies aim to enhance the brand equity of provincial and industry partners in priority markets in the United States. The *'Atlantic Canada, Awaken to the Rhythm of the Sea'* brand is used to position the region in the U.K. ACTP uses the *'Canada Keep Exploring'* logo in all media. The *'Welcome to Atlantic Canada'* regional identifier is used in all media in the U.S. ACTP's marketing activities in all target markets have tactics that are common to the four Atlantic Provinces, as specified in the Memorandum of Understanding (MOU). Efficiencies are maximized through the use of a common and independent media planner/buyer and media relation providers. ACTP's reach into the trade sector is directed at developing marketing partnerships with the tour wholesalers and operators actively selling all four Atlantic Provinces in target markets.

Regional benefits

ACTP enables the Provinces to pool resources and increase their visibility in key markets. In most cases the Provinces would not have the resources to undertake campaigns of this scale on their own.

Performance

Our review of meeting minutes and rationale for decision-making suggest that the Marketing Committee continues to deliver a research driven strategy. There are no significant challenges to report in 2011 or for the three years overall.

2.2 U.S. MARKETING PROGRAM

Our review of the 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.

The U.S. Marketing Program Manager coordinates the delivery of ACTP's direct-to-consumer advertising campaigns, joint marketing partnerships with the travel trade and the partnership's media relations activities. The Program Manager accounts for marketing resource allocations and collects performance measurement information provided in part by task forces, provincial and federal partners, media buyers, travel trade partners and media-relations providers. ACTP's research activities in the United States are coordinated by a task force comprised of provincial tourism research analysts, ACOA and the U.S. Program Manager.

The three-year U.S. Marketing Program budget is \$13,232,243. 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 (\$11.0 in 2011) for every dollar invested in direct to consumer advertising, travel trade partnerships and media relations.

Marketing efficiencies and performance

ACTP contracted with Jungle Media (a division of Cossette Media) to act as ACTP's media planner and media buyer. Jungle's media planning activities ensure that all partners are participating in a common media buy (same magazines, same newspapers, same online media, etc.). Their media buying activities ensure that all partners benefit from the economies and efficiencies afforded by the bulk buying of print and online media.

As shown in Table 2.2.3, Jungle Media's activities generated \$2.4 million in media efficiencies and value adds in 2011, and a total of \$6.9 million over the three-year ACTP agreement. In 2011 ACTP achieved an ROI of \$10.9 for every \$1.00 invested in media buying/efficiencies activities, and an ROI of \$13.7 across three years.

2.2.1 U.S. Consumer Campaign

At nearly \$8.6 million over three years, ACTP's direct-to-consumer advertising campaign in the United States was the largest individual program activity undertaken. The campaign was designed to create increased awareness of and demand for Atlantic Canadian travel experiences, and to position each of the four Atlantic Provinces as preferred leisure travel destinations among three 'high potential' lifestyle segments – Exurban Explorers, Outdoorsy Elite and Young Sophisticates. These lifestyle segments were developed for ACTP by Environics Analytics, using their PRIZM clustering model. Environics Analytics linked each of the lifestyle segments to BBM reports (and other media consumption databases) to provide ACTP with highly targeted and tactical media options.

Performance indicators

- ❑ **Inquiries, visitation, revenue and return on investment** – ACTP's direct-to-consumer advertising campaigns performed above targets in 2011 and over the three years.
- ❑ **Party visits** – ACTP's 2011 direct-to-consumer advertising campaign generated more than 52,000 qualified inquiries that led to almost 28,000 party visits. Over the three-year period the annual average was 25,200.
- ❑ **Revenues and ROI** – These visitor parties spent over \$41 million while vacationing in Atlantic Canada in 2011, resulting in a return on investment of \$10.9 for every \$1.00 in media purchased. The three-year combined ROI was \$13.7 for every dollar invested.
- ❑ **Savings and value added** – Media efficiencies exceeded targets by a factor of 3.8 in 2011. The total efficiencies and value-added over three years was nearly \$6.9 million, representing 2.5 times the target on an annual average basis.

2.2.2 U.S. Travel Trade

ACTP's U.S. Travel Trade Strategy focuses on developing joint marketing partnerships with tour wholesalers / operators and travel influencers that have an ability to generate incremental sales from targeted U.S. markets. ACTP advantages these marketing partnerships to deliver educational and training sessions to tour operator's front line staff as a means to increase their awareness and appreciation of the four Atlantic Provinces, and their ability to sell Atlantic Canadian vacation experiences.

Performance indicators:

- ❑ **Number of partnerships** – ACTP participated in three joint marketing partnerships with the travel trade in 2011. Over the three years, 72% of the target was achieved on average.
- ❑ **Packages sold** – In 2011, ACTP’s partnerships generated 379 tour packages for Atlantic Canada, and was similar to 2010 results. The three-year average was 534 (no target set).
- ❑ **ROI** – The 2011 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, and was above the target.
- ❑ **Tradeshows, and marketplaces** – Overall, in 2011 and across the three years ACTP met targets.

2.2.3 U.S. Media Relations

ACTP’s Media Relations Program aims to enhance the appeal of the Atlantic Provinces through publicity in both print and online media. The key objectives of ACTP’s Media Relations activities are to generate greater awareness of each of the Atlantic Provinces, to position the Atlantic Provinces as premier vacation destinations in U.S. markets and to distinguish Atlantic Canada from its competitors.

Media relations program components:

- ❑ Promotional activity designed to attract the attention of the media to Atlantic Canada.
- ❑ Press tours offered to journalists who respond to ACTP promotions on pan-Atlantic or individual provincial basis.

Meredith Pillon Marketing Communications (MPMC) was contracted in 2011 to replace Hawkins International PR as ACTP’s Media Relations provider in the United States. MPMC coordinates ACTP’s U.S. media relations program and creates and distributes featured press releases, coordinates social media outreach and broadcasts media editorials in conjunction with ACTP and a media relations task force (comprised of the U.S. Program Manager, provincial Media Relations Managers and an ACOA and industry representative). MPMC also works to coordinate individual and group press tours to Atlantic Canada.

Performance indicators

- ❑ **Publicity value** – 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.
- ❑ **Press tour participants** – ACTP continued to meet the press tour target in 2011, and achieved 63% of the target on average over the three years.

2.2.4 U.S. Research Program

The Marketing Committee developed a three-year research program to parallel its marketing strategy. This research agenda is both directional and evaluative in nature. The research assesses market conditions and poses recommendations for geographic and consumer targets. It provides information on emerging market trends and issues, consumer attitudes and perceptions, destination awareness and appeal, travel motivators and vacation activities, interest in and likelihood of vacationing in Atlantic Canada, etc. ACTP's research agenda also includes evaluative components such as conversion studies that directly link the partnership's marketing activities with market performance.

ACTP partners with the CTC on appropriate market studies. More importantly, it draws on provincial and federal resources for research design, data analysis and data interpretation. Our evaluation confirms that research is the pillar of ACTP's strategic planning process. It is used to identify and capitalize on target markets. There is strong evidence that strategies and individual marketing tactics are based on the results of market research, as well as a solid understanding of the tourism industry and market dynamics.

Research activities include:

- ❑ U.S. Web Conversion
- ❑ U.S. Social Mapping
- ❑ U.S. Global Tourism Watch
- ❑ U.S. Travel Trade Research
- ❑ Atlantic Canada Market and Return on Investment Models
- ❑ Atlantic Canada Showcase Research
- ❑ U.S. Consumer Segmentation Research
- ❑ U.S. Consumer Research

Performance indicators

Access to current and up-to-date tourism market intelligence is the value and aim of ACTP's research activities. The above account of research products, budget allocations, and status, indicates that research is being completed as planned for timely distribution to decision-makers and the industry at large.

- ❑ **Topics and budgets** – Each of the research products commissioned by ACTP have been completed and delivered according to budget.
- ❑ **Timeliness** – All projects were successfully completed on schedule in 2011 and over the three-year agreement.
- ❑ **Value** – Research was integrated into the ACTP marketing program as soon as it became available, and was used separately by the provinces to direct their marketing.

2.2.5 U.S. Program Administration

The administration of the U.S. Marketing Program is described by a long list of responsibilities set out in the job description for the Program Manager. Those requiring the most attention are highlighted here.

Program manager responsibilities:

- ❑ Develop and implement, in consultation with the Marketing Committee, an integrated Consumer, Travel Trade and Media Relations Marketing Strategy.
- ❑ Develop and implement, in consultation with the Marketing Committee, tactical work plans.
- ❑ Manage and coordinate the administration and implementation of committee programs and special project initiatives, in consultation with the Marketing Committee; such programs and project initiatives include consumer, travel trade and media relations activities.
- ❑ Develop and implement, in consultation with the Marketing Committee, performance measurement objectives including evaluation criteria and reporting mechanisms to evaluate the results of projects.
- ❑ Prepare and present final project evaluation reports for inclusion into overall ACTP Evaluation Reports.
- ❑ Act as liaison with external Research professionals on behalf of the Marketing Committee.

Performance

The job performance of the Program Manager is formally assessed on a yearly basis with a minimum satisfaction requirement of 90%. This assessment is completed by the Marketing Committee on or before April 1st of each year. Our evaluation does review materials prepared by the Program Manager and documentation from meetings. This review suggests that the necessary financial controls, coordination and communication with the Marketing Committee, and supply of briefs, presentations, and all other information appear to be provided when and as requested.

2.3 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 overseas marketing activities continue to build on the successes of previous programs, with a new and sustained focus on the United Kingdom. The CTC's Market Portfolio Analysis combined with an analysis of international travel statistics, CTC market reports and dedicated ACTP market research determined that the U.K. represented the best investment opportunity and the highest potential for growth. Unlike the U.S. market where four provincial brands are retained, ACTP's U.K. Marketing Program delivers a coordinated '*Atlantic Canada, Awaken to the Rhythm of the Sea*' brand in the U.K.

U.K. marketing strategy objectives:

- ❑ Generate visitation and revenue for the four provinces of Atlantic Canada.
- ❑ Leverage the CTC's marketing efforts in the U.K. and other partnered programs.
- ❑ Focus efforts on developing and enhancing relationships with high-yield tour operators with a proven capacity to generate visitation and revenue for the four Atlantic Provinces.
- ❑ Build awareness of the Atlantic Canada brand.
- ❑ Convert high-yield customers and position Atlantic Canada as the preferred destination for second-time visits to Canada.
- ❑ Achieve a return-on-investment \$10:1 on all marketing activities in the U.K.
- ❑ Secure increased media coverage for the region and in turn, each of the four Atlantic Provinces.

In achieving these strategic objectives, ACTP's marketing efforts incorporate a number of initiatives including direct-to-consumer advertising, marketing partnerships with the Canadian Tourism Commission; joint marketing agreements (JMA's) with tour operators; in-market travel trade promotions; tour operator and media familiarization tours; media relations activities and press tours; and participation in strategic marketplaces, tradeshow, road shows, workshops and educational seminars. An essential ingredient of ACTP's marketing efforts is the integration of the CTC's Canada brand. All direct-to-consumer, travel trade and media relations activities both incorporate and advantage the CTC's "*Canada, Keep Exploring*" logo and tag line.

The primary objective of ACTP's U.K. Marketing Program is to attain an overall ROI of \$10.00 for every \$1.00 invested in marketing (direct-to-consumer advertising campaigns, development of joint marketing partnerships with the travel trade and media relations activities). The estimated overall U.K. program ROI for 2011 is \$12.82 for every dollar invested, and \$10.22 across three years.

ACTP's three-year U.K. Marketing Program budget is nearly \$2.6 million.

2.3.1 U.K. Consumer Marketing Program

ACTP's U.K. Consumer Marketing Program builds awareness of and demand for Atlantic Canada vacation experiences among high-yield market segments. Through a mix of traditional and non-traditional media, marketing initiatives encourage consumers to book an Atlantic Canada vacation experience through ACTP's travel trade partners. The U.K. Consumer Marketing Program is comprised of the following:

U.K. consumer marketing program:

- ❑ Consumer advertising in key publications including national newspapers, travel magazines, out-of-home and online media.
- ❑ Consumer advertising in partnership with tour operators and non-traditional partners.
- ❑ Event marketing.
- ❑ Partnering with the CTC on their U.K. core consumer campaign.

- ❑ Online marketing and social media opportunities in partnership with CTC, tour operators and non-traditional partners.

Performance indicators

- ❑ **ACTP website visits** – The *AtlanticCanadaHoliday.ca* website continued to experience excellent visitation levels (30,981 in 2011) as a direct result of ACTP marketing efforts. An annual average of 33,480 ACTP generated visits was achieved over three years.
- ❑ **U.K. visits, revenues, and market share** – Consumer revenues attributable to the campaign averaged \$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.
- ❑ **ACTP gross consumer spending** – Spending was on target for 2011 and for the three-year agreement.
- ❑ **ROI** – The three-year estimated return on investment was \$9.20 for every dollar invested (\$10.10 in 2011).
- ❑ **Added value** – Added value was \$23,546 in 2011 and averaged \$24,310 over three years.
- ❑ **CTC leverage** – ACTP benefits from about \$2.9 million invested by the CTC in the U.K.

2.3.2 U.K. Travel Trade

ACTP's U.K. Travel Trade Strategy focuses on developing incremental and integrated joint marketing partnerships with tour operators and travel influencers that have an ability to generate incremental sales for Atlantic Canada. ACTP advantages these marketing partnerships to deliver educational and training sessions to tour operator's front line staff, as a means to increase their awareness and appreciation of the four Atlantic Provinces, and their ability to sell Atlantic Canadian vacation experiences. ACTP's U.K. Travel Trade Strategy is based on the following strategic components:

U.K. travel trade strategy objectives:

- ❑ Nurture existing and new partnership opportunities,
- ❑ Encourage extended and improved itineraries and product offerings,
- ❑ Enhance product knowledge through training and education,
- ❑ Leverage against the CTC and other partner programs where possible,
- ❑ Increase consumer awareness of Atlantic Canada vacation opportunities through trade activities, and
- ❑ Create greater synergies between ACTP's consumer advertising and media relations' activities.

Performance indicators

- ❑ **Numbers of partnerships** – ACTP’s travel trade partnerships are with tour operators that sell or are willing to sell product from all four Atlantic Provinces. ACTP participated in 8 joint marketing partnerships with the tour operators in 2011, exceeding the target set. In recent years, the travel trade industry in the U.K. has undergone a consolidation process resulting in fewer, but larger tour operators.
- ❑ **Sales** – In 2011, ACTP generated revenues jumped to \$2.3 million, bringing the three-year average up to \$1.1 million.
- ❑ **ROI** – ACTP’s ROI on its joint marketing partnership increased each year and reached \$35.22 in 2011. The annual average over three years was \$25.67 for every dollar invested.
- ❑ **Familiarization tours, education sessions, tradeshow, and marketplaces** – The number of familiarization tour participants supported by ACTP in 2011 was six and at the target level. ACTP also met its target for two tradeshow and marketplaces attended.
- ❑ **Leveraged dollars** – 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.

2.3.3 U.K. Media Relations

Similar to ACTP’s Media Relations Program in the United States, its U.K. program aims to enhance the appeal of Atlantic Canada as a vacation destination through publicity in both print and online media. The key objectives of ACTP’s Media Relations activities are to generate greater awareness of Atlantic Canadian travel experiences, position the Atlantic Canada as premier vacation destinations in the U.K. and to distinguish Atlantic Canada from its competitors.

KBC PR & Marketing was contracted as ACTP’s Media Relations provider in the United Kingdom. In conjunction with ACTP’s U.K. Program Manager and a media relations task force (comprised of provincial Media Relations Managers and an ACOA and industry representative), KBC creates and distributes featured press releases, coordinates social media outreach and broadcasts media editorials. KBC also works to coordinate individual and group press tours to Atlantic Canada.

Performance indicators

- ❑ **Publicity value** – The target for 2011 was more than doubled with nearly \$2.6 in publicity value generated. The annual average over three years was \$1,126,267 and well above the targets set.
- ❑ **ROI** – The ROI was below targets but increased each year to \$13.79 in per dollar invested in 2011, bringing the three-year average up to \$8.30 for every dollar invested.
- ❑ **Press and Fam tour participants** – The number continued to increase in 2011 yielding a total of 23 and exceeding the target for the year.

2.3.4 U.K. Research Program

The purpose of the U.K. Research Program is to benchmark and assess destination awareness, perceptions, appeal, interest in and likelihood of vacationing in Atlantic Canada. It is also used to identify vacation motivators, destination attributes and activities of importance to U.K. travellers, to identify emergent travel trends and to provide data to support evaluation and planning.

Performance indicators

Research performance is not gauged in the same way that sales and ROI are reported for other program areas. The primary value of research is in its timely distribution and clear communication to decision-makers and the tourism industry at large. The above account of budget allocations and completion of research is an indication of satisfactory performance.

- ❑ **Topics and budgets** – Each of the research products commissioned by ACTP have been completed and delivered according to budget. Consumer research was completed in 2011 in preparation for the next agreement.
- ❑ **Timeliness** – All projects were completed on time in 2011.
- ❑ **Value** – Research was integrated into the ACTP marketing program as soon as it became available, and was also used separately by the provinces to direct their marketing.

2.3.5 U.K. Program Administration

The administration of the U.K. Marketing Program is described by the list of responsibilities set out in the job description for the Program Manager. These are the same as those reported for the U.S. Program Manager and are not repeated here.

Performance

As with the U.S. Program Manager, job performance is formally assessed on a yearly basis with a minimum satisfaction requirement of 90%. The Marketing Committee on or before April 1st will complete an assessment, but it does not form part of this evaluation.

Based on review materials prepared by the Program Manager and documentation from meetings, the necessary 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.

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III

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.

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APPENDIX A: SYNOPSIS OF SUCCESS INDICATORS

Table A-1: Performance Measurement Indicators, Atlantic Canada Tourism Partnership

Variable	Definition
R.O.I	Measurable tourism revenues generated per dollar invested in the marketing/media campaign
Conversion	Measurable ratio of the total number of prospective visitors that called or requested tourism information versus those callers who actually visited the destination
Province Visits	Increased number of annual visitors (directly related to the tourism project).
Revenues/Receipts	Increased value of annual visitor spending on goods and services (directly related to the tourism project).
Inquiries	Increased number of tourism information request (directly related to the tourism project).
Awareness	Level of awareness of the provinces of Atlantic Canada as pleasure travel destinations and awareness levels for the tourism products, services and experiences available in Atlantic Canada
Publicity/Media Generated	Volume of media/publicity generated by FAM tours, press releases and other promotions and equivalent value had the space been purchased.
Event Registration	Number of tourism operators, tour wholesalers, etc. registering for and attending special events
Industry Support/Participation	Number of tourism operators that participate in educational seminars, workshops and training, trade shows and etc.
Technology	Number of tourism operators in a target group that acquire/develop/utilize Internet technology for marketing/promotional purposes
Quality Enhancement	Number of tourism operators in a target group that improve product and service quality
Extent of Reach/Access	Number of tourism operators who benefit from activities
Performance Evaluation	Evaluation of ACTP contracts for administrative and management and other support service
Strategic Partnerships	Number of new, formal alliances established with International partners to market Atlantic Canada in USA and Overseas markets.

APPENDIX B: SUPPLEMENTARY TABLES

SECRETARIAT

The Secretariat meets its responsibilities within the annual budget it has been assigned (Table B-1).

Table B-1: ACTP secretariat budget by year

Secretariat	2009	2010	2011*	Total
3-Year Budget (\$594,108)	\$128,712	\$180,177	\$285,219	\$594,108
Coordinator Salary/Training	\$34,168	\$54,552	\$60,250	\$148,970
Office/Supplies/Utilities/Rent	\$21,980	\$24,792	\$30,783	\$77,555
Professional Fees	\$4,422	\$22,492	\$34,303	\$61,217
Accountant Salary/Benefits	\$18,900	\$18,900	\$24,570	\$62,370
Management Fees	\$35,000	\$35,000	\$45,500	\$115,500
Meeting/Travel Expenses	\$15,605	\$28,774	\$36,379	\$80,758
Equipment Lease	\$0	\$315	\$0	\$315
Contingency				
Tax (rebates)	\$(1,363)	\$(4,648)	\$(3,254)	\$(9,265)
Total spending	\$128,712	\$180,177	\$228,531	\$537,420

Note: Budgets are as of December 31st each year. *2011 includes funds allocated prior to fiscal year-end. At the time of this report, \$56,688 remains to be allocated in the last year.

Communication activities documented in Table B-2 shows that ACTP's trade show and conference activity targets were achieved in 2011 and across the three-year agreement.

Table B-2: Corporate communications activities

Target	2009	2010	2011
Four (4) TIA tradeshow	<input type="checkbox"/> TIANB Annual Conf	<input type="checkbox"/> TIANB Annual Conf	<input type="checkbox"/> HNL Tradeshow
	<input type="checkbox"/> TIAPEI Annual Conf	<input type="checkbox"/> Hospitality NL (HNL) Tourism Summit	<input type="checkbox"/> TIAPEI Tradeshow
	<input type="checkbox"/> TIANB Annual Conf	<input type="checkbox"/> TIANB Annual Conf and Tradeshow	<input type="checkbox"/> TIANB Tradeshow
	<input type="checkbox"/> HospitalityNL Annual Conv & Trade Show	<input type="checkbox"/> TIANB Annual Conf and Tradeshow	<input type="checkbox"/> TIANB Tradeshow
Four (4) TIA conference	<input type="checkbox"/> ACTP Launch	<input type="checkbox"/> Atlantic Prosperity Summit	<input type="checkbox"/> HNL Summit
	<input type="checkbox"/> PEI Tourism Advisory Council	<input type="checkbox"/> TIANB Annual Conf	<input type="checkbox"/> TIAPEI Conferences (2)
	<input type="checkbox"/> NB Tourism Reps and NB Agency of Records	<input type="checkbox"/> TIAPEI AGM Conf	<input type="checkbox"/> TIANB Conference
		<input type="checkbox"/> Hospitality NL (HNL)Tourism Summit	<input type="checkbox"/> TIANB Conference
		<input type="checkbox"/> TIANB Conference	

Other (no targets)	<input type="checkbox"/> Website tracked by Google Analytics	<input type="checkbox"/> Website tracked by Google Analytics	<input type="checkbox"/> Website tracked by Google Analytics
	<input type="checkbox"/> "What's New at ACTP" newsletter	<input type="checkbox"/> "What's New at ACTP" newsletter	<input type="checkbox"/> "What's New at ACTP" newsletter
	<input type="checkbox"/> ACTP articles in TIAPEI newsletter	<input type="checkbox"/> e-newsletter and e-news subscriptions	<input type="checkbox"/> e-newsletter and e-news subscriptions
		<input type="checkbox"/> ACTP articles in TIAPEI newsletter	<input type="checkbox"/> Association Atlantic Airports Presentation
		<input type="checkbox"/> Atlantic Chamber of Commerce Post	<input type="checkbox"/> Atlantic Chamber of Commerce Post
		<input type="checkbox"/> CBC News	<input type="checkbox"/> CBC News

U.S. MARKETING PROGRAM

Table B-3 presents ACTP's U.S. expenditures by category and year.

Table B-3: U.S. program expenditures by year

US Marketing	2009	2010	2011*	Total
3-Year Budget (\$13,232,243)	\$4,378,137	\$6,694,100	\$6,857,255	\$13,232,243
Mid Atlantic Media Campaign	\$1,486,128	\$3,582,935	\$4,151,657	\$9,220,721
New England Media Campaign			\$1,638,673	\$1,638,673
Program Manager	\$96,221	\$96,415	\$96,078	\$288,715
Media Buying House	\$194,925	\$190,995	\$189,000	\$574,920
Travel Trade Program	\$158,546	\$111,247	\$250,000	\$519,793
Research ¹	\$148,902	\$65,716	\$72,929	\$287,547
Media Relations	\$102,648	\$101,060	\$150,000	\$353,708
Contingency			\$100,000	\$100,000
Misc Costs	\$4,110	\$6,096	\$10,000	\$20,206
Meeting/Travel Expenses	\$7,697	\$11,027	\$11,200	\$29,923
ACS '10/Exclusive Press Trip '11		\$180,000	\$100,000	\$280,000
Sub Total	\$2,199,177	\$4,345,492	\$6,769,537	\$13,314,206
Tax Rebates	\$(65,415)	\$(104,265)	\$(130,943)	\$(300,624)
Total spending	\$2,133,762	\$4,241,226	\$6,638,594	\$13,013,582
Balance remaining	\$2,244,375	\$2,452,874	\$218,661	\$218,661

Note: Budgets are as of December 31st each year. *2011 includes funds allocated prior to fiscal year-end.

U.S. Consumer Campaign

The direct to consumer campaign is evaluated according to a set of performance indicators established at the outset of the ACTP agreement. An online conversion study measures actual performance annually.

The data shown in each row of the table are used as follows to obtain the ROI values each year. The program targets potential travellers and generates inquiries from those who visit provincial websites and recall ACTP marketing (qualified visitors). A certain proportion of these inquiries are converted to party visits. Average party spending is reported in the conversion studies. When spending estimates are applied to the number of party visits this gives a measure of revenues generated.

Dividing the revenues by the dollar amount of initial investments in marketing (ACTP media spend) provides the measure of return on investment.

Table B-4: U.S. direct to consumer campaign performance indicators by year

Indicator	2011 Target	2009	2010	2011	3-Year Summary
Inquiries generated qualified visitors ¹	50,000	40,300	52,554	52,349	145,203
Conversion rate ¹	50%	56.6%	48.0%	52.7%	52.4%
Converted party visits ¹	25,000	22,825	25,227	27,623	75,675
Average party spending ¹	\$1,500	\$1,620	\$1,476	\$1,493	\$1,546
Revenues generated ¹	\$38,500,000	\$36,980,000	\$38,740,000	\$41,260,000	\$116,980,000
ACTP media spend ²	N/A	\$1,486,128	\$3,310,401	\$3,770,000	\$8,566,529
ROI ¹	10:1	24.8:1	11.7:1	10.9:1	13.7:1
Savings/added value ³	\$900,000	\$1,124,829	\$2,360,083	\$3,376,553	\$6,861,465

Sources: 1. ACTP's 2009 to 2011 Conversion Surveys, 2. Program Budget, 3. Jungle Media Final Analysis.

Note: Goal for each indicator is to meet targets by end of December for the given year. Media spend is based on expenditures as of September 2011, net of taxes, excluding creative and production costs.

U.S. Travel Trade

The goal of ACTP's U.S. Travel Trade Program is to increase group tour and FIT revenues for Atlantic Canada. ACTP's successes are evaluated against a set of performance indicators that are assessed annually (Table B-5). The program cultivates partnerships with U.S. Tour Operators that sell group tours and FIT packages to all four Atlantic Provinces. Revenues generated from these partnerships (tour costs and spending by travellers) are assessed in terms of ACTP's investment to project a return on investment. Programs such as educational sessions, training seminars, site visits, familiarization tours and special events (Atlantic Canada Showcase) are supplementary marketing investments that are not ROI based.

Table B-5: U.S. travel trade performance indicators by year

Indicator	2011 Target	2009	2010	2011	3 Year Summary
Number of partnerships ¹	6	5	5	3	4.3
Packages sold ²	N/A	832	390	379	1,601
Sales ²	N/A	\$2,170,000	\$1,214,629	\$326,687	\$3,711,316
ACTP contribution ²	N/A	\$135,625	\$103,675	\$62,750	\$302,050
ROI ²	10:1	16:1	11.7:1	5.2:1	12.3:1
Programs delivered ¹	2	3	2	3	8
Tradeshows/marketplaces ¹	3	3	2	2	7
Leveraged dollars ²	N/A	\$166,837	\$177,716	\$64,750	\$409,303

Sources: 1. ACTP reports, 2. Partner reports

Note: Performance in 2011 is only based on 2 of 3 partnerships since third involved Facebook activity where sales could not be tracked.

U.S. Media Relations

The U.S. media relations program is evaluated according to a set of performance indicators that are measured annually (Table B-6). The goal of the program is to maximum media value and impact among consumers in ACTP's target markets. Publicity value is tracked for each print and online editorial generated according to the media supplier rates. It takes into consideration the cost of space and value of circulation (viewership) that each editorial commands. ACTP's investment in these activities can be compared with the publicity value generated to project return on investment. In 2010, ACTP generated \$12.8 in publicity for every \$1.00 invested in media relations. Results improved substantially over the three years to an ROI of \$14.6 for every \$1.00 invested in 2011. The three-year average of \$10.6 per \$1.00 met the target.

Influential journalists that express an interest in writing feature articles about Atlantic Canada may be invited to participate in a press tour. During these tours, the journalists collect photographs, stories and other information for their editorials. Press tours are an important supporting activity to ACTP's media relations activities. However, they are not subject to an ROI calculation. Given 'timing' of the press tour and the lead-time for a feature article to be published, a press tour hosted in 2011 may not generate a published story until 2012.

Table B-6: U.S. media relations program performance indicators by year

Indicator	2011 Target	2009	2010	2011	3 Year Summary
Publicity value	\$2.25M	\$0.28M	\$1.29M	\$2.2M	\$3,752,000
Media relations spend ¹	N/A	\$102,648	\$101,060	\$150,000	\$353,708
ROI	10:1	2.2:1	12.8:1	14.6:1	10.6:1
Press tour participants	12	3	12	12	27

1. Preliminary for 2011.

2. Note: PR firm contracts (spending) follow fiscal year while publicity value is reported for calendar year.

U.S. Research Program

The annual budgets as of December 31st of each year are presented below (Table B-7). ACTP invested heavily in research in 2009 to assist with the development of its marketing strategies.

Table B-7: U.S. research expenditures and 2011 status

US Research	2009	2010	2011*	2011 Status
3-Year Budget (\$362,100)	\$148,902	\$65,716	\$72,929	
Conversion Research	\$23,625	\$38,294	\$29,269	Complete
US Consumer	\$42,648		\$39,895	Complete
US Social Mapping	\$31,285			
New England Segmentation		\$12,233		
Mid Atlantic Awareness				
US Global Tourism Watch	\$3,675	\$2,205		
US Trade	\$15,000			
New England Awareness				
Atlantic Canada Showcase	\$25,655			
Research Summaries		\$12,985		
Ads/Translation	\$7,013		\$500	Complete
TNS Travel to Present Research			\$3,266	Complete
Total spending	\$148,902	\$65,716	\$72,929	

Note: Budgets are as of December 31st each year. *2011 includes funds allocated prior to fiscal year-end.

The \$74,533 remaining will be released to U.S. marketing budget in the final year.

U.K. MARKETING PROGRAM

Table B-8 presents ACTP's U.K. marketing program expenditures by category and by year.

Table B-8: U.K. marketing program expenditures by year

UK Marketing	2009	2010	2011*	Total
3-Year Budget (\$2,557,150)	\$884,994	\$1,033,369	\$1,217,478	\$2,557,150
Joint Marketing Partnership Program	\$13,613	\$46,819	\$104,487	\$164,919
CTC/Consumer Program	\$316,626	\$293,960	\$603,391	\$1,213,976
Tradeshows/In-market Initiatives	\$44,250	\$59,134	\$77,397	\$180,781
Trade Fam Tour Program		\$4,800	\$5,400	\$10,200
Research ¹	\$73,794	\$2,205	\$47,550	\$123,549
Media Relations Program	\$91,103	\$127,325	\$188,788	\$407,216
Media Fam Tour Program		\$14,085	\$39,150	\$53,235
Creative/Production/Collateral	\$46,079	\$43,775	\$48,100	\$137,954
Shipping/Storage	\$5,598	\$3,443	\$5,260	\$14,301
Program Manager	\$71,967	\$82,765	\$85,980	\$240,712
Meeting Expenses/Industry Travel	\$7,594	\$11,252	\$11,200	\$30,046
Sub Total	\$670,623	\$689,563	\$1,216,703	\$2,576,890
GST/PST Rebates	\$(5,594)	\$(14,921)	\$(4,159)	\$(24,673)
Total spending	\$665,030	\$674,642	\$1,212,545	\$2,552,216
Balance remaining	\$219,964	\$358,727	\$4,933	\$4,933

Note: Budgets are as of December 31st each year. *2011 includes funds allocated prior to fiscal year-end that are spent on 2012 joint marketing activity.

At the time of this report \$4,933 remains to be allocated in the final year.

U.K. Consumer Marketing Program

The direct to consumer campaign is evaluated according to a set of performance indicators established at the outset of ACTP agreement (Table B-9). The U.K. Marketing Program aims to generate a 1% increase for Atlantic Canada's share of U.K. visitors to Canada, 1% increase in Atlantic Canada's share of revenues generated by these visitors and a 10:1 return on investments on ACTP's direct-to-consumer, travel trade and media relations activities. ACTP also strives to achieve a 10:1 ROI on media efficiencies in the UK market.

ACTP performance measurement is constrained by the one-year lag for Statistics Canada reporting on international travel statistics, and the time for CTC to publish its conversion estimates for the U.K. market. A formal conversion study, as for the U.S., is therefore not available but performance can be estimated according to other data collected by ACTP partners.

Table B-9: U.K. direct-to-consumer campaign performance indicators by year

Indicator	2011 Target	2009	2010	2011	3 Year Summary
ACTP website visits ¹	N/A	34,914	32,046	30,981	97,941
Increase U.K. visits ²	1%	3%	-26%	N/A	N/A
Increase U.K. market share ²	1%	1.6%	-1.4%	N/A	N/A
Increase U.K. revenue ²	1%	30%	-30%	N/A	N/A
Increase U.K. market share ²	1%	2.9%	-1.5%	N/A	N/A
ACTP gross consumer spend ³	\$608,391	\$316,626	\$293,960	\$603,391	\$1,213,977
U.K. revenues ⁴	N/A	\$2,720,000	\$2,366,000	\$6,100,000	\$11,186,000
ROI ⁵	10:1	8.6:1	8.0:1	10.1:1	9.2:1
Added value ⁶	No target	\$17,295	\$31,324	\$23,546	\$72,165

Sources: 1. Google Analytics, 2. Statistics Canada ITS, 3. ACTP budget, 4. CTC Conversion, 5. Preliminary ROI estimates calculated by multiplying CTC conversion revenues estimates by Atlantic Canada's share of spending by overnight U.K. visitors to Canada divided by ACTP's investment, 6. Jungle Media.

Note: Final 2011 indicators cannot be calculated until data becomes available from Statistics Canada.

U.K. Travel Trade

The goal of ACTP's U.K. Travel Trade Program is to increase group tour and FIT revenues for Atlantic Canada. ACTP's successes are evaluated against a set of performance indicators that are assessed annually (Table B-10). While the individual provinces in Atlantic Canada have marketing relationships with tour operators who sell province specific packages, ACTP's program cultivates partnerships with U.K. tour operators that sell group tours and FIT packages to all four Atlantic Provinces. Revenues generated from these partnerships (tour costs and spending by travellers) are assessed in terms of ACTP's investment in these partnerships to project a return on investment. Programs such as educational sessions, training seminars, site visits, familiarization tours and special events are supplementary marketing investments that are not ROI based.

Table B-10: U.K. travel trade program performance indicators by year

Indicator	2011 Target	2009	2010	2011	3 Year Summary
Number of partnerships ¹	6	5	4	8	17
Packages sold ¹	N/A	2,913	NA	NA	NA
Sales ¹	N/A	\$583,363	\$454,477	\$2,279,833	\$3,317,673
ACTP contribution	\$104,487	\$44,596	\$19,922	\$64,719	\$129,237
ROI ¹	10:1	13:1	22.8:1	35.2:1	\$25.67
Programs Delivered ²	6	0	5	6	11
Tradeshows/ marketplaces ²	2	2	2	2	6
Leveraged dollars ³	N/A	\$69,825	\$26,140	\$115,921	\$211,886

Sources: 1. JMA reports, 2. ACTP reporting, 3. Partner reporting

Note: Goal for each indicator is to meet targets by end of November every year. Programs include fam tours and training sessions.

U.K. Media Relations

The U.K. media relations program is evaluated based on a set of performance indicators measured annually (Table B-11). The ultimate goal is to maximize media value and impact to consumers in target markets. Publicity value is tracked for each article or posting (online media) according to the media supplier. Publicity value takes into consideration the cost of space and value of circulation (viewership) that each editorial commands. ACTPs investment in travel writers and specific media can be compared with the publicity value to indicate the return on investment.

Table B-11: U.K. media relations program performance measures by year

Indicator	2011 Target	2009	2010	2011	3 Year Summary
Publicity value	\$675,000	\$204,289	\$571,353	\$2,603,160	\$3,378,802
Media relations spend ¹	\$227,938	\$91,103	\$127,325	\$188,788	\$407,216
ROI	10:1	2.2:1	4.5:1	13.8:1	8.3:1
Press/Fam tour participants	18	0	12	23	35

1. There is no formal target for spending, however the average for the three-year agreement is used as a benchmark to track the relative annual amounts.

U.K. Research Program

The annual budgets as of December 31st of each year are presented below (Table B-12). ACTP invested heavily in research in 2009 to assist with the development of its marketing strategies.

Table B-12: U.K. research budget by year

UK Research	2009	2010	2011*	2011 Status
3-Year Budget (\$123,549)	\$73,794	\$2,205	\$47,550	
UK TIS Conversion			\$2,553	Complete
UK Global Tourism Watch	\$3,675	\$2,205		
UK Trade	\$19,719			
UK Consumer	\$50,400		\$44,998	Complete
Total spending	\$73,794	\$2,205	\$47,550	

Note: Budgets are as of December 31st each year. *2011 includes funds allocated prior to fiscal year-end.

Table B-13: Three-year marketing return on investment (ROI) summary

Program	Spend	Revenue	ROI
U.S. Marketing			
Direct to Consumer	\$8,566,529	\$116,980,000	13.66
Travel Trade	\$302,050	\$3,711,316	12.29
Media Relations	\$353,708	\$3,752,000	10.61
U.S. Total	\$9,222,287	\$124,443,316	13.49
U.K. Marketing			
Direct to Consumer	\$1,213,977	\$11,186,000	9.21
Travel Trade	\$129,237	\$3,317,673	25.67
Media Relations	\$407,216	\$3,378,802	8.30
U.K. Total	\$1,750,430	\$17,882,475	10.22
ACTP Total	\$10,972,717	\$142,325,791	12.97

APPENDIX C: 2011 PARTNER INTERVIEWS

APPROACH

ACTP partners (16) were interviewed in the summer of 2011 to solicit input for future planning of ACTP management and activities. The findings were presented to the Management Committee in September 2011, and the results are summarized here for reference.

OPERATIONS AND GOVERNANCE

Eight questions on this topic were asked of 16 partners, generating 128 responses. Of the total, 95% agreed or strongly agreed that ACTP operations and governance are effective. The successes, challenges, and opportunities for improvement are outlined below.

Successes

- ❑ Supports individual voices in establishing a collective will. (a definition of partnership)
- ❑ Consensus decision-making basis for positive comments related to cooperative – collaborative – coordinated.
- ❑ Solid direction results from a solid model.
- ❑ Does draw on tourism marketing expertise resident with partners.
- ❑ Does provide an opportunity to bring together decision makers on a regular basis.

Challenges

- ❑ Management Committee structure effective decision making. (1 disagree)
- ❑ Structures and processes allow for collaboration. (1 disagree)
- ❑ ACTP is receptive of suggestions from partners. (1 disagree)
- ❑ Works to avoid duplication of effort. (1 disagree)
- ❑ Management Committee's decision-making process is optimal given structure. (2 disagree)

Opportunities for improvement

- ❑ Decision making authority of marketing committee:
 - Constraint of approval required by Management Committee can delay action on an opportunity.
 - Comment balanced by Management Committee suggestion that time is spent revisiting previous discussions.
- ❑ With a new agreement, it is critical to prevent delays as opportunities to position in markets can be lost, specific reference to first year experience of current agreement.
- ❑ Need to facilitate greater industry participation – challenge related to expertise.

CORPORATE COMMUNICATIONS

Four questions on this topic were asked of 16 partners, generating 64 responses. Of the total, 83% agreed or strongly agreed that ACTP corporate communications are effective. The successes, challenges, and opportunities for improvement are outlined below.

Successes

- The benefits associated with the history and experience of successive agreements.
- Most agree that activities are cost-efficient and the outputs provide a real return.
- Incremental market intelligence is generated for the benefit not only of the partnership but also the partners.
- Good sharing of information among partners.
- The informed evidence based decision-making is accomplished.
- It is easier to champion initiatives.

Challenges

- Effectively communicates programs and activities to partners. (2 disagree)
- Effectively communicates research results to partners. (3 disagree)
- Website and e-news are effective. (2 disagree)
- Economic benefits are communicated. (4 disagree)

Opportunities for improvement

- Several references to greater use of social media – Facebook, tweets, blogs, more frequent email.
- Newsletters deemed old-style.
- Website continuous advancement required.
- Focus required on getting relevant research findings out to industry and ensuring there is an understanding of relevance.
- Each province could link ACTP messages.

MARKETING

Nine questions on this topic were asked of 16 partners, generating 144 responses. Of the total, 91% agreed or strongly agreed that ACTP marketing is effective. The successes, challenges, and opportunities for improvement are outlined below.

Successes

- Acts as a focal point for regional collaboration.
- Builds Atlantic Canada Brand.
- There has been increased access to markets – reach – frequency of exposure.

- There are definitely incremental placements in media and tracking of results than would be possible without the partnership.
- Exposed to new ideas from other agencies.
- More risk taking is possible.
- Leverage
- No question “whole is greater than the sum of the parts”

Challenges

- Developed annual Marketing Plans based on objectives, research and results. (1 disagree)
- Strategies respond to market changes. (4 disagree)
- Tourism marketing opportunities are beyond those offered by provinces. (2 strongly disagree)
- Leverages support from outside funding partners. (2 disagree)
- Initiatives effective in building brand equity of partners in priority US markets. (2 disagree)
- Effective in building Atlantic Canada brand in UK. (2 disagree)

Opportunities for improvement

- Commonality requirement needs to be addressed.
- Greater involvement of industry.
- Greater use of social media – needs to be understood.
- Better liaison with provincial staff in US and UK – a more organized media buy in UK among partners.
- Increased focus on different opportunities (or at least being open to) for marketing in target markets.
- There should continue to be exploration of ways to move away from targeting geographically and focus increasingly on psychographics.
- Deadlines for decision-making.

OVERALL IMPRESSIONS

- A near consensus that greater innovation is required – perhaps obvious but at least a starting point.
- Innovation requires thinking “outside the box” and a willingness to take risks.
- As a first step innovation concept must become a principle of the partnership.
- One of the hallmarks of the Partnership has been the emphasis on research driven marketing and adherence to plans. Difficult to fault.
- Perhaps time for more of a top down planning approach. Focus first on Atlantic as a whole, as opposed to a build up from the partners.

- ❑ A portion of budget may need to be allocated to the innovative file, will allow for building on chance events.
- ❑ In 2011 lots of commentary about the adoption and greater use of social media techniques. Two years from now could be something different that will be seen as the panacea. This requires the agreement to be more nimble.
- ❑ An innovation framework will include the following:
 - An openness to seek new opportunities.
 - Challenge of traditional assumptions.
 - Pro-active in seeking novelty – there may be many right answers.
 - Must be prepared to take risks and not be afraid of failure.