

**EVALUATION OF THE
2012-2015 ATLANTIC CANADA TOURISM PARTNERSHIP
2013-2014 ANNUAL REPORT**

Submitted to:

ATLANTIC CANADA TOURISM PARTNERSHIP

Submitted by:



MARCH, 2014

TABLE OF CONTENTS

1.0 EXECUTIVE SUMMARY	1
2.0 OVERVIEW	6
2.1 Background.....	6
2.2 Funding	6
2.3 Management.....	7
2.4 Strategic Elements.....	7
3.0 GOVERNANCE AND STRATEGIC MANAGEMENT	10
3.1 2012-2015 Federal-Provincial ACTP Agreement	10
3.2 Management Committee	11
3.3 Marketing Advisory Committee.....	12
3.4 Evaluation Advisory Committee	12
3.5 Transition Strategy Taskforce	13
3.6 Administration	13
3.7 Policy and Operating Guidelines	14
4.0 MARKETING PROGRAM	15
4.1 Marketing Advisory Committee.....	15
4.2 Target Markets	16
4.3 Marketing Program Criteria	16
4.4 Performance Measurement	18
4.5 Program Managers.....	18
5.0 BUSINESS AND MARKET ENVIRONMENT	20
5.1 Business Environment.....	20
5.2 Market Environment	22
5.3 Market Research	23
6.0 UNITED STATES MARKETING PROGRAM	25
6.1 United States Consumer Marketing.....	26
6.2 United States Travel Trade.....	28
6.3 United States Media Relations.....	30
7.0 UNITED KINGDOM MARKETING PROGRAM	33

TABLE OF CONTENTS

7.1	United Kingdom Consumer Marketing.....	34
7.2	United Kingdom Travel Trade	36
7.3	United Kingdom Media Relations	38
8.0	UPDATE ON PREVIOUS RECOMMENDATIONS	41
9.0	RECOMMENDATIONS.....	42

APPENDIX I SYNOPSIS OF SUCCESS INDICATORS

LIST OF TABLES

Table 1: ACTP Contributions	7
Table 2: ACTP Marketing Budget (April to March)	19
Table 3: Overnight Arrivals to Atlantic Canada from the Northeastern US and UK.....	22
Table 4: Atlantic Canada's Share of Overnight Arrivals to Canada from the Northeastern US and the UK.....	23
Table 5: ACTP's 2012-2015 Research Plans.....	24
Table 6: US Direct-to-Consumer Advertising Budget.....	26
Table 7: Overnight US Arrivals to Atlantic Canada.....	27
Table 8: US Conversion Indicators.....	28
Table 9: US Travel Trade Budget.....	29
Table 10: US Travel Trade Performance Indicators	30
Table 11: US Media Relations Budget	31
Table 12: US Media Relations Performance Indicators	31
Table 13: US Marketing Program Budget	32
Table 14: US Marketing Program ROI.....	32
Table 15: UK Direct-to-Consumer Advertising Budget.....	34
Table 16: Overnight UK Arrivals to Atlantic Canada	35
Table 17: UK Conversion Indicators	36
Table 18: UK Travel Trade Budget	37
Table 19: UK Travel Trade Performance Indicators	37
Table 20: UK Media Relations Budget.....	38
Table 21: UK Media Relations Performance Indicators.....	39
Table 22: UK Marketing Program Budget.....	39
Table 23: 2013 UK Marketing Program ROI.....	40

LIST OF ACRONYMS

ACAT	Atlantic Canada Agreement on Tourism
ACOA	Atlantic Canada Opportunities Agency
ACTP	Atlantic Canada Tourism Partnership
CTC	Canadian Tourism Commission
GDP	Gross Domestic Product
MOU	Memorandum of Understanding
MPMC	Meredith Pillon Marketing Communications
NB	New Brunswick
NL	Newfoundland and Labrador
NS	Nova Scotia
PEI	Prince Edward Island
ROI	Return on Investment
TIAPEI	Tourism Industry Association of PEI
UNWTO	World Tourism Organization
UK	United Kingdom
US	United States

1.0 EXECUTIVE SUMMARY

Purpose of Evaluation

This is the second in a series of annual evaluations covering the 2012-2015 Atlantic Canada Agreement on Tourism (ACAT) in support of the Atlantic Canada Tourism Partnership (hereafter called 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 the administration, evaluation, and delivery of marketing projects funded by the Agreement.

This evaluation is based on a review of:

- 2012-2015 Atlantic Canada Agreement on Tourism in support of the ACTP,
- Contribution Agreements,
- Minutes of Management Committee meetings,
- Minutes of Marketing Advisory Committee meetings,
- Internal project authorization forms,
- Strategies for marketing, research, and communications,
- Research reports, and
- Other evaluation materials.

Overview of Atlantic Canada Tourism Partnership

Founded in 1991, ACTP is a nine-member, pan-Atlantic, international marketing initiative comprised of the Atlantic Canada Opportunities Agency (ACOA), the four tourism industry associations in Atlantic Canada and the provincial departments responsible for tourism in the provinces of New Brunswick (NB), Newfoundland and Labrador (NL), Nova Scotia (NS), and Prince Edward Island (PEI). It has been renewed for seven consecutive three-year terms.

ACTP enables ACOA, the four Atlantic Provinces and the tourism industry to pool resources to create significant tourism synergies. It allows the four Atlantic Provinces to penetrate markets that are mostly inaccessible separately; intensify their international tourism marketing efforts; generate marketing economies and efficiencies in consumer, travel trade, and media relations; extend the reach and frequency of provincial tourism brands in the Mid-Atlantic and New England region of the United States (US); and deliver a regional “Atlantic Canada” brand into priority markets in the United Kingdom (UK).

The 2012-2015 ACTP Agreement came into effect on April 1, 2012 and will expire on March 31, 2015. The three-year \$19,950,000 budget is cost-shared among the nine funding parties that

include ACOA (50%), the four provincial departments of tourism (33%) and the four provincial tourism industry associations (17%) in Atlantic Canada.

Policy and Operating Guidelines

ACTP's overall direction is set by a Management Committee comprised of four provincial Deputy Ministers (or designates) responsible for tourism in Atlantic Canada, the Presidents (or designates) of the four tourism industry associations in Atlantic Canada, and the Vice President of ACOA-PEI and Tourism and the Director General of Tourism Atlantic (ACOA). The Canadian Tourism Commission (CTC) sits on the Management Committee in ex-officio capacity.

Our evaluation concluded that ACTP's Management Committee continues to fulfill its responsibilities, has effective meetings, provides direction and input on all strategies and budgets, and operates on a consensus basis for decision making among the partners.

TIAPEI, as the Recipient for the 2012-2015 ACTP, continued to create and execute ACTP's marketing strategies, established a Secretariat to oversee the administration of the Agreement, and has responsibility for coordinating annual and end-of-Agreement evaluations of the ACTP Agreement.

Our evaluation concluded that the Secretariat provided oversight of the day-to-day operations of the ACTP and financial administration of the Agreement in an efficient manner; undertook communications activities in accordance with direction from the Management Committee and continues to operate an efficient Management Information System.

Policy and operating guidelines provide a framework to support critical, consensus-based decisions and outline procedures with respect to meetings, decisions, reporting, and approvals. In 2013, as part of the transition plan, TIAPEI has drafted Policy and Operating Guidelines for the ACAT in support of the ACTP. TIAPEI expects to present the draft to the Management Committee during 2014. Our review of documentation and discussions with TIAPEI indicate the transition is on track and it is anticipated the updated policy and operating guidelines will be fully operational by March 31, 2015.

Market Focus

Previous research and analysis completed by TIAPEI in conjunction with the four Atlantic Provinces, ACOA and the CTC's Market Portfolio Analysis concluded that the Mid-Atlantic ¹ and New England ² regions of the US were primary origin markets for Atlantic Canada's tourism

¹ New York, New Jersey, Pennsylvania

² Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut

economy. This research and analysis also directed TIAPEI to focus its attentions exclusively on the UK in overseas markets.

International marketing activities undertaken by TIAPEI on behalf of the ACTP Agreement are research driven and reflective of current market conditions. The primary means by which Atlantic Canada expands its international marketing efforts is by building on and enhancing the equity of the region's four provincial tourism brands in the Mid-Atlantic and New England regions of the US, and the delivery of a regional Atlantic Canada brand (Atlantic Canada, Awaken to the Rhythm of the Sea) into the UK.

Marketing

A Marketing Advisory Committee appointed by the Management Committee provides TIAPEI with advice and feedback when developing annual marketing strategies. This Committee also provides advice to TIAPEI in the areas of market research and performance measurement. Our review of meeting minutes suggest that the Marketing Advisory Committee has met regularly and provided strategic advice and feedback to TIAPEI in the development and delivery of TIAPEI's marketing strategies and tactics. Our evaluation also concluded that the US and UK Marketing Programs were research driven and directed at agreed upon targets. Based on our review of meetings material prepared by the US and UK Program Managers and the Secretariat, meetings documentation, financial information, communications and other information is being provided in a timely manner, and when requested.

TIAPEI's marketing objective is to achieve a \$10:1 return on all direct-to-consumer, travel trade and media relations marketing investments made on behalf of ACTP over the term of the Agreement. Preliminary estimates for 2013 indicate TIAPEI's marketing activities generated \$54.9 million in revenues for tourism enterprises in Atlantic Canada and a return on investment (ROI) of \$14.32 for every \$1.00 invested in direct-to-consumer advertising, joint marketing partnerships with the travel trade, and media relations. TIAPEI's marketing activities also generated almost \$6.1 million in publicity value, and leveraged \$283,000 in incremental marketing investments through joint marketing agreements with tour operators in the US and the UK.

United States Marketing

Our review of TIAPEI's 2013 US Marketing Plan and supporting documentation revealed strong evidence that ACTP's target markets, market segmentation³, market strategies, and market tactics in the US were based on the results of market research, as well as a strong understanding of the tourism industry and market dynamics.

TIAPEI invested over \$3.5 million in marketing activities in the Mid-Atlantic and New England regions of the US during the 2013 marketing year. This investment generated over \$48 million in revenues and \$3.2 million in media relations for tourism enterprises in Atlantic Canada. An ROI of \$14.49 in tourism related spending in Atlantic Canada was achieved for every \$1.00 invested in direct-to-consumer advertising, joint marketing partnerships with the travel trade and media relations. TIAPEI also leveraged an additional \$184,409 in marketing investments from US tour operators.

- **Consumer Campaign:** 2013 performance indicators were positive. Advertising generated visits to provincial websites from the US increased by 40% when compared to 2012. Converted party visits increased by almost 31%, advertising generated revenues were \$46.8 million and ROI stood at \$14.26:1. In addition, a total of \$1,967,206 in media efficiencies and incremental advertising value was generated through a common and independent media planner/buyer (Time + Space Media).
- **Travel Trade:** Five joint marketing partnerships were established with the travel trade in the US. These partnerships generated \$1,199,911 in related sales and achieved an ROI of \$10.57:1.
- **Media Relations:** The US Media Relations Program generated \$3.2 million in media value resulting in an ROI of \$23.10:1.

United Kingdom Marketing

Our review of TIAPEI's 2013 UK Marketing Program and supporting documentation revealed strong evidence that geographic, demographic and lifestyle markets along with marketing strategies and tactics were based on sound market research and a strong understanding of market dynamics.

TIAPEI invested \$721,862 in marketing activities in the UK during the 2013 marketing year. This investment generated almost \$6.9 million in revenues and \$2.8 million in media value for tourism enterprises in Atlantic Canada. An ROI of \$13.45 in tourism related spending in Atlantic Canada was achieved for every \$1.00 invested in direct-to-consumer advertising, joint marketing

³ Includes geographic, demographic, and lifestyle data linked to travel behaviours and media consumption

partnerships with the travel trade, and media relations. TIAPEI also leveraged an additional \$98,950 in marketing investments through joint marketing agreements with UK tour operators.

- **Consumer Campaign:** Thirty-three percent (33%) of web visitors recalled hearing/seeing advertising for Atlantic Canada. Thirty-three percent (33%) of these visitors travelled to Atlantic Canada in 2013, spending an estimated \$4.1 million, and generating an ROI of \$8.61 in tourism related spending for every \$1.00 invested in consumer advertising. In addition, a total of \$315,108 in media efficiencies and incremental advertising value was generated through a common and independent media planner/buyer (Time + Space Media). ACTP also benefited from \$139,000 in added value by leveraging the CTC 2013 Spring Campaign. ROI decline has resulted from a significant decrease in average spending per party (impacted by reduced party size and shorter length of stay). Additionally a decision, supported by Management Committee, was made to increase US direct-to-consumer spending by \$250,000 for 2013/2014 by reducing the UK direct-to-consumer spending by this amount.
- **Travel Trade:** Eight joint marketing partnerships were established with the travel trade in 2013. These partnerships generated almost \$2.8 million in related sales and achieved an ROI of \$29.11:1.
- **Media Relations:** The UK Media Relations Program generated \$2.8 million in media value resulting in an ROI of \$19.00:1.

Recommendations

Our overall recommendation is to continue with this highly successful, international marketing initiative. Consumer, travel trade, and media relations activities in both the US and UK collectively exceeded ROI targets of \$10:1.

All benefits monitoring targets should be reviewed on an annual basis. In discussions with the US Program Manager, it was indicated that each year the number of print publications decreases and the space allocated for travel articles becomes smaller. In recent years there has been a sharp decrease in the number of print publications and an increase in the number of online publications. There has also been a decrease in the size of print articles, as editors believe consumers have shorter attention spans and are less interested in long articles. This has a significant impact on the overall value of coverage. Print magazine and newspaper articles are valued higher. The reach of online coverage can be much greater than print and should not be undervalued, though it is difficult to measure. TIAPEI should also explore new tools for measuring the value of online media.

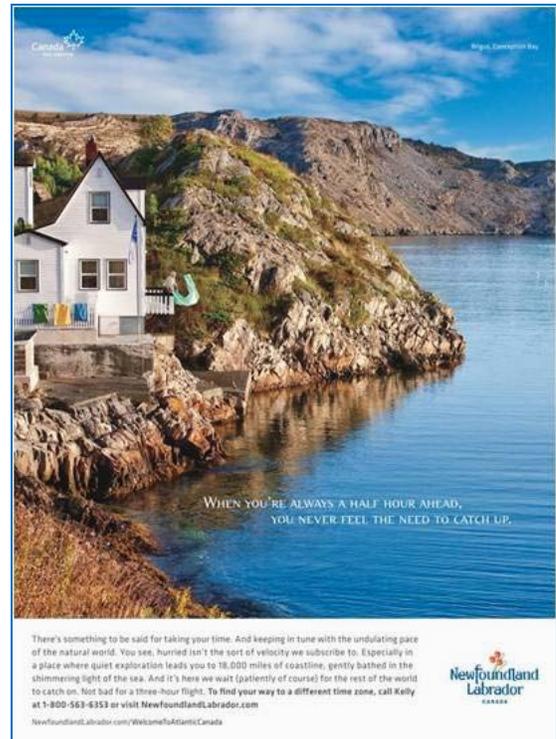
2.0 OVERVIEW

2.1 Background

Founded in 1991, ACTP is a nine-member, pan-Atlantic partnership consisting of ACOA, the four tourism industry associations in Atlantic Canada and the provincial departments responsible for tourism in the provinces of NB, NL, NS, and PEI. ACTP was renewed in 1994, 1997, 2000, 2003, 2006, 2009, and 2012 for consecutive three-year terms.

ACTP enables ACOA, the four Atlantic Provinces, and the tourism industry to pool resources and create significant tourism synergies including:

- Allowing the four Atlantic Provinces and industry to penetrate markets that are mostly inaccessible individually,
- Intensifying Atlantic Canada’s international tourism marketing effort by generating marketing economies and efficiencies at the consumer, travel trade, and media-relations levels, and
- Extending the reach, frequency, and appeal of provincial tourism brands in the Mid-Atlantic and New England regions of the US and delivery of a regional “Atlantic Canada” brand into priority markets in the UK.



2.2 Funding

The 2012-2015 ACTP Agreement came into effect on April 1, 2012 and will expire on March 31, 2015. ACOA’s three-year contribution to the ACTP Agreement is \$9,975,000, equally disbursed over three years. Collectively, the four provincial governments will contribute \$6,583,500 to the Agreement over three years and the four provincial tourism industry association’s in-kind contribution will be \$3,391,500.

Table 1: ACTP Contributions

April 1, 2012 to March 31, 2015

	Ratio	Amount
Atlantic Canada Opportunities Agency	50%	\$9,975,000
Four Provincial Tourism Departments	33%	6,583,500
Four Provincial Tourism Industry Associations	<u>17%</u>	<u>3,391,500</u>
Totals	<u>100%</u>	<u>\$19,950,000</u>

2.3 Management

A Management Committee is responsible for the administration and management of the 2012-2015 ACTP Agreement. It is also responsible for the communication of activities undertaken through the Agreement and for coordinating the Agreement with other federal and provincial projects and industry activities. The Management Committee consists of ten members that include the four provincial Deputy Ministers (or designates) responsible for tourism in Atlantic Canada; the Presidents (or designates) of the four tourism industry associations in Atlantic Canada; the Vice President of ACOA-PEI and Tourism; and the Director General of Tourism Atlantic (ACOA). The CTC sits on ACTP's Management Committee in an ex-officio capacity.



2.4 Strategic Elements

On behalf of ACOA, the four provincial departments of tourism and the tourism industry in Atlantic Canada, TIAPEI is the Recipient for the 2012-2015 ACTP Agreement. In its role as Recipient, TIAPEI manages the three strategic elements of the 2012-2015 ACTP Agreement: Marketing, Evaluation, and Administration.

Strategic Element One: Marketing

TIAPEI coordinates government and industry efforts to undertake specific projects in tourism marketing on a pan-Atlantic basis. Industry best practice marketing techniques are used to create awareness of and demand for Atlantic Canada's well respected tourism products and experiences in priority markets in the US and the UK. These activities are research driven, proactive in approach, and leading in style to ensure ACTP's marketing efforts penetrate and resonate against agreed upon targets. Eligible marketing activities include:

- Direct-to-consumer advertising and events that personify Atlantic Canada's unique selling propositions in priority geographic and lifestyle markets in the Mid-Atlantic and New England regions of the US and in the UK,
- Soliciting influential travel and consumer media to develop and publish stories and other editorials about the unique and distinctive travel products and experiences available in Atlantic Canada,
- Developing Joint Marketing Accords with tour operators and tour wholesalers in the US and the UK,
- Undertaking outreach, education, and training sessions with the travel trade and travel writers to build their knowledge of and expertise on the unique and distinctive travel products and experiences available in Atlantic Canada,
- Hosting events, trade shows and familiarization tours that provide the travel trade and travel writers with first-hand exposure to Atlantic Canada's tourism products and experiences, and
- Conducting investigative and evaluative market research.

Strategic Element Two: Evaluation

Evaluations of the 2012-2015 ACTP Agreement assess, monitor, and report on the direct and indirect impacts of the Agreement on the tourism industry in Atlantic Canada. Evaluation elements include:

- Conducting annual reviews of the goals and objectives of ACTP and determining the relevancy of the marketing strategies and activities,
- Assessing the effectiveness of the tools used to monitor the accomplishments of the 2012-2015 ACTP Agreement that ensure suitable information is available for accountability purposes,
- Measuring the annual impact of the ACTP project in contributing to the growth of the tourism and hospitality sectors in Atlantic Canada,
- Conducting annual qualitative and quantitative assessments on the impact of TIAPEI's marketing strategies and activities on growth of the tourism industry in Atlantic Canada, and
- Using expected results, outputs, and performance information to report on the relevance, effectiveness, efficiency, and overall impact of the 2012-2015 ACTP Agreement on Tourism.

Strategic Element Three: Administration

A Secretariat was created to fulfill the requirement for the overall administration of the 2012-2015 ACTP Agreement, a function that could not be provided by the federal or provincial crowns. For efficiencies, the Secretariat is co-located in the TIAPEI offices. The Secretariat's duties include:

- Overseeing the day-to-day operations and financial administration of the Agreement to ensure all matters are administered in accordance with the Agreement,
- Providing secretariat services, meeting minutes, and detailed financial reports to ACTP's Committees,
- Developing and implementing an efficient and effective Management Information System for the collection, use, disclosure, and distribution of pertinent information, and
- Communications activities in accordance with directives received from the Management Committee.

3.0 GOVERNANCE AND STRATEGIC MANAGEMENT

In 2012, the prior MOU style agreement was transitioned into a Federal-Provincial Agreement with industry participation. Traditional roles, responsibilities and authorities changed under the new Federal-Provincial Agreement format.

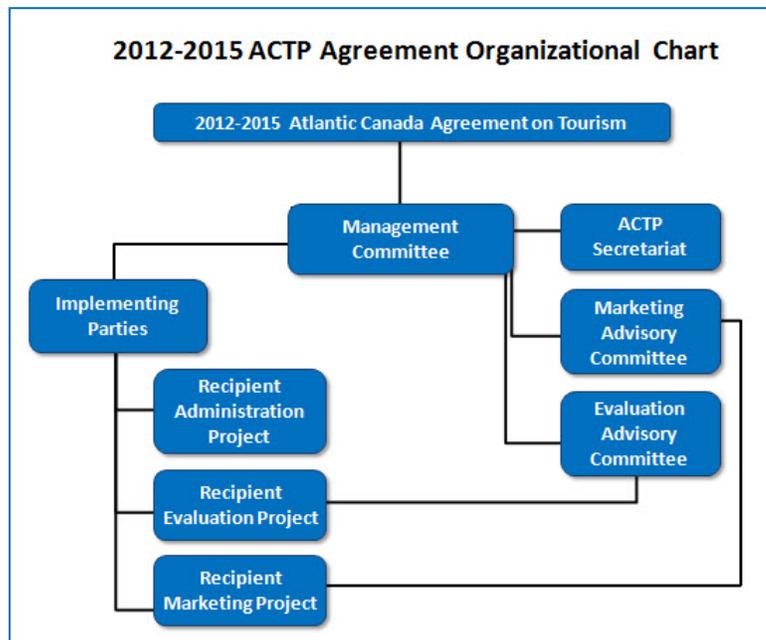
3.1 2012-2015 Federal-Provincial ACTP Agreement

The 2012-2015 ACTP Agreement proposes multi-year funding for specific measures to be taken in support of tourism market development. The objectives of the 2012-2015 ACTP Agreement are to:

- Market Atlantic Canada as a leisure travel destination in international markets,
- Market Atlantic Canada tourism products and experiences to the international touring trade, and
- Market Atlantic Canada to international journalists and travel writers.

To meet these objectives a Recipient “TIAPEI” creates and executes (on an annual basis) fully integrated marketing strategies and tactics that promote Atlantic Canada (and its provinces) as a premier tourism destination in priority markets in the US and the UK. The 2012-2015 ACTP Agreement consists of:

- A Management Committee that approves all projects funded from pooled resources,
- Implementing Parties (four provincial departments of tourism and ACOA) that enter into contribution agreements with the Recipient to fund projects approved by the Management Committee, and
- Expert Advisory Committees that provide input and advice on the management of the 2012-2015 ACTP Agreement and its projects.



Through a competitive process, TIAPEI was selected as the Recipient for the 2012-2015 ACTP Agreement. In addition to creating and executing marketing strategies, TIAPEI was charged with the responsibility for the overall administration of the Agreement and the coordination of annual and end-of-Agreement evaluations.

In fulfilling these obligations, TIAPEI submits annual marketing, administration and evaluation plans (and accompanying budgets) to the Management Committee for approval, then enters into contribution agreements with the Implementing Parties to fund the approved projects.

3.2 Management Committee

ACTP's Management Committee is responsible for the overall administration and management of the 2012-2015 ACTP Agreement, for communication activities undertaken throughout the Agreement, and for coordinating the Agreement with other federal and provincial programs and industry activities.⁴

The Management Committee consists of ten members that include the four provincial Deputy Ministers (or designates) responsible for tourism in Atlantic Canada; the Presidents (or designates) of the four tourism industry associations in Atlantic Canada; the Vice President of ACOA-PEI and Tourism; and the Director General of Tourism Atlantic (ACOA). The CTC sits on the Management Committee in an ex-officio capacity.

The Management Committee appoints two co-chairpersons on an annual and rotating basis. One is a Provincial Minister appointee and the other is the President (or permanent designate) of a provincial tourism industry association in a different Atlantic Province.



In lieu of in-depth interviews with ACTP stakeholders (which will occur during the end-of-Agreement evaluation), a review of Management Committee meeting minutes and other documentation was conducted in 2013. Our evaluation found that the Management Committee has fulfilled its responsibilities and continues to have effective meetings, considers and provides input to all marketing strategies and budgets, and operates on a consensus basis for decision making.

⁴ Appendix 1, Section 4.0: Atlantic Canada Agreement on Tourism in support of the Atlantic Canada Tourism Partnership

3.3 Marketing Advisory Committee

TIAPEI benefits from advice received from a Marketing Advisory Committee (appointed by the Management Committee) in the preparation of annual marketing strategies and tactics. The role of the Marketing Advisory Committee is to provide feedback and advice on TIAPEI’s proposed marketing initiatives. Government representation on the Marketing Advisory Committee enhances TIAPEI’s ability to incorporate provincial and federal priorities for tourism into its annual marketing strategies. The Marketing Advisory Committee is composed of one representative of each of the four provincial departments of tourism, one representative from each of the four provincial tourism industry associations, and two ACOA representatives.

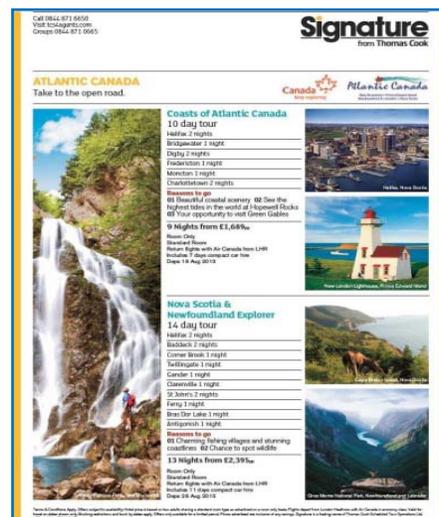
The Marketing Advisory Committee also provides expert advice to the Management Committee. This advice relates the efficiencies, effectiveness, relevance, and alignment of TIAPEI’s marketing strategies with provincial and federal priorities. Other advice is provided on TIAPEI’s research and evaluation agendas, new market or marketing opportunities, etc.

Our review of Marketing Advisory Committee minutes conclude that the Marketing Advisory Committee is providing valuable feedback and advice to TIAPEI on proposed marketing initiatives and is providing strategic advice to the Management Committee on the effectiveness and relevancy of these marketing strategies.

3.4 Evaluation Advisory Committee

TIAPEI works to ensure that an independent and objective evaluation of the 2012-2015 ACTP Agreement is completed on an annual and end-of-Agreement basis. Expenditures related to evaluation in the 2013/2014 fiscal year totalled \$29,302 (\$23,697, 2012/2013). In fulfilling this requirement, TIAPEI coordinated the formation of an Evaluation Advisory Committee tasked with the responsibilities of:

- Developing the terms of reference for the annual and end-of-project evaluations,
- Reviewing proposals submitted,
- Selecting a qualified and experienced consultant to conduct the evaluations,
- Recommending the award of a contract for evaluation services,
- Providing input into the evaluation,
- Acting as a resource to the successful consultant, and
- Reviewing the evaluation report and providing feedback to TIAPEI and the Management Committee.



The Evaluation Advisory Committee is comprised of representatives from ACOA, provincial government and industry. The Evaluation Advisory Committee provides advice to the Management Committee on the preciseness, accuracy, and quality of the evaluations. Our experience in working with the Evaluation Advisory Committee indicates the Committee continues to be effective in providing input and guidance in the preparation of the annual evaluation report.

3.5 Transition Strategy Taskforce

At the request of TIAPEI, an ACAT Transition Strategy Taskforce was established by the Management Committee in early 2013, consisting of the Secretariat plus three members, to develop a strategy to transition from an MOU to a federal/provincial/industry style agreement by March 31, 2015. The Taskforce has met and created a transition strategy which includes:

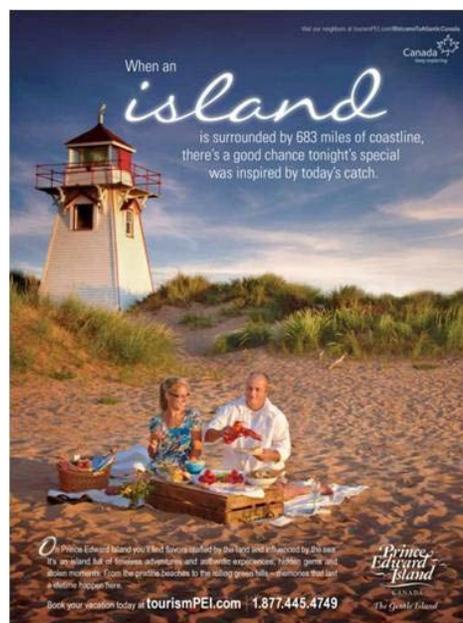
- Clarification of roles, responsibilities and reporting protocols,
- Development of operational plan,
- Development of policy and operating guidelines,
- Review of project documents, and
- Adjustment of language in minutes, meeting documents, presentations, correspondence, requests for proposals, the supplier contract template, etc.

The strategy and action plan will be presented in draft form to the Management Committee in March 2014 for feedback. Draft Policy and Operating Guidelines have been circulated to the Transition Strategy Taskforce for review. Our review of documentation and discussions with TIAPEI indicate the transition is on track and it is anticipated the updated Policy and Operating Guidelines will be fully operational by March 31, 2015.

3.6 Administration

Through the creation of a Secretariat, TIAPEI fulfills the requirement for the overall administration of the 2012-2015 ACTP Agreement, a function that cannot be provided individually by the Implementing Parties (federal or provincial crowns). Expenditures in the 2013/2014 fiscal year for administration of the Agreement totalled \$169,973 (\$157,752, 2012/2013). The Secretariat manages the activities of the 2012-2015 ACTP Agreement under the direction of the Management Committee. The Secretariat's functions include:

- Overseeing the day-to-day operations and financial administration of the Agreement to



- ensure all matters are administered in accordance with the 2012-2015 ACTP Agreement,
- Providing secretariat services, meeting minutes and detailed financial reports to the Committees,
 - Developing and implementing an efficient and effective Management Information System for the collection, use, disclosure and distribution of pertinent information, and
 - Conducting communications activities in accordance with directives received from the Management Committee.

As part of the communications process, the Secretariat attends the four Atlantic Canada Tourism Industry Association conferences annually and promotes ACTP through industry presentations, trade show booths, and other collateral materials. Expenditures in the 2013/2014 fiscal year for communication activities totalled \$16,667. The Secretariat works with TIAPEI's US and UK Program Managers to ensure that all marketing activities adhere to ACTP's Policy and Operating Guidelines. The Program Managers are accountable to TIAPEI on issues related to hours worked, vacation, and annual performance review. They take advice from the Marketing Advisory Committee on all marketing related matters.

A Liaison Subcommittee (comprised of the Management Committee co-chairs and ACOA) acts as a liaison between the Management Committee and the Secretariat, and conducts end-of-Agreement evaluations of the Secretariat's services. Members of the Management Committee (or the Secretariat) may address any issues regarding the Secretariat's services to the Liaison Subcommittee.

The Liaison Subcommittee will complete their next performance assessment of TIAPEI's Secretariat services in January 2015.

Our evaluation concluded that the Secretariat continues to provide effective oversight for the day-to-day operations and financial administration of the 2012-2015 ACTP Agreement, undertakes communications activities in accordance with directives from the Management Committee, and has established an efficient and effective Management Information System.

3.7 Policy and Operating Guidelines

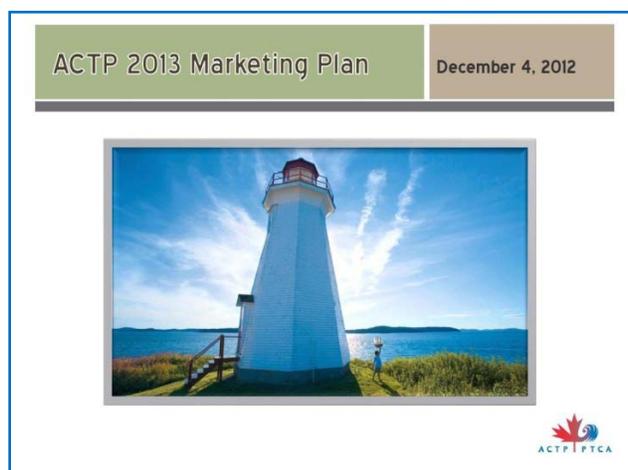
Policy and operating guidelines provide a framework to support critical, consensus-based decisions and outline procedures with respect to meetings, decisions, reporting, and approvals. In 2013, as part of the transition plan, TIAPEI drafted policy and operating guidelines for the ACAT in support of the ACTP. TIAPEI expects to present the draft to the Management Committee during 2014.

4.0 MARKETING PROGRAM

Between April 1, 2013 and March 31, 2014, TIAPEI will have invested \$4.8 million (Table 2), just over \$10 million since inception of the 2012-2015 agreement, in marketing programs to create awareness of and demand for Atlantic Canada’s well respected tourism products and experiences in targeted international markets. Pursuant to budget allocations and input received from the Management Committee, TIAPEI benefits from the advice of a ten person Marketing Advisory Committee (appointed by the Management Committee) when developing its annual marketing plans.

TIAPEI’s marketing program enables the four Atlantic Provinces to pool their resources and increase their visibility in priority markets. In most cases, the individual provinces would not have the resources to undertake campaigns of this scale on their own. The key marketing benefits are:

- Relationship building and collaborative partnership,
- Marketing efficiencies (media buys, media relations),
- Research efficiencies that support marketing strategies and tactics, and
- Information and exposure to the region’s local tourism assets.



TIAPEI does not undertake marketing initiatives that are normally the responsibility of a provincial or federal government department. Only activities that cannot be funded under other provincial and/or federal programs are considered under the Agreement.

4.1 Marketing Advisory Committee

The Marketing Advisory Committee provides TIAPEI with advice and feedback when developing its annual marketing strategies. The Committee’s advice ensures that TIAPEI’s strategies build on and enhance provincial brand equity in priority markets in the US, and support a regional Atlantic Canada brand in the UK. The Marketing Advisory Committee also provides advice in the development of TIAPEI’s market research and performance measurement agendas.

The Marketing Advisory Committee also provides advice to the Agreement’s Management Committee. This advice focuses on the appropriateness, effectiveness, efficiencies, and alignment of TIAPEI’s marketing strategies and tactics with provincial and federal priorities for tourism.

Our evaluation included a review of meeting minutes for the 2013/14 year. In our opinion, based on this review, the Marketing Advisory Committee continues to provide strategic advice and feedback to TIAPEI in the development and delivery of TIAPEI’s marketing strategies and tactics.

4.2 Target Markets

Prior research completed by TIAPEI, the four Atlantic Provinces, ACOA and other tools, including the CTC’s Market Portfolio Analysis, TNS Consumer Research for US and UK, and Environics Analytics Market Segmentation Refresh identified the Mid-Atlantic⁵ and New England⁶ regions of the US as key origin markets for Atlantic Canada’s tourism economy. These regions took priority over all other US regions because of their geographic proximity; direct air, highway and cruise ship access; familiarity with Atlantic Canada; population base; long term potential for growth; and potential economic benefits. This research and analysis also directed TIAPEI to focus its attentions exclusively on the UK in overseas markets.



TIAPEI is focusing its marketing efforts on high potential lifestyle segments within its identified geographic markets in the US and the UK. Research identified three high potential lifestyle segments for Atlantic Canada in the US market that included Exurban Explorers, Outdoor Experiencers, and Young Families. In the UK, TIAPEI’s lifestyle targets include Authentic Experiencers, Cultural Explorers, and Free Spirits (CTC’s Explorer Quotient).

4.3 Marketing Program Criteria

TIAPEI’s marketing activities are research driven and are reflective of current market conditions. The primary means by which TIAPEI expands Atlantic Canada’s international marketing efforts is by building on and enhancing the equity of the region’s four provincial tourism brands in the Mid-Atlantic and New England regions of the US. A regional, Atlantic Canada brand (Atlantic Canada, Awaken to the Rhythm of the Sea) is delivered into priority lifestyle markets in the UK. Marketing budgets are expended against fully integrated marketing activities. These activities take advantage of and reinforce the CTC’s Canada brand: “Canada, Keep Exploring” where appropriate.

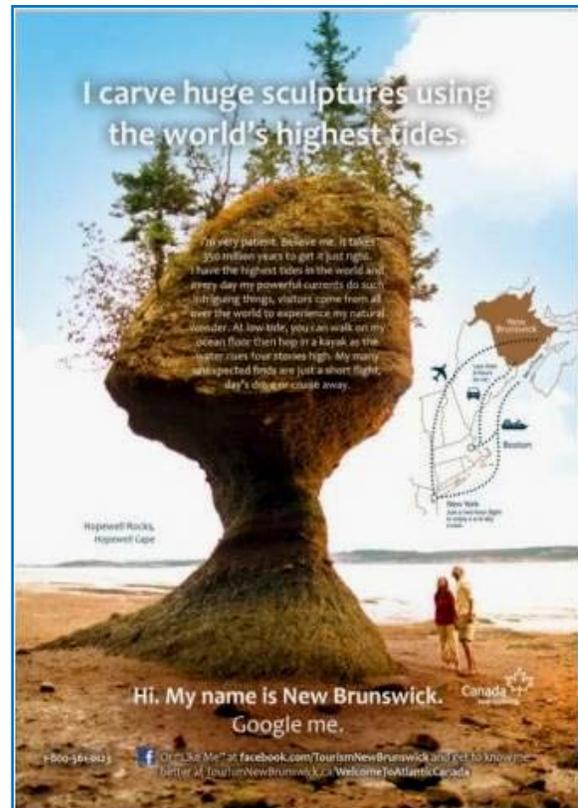
⁵ New York, New Jersey, Pennsylvania

⁶ Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut

Where media is the chosen tactic, the primary focus of TIAPEI's marketing effort is to obtain media efficiencies through the joint and bulk buying of traditional (TV, radio, print, direct mail, online advertising, etc.) and non-traditional (digital, social, mobile, etc.) advertising. A common and independent media planner/buyer (Time + Space Media) is contracted to develop an overall media plan, based upon approved guiding principles. Once the media plan is approved by TIAPEI's Program Managers, the media planner/buyer ensures the plan is executed as approved.

TIAPEI's media plans respond first to those elements of provincial plans that are common to all four Atlantic Provinces (common media channels, common media publications, etc.). Where commonality does not exist due to budgetary or tactical considerations, the media plans would respond to those elements of provincial plans that are common to three of the four Atlantic Provinces. TIAPEI's media plans do not respond to those elements of provincial plans that are province specific.

TIAPEI's reach into the travel trade sector is directed at joint marketing agreements with tour operators, educational sessions with travel agents, travel trade outreach events, familiarization tours, and travel shows. All travel trade marketing activities are considered on a case by case basis and are incremental to provincial marketing activities.



Media relations activities are coordinated by common and independent media relation providers in both the US and the UK. These providers are responsible for developing and implementing annual media/publicity plans that include press releases, press visits, educational and outreach sessions, familiarization tours, and media shows. In all instances, TIAPEI's media relations efforts are incremental to provincial activities.

In preparing its annual marketing plans, TIAPEI does give consideration to the planning, execution and coordination of high value consumer events and other special promotions.

4.4 Performance Measurement

All marketing programs are evaluated against pre-stated goals and objectives outlined in Project Authorization Forms. The full implementation of TIAPEI's marketing programs may be deferred until individual project or activity evaluations have been completed. TIAPEI's direct and indirect economic performance impacts are assessed annually.

4.5 Program Managers

The administration and delivery of TIAPEI's US and UK Marketing Programs are the responsibility of two Program Managers. These individuals undertake the management of TIAPEI's media planning and buying functions; negotiate and enter into joint marketing accords with the travel trade; coordinate TIAPEI's activities with provincial marketing activities; collect performance measurement information; and manage the resource allocations for the US and UK Marketing Programs. Their responsibilities include:

- Developing and implementing multi-faceted consumer, trade, and media relations marketing strategies and tactics in priority markets,
- Developing performance measurement objectives for consumer, trade, and media relations marketing strategies and tactics in priority markets,
- Providing regular activity and progress reports to the Marketing Advisory Committee and the ACTP Secretariat,
- Developing meeting agendas in consultation with the Chair of the Marketing Advisory Committee,
- Coordinating the activities of TIAPEI's media planning and media relations providers,
- Monitoring the US and UK marketing budgets and providing monthly reports in cooperation with the ACTP Secretariat,
- Ensuring all marketing activities adhere to the 2012-2015 ACTP Agreement's policy and operating guidelines,
- Coordinating, administering and implementing all marketing strategies, tactics and special projects including media events, trade shows and other activities,
- Monitoring the implementation of approved projects, and
- Preparing and making presentations to ACTP's Management Committees, Marketing Advisory Committee, industry stakeholders, and others as required.

Marketing budgets reflect the latest information available at the time of preparation of the annual evaluation reports. Budgets for all years will be updated in the end-of-agreement evaluation to reflect the actual as of March 31 in each fiscal year.

Table 2: ACTP Marketing Budget (April to March)

Activity	2012/2013 Total	2013/2014 US	2013/2014 UK	2013/2014 Total
Direct-to-consumer Advertising	\$3,846,008	\$3,269,775	\$277,000	\$3,546,775
Media Planning/Buying Fees	250,651	230,567	-	230,567
Creative/Production/Collateral	32,387	-	50,000	50,000
Travel Trade Program	373,060	221,304	176,099	397,403
Atlantic Canada Showcase	175,000	-	-	-
Media Relations Program	294,456	140,595	148,800	289,395
Research Strategy	19,068	74,865	-	74,865
Program Manager	186,227	98,247	88,020	186,267
Contingency	30,000	35,000	-	35,000
Shipping/Storage	5,900	-	7,980	7,980
Meeting/Travel Expenses	<u>14,270</u>	<u>6,312</u>	<u>9,050</u>	<u>15,362</u>
Total	<u>\$5,227,027</u>	<u>\$4,076,665</u>	<u>\$756,949</u>	<u>\$4,833,614</u>

On an annual basis the job performances of the Program Managers are formally assessed by the Secretariat with input from the Marketing Advisory Committee Chair with an expected minimum satisfaction requirement of 90%. During our evaluation we reviewed materials prepared by the Program Manager and documentation from the meetings. Our review of these materials in 2013/2014 suggests the necessary financial controls; coordination and communication with the Marketing Advisory Committee and supply of briefs, presentations, and other information appear to be provided as and when requested. Our evaluation also found that the US and UK marketing program activities are research driven and directed towards agreed upon targets.

5.0 BUSINESS AND MARKET ENVIRONMENT

5.1 Business Environment

Global Perspective:

Travel & Tourism indicators suggest that the industry has remained resilient against a difficult economic backdrop with world arrivals growth from World Tourism Organization's (UNWTO's) World Tourism Barometer showing an increase in 2013 of 5% compared to 4.0% in 2012. The Travel & Tourism industry, based on preliminary figures, was expected to expand its direct contribution to GDP by 3.0% in 2013, faster than the 2.1% predicted for global economic growth. International tourism expenditure exceeded expectations with estimated growth of 4.0% in 2013 compared with a previous estimate of 3.1%; however, year to date international air passenger traffic growth for October 2013 increased at a slower pace than 2012 – 5.3% compared to 6.1% growth. The outlook for Travel & Tourism in 2014 is a direct contribution to GDP of 4.0%.

UNWTO forecasts international arrivals to increase by 4% to 4.5% in 2014, above its long-term forecast of +3.8% per year between 2010 and 2020. 2014 regional prospects are strongest for Asia and the Pacific (+5% to +6%) and Africa (+4% to +6%), followed by Europe and the Americas (both +3% to +4%). In the Middle East (0% to 5%) prospects are positive yet volatile. The market share of emerging economies increased from 30% in 1980 to 47% in 2012 and is expected to reach 57% by 2030.

With the rise of personal incomes and living standards, the outbound tourism of China is growing. In 2013, Chinese tourists spent more than \$100 billion on international travel, making it the world's largest tourism source market in terms of spending. For the first nine months of 2013 more than 72 million border crossings were reported and projections for the year were estimated between 95 and 98 million.

National Perspective:

Over the past decade, many new destinations have emerged, challenging Canada for international arrivals. In 2002, Canada's global ranking for international arrivals was 7th. By 2008, Canada's ranking had slipped to 15th and in 2012 further declined to 16th. Tourism continues to grow globally with international arrivals passing the one billion mark world-wide in 2012; however Canada's share of this export sector continues to erode, dropping from 20.1 million visitors in 2002 to 16.3 million in 2012. Statistics Canada's International Travel Survey attributes Canada's lost market share and decline in global ranking largely to significant declines in arrivals from the US. Between 2002 and 2012, international arrivals to Canada from the US had declined by 33%.

Year to date October 2013, international arrivals to Canada grew by 1.5%, well below the international average of 3.3%. Year to date arrivals from the US as a whole grew by 1.0% while arrivals from the UK declined by 1.3%. Information for 2013 specific to Atlantic Canada is not yet available. Emerging markets grew by 7.4%.

Regional Perspective:

Atlantic Canada has not escaped Canada's downward spiral in tourism. Research commissioned for ACTP in the prior year (no new research was completed in 2013) indicated that there were four primary factors affecting tourism globally, nationally, and regionally:

- **Globalization of Tourism:** The emergence of more destinations offering new, unique, and diverse travel experiences,
- **Geopolitical Conditions:** Changing economic conditions, border security issues, exchange rates, fuel costs, credit card crunch, etc.,
- **Changing Market Characteristics:** Changing demographics, changing household compositions, immigration, urbanization of populations, demand for personal safety, advance in tourism technologies, etc., and
- **Changing Travel Interests:** Growing demand for experiential and participatory travel experiences, growth in cultural tourism, etc.

The region's competitiveness has been further eroded because of factors unique to both Canada and Atlantic Canada:

- Atlantic Canada lacks the air access, air capacity, and price point (discount fares) available in other Canadian jurisdictions. This has rendered the region heavily dependent on automobile visitation from near border US and near Canadian regions. In 2013, the US weekly seats peak declined by 7.5% from 7,678 in 2012 to 7,098 while the UK numbers remained the same as 2012,
- Higher energy costs continue to influence travel patterns. Increased home heating costs continue to erode savings and disposable incomes. Higher gasoline and jet fuel prices have added to the cost of travel. Increased energy costs are encouraging travelers to become more frugal, vacation closer to home, or spend fewer nights away from home,
- The Canadian dollar had appreciated significantly against the American dollar. This has encouraged more Canadians to travel internationally (fewer domestic trips) and has affected Atlantic Canada's price competitiveness in key North American and Overseas markets. Although the Canadian dollar is now declining against the US dollar we are still not priced competitively with other regions.,
- Over the past number of years, the tourism industry in Atlantic Canada has become increasingly urbanized. Changing travel interests combined with increases in air travel and strong growth in the cruise ship industry has favoured urban tourism,

- Shifting travel patterns, demographics, and psychographics continue to challenge Atlantic Canada’s ability to maintain and increase market share, and
- Knowledge-based economies, rapidly emerging internet technologies, the growth in social media and mobile devices, etc., continue to change how tourism operators communicate and do business with their clients.

5.2 Market Environment

Atlantic Canada competes for tourism-related visits and revenues both domestically and internationally. In 2012, ACTP’s research (TNS Canada) and an analysis of Statistics Canada’s International Travel Survey data identified Quebec, Ontario and British Columbia as Atlantic Canada’s primary Canadian competitors for both domestic and international arrivals. In targeted US markets, Atlantic Canada’s primary competitors include the Northeastern region of the US, Europe and, to a lesser extent, winter sun destinations in the Caribbean and Mexico. In the UK, Atlantic Canada’s primary long haul competitors markets include the US, the Caribbean, North Africa, and Asia. Canada is the 4th most visited long-haul destination for the UK.

The Northeastern region of the US continues to be Atlantic Canada’s primary origin markets for international arrivals, with the Mid-Atlantic and New England regions representing almost 63% of overnight US arrivals. Atlantic Canada’s competitive advantages in this region include familiarity, geographic proximity, and accessibility by road and air.

Since 2009, Atlantic Canada has experienced upward growth in overnight arrivals from its priority Mid-Atlantic US market, however the New England market has experienced a decline. As shown in Table 3, between 2009 and 2012, Atlantic Canada recorded a 13.5% increase in overnight arrivals from the Mid-Atlantic region of the US and an 8.1% decline in overnight New England arrivals.

Table 3: Overnight Arrivals to Atlantic Canada from the Northeastern US and UK

	2009	2010	2011	2012	C change 2009-2012
Mid-Atlantic	91,800	90,200	108,300	104,200	+13.5%
New England	395,500	423,400	400,400	363,300	-8.1%
UK	67,900	50,400	72,000	59,200	-12.8%

Source: Statistics Canada International Travel Survey

As shown in Table 4, between 2009 and 2012, Atlantic Canada’s share of overnight Mid-Atlantic arrivals to Canada increased from 3.5% to 3.8% – an increase of 8.6% and its share of overnight arrivals to Canada from the New England region of the U.S. declined from 29.1% to 27.3% – a decrease of 6.2%. The persistence of the weak American dollar in 2013 along with increased

promotion of domestic travel for Americans contribute to reduced international travel from the US. Despite the declines in visitation, the US remains Canada’s largest source market, accounting for 62% of visitor volume. As economic conditions improve, US international travel is expected to experience increases.

As shown in Table 3, overnight arrivals to Atlantic Canada from the UK have decreased by 12.8% and Atlantic Canada’s share of overnight UK arrivals to Canada has increased only slightly from 7.5% to 7.6% – an increase of 1.3% (Table 4). The UK long-haul travel market has contracted due to the prolonged recession, political instability in some key destinations and prohibitive taxes on long-haul flights.

Table 4: Atlantic Canada's Share of Overnight Arrivals to Canada from the Northeastern US and the UK

	2009	2010	2011	2012	Change 2009-2012
Mid-Atlantic	3.5%	3.5%	4.3%	3.8%	+8.6%
New England	29.1%	30.0%	29.3%	27.3%	-6.2%
UK	7.5%	6.1%	8.5%	7.6%	+1.3%

Source: Statistics Canada International Travel Survey

The strong growth recorded in both visitation and market share for the Mid-Atlantic market suggests that TIAPEI’s marketing activities in the US Mid-Atlantic are positively influencing visitation to Atlantic Canada. Marketing activities in the US New England market and the UK will require continued monitoring.

5.3 Market Research

Tourism is one of the highest-grossing industries globally. The World Tourism Organization reported that in 2012 alone, international tourist arrivals exceeded the one billion mark (970 million, 2011) and Canada reported almost \$79 billion in international tourist receipts (\$73 billion, 2011). Based on the size, global presence, and continuous growth of the tourism industry, the importance of tourism research cannot be overstated. Research is required to understand how to harness the benefits while avoiding the disadvantages associated with tourism.

TIAPEI developed a three-year research program to parallel its marketing strategies (Table 5). This \$253,000 research plan builds on and takes advantage of the research commissioned under previous ACTP Agreements. Being both directional and evaluative in nature, the research plan was designed to measure the economic impacts of TIAPEI’s programming in the US and the UK, as well as to assess market conditions and pose recommendations for geographic and consumer

targets, messaging, and visuals. TIAPEI’s research agenda 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.

Research continues to be a valuable tool in developing an evidence-based marketing plan. TIAPEI’s marketing plan continues to be based on market research. Access to current and up-to-date tourism marketing research is a strong point of the ACTP Agreement. ACTP’s Management and Marketing Advisory Committees recognize the importance of incorporating research into its marketing strategies and long-term plans in the tourism industry.

Table 5: ACTP’s 2012-2015 Research Plans

Research Activity	US	UK
Conversion Study ⁷	\$120,682	\$26,075
Lifestyle Profiling ⁸	9,356	-
Consumer ⁹	43,444	43,444
International Travel Survey	ACOA	ACOA
Tourism Trends	ACOA	ACOA
Custom Research ¹⁰	<u>10,000</u>	_____
Total (\$253,000)	<u>\$183,482</u>	<u>\$69,518</u>

⁷ Travel Intentions and Conversion Survey - annual

⁸ ACTP Segmentation Refresh Northeast USA, US Lifestyles Update

⁹ To be completed 2014/2015

¹⁰ Tourism Leaders Custom US Research

6.0 UNITED STATES MARKETING PROGRAM

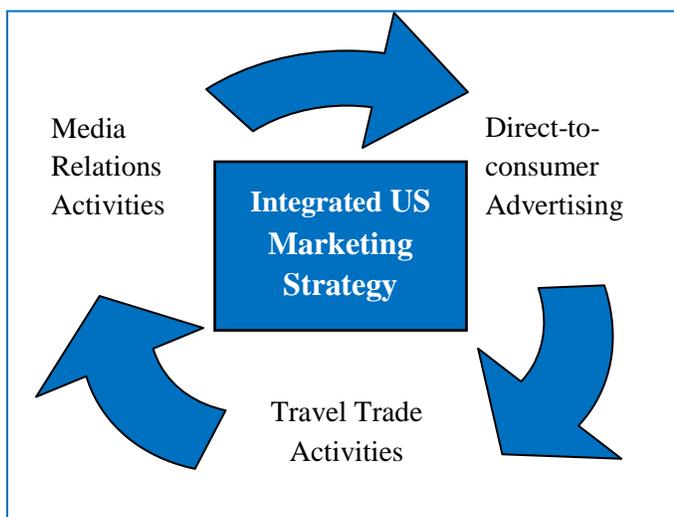
Our evaluation of the 2013 US Marketing Program documentation continues to find strong evidence that TIAPEI's target markets (geographic, demographic, and lifestyle), market strategies, and tactics in the US continue to be based on the results of market research, as well as a strong understanding of the tourism industry and market dynamics.

TIAPEI invested over \$3.5 million (Table 14) in marketing activities in the Mid-Atlantic¹¹ and New England¹² regions of the US during the 2013 marketing year. This investment generated \$48 million in revenues and \$3.2 million in media relations for tourism enterprises in Atlantic Canada (Table 14). An ROI of \$14.49 for every \$1.00 invested in direct-to-consumer advertising, joint marketing partnerships with the travel trade, and media relations was achieved.

The CTC's Market Portfolio Analysis, combined with an analysis of international travel statistics determined that the best opportunities for investment and the highest potential for growth in the US market were the Mid-Atlantic and New England States.

The objectives of TIAPEI's marketing program in the US are to:

- Contribute to an overall ROI of \$10:1 in the US,
- Generate visitation and revenue for the four provinces of Atlantic Canada,
- Build awareness of Atlantic Canada's four provincial tourism brands,
- Utilize integrated marketing mix across all programming,
- Enhance strategic trade partnerships,
- Improve media relations awareness of Atlantic Canada's four provincial tourism brands in priority markets in the US,
- Increase media coverage and third party endorsements, and
- Leverage against other partner programs where possible.



¹¹ New York, New Jersey, Pennsylvania

¹² Maine, Vermont, New Hampshire, Massachusetts, Rhode Island and Connecticut

In achieving these strategic objectives, TIAPEI invested in marketing efforts that incorporated a number of initiatives including direct-to-consumer advertising; joint marketing agreements with tour operators; in-market travel trade promotions; media relations activities including press trips; and participation in strategic consumer travel shows and educational seminars. An essential ingredient of TIAPEI’s marketing efforts in the US was the integration of the CTC’s “Canada, Keep Exploring” logo and “Welcome to Atlantic Canada” regional identifier.

6.1 United States Consumer Marketing

TIAPEI’s US Consumer Marketing Program builds awareness of and demand for Atlantic Canadian vacation experiences among Exurban Explorer, Outdoor Experiencer, and Young Family lifestyle segments in the Mid-Atlantic and New England regions of the US.

Through a mix of traditional and non-traditional media (magazine, newspaper, digital and social media) that feature the four provincial tourism brands, targeted consumers were encouraged to visit the region’s provincial tourism websites to plan and book their NL, NB, NS, or PEI vacation experience.

Table 6: US Direct-to-Consumer Advertising Budget

Activity	Expenditure 2012/2013	Expenditure 2013/2014
Media Campaigns -Mid-Atlantic	\$2,297,753	\$2,129,455
Media Campaigns -New E ngland	954,748	1,140,320
Media Buying Fees	250,651	230,567
Contingency	<u>30,000</u>	<u>35,000</u>
Total US Consumer	<u>\$3,533,152</u>	<u>\$3,535,342</u>

Performance Indicators

According to Statistic Canada’s International Travel Survey, Atlantic Canada, between 2011 and 2012, saw a decrease in the Mid-Atlantic and New England markets. In 2012, Atlantic Canada saw a 3.8% decline in overnight arrivals from the Mid-Atlantic States and a 1.9% decrease in spending by overnight Mid-Atlantic visitors. Atlantic Canada’s share of overnight Mid-Atlantic arrivals went from 4.3% to 3.8% – a decrease of 11.6%, and its share of spending in Canada by overnight Mid-Atlantic arrivals went from 6.3% to 5.7% – a decrease of 9.5% (Table 7).

In the New England region of the US, Atlantic Canada, between 2011 and 2012, saw a 9.3% decline in overnight arrivals and market share of overnight New England arrivals to Canada declined from 29.3% to 27.3% – a decline of 6.8%. Spending by overnight New England visitors to Atlantic Canada increased by 4.0%, and Atlantic Canada’s share of spending in

Canada by overnight New England visitors remained relatively the same – 23.2% to 23.1% (Table 7).

The fact that spending declined by a smaller percentage than overnight arrivals or increased suggests that in 2012, TIAPEI’s marketing efforts in both Mid-Atlantic and New England attracted higher yield travelers. It is also important to recognize that the US has been heavily focused on increasing domestic tourism and that the persistent low value of the US dollar in comparison to the Canadian dollar into 2012 most likely had an impact on visitation.

Table 7: Overnight US Arrivals to Atlantic Canada

	2011	2012	% Change
<u>Mid-Atlantic States:</u>			
Overnight Arrivals	108,300	104,200	-3.8%
Market Share Arrivals	4.3%	3.8%	-11.6%
Spending by Overnight Arrivals	\$67.6 M	\$66.3 M	-1.9%
Market Share Spending	6.3%	5.7%	-9.5%
<u>New England States:</u>			
Overnight Arrivals	400,400	363,300	-9.3%
Market Share Arrivals	29.3%	27.3%	-6.8%
Spending by Overnight Arrivals	\$121.7 M	\$126.6 M	+4.0%
Market Share Spending	23.2%	23.1%	-0.4%

Source: Statistics Canada: International Travel Survey

Conversion studies directly link TIAPEI’s investments in consumer advertising with visitation to each of the four Atlantic Provinces. In 2013, the method of conversion was modified by weighting the media buy based on the ratio of ACTP media buy as compared to total US media buys by province. The 2013 US Conversion Study (Table 8) concluded that 73,688 website visitors, an increase of 40% from 2012, recalled hearing or seeing advertising for Atlantic Canada (qualified web visitors). Among these web visitors, 54.7% (or 40,287 parties) actually visited Atlantic Canada in 2013, spending an estimated \$46.83 million



(ACTP generated). There were almost 31% more converted visits in 2013 than in 2012. Based on a TIAPEI consumer advertising media buy of \$3,283,985, ACTP’s direct-to-consumer advertising campaign in the Mid-Atlantic and New England regions of the US generated an ROI of \$14.26 in tourism-related spending in Atlantic Canada, for every \$1.00 of advertising purchased. In addition, a total of \$1,967,206 in media efficiencies and incremental advertising value was generated through a common and independent media planner/buyer (Time + Space Media).

Table 8: US Conversion Indicators

Indicator Description	2012 Indicators	2013 Indicators
Total Web Visits	5,575,663	6,644,055
% Web Visits from the US	16.3%	19%
# Web Visits from the US	908,033	1,260,637
Adjusted US Web Visits (multiple visits)	200,816	273,865
% Recalled Advertising/Editorial	26.2%	26.9%
# Recalled Advertising/Editorial	52,531	73,688
% Converted Visits	58.7%	54.7%
# Converted Visits	30,818	40,287
Average Spending in Atlantic Canada	\$1,307	\$1,462
Revenues Generated	\$40,254,287	\$58,905,176
Media Weight ¹³	n/a	80%
Adjusted ACTP Revenues	n/a	\$46,831,550
ACTP Consumer Media Buy	\$3,597,808	\$3,283,985
ROI	\$11.19	\$14.26

Source: ACTP Travel Intentions & Conversion Survey

6.2 United States Travel Trade

TIAPEI’s US Travel Trade Strategy focused on developing joint marketing partnerships with tour operators and travel influencers with the ability to generate packaged and fully independent travel (sales) to the four Atlantic Provinces.

¹³ In 2013, the method of conversion was modified by weighting the media buy based on the ratio of ACTP media buy in comparison to the total US media buys by province.

The objectives of the US travel trade program were to:

- Nurture existing and establish new partnerships (targeting both group and FIT) focused on ACTP identified lifestyle segments,
- Encourage more frequent departure dates as well as extended and improved itineraries and product offerings,
- Enhance product knowledge through training and education,
- Leverage other partner programs,
- Increase consumer awareness through trade activity, and
- Create greater synergies with ACTP’s consumer and media relations activities.

Table 9: US Travel Trade Budget

Activity	Expenditure 2012/2013	Expenditure 2013/2014
Joint Marketing Partnership	\$126,250	\$150,813
Consumer Travel Shows / In Market Promotions	78,250	70,491
Atlantic Canada Showcase	<u>175,000</u>	<u>-</u>
Total US Travel Trade Program	<u>\$379,500</u>	<u>\$221,304</u>

Performance Indicators

In 2013, TIAPEI established five joint marketing partnerships with the travel trade in the US, meeting the target.

Based on TIAPEI’s investment of \$113,506, these joint marketing partnerships generated \$1,199,911 in sales of packaged and fully independent travel to Atlantic Canada in 2013, and a direct ROI of \$10.57 in revenues for every \$1.00 invested. In 2013, only two of the partnerships had been in place since 2012. It is expected within the next two years the returns on the new partnerships will increase as some activities were to stimulate sales for 2014. Additionally, TIAPEI leveraged \$184,409 in additional marketing investments from tour operators in the US (Table 10).

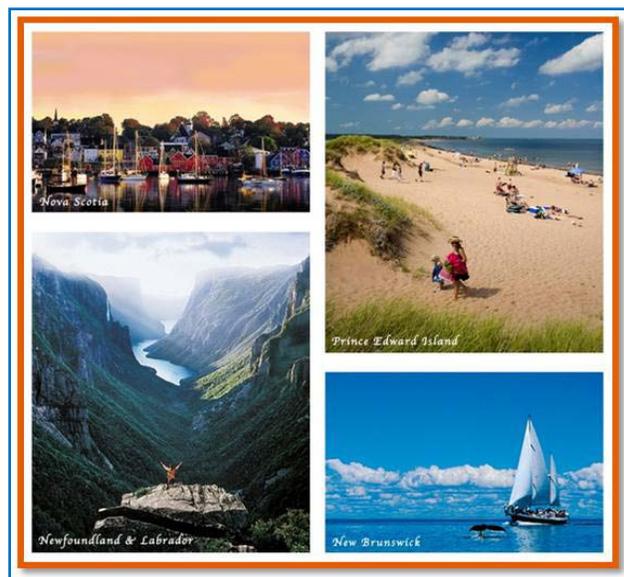


Table 10: US Travel Trade Performance Indicators

Indicator Description	2012 Indicators	2013 Indicators
Number of partnerships formed	2	5
ACTP contributions to Joint Marketing Partnerships	\$55,250	\$113,506
Leveraged investment	\$59,500	\$184,409
Value of ACTP related sales	\$773,900	\$1,199,911
ROI	\$14.01	\$10.57

To build partnership relations and to generate increased awareness of Atlantic Canada's travel products and experiences among tour operators, TIAPEI supported two educational/outreach sessions that were timed to coincide with The New York Times Travel Show. During these sessions, joint marketing agreement opportunities were presented to tour operators, and 58 travel agents received training on Atlantic Canada travel products.

6.3 United States Media Relations

TIAPEI's Media Relations Program in the US aimed to generate greater awareness and a stronger positive image for each of the four Atlantic Canadian provinces as vacation destinations through publicity in visual, print, and online media. The key objectives of TIAPEI's media relations activities are to promote each of the four Atlantic Provinces as premier vacation destinations and distinguish them from competitive destinations in the US and Canada.

The objectives of the US Media Relations Program were to:

- Generate greater awareness and a stronger positive image for each of the four provinces of Atlantic Canada,
- Promote the four provinces as premier vacations destinations in the Northeast US,
- Distinguish the four provinces of Atlantic Canada from their competition,
- Support Atlantic Canada's overall marketing strategy, and
- Increase year-round tourism by attracting more first-time visitors and by encouraging cross-province visitation to stimulate the overall repeat visitations.

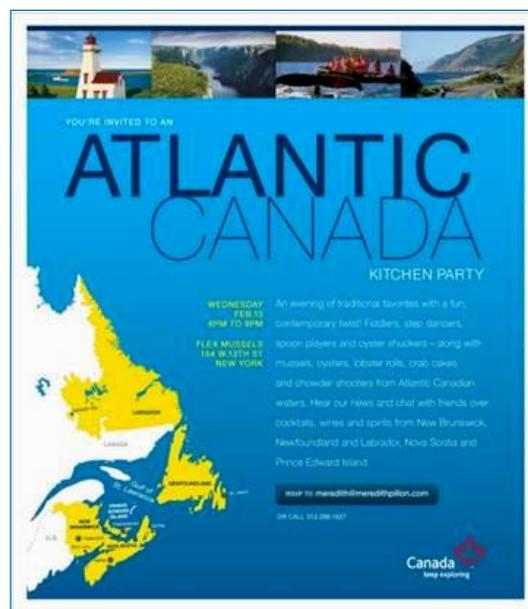


Table 11: US Media Relations Budget

Activity	Expenditure 2012/2013	Expenditure 2013/2014
Media Relations Program	\$119,995	\$127,995
Media FAM Tour Program	<u>20,600</u>	<u>12,600</u>
Total US Media Relations	<u>\$140,595</u>	<u>\$140,595</u>

Performance Indicators

Meredith Pillon Marketing Communications (MPMC) was again contracted to coordinate TIAPEI's Media Relations Program in the Mid-Atlantic and New England States. In concurrence with TIAPEI's US Program Manager and the media relations professionals in each of the four Atlantic Provinces, MPMC created and distributed nine press releases, three more are currently pending and expected to be released by March 31, 2014; coordinated 18 press trips; coordinated a social media outreach effort; had 25 media appointments and coordinated a dedicated media relations event (Atlantic Canada Kitchen Party); and other media relationship building activities.

The publicity value generated by TIAPEI's media relations activities in 2013 exceeded \$3.2 million (Table 12). TIAPEI's media value was tracked for each publication (broadcasts, trade magazines, blogs and online activity, national and regional newspapers, etc.). The decline from 2012 results from a number of factors including availability of print publications naturally declining each year, a story on Fogo Island in 2012 which drove up coverage in that year, and a movement towards online which is more difficult to measure.

TIAPEI's Media Relations Program in the US generated an ROI of \$23.10 in publicity value for every \$1.00 invested, significantly higher than its target.

Table 12: US Media Relations Performance Indicators

Indicator Description	2012 Indicators	2013 Indicators
Media Value Generated	\$6,429,999	\$3,247,877
Media Relations Investment	\$140,595	\$140,595
Press Visits	13	18
Press Releases	9	9
Media Appointments	14	25
ROI	\$45.73	\$23.10

Table 13: US Marketing Program Budget

Activity	Expenditure 2012/2013	Expenditure 2013/2014
Direct-to-Consumer Advertising	\$3,252,501	\$3,269,775
Media Buying Fees	250,651	230,567
Contingency	30,000	35,000
Travel Trade Program	204,500	221,304
Media Relations Program	140,595	140,595
Atlantic Canada Showcase	175,000	N/A
Research Strategy	19,068	74,865
Program Manager	99,207	98,247
Meeting Expenses/Industry Travel	<u>6,720</u>	<u>6,312</u>
Total spending	<u>\$4,178,242</u>	<u>\$4,076,665</u>

Table 14: US Marketing Program ROI

January 1 to December 31, 2013 Marketing Cycle

US Marketing Investment	2012 ROI	2013 ACTP Investment	2013 Revenue Generated	2013 ROI
Direct-to-consumer	\$11.20	\$3,283,985	\$46,831,550	\$14.26
Travel Trade	<u>\$14.01</u>	<u>113,506</u>	<u>1,199,911</u>	<u>\$10.57</u>
Subtotal	\$11.24	\$3,397,491	\$48,031,461	\$14.14
Media Relations	<u>\$45.73</u>	<u>140,595</u>	<u>3,247,877</u>	<u>\$23.10</u>
Total	<u>\$12.52</u>	<u>\$3,538,086</u>	<u>\$51,279,338</u>	<u>\$14.49</u>

In 2013, economic benefits are being achieved from TIAPEI's US Marketing Program with an ROI of \$14.49 for every dollar invested in direct-to-consumer advertising, joint marketing partnerships with the travel trade, and media relations. Our evaluation also found strong linkages between the performance measurement indicators and the goals and objectives of the 2012-2015 ACTP Agreement.

7.0 UNITED KINGDOM MARKETING PROGRAM

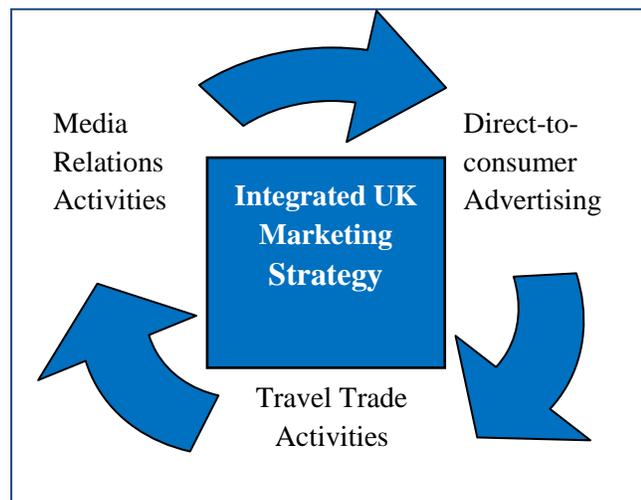
As was the case with the US Marketing Program, our review of the 2013 UK Marketing Program documentation continues to find strong evidence that target markets (geographic, demographic, and lifestyle), market strategies, and tactics were based on the results of market research, as well as a strong understanding of the tourism industry and market dynamics.

TIAPEI invested \$721,862 (Table 23) in marketing activities in the UK during the 2013 marketing year. This investment generated almost \$6.9 million in revenues and \$2.8 million in media value for tourism enterprises in Atlantic Canada (Table 23). An ROI of \$13.45 for every \$1.00 invested in direct-to-consumer advertising, joint marketing partnerships with the travel trade, and media relations was achieved.

The CTC's Market Portfolio Analysis combined with an analysis of international travel statistics, provincial market reports, Global Tourism Watch, and dedicated ACTP market research conducted in the prior year determined that the UK represented the best opportunity for investment and the highest potential for growth. Unlike the US market where four provincial brands are retained, TIAPEI delivers a coordinated "Atlantic Canada, Awaken to the Rhythm of the Sea" brand in the UK.

The objectives of TIAPEI's marketing program in the UK were to:

- Contribute to an overall ROI of \$10:1 in the UK,
- Generate visitation and revenue for the four provinces of Atlantic Canada,
- Build awareness of Atlantic Canada's regional brand,
- Target high-yield consumer segments,
- Utilize integrated marketing mix across all programming,
- Enhance strategic trade partnerships,
- Improve media relations awareness of Atlantic Canada in the UK,
- Increase media coverage and third party endorsements, and
- Leverage against CTC and other partner programs where possible.



In achieving these strategic objectives, TIAPEI invested in marketing efforts that incorporated a number of initiatives including direct-to-consumer advertising; marketing partnerships with the CTC, joint marketing agreements 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 TIAPEI’s marketing efforts in the UK was the integration of the CTC’s “Canada, Keep Exploring” logo in all direct-to-consumer advertising, joint marketing partnerships with the travel trade, and all media relations activities.

7.1 United Kingdom Consumer Marketing

TIAPEI’s UK Consumer Marketing Program builds awareness of and demand for Atlantic Canada vacation experiences among the cultural explorers, authentic experiencers, and free spirits lifestyle segments of the CTC’s Explorer Quotient. Through a mix of traditional and non-traditional media, targeted consumers were encouraged to book an Atlantic Canada vacation experience through one of TIAPEI’s travel trade partners.

Table 15: UK Direct-to-Consumer Advertising Budget

Activity	Expenditure 2012/2013	Expenditure 2013/2014
CTC/Consumer Program	\$593,507	\$277,000
Creative/Production/Collateral	<u>32,387</u>	<u>50,000</u>
Total UK Consumer	<u>\$625,894</u>	<u>\$327,000</u>

In March 2013 a decision, supported by the Management Committee, was made to increase the US direct-to-consumer program spending by \$250,000 for 2013/2014 by reducing the UK direct-to-consumer budget by this amount.

Performance Indicators

According to Statistic Canada’s International Travel Survey, Atlantic Canada trended downwards in the UK market. In 2012, Atlantic Canada saw an 18% decline in overnight UK arrivals, a 27% decrease in spending by overnight UK visitors, and an 11% decline in Atlantic Canada’s share of overnight UK arrivals to Canada (Table 16). International Travel Survey statistics for 2013 will not be available until the fall of 2014, and will be reported in the 2014/2015 evaluation report.

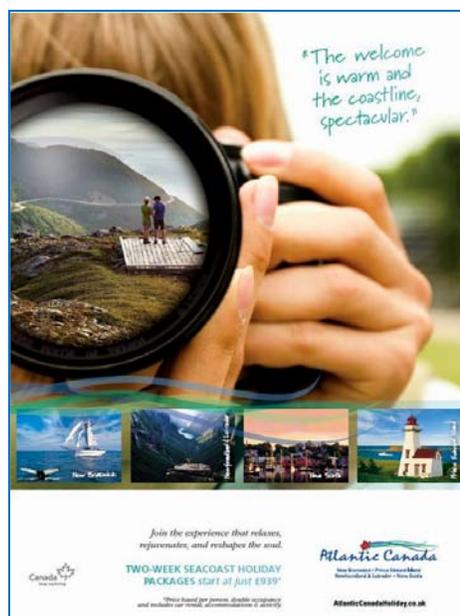


Table 16: Overnight UK Arrivals to Atlantic Canada

	2011	2012	% Change
Overnight Arrivals	72,000	59,200	-18%
Spending by Overnight Arrivals	\$57.5 M	\$42.1M	-27%
Market Share of Visitors to Canada	8.5%	7.6%	-11%

Source: Statistics Canada: International Travel Survey

TIAPEI completed its second year of a conversion study among UK visitors to the ACTP website in 2013. This study revealed that there were 2,338 UK parties who actually visited Atlantic Canada in 2013, spending an estimated \$4.1 million. Based on a consumer advertising media buy of \$477,958, TIAPEI’s direct-to-consumer advertising campaign in the UK generated an ROI of \$8.61 in tourism related spending in Atlantic Canada, for every \$1.00 of advertising purchased. 2013 has experienced a decline in ROI resulting from a slight decline in visiting parties and a decline in revenue generation. Although the visiting parties have declined, the percentage of converted visits increased from 14.1% to 33.3%, a significant achievement. The main factor impacting the decline in revenue generation was the average spending per party. According to Statistics Canada data, party size fell from 2.1 to 1.5 – a 29% decline and length of stay fell from 11.4 nights to 8.1 nights – a 29% decline. A combination of these factors led to a decline in the average spending per party. Less spending on consumer marketing in the 2013 year compared to 2012 would have contributed to the decline in web visits.

A total of \$315,108 in media efficiencies and incremental advertising value was generated through a common and independent media planner/buyer (Time + Space Media). ACTP also benefited from \$139,000 in added value by leveraging the CTC 2013 Spring Campaign.



Table 17: UK Conversion Indicators

Indicator Description	2012 Indicators	2013 Indicators
Total Web Visits (2012 represents unique)	87,324	63,244
% Web Visits from the UK	81.4%	66.7%
# Web Visits from the UK	71,082	42,170
Average # of times visited web site	n/a	2.0
Adjusted population	n/a	21,085
% Recalled Advertising/Editorial	24%	33.3%
# Recalled Advertising/Editorial	17,059	7,021
% Converted Visits	14.1%	33.3%
# Converted Visits	2,405	2,338
Average Spending in Atlantic Canada	\$3,221	\$1,760
Revenues Generated	\$7,747,812	\$4,114,880
ACTP Consumer Media Buy	\$686,406	\$477,958
ROI	\$11.28	\$8.61

Source: ACTP Travel Intentions & Conversion Survey

7.2 United Kingdom Travel Trade

TIAPEI's UK Travel Trade Strategy focused on developing incremental and integrated joint marketing partnerships with tour operators and travel influencers that had an ability to generate packaged and fully independent travel (sales) to Atlantic Canada. TIAPEI also advantaged these marketing partnerships to deliver educational and training sessions to the tour operator's front line staff, as a means to increase their awareness and appreciation of the four Atlantic Provinces, and to increase their ability to sell Atlantic Canadian vacation experiences.

The objectives of the UK travel trade program were to:

- Nurture existing and develop new partnerships with tour operators,
- Encourage extended and improved itineraries and product offerings,
- Enhance product knowledge of travel agents,
- Leverage other partner programs such as CTC when possible,
- Increase consumer awareness through trade activities, and
- Create greater synergies between TIAPEI's consumer advertising and media relations activities.

Table 18: UK Travel Trade Budget

Activity	Expenditure 2012/2013	Expenditure 2013/2014
Joint Marketing Partnerships	\$85,473	\$91,500
Trade Shows / In Market Initiatives	75,887	68,849
FAM Tour Program	<u>7,200</u>	<u>15,750</u>
Total UK Travel Trade	<u>\$168,560</u>	<u>\$176,099</u>

Performance Indicators

In 2013, TIAPEI established eight joint marketing partnerships with the travel trade in the UK. Based on an investment of \$95,104, these joint marketing partnerships generated \$2,768,313 in sales of packaged and fully independent travel to Atlantic Canada in 2013, and a direct ROI of \$29.11 in revenues for every \$1.00 invested in the marketing partnership. Additionally, TIAPEI leveraged \$98,950 in additional marketing investments from tour operators in the UK. In 2013, only a portion of the campaign value for one joint marketing partnership (\$100,000 of \$1 M) was attributed to ACTP as the joint marketing partner had many other additional partners. In 2012, the full campaign value was included.

Table 19: UK Travel Trade Performance Indicators

Indicator Description	2012 Indicators	2013 Indicators
Number of partnerships formed	6	8
ACTP contributions to joint marketing partnerships	\$80,474	\$95,104
Leveraged Investment	\$1,286,108	\$98,950
Value of ACTP related sales	\$2,274,164	\$2,768,313
ROI	\$28.26	\$29.11

In May of 2013, TIAPEI's UK Program Manager once again attended Rendezvous Canada, refreshed business relationships with existing UK tour operators, established introductory relationships with several new operators, and met with UK press. TIAPEI's UK Program Manager also participated in World Travel Market in London, England. This tradeshow afforded ACTP the opportunity to meet with 21 travel trade and three travel media representatives.

In terms of generating awareness of Atlantic Canada in the tour operator community, TIAPEI hosted familiarization tours for 21 Canada Specialist Program Agents in 2013, exceeding its target of 16.

In partnership with the CTC, TIAPEI participated in educational and information sessions in the UK. In total, 244 travel agents and travel influencers were provided information and training on Atlantic Canada as a leisure travel destination and the variety of travel experiences available within the region.

7.3 United Kingdom Media Relations

TIAPEI’s Media Relations Program in the UK aimed to enhance the appeal of Atlantic Canada as a vacation destination through publicity in visual, print, and online media. The key objectives of TIAPEI’s media relations activities were to generate greater awareness of Atlantic Canadian travel experiences, position Atlantic Canada as a premier vacation destination in the UK, and to distinguish Atlantic Canada from its competitors.

Table 20: UK Media Relations Budget

Activity	Expenditure 2012/2013	Expenditure 2013/2014
Media Relations Program	\$137,061	\$137,400
Media FAM Tour Program	<u>16,800</u>	<u>11,400</u>
Total UK Media Relations	<u>\$153,861</u>	<u>\$ 148,800</u>

Performance Indicators

Brighter Group was again contracted as TIAPEI’s Media Relations providers in the UK for 2013. In concurrence with TIAPEI’s UK Program Manager and media relations professionals in each of the four Atlantic Provinces, the Brighter Group created and distributed featured press releases, coordinated social media outreach activities, and broadcasted media editorials. They also worked to coordinate press tours to Atlantic Canada.

The publicity value generated by TIAPEI’s media relations activities in 2013 exceeded \$2.8 million, down from 2012 which had benefited from two film trips with coverage contributing almost \$7.2 million in media value. TIAPEI’s media value was tracked for each publication (broadcasts, trade magazines, blogs and online activity, national and regional newspapers, etc.) and its value calculated on the basis of the cost to purchase equivalent advertising space. The significant decline in media value resulted in ROI declining from \$54.90:1 in 2012 to \$19.00:1 in 2013, however ROI still remained significantly higher than its target of \$10.00 in publicity value for each \$1.00 invested.

TIAPEI’s media relations providers organized eight press visits in 2013, slightly below the target number of 11 press visits. Twelve press releases were targeted for 2013 and 14 occurred. TIAPEI’s media relations providers made 44 media pitches in 2013, exceeding its target of 12.

Three media events were held during the year - the ACTP media event, TravMedia International Media Marketplace, and Canada Day in London.

Table 21: UK Media Relations Performance Indicators

Indicator Description	2012 Indicators	2013 Indicators
Media Value Generated	\$8,446,495	\$2,826,881
Circulation	85.2 million	39.4 million
Media Relations Investment	\$153,861	\$148,800
Press Visits	8	8
Press Releases	5	14
Media Pitches	23	44
ROI	\$54.90	\$19.00

Table 22: UK Marketing Program Budget

Activity	Expenditure 2012/2013	Expenditure 2013/2014
Direct-to-Consumer Advertising	\$593,507	\$277,000
Travel Trade Joint Marketing	85,473	91,500
Tradeshows/In-market Initiatives	75,887	68,849
Trade FAM Tour Program	7,200	15,750
Media Relations Program	137,061	137,400
Media FAM Tour Program	16,800	11,400
Creative/Production/Collateral	32,387	50,000
Shipping/Storage	5,900	7,980
Program Manager	87,020	88,020
Meeting Expenses/Industry Travel	<u>7,550</u>	<u>9,050</u>
Total spending	<u>\$1,048,785</u>	<u>\$756,949</u>

Table 23: 2013 UK Marketing Program ROI
January 1 to December 31, 2013 Marketing Cycle

UK Marketing Investment	2012 ROI	2013 ACTP Investment	2013 Revenue Generated	2013 ROI
Direct-to-consumer	\$11.28	\$477,958	\$4,114,880	\$8.61
Travel Trade	<u>28.26</u>	<u>95,104</u>	<u>2,768,313</u>	<u>29.11</u>
Subtotal	\$13.07	\$573,062	\$6,883,193	\$12.01
Media Relations	<u>54.90</u>	<u>148,800</u>	<u>2,826,881</u>	<u>19.00</u>
Total	<u>\$20.06</u>	<u>\$721,862</u>	<u>\$9,710,074</u>	<u>\$13.45</u>

In 2013, economic benefits are being achieved from TIAPEI's UK Marketing Program with an ROI of \$13.45 for every dollar invested in direct-to-consumer advertising, joint marketing partnerships with the travel trade, and media relations. Our evaluation also found strong linkages between the performance measurement indicators and the goals and objectives of the 2012-2015 ACTP Agreement.

8.0 UPDATE ON PREVIOUS RECOMMENDATIONS

Prior to the 2012-2015 ACTP Agreement, ACTP was supported by contributions from signatories to MOUs between ACOA, the four provincial government departments responsible for tourism, and the four provincial tourism industry associations in Atlantic Canada.

Policy and operating guidelines instituted and updated over the years supported the Management Committee, Marketing Advisory Committee and Secretariat on all consensus-based (and critical) decisions. In 2012, the MOU style agreement was transitioned into a Federal-Provincial Agreement with industry participation. Traditional roles, responsibilities and authorities changed under the new Federal-Provincial Agreement format.

In the 2012/13 evaluation we recommended that the Management Committee develop a Transition Strategy for the 2012-2015 ACTP Agreement and that this strategy, along with updated policy and operating guidelines be fully operational by March 31, 2015.

During the 2013 year presentations were made to the Management Committee and the Marketing Advisory Committee by Department of Justice Canada on the operation of Federal-Provincial Agreements in the context of economic development program delivery. An ACAT Transition Strategy Taskforce was established, a Transitions Strategy and Action Plan developed, and the Secretariat completed the draft revised 2012-2015 ACTP Policy and Operating Guidelines to incorporate necessary changes. The draft policy and operating guidelines are expected to be presented to the Management Committee in 2014. The transition is on track and it is anticipated the updated policy and operating guidelines will be fully operational by March 31, 2015.

9.0 RECOMMENDATIONS

Our overall recommendation is to continue with this highly successful, international marketing initiative. Consumer, travel trade, and media relations activities in both the US and UK collectively exceeded ROI targets of \$10:1.

All benefits monitoring targets should be reviewed on an annual basis. In discussions with the US Program Manager, it was indicated that each year the number of print publications decreases and the space allocated for travel articles becomes smaller. In recent years, there has been a sharp decrease in the number of print publications and an increase in the number of online publications. There has also been a decrease in the size of print articles, as editors believe consumers have shorter attention spans and are less interested in long articles. This has a significant impact on the overall value of coverage. Print magazine and newspaper articles are valued higher. The reach of online coverage can be much greater than print and should not be undervalued, though it is difficult to measure. TIAPEI should also explore new tools for measuring the value of online media.

APPENDIX I

SYNOPSIS OF SUCCESS INDICATORS

Success Indicator	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, etc.
Market Readiness	Degree/number of tourism operators equipped or capable of marketing their specific product/service in International markets.
Performance Evaluation	Evaluation of ACTP contracts for administrative, management, and other support service.
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.
Strategic Partnerships	Number of new, formal alliances established with International partners to market Atlantic Canada in the US and Overseas markets.