



Fortress of Louisbourg National Historic Site



LOUISBOURG 300



Economic Analysis & Return on Investment (ROI)
January 2014



Parks Canada
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This document was prepared for Parks Canada by MacKellar Cunningham & Associates, Ltd.

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Executive Summary

- There is every indication that Louisbourg300 was very successful. In 2013 attendance at the Fortress of Louisbourg totaled 103,200 visitors. This was an increase of 36.6 percent over the 75,500 visitors of the previous year (27,600 additional visitors). The increase in attendance at the Fortress of Louisbourg in 2013 was the first increase the site has achieved in 11 years. It reversed a downtrend which has seen attendance decline by an average 4.8 percent for the past 5 years.
- Had it not been for the new programming and marketing associated with Louisbourg300 it is very probable that attendance would have continued to decline in 2013. None of the factors that would support an increase **were positive...total tourist traffic in Nova Scotia was down, room sales and campsite rentals were down and attendance was down at other leading historic attractions in the Maritimes.**
- Accommodation room sales were determined to be the performance indicator which best measured the impact of Louisbourg300. In July and August room sales on Cape Breton increased by 6.4 percent. In the rest of the province they declined by 3.1 percent. It was the first time in 10 years that room sales on Cape Breton have increased when they have declined in the rest of the Province.
- Cape Breton Island was not on course to show an increase in room sales before the Fortress of Louisbourg opened for the season. To the end of May room sales on Cape Breton were running 5 percent below the previous year. It was Cape Breton's worst first 5 months in ten years. Only once in the past ten years has the main tourist season on Cape Breton shown an increase when the first 5 months were down. Had it not been for Louisbourg300 it is estimated that room sales on Cape Breton would be running down by 3 percent (they are up by 5 percent to the end of November).
- When forecasts were made for the entire June-September operating season and expanded to include all types of accommodation, the results found the additional visitors attracted by Louisbourg300 spent a total of 37,300 party nights on Cape Breton. One half (50 percent) of party nights were spent in roofed accommodation, 27 percent were spent with friends and relatives and 23 percent were spent in campgrounds.
- In terms of actual attendance, 68 percent of the additional or incremental visitors to the Fortress of Louisbourg were from beyond Cape Breton. The remaining 32 percent were from the local (day-drive) area. Approximately 18 percent of incremental visitors were from Halifax or regions of Nova Scotia beyond Cape Breton; 35 percent were out of province Canadian visitors and the remaining 15 percent were U.S. and Foreign visitors.
- The 27,600 additional (incremental) visitors to the Fortress of Louisbourg are forecast to have spent a total of \$9.9 million on Cape Breton Island in 2013. These expenditure forecasts were developed using the Nova Scotia 2010 Exit Survey as a base and updating for 2013 based on actual rates being charged by industry for accommodation, food (restaurants) and fuel.
- Non-resident visitors are forecast to have spent an additional \$6.6 million in other parts of the province during their trip to Nova Scotia. This yields a total impact of \$16.5 in direct spending in Nova Scotia by the 27,600 additional visitors to the Fortress of Louisbourg in 2013.
- A total of \$1,650,000 was invested in programming and marketing for Louisbourg300. The return on investment (ROI) for Cape Breton was equivalent to \$6.02 : \$1.00. If the expenditures by nonresidents in other parts of Nova Scotia are included the total ROI for the program increases to \$10.03 : \$1.00.
- ROI assessments typically involve only the marketing components of programs and in this respect the total investment in marketing (\$820,000) yielded an ROI of \$12.12 : \$1.00 for Cape Breton and an ROI of \$20.18 : \$1.00 for all of Nova Scotia.
- Parks Canada invested a total of \$737,800 in programming and marketing for Louisbourg300. While it is not possible to isolate the impact of individual components in a coordinated program involving several partners, if it is assumed the Parks Canada investment was the stimulus for the overall program, the

investment yielded a return on investment (ROI) of \$13.47 : \$1.00 in Cape Breton and a ROI of \$22.43 : \$1.00 in all of Nova Scotia.

- From an industry perspective Louisbourg300 was very successful. It was in fact more than very **successful...in the words of one respondent, it was “a phenomenal year”**. Industry in all sectors and at all locations were universally positive; in some cases almost to the extreme...**“It wasn’t just a Cape Breton success story or a Nova Scotia success story...it was a success story for tourism in all of Canada”**.
- **Two key factors appeared to drive industry opinion. First, the increase was so large it carried a “wow” factor. It was not a “good” increase (10-15 percent), it was a huge increase.** Second, strong local promotion **“Louisbourg was everywhere this summer”** kept industry constantly aware that it was not happening on its own.
- The net outcome was proof positive to industry that marketing, especially if it is combined with good programming, can and does work. With this confidence, several indicated their intention to become involved **and ensure that momentum continues into next year...some expressed concern that they may already be running behind schedule.**
- Positive reaction was not limited to the immediate (Louisbourg) area. All hotel operators surveyed in Sydney and North Sydney reported a very good year, and they did not hesitate to credit the increase in performance to Louisbourg300. More distant operators on the western coast of Cape Breton also reported a very good year and while they were somewhat reluctant to credit all of the increase to Louisbourg300, they did acknowledge that it was likely one of the key factors involved.
- Respondents generally agreed that success was due to the combination of programming and marketing (not one or the other). It was noted by one respondent that it was the first meaningful marketing effort that the Fortress of Louisbourg had carried out in many years. They suggested that the Fortress of Louisbourg had completely dropped from top of mind and expressed concern that an entire generation of travelers may have no knowledge of the site.
- In addition to the revenue success, it was noted that the event was an excellent learning experience in terms of hosting and managing events (scheduling, capacities, crowd control etc.). There was optimism that lessons learned would be implemented immediately and result in an improved product next year.
- Respondents did not hesitate to credit Parks Canada as a key player in making it all happen. If there was a **criticism, it was that the success of the year proved what they already suspected...Parks Canada is a professional organization with the expertise to make a tremendous success like Louisbourg300 happen. Their questions were ...why did they have to wait so long and why don’t they do it every year?**

Conclusion

Louisbourg300 was clearly very successful. It may be somewhat of an overstatement to consider it a success story for tourism in all of Canada, yet there are aspects that will undoubtedly be receiving a very close second look by many in the industry. Historic attractions across the country have been in steady decline and any program that can rejuvenate attendance by almost 37 percent in a single year will certainly be noted.

In terms of industry impact, there is little doubt that Louisbourg300 turned around what would have been industries worst year **in 10 years to what should end as Cape Breton’s best year a year since 2007. The \$9.9 million estimated to have been spent on Cape Breton by the additional visitor to the Fortress of Louisbourg is significant, and while there are no hard and fast rules for return on investment (ROI) the \$10.03 : \$1.00 attained by the program is well within industry norms. The ROI achieved by the marketing component (\$20.18 : \$1.00) exceeds norms. The Atlantic Canada Tourism Partnership (ACTP) uses an ROI marketing objective of \$10.00 : \$1.00.**

Possibly one of the greatest measures of success was the confidence it gave industry that good programming and marketing can work. Industry felt involved in the program and shared in the success. As a result, there appears to be a strong consensus and enthusiasm for continuing to move forward.

Introduction

In 2013, Louisbourg300 celebrated the 300th anniversary of the founding of Cape Breton Island and its capital Louisbourg. The celebration included a combination of new programming at the Fortress of Louisbourg and new marketing and promotional initiatives.

Programming

Rather than focusing on a single large (short term) event, programming for Louisbourg300 consisted of many events spread throughout the operating season. Events included concerts, themed week-ends, parades, cultural fairs, etc.

A total of \$830,000 was invested in new programming for Louisbourg300. Funding for new programming was provided by Parks Canada, the Enterprise Cape Breton Corporation (ECBC) and the Department of Canadian Heritage. (See page 22 for program investment specifics).

Marketing and Promotion

A total of \$820,000 was invested in marketing Louisbourg300. Marketing and promotional activities included a mix of media advertising, special promotions, and display and support materials.

The marketing effort placed high priority on partnerships and Industry involvement.

Leading marketing efforts included:

- Parks Canada partnered (\$170,000) with the Destination Cape Breton Association (DCBA) in what became a \$600,000 marketing program. The program included a regional television campaign featuring Louisbourg300.
- The Nova Scotia Tourism Agency invested \$250,000 in a Quebec marketing program which featured Louisbourg300. This was in addition to \$100,000 invested in the Destination Cape Breton Association (DCBA) campaign.
- Strong local market coverage maintained awareness and promoted ongoing events at the site.
- Accommodation properties and businesses in the Sydney / Louisbourg area promoted Louisbourg300 through activities ranging from lobby displays and promotional material to discount coupons and special package offers.

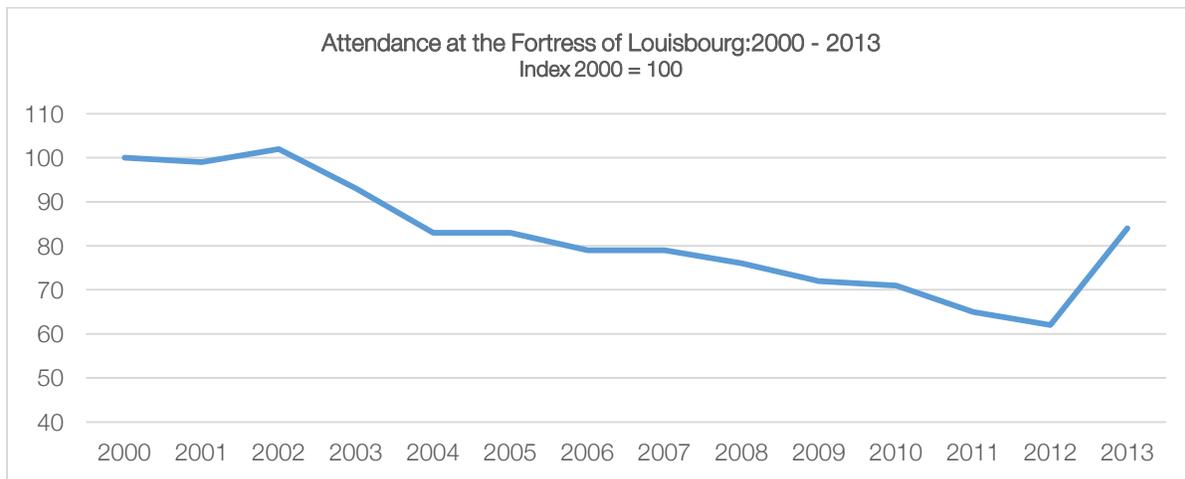
RESULTS

1-o Attendance at the Fortress of Louisbourg increased by 36.6 percent in 2013

In 2013 attendance at the Fortress of Louisbourg totaled 103,171 visitors. This represented an increase of 36.6 percent over the 75,526 visitors of the previous year. Monthly increase exceeded 40 percent in June, July and August.*

Year	May	June	July	August	September	October	Total
2010	1,454	10,024	27,193	28,615	12,622	6,653	86,561
2011	1,586	8,567	25,849	24,810	12,944	6,263	80,147
2012	1,051	8,331	23,003	24,863	12,153	6,125	75,526
2013	1,327	11,791	32,507	35,801	14,014	7,731	103,171
% change	+26.3%	+41.5%	+41.3%	+44.0%	+15.3%	+26.2%	+36.6%

The increase in attendance at the Fortress of Louisbourg in 2013 was the first increase the site has achieved in 11 years*. Not since 2002 has the Fortress of Louisbourg shown a growth in attendance. For the past 5 years the decline has averaged 4.8 percent per year. Later sections will show the down trend in attendance has been experienced at historic attractions throughout the Maritime Provinces.



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Attendance (000)														
Fortress of Louisbourg	123	122	125	115	102	102	97	97	93	88	87	80	76	103
Index														
Fortress of Louisbourg	100	99	102	93	83	83	79	79	76	72	71	65	62	84

*Source: (1), (2). See page 31 for list of references

2-0 Factors which may have influenced attendance

This section looks at factors which may have influenced the increase in attendance at the Fortress of Louisbourg apart from the programming and marketing carried out by Louisbourg300

2-1 The Fortress of Louisbourg's increase was not due to an increase in tourism

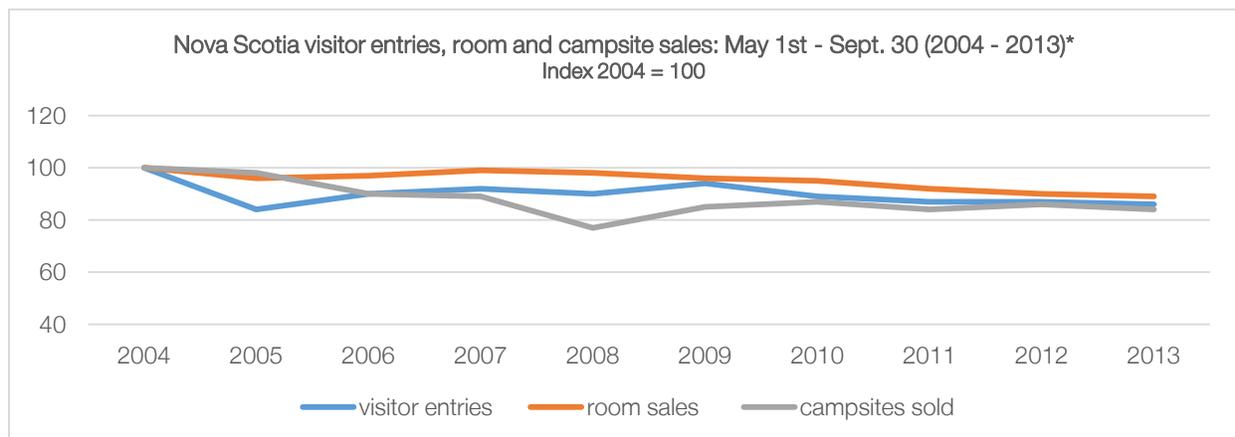
The increase in attendance at the Fortress of Louisbourg was not due to an overall increase in tourism in Nova Scotia. If there was a significant increase in tourism in Nova Scotia in 2013 it could have contributed to the growth in attendance at the site (more tourists on the roads to draw from). There is no indication that such an increase occurred.

An increase in non-resident visitors to Nova Scotia would be recorded in visitor entries. The Province has an excellent system in place to measure visitor entries. If there was a significant increase in leisure travel by residents of Nova Scotia there is not a direct measure, however; accommodation room sales and short term campsite rentals would provide good indicators.

The Tourism Indicator report released by the Department of Economic and Rural Development and Tourism in November 2013 shows no such increases occurred. During the period the Fortress of Louisbourg was operating (June 1st – September 30th):

- The number of out of province visitors to the Province declined by 0.5 percent.
- Total room sales in the Province declined by 0.6 percent.
- Short-term campsite site nights sold declined by 2.5 percent.

There is clearly no indicator that suggests Louisbourg300 benefitted from an overall increase in in tourist traffic. The data indicates the opposite; the Fortress of Louisbourg drew from a market that was marginally down.



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Visitor entries ('000)	1,164	1,103	1,047	1,078	1,024	1,085	1,043	1,020	1,017	1,012
Room Sales ('000)	1,325	1,277	1,288	1,309	1,292	1,266	1,265	1,214	1,195	1,188
Campsite sales ('000)	280	274	253	250	215	239	244	235	241	235
Index										
Visitor entries	100	95	90	93	88	93	90	89	87	87
Room sales	100	96	97	99	98	96	95	92	90	90
Campsite sales	100	98	90	89	77	85	87	84	86	84

*Source: (3)

2-2 The Fortress of Louisbourg's increase was not due to renewed consumer interest in historic attractions

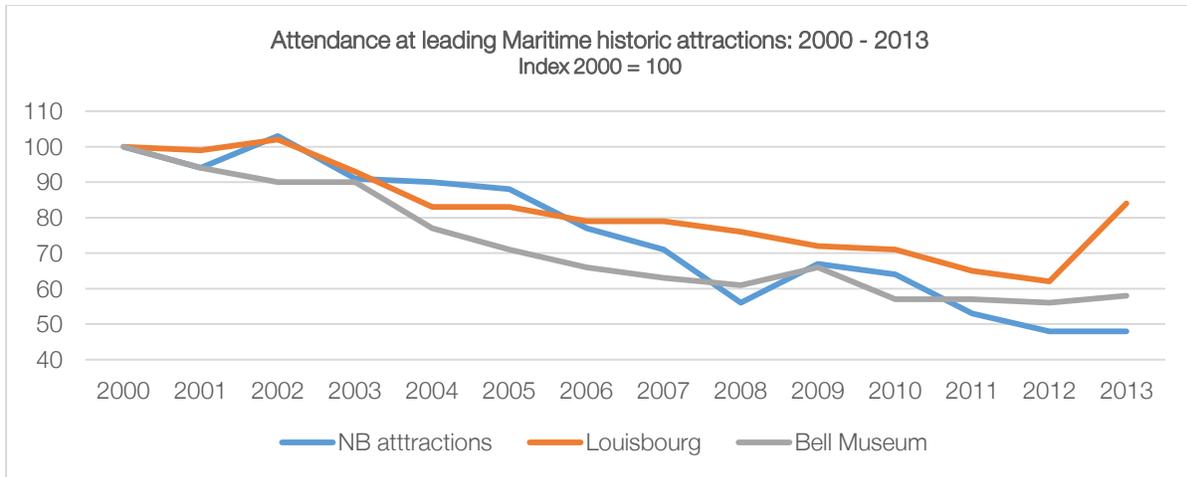
Attendance at major historic attractions in the Maritimes has been in steady decline since the year 2000. The combined attendance at Fortress of Louisbourg, the Alexander Graham Bell Museum and the New Brunswick group of historic attractions (Kings Landing Historic Settlement, Acadian Village and Le Pays du la Sagouine) has fallen by 46.3 percent since 2000.*

Attraction	2000	2012	% change
Fortress of Louisbourg	123,000	76,000	-32.8%
A.G. Bell Museum	117,000	66,000	-43.6
N.B. Historic Group	233,000	112,000	-51.9%
Total	473,000	254,000	-46.3%

In 2013 attendance at New Brunswick's major historic attractions increased by 1.6 percent to 113,800 visitors. All of this increase was carried by Le Pays du la Sagouine and it was due to recovery from fire damage which had depressed attendance the previous year. Attendance at Kings Landing and Acadian Village was down an average 6.6 percent in 2013.

Attendance at the Alexander Graham Bell Museum increased by 8 percent to 58,000 visitors, however; much if not all of this increase is believed to be attributable to the increase in visitation to Cape Breton generated by Louisbourg300.

There is no indication that there was a sudden surge in interest in visiting historic attractions in the Maritimes in 2013. Certainly nothing in the 36 percent increase range. In view of what happened in New Brunswick it is likely that without special programming attendance at Louisbourg in 2013 would have continued on the downtrend (down 2 to 5 percent).



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Attendance (000)														
Fortress of Louisbourg	123	122	125	115	102	102	97	97	93	88	87	80	76	103
Bell Museum	117	110	105	105	90	83	77	74	71	77	67	67	66	71
NB Group	233	220	240	211	210	204	179	165	131	155	150	123	111	113
Index														
Fortress of Louisbourg	100	99	102	93	83	83	79	79	76	72	71	65	62	84
Bell Museum	100	94	90	90	77	71	66	63	61	66	57	57	56	61
NB Group	100	94	103	91	90	88	77	71	56	67	64	53	48	48

*Source: (2), (4)

2-3 The increase was not influenced by recovery from a pre-event decline in 2012

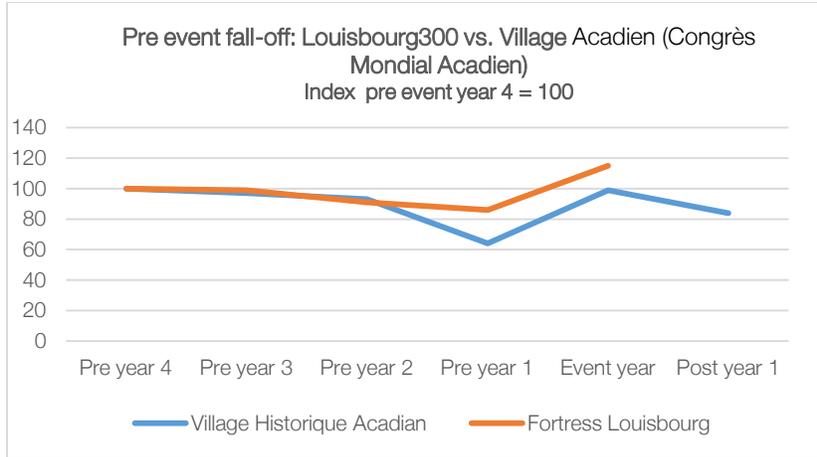
If major events are scheduled at attractions that draw heavily from repeat visitor segments or medium range markets, **there is a danger that a “wait until next year” attitude will** result in a drop in attendance in the year immediately before the event. Potential visitors will delay or re-schedule trips to take advantage of the event. As a result, when the event actually occurs there is a danger that the increase in attendance is measured against what could be considered an artificially low base.

A regional example is when the Acadian Peninsula in New Brunswick hosted the International two week event, Congrès Mondial Acadien in 2009. The year before the event (2008) attendance at the events anchor attraction (Village Historique Acadian) declined by 32 percent (lowest since opening).*

When the event was held in 2009 it was very successful. Attendance increased by a remarkable 57 percent to 66,000 visitors.

While attendance at the Village was unquestionably up by a significant number, if the increase is measured against what would likely have happened had it not been for the pre event fall-off, the increase would have been in the 20 – 25 percent range (not the actual 57 percent).

When Louisbourg300 is compared with the hosting of Congrès Mondial Acadien in New Brunswick in 2009, it is evident that pre event fall-off was not a factor at Louisbourg. Attendance at the Fortress of Louisbourg was down by 5 percent in pre event 2012, however; this decline was simply following the trend line of the previous four years.



	Pre yr. 4	Pre yr. 3	Pre yr. 2	Pre yr. 1	Event	Post 1
Attendance ('000)						
Fortress of Louisbourg	88	87	80	76	102	
Village Historique Acadien	78	71	62	42	66	56
Index						
Fortress of Louisbourg	100	99	91	86	115	
Village Historique Acadien	100	97	93	64	99	84

*Source: (4)

3-0 MEASURING THE INCREASE IN ECONOMIC ACTIVITY

3-1 Room Sales in July/August are the key to determining the increase in economic activity

July and August are maximum performance months for the Fortress of Louisbourg. The two peak season months account for approximately 67 percent of the Fortress of Louisbourg's total visitors and in 2013 they accounted for 68 percent of the increase (17,148 additional visitors).*

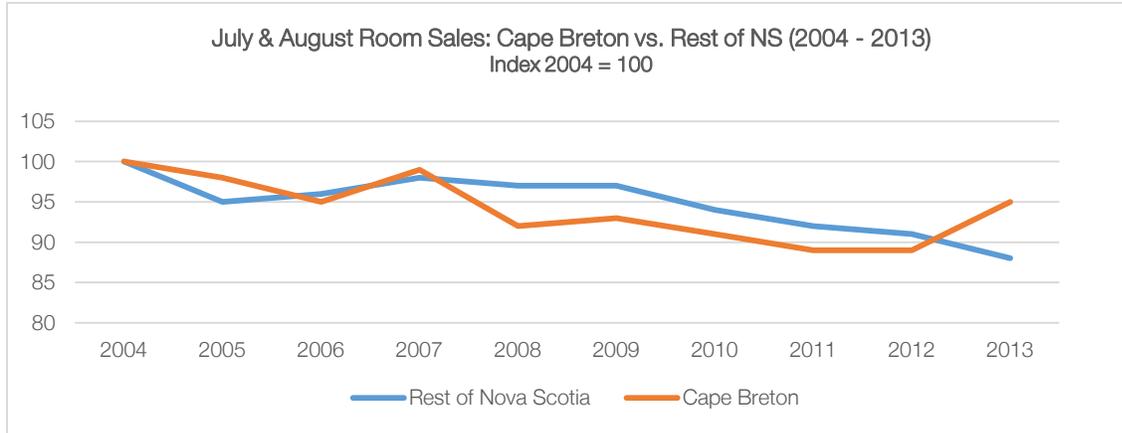
In July/August 2013, accommodation room sales on Cape Breton increased by 6.4 percent (9,000 additional rooms sold). In the rest of Nova Scotia sales declined by 3.1 percent (loss of 17,000 rooms sold).* The following chart illustrates July/August room sales in Cape Breton and the rest of Nova Scotia since 2004. It can be noted that:

- For the past 5 years the trend in sales on Cape Breton has run almost identical to the rest of the Province.
- In 2013 room sales on Cape Breton increased to a 6 year high. In the rest of the Province they fell to a 10 year low.
- 2013 was the first time in 10 years that room sales on Cape Breton have increased in July/August when they have declined in the rest of the Province.
- The increase in sales on Cape Breton in 2013 was completely out of context with what happened in the rest of the Province and with what has been happening on Cape Breton for the past 5 years.

It is concluded that something very much out of the ordinary happened on Cape Breton Island in 2013 which significantly increased demand. As Louisbourg300 was the only factor that was out of the ordinary in 2013, it is concluded that:

1. All of the additional room sales in July & August can be attributed to Louisbourg300 (9,000 additional rooms sold)

- Had Louisbourg300 not occurred, room sales on Cape Breton would have continued to follow past trends and current Provincial performance. Sales would have declined by 2 to 3 percent. An additional 2,800 rooms sold are added to the Louisbourg300 impact to cover the loss due to the decline in Provincial performance.



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Room sales ('000)										
Cape Breton	158	155	152	156	145	147	143	140	141	150
Rest of NS	597	565	570	588	581	578	561	549	544	527
Index										
Cape Breton	100	98	95	99	92	93	91	89	89	95
Rest of NS	100	95	96	98	97	97	94	92	91	88

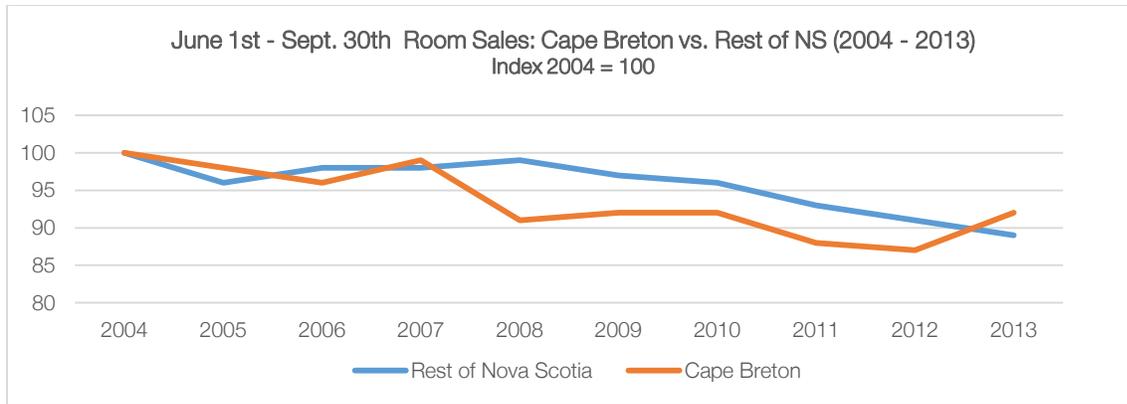
*Source: (1), (5)

3-2 Adding June – Sept Room Sales

June and September are very strong months for meetings and conventions as well as business/commercial travel. These segments heavily influence room sales on Cape Breton and especially in the rest of the Province.

When June and September are added to cover the Fortress of **Louisbourg's entire operating** season, the results show the overall trend in room sales remained consistent although somewhat less extreme. The Cape Breton increase drops slightly from 6.4 to 6.1 percent. The decline in sales in the rest of Nova Scotia moderates from 3.1 to 2.2 percent.*

On Cape Breton room sales in June and September increased by 5.7 percent (5,000 additional rooms sold). This analysis assumes all of these sales can be attributed to Louisbourg300. Attendance at the Fortress of Louisbourg increased by 5,300 visitors during these two months.



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Room sales ('000)										
Cape Breton	263	257	252	260	239	241	241	231	229	243
Rest of NS	1,062	1,020	1,036	1,049	1,053	1,025	1,024	983	966	945
Index										
Cape Breton	100	98	96	99	91	92	92	88	87	92
Rest of NS	100	96	98	98	99	97	96	93	91	89

*Source: (5)

3-3 Cape Breton was not on course to show an increase in 2013

The increase in room sales on Cape Breton from June thru September was not the continuation of an increase in demand which was building on Cape Breton in the opening months of 2013. The opposite was the case. At the end of the first 5 months of 2013 (to May 31st) room sales were running 5 percent below the previous year. It was the weakest start to a year that Cape Breton has experienced in 10 years*.

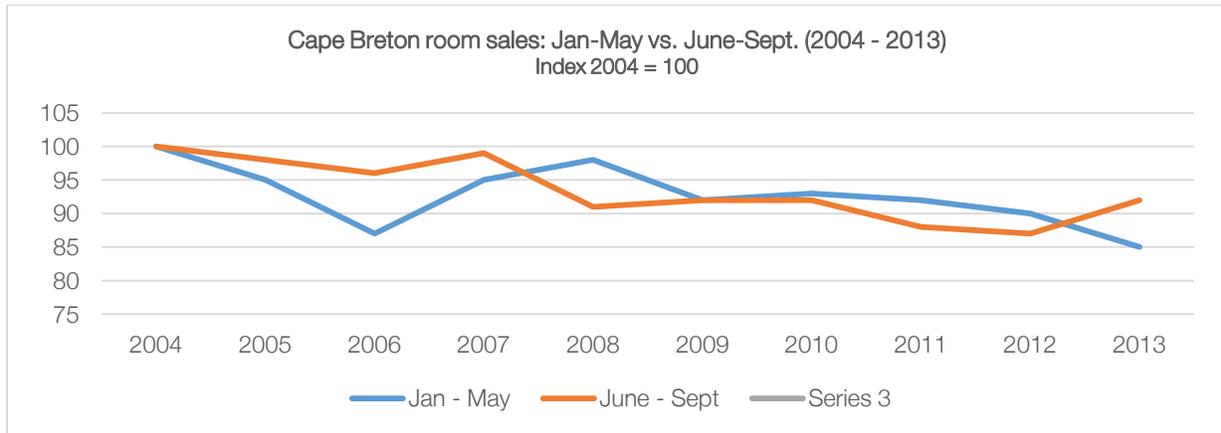
It is important to note that early season declines were consistent. Sales declined in 4 of the first 5 months and the only month showing an increase (April) was the month that had experienced an extreme decline the year before. The April increase was mainly recovery. It is also notable that the early season decline was not because business had been exceptionally good the year before. The opposite was the case. Room sales in the first five months of the previous year (2012) were down 2.5 percent. Cape Breton started the year (2013) with room sales running down on a down...a very weak situation.

Only once in the past 10 years have room sales in main season trended up when the early season was down. This occurred in 2009 under unusual conditions (main season had suffered an extreme decline the year before and recovery was a factor).

This has two implications:

1. It is an indicator that if special measures had not taken place, main season room sales would likely have followed the pattern which has held for 9 of the 10 past years and also declined.
2. The consistency of the decline in the first 5 months is a strong indicator that the decline in business/commercial travel likely continued into the June-September period. If this occurred some of the impact generated by Louisbourg300 would not show in the room sales data. It would first be necessary to fill the void created by the loss of commercial sales.

This evaluation assumes the 5 percent decline in business/commercial sales continued into the June – September period and an average 500 rooms sold per month can be attributed to Louisbourg300 to cover this decline (2,000 in total). Note: calculation assumes a 33.3 percent decline in business/commercial travel during summer months.



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Room sales ('000)										
Jan. 1 – May 31	86	82	75	82	84	79	80	79	77	73
June 1 – Sept. 30	263	257	252	260	239	241	241	231	229	243
Index										
Jan 1 – May 30	100	95	87	95	98	92	93	92	90	85
June 1 – Sept. 30	100	98	96	99	91	92	92	88	87	92

*Source: (3), (5)

3-4 A total of 18,800 additional room sales are forecast to have been generated by Louisbourg300

It is forecast that Louisbourg300 generated 18,800 additional accommodation rooms sold on Cape Breton in 2013. This forecast is based on the assumptions:

1. All of the increase as reported in Nova Scotia Tourism Indicators Reports can be attributed to Louisbourg300. (9,000 additional rooms sold in July/August; 5,000 additional rooms sold in June/September).
2. Had it not been for Louisbourg300, room sales on Cape Breton would have declined by 2,800 because of a **decline in Nova Scotia's base tourist market (fewer tourist on the road)** and by an additional **2,000 because of a decline in Cape Breton's business/commercial market**. It was necessary for Louisbourg300 to fill these voids before sales would show as increases.

The following table summarizes room sales by source:

Source	Room Sales
July/August direct increase over 2012	9,000
June & September direct increase over 2012	5,000
Compensation for July/August Provincial tourism decline	2,800
Compensation for business/commercial decline	2,000
Total	18,800

3-5 Room sales were not diverted from Halifax

In July/August Halifax Metro experienced a loss of 16,000 rooms sold. As Cape Breton showed the greatest gain in the Province (+9,000 rooms sold), it may lead to speculation that Cape Breton’s gains were simply the result of a diversion of room sales from Halifax. This is not the case.

Annual monitoring has found there is a direct correlation between room rates and room sales in the cities of Halifax, Moncton and Charlottetown. These cities are within an easy day’s drive of each other and on main travel routes. Cost conscious visitors can plan around rates in these cities (leave Halifax in late afternoon rather than the next morning to save \$100 on room costs in Moncton). A small but significant 4,000 to 25,000 room sales are in play each year.

Cape Breton has not been part of this competitive circle. It is far removed from the main travel routes and in the past there has been no correlation between sales on Cape Breton and any of three cities.

In 2013 rates were up in Halifax for the second consecutive year. Charlottetown held rates down and Moncton slashed mid and high end rates. In 2013, Halifax’s 16,000 lost rooms did not go to Cape Breton they went to Moncton. They do not show simply because Moncton was sold out in August (84 percent occupancy) and could not accommodate all of the diversion. The rooms that did not go to Moncton were likely bumped to Fredericton or Saint John (not Cape Breton). *

	Halifax Metro	Moncton	Charlottetown	Cape Breton
2013	-16,000	+7,000	+4,000	+9,000
2012	-1,000	+2,200	+2,100	+1,000
2011	+1,000	-1,000	-5,300	-3,000
2010	-6,000	+14,500	+9,200	-4,000
2009	0,000	-800	-13,700	+2,000
.....			

*Source: (6), (7)

4-0 Visitors staying in other types of accommodation

In addition to roofed accommodation, visitors also stayed in campgrounds and with friends & relatives. This section estimates the number of visitors in these segments.

4-1 RV/Campground Users

Nova Scotia’s Tourism Indicators reports provide monthly data for short- term site nights sold at campgrounds, however; they do not break this data down on a regional basis.

This evaluation estimates incremental site nights sold on Cape Breton based on the Provincial ratio for the average number of campground site nights sold per accommodation room nights sold. The ratio is based on the months of July and August only because they are the two months where accommodation room sales are least influenced by business/commercial and convention markets. Room sales in Halifax metro are excluded because campgrounds are vastly underrepresented in the urban center.

An analysis by month for the last three years shows the ratio of campground site nights sold per roofed accommodation rooms sold ranges from a low of 1: 2.3 to a high of 1: 1.8. The overall average is 1: 2.1 (1 campsite night sold per 2.1 room nights sold).

Site night ratios

	July 2013	Aug. 2013	July 2012	Aug 2012	July 2011	Aug 2011	Average
Rooms sold less Halifax	178,000	205,000	176,000	199,000	190,000	187,000	189,000
Short term site nights sold	100,000	77,000	84,000	93,000	90,000	83,000	88,000
Ratio: site nights: rooms sold	1 : 1.8	1 : 2.7	1 : 2.1	1 : 2.1	1 : 2.1	1 : 2.3	1 : 2.1

When this ratio is applied to incremental room sales on Cape Breton the results show and estimated 8,600 incremental campground site nights were occupied as a result of Louisbourg300.

Total incremental room sales (18,800) / 2.1 = 8,600 (incremental short-term campsites occupied)

4-2 Visitors staying with Friends and Relative

The 2010 Nova Scotia Visitors Exit Survey shows visitors to friends and relatives account for a leading 40 percent of total visitors to the Nova Scotia. The survey's regional analysis for Cape Breton shows the VFR component drops to only 29 percent of total visitors to Cape Breton. Leisure travel accounts for a leading 56 percent.

The survey found VFR travelers to Cape Breton spend on average 8.2 nights in the Province.* The survey's analysis of the VFR market shows only 51 percent combine pleasure (leisure activities) with visiting friends and relatives. The remaining 49 percent are VFR only. Significantly, the report shows of VFR visitors to Cape Breton the ratio is 75 percent combining VFR and pleasure and only 25 percent VFR only.

Assuming these ratio's hold and that VFR visitors were attracted to Louisbourg300 at the same ratios as they have visited Cape Breton in the past (as measured against leisure travelers) the results show a total of 11,800 incremental VFR party nights were spent in Cape Breton in 2013 because of Louisbourg300.

Total leisure parties (4,700 hotel/motel + 1,900 campers) =	6,600
Multiplied by VFR: leisure ratio for Cape Breton (34%)	2,200
Less 25% VFR only travelers (-600)	1,600
Multiplied by average length of stay (6.2 nights)	9,900
Total party nights spent at homes of friends & relatives	9,900

*Source (8)

5-0 Converting Party Nights to visitors (attendance)

The analysis this far has focused on party nights (spent in hotels campgrounds or with friends and relatives). In order to reconcile with attendance data it is necessary to convert party nights to actual number of visitors. The two key variables in this conversion are average party size and average length of stay.

5-1 Hotel/motel/Inn/resort and B&B visitors

The Nova Scotia 2010 Exit Survey analysis for Cape Breton indicates visitors to Cape Breton spent an average 8.2 nights in the Province on their trip but it does not isolate the length of time spent specifically on Cape Breton Island. Discussion with industry suggests it takes at least 4 nights to see Cape Breton properly but they also point out that it is very common for many first time visitors to have allocated less for the trip (they have planned based on distance only and do not recognize driving is slow).

This evaluation assumes an average of 4.0 nights will be spent on Cape Breton by visitors travelling by automobile and staying in roofed accommodation.

The Environics postal code collection program carried out for the Fortress of Louisbourg indicate 2 person parties (couples) dominate attendance in 2013 and party size averaged 2.1 persons per party. This evaluation assumes the average party size of 2.1 persons per party held for the segment of incremental visitors who stayed in roofed accommodations.

Applying these estimates results in a total of 11,300 incremental visitors to the Fortress of Louisbourg who travelled by automobile and stayed in roofed accommodation.

18,800 party nights /4.0 nights = 4,700 parties X 2.1 persons per party = 9,900 visitors

5-2 Campground users

The 2010 Exit Survey shows RV users travel in somewhat larger average party sizes (2.4 persons per party). As driving times are likely to be slower for RV users an average length of stay of 4.5 nights is assumed.

Applying these estimates results in a total of 5,300 incremental visitors to the Fortress of Louisbourg who travelled by RV and stayed in campground accommodation.

$$8,600 \text{ campsites occupied} / 4.5 \text{ nights} = 1,900 \text{ parties} \times 2.4 \text{ persons per party} = 4,600 \text{ visitors.}$$

5-3 VFR visitors

The Visitor Exit Survey shows the average party size for VFR visitors is 2.2 persons per party. As VFR visitors spend more nights per trip than leisure travelers an average length of stay in Cape Breton of 6.2 nights is estimated.

Applying these estimates results in a total of 3,400 incremental visitors to the Fortress of Louisbourg who were staying with friends and relatives while on Cape Breton Island.

$$11,800 \text{ party nights} / 6.2 \text{ nights} = 1,900 \text{ parties} \times 2.2 \text{ persons per party} = 4,200 \text{ visitors}$$

5-4 Local (day-drive) visitors

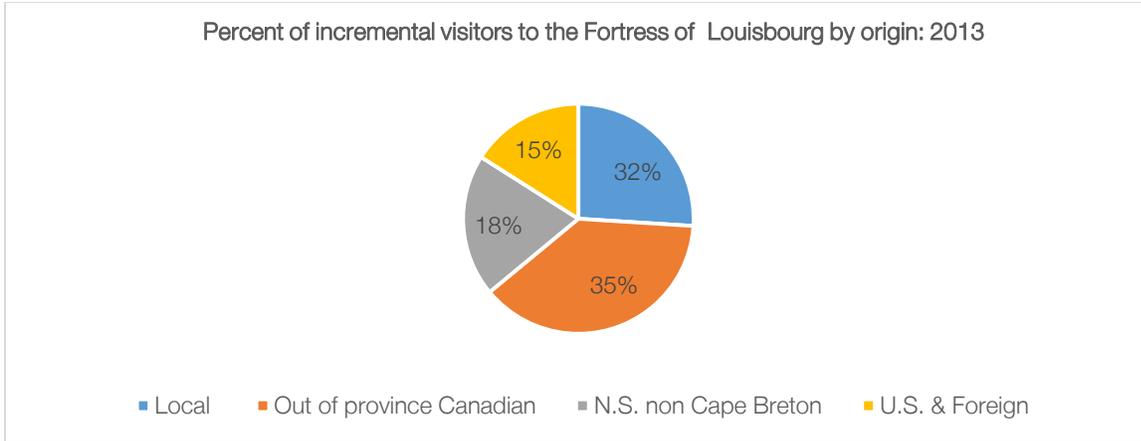
When estimates for the number of overnight visitors (18,700) are deducted from total incremental visitation (27,600) the results show 8,900 incremental visitors were from the local (day drive) area.

Incremental attendance by segment

	Number of visitors	Percent of total %
Visitors staying in hotels/motels/inns	9,900	35.8
Visitors staying in campgrounds	4,600	16.6
Visitors staying with friends & relatives (Subtotal)	(18,700)	(67.6)
Local residents	8,900	32.4
Total	27,600	100.0

5-5 In total, 68 percent of the additional (incremental) visitors to the Fortress of Louisbourg were from outside Cape Breton

This analysis has found 68 percent of the new or incremental visitors to the Fortress of Louisbourg in 2013 were from outside the Cape Breton; the remaining 32 percent were from the local (day-drive) area. An analysis of the Environics origin data supplied by the Fortress of Louisbourg indicates Canadian out of province visitors accounted for an estimated 35 percent of the total increase in visitation. Residents from Nova Scotia from beyond Cape Breton accounted for 18 percent and U.S. and Foreign visitors accounted for 15 percent*.



*Source (9)

6-0 EXPENDITURES

Incremental Visitor Expenditures

This section examines expenditures by the 27,640 additional (incremental) visitors to the Fortress of Louisbourg in 2013. The forecasts are for expenditures that take place on Cape Breton only. Later sections will forecast expenditures in the rest of Nova Scotia.

6-1 Key profile factors which influence expenditures

The Fortress of Louisbourg subscribes to the Environics postal code collection program. In 2013, a total of 28,331 postal code records were collected representing 59,323 visitors to the site. Highlights of the PRIZM analysis conducted by the firm are summarized in the following table.

	%
Explorer Quotient	
Gentle Explorers	24
Authentic Experiencers	15
Virtual Travelers	15
History Buffs	12
No Hassle Travelers	10
Cultural Explorers	5
All other	19
Life Stage	
Middle Age Achievers	15
Emptying Nests	11
Country Seniors	11
Fledgling Families	10
Later Years	10
All other	43
Party Composition	
Adults only	52
Adults with children	21
Seniors only	16
All others	11

Key conclusions that can be drawn from this analysis which are relevant to expenditures include:

1. Visitors are mid-range to upscale travelers (not budget). They are anticipated to spend average or above.
2. Visitors are skewed towards seniors (time available, slower pace of travel)
3. The majority are travelling without children (2 person party size). They dine out, not fast food or family restaurants.

6-2 Expenditures by visitor segments

The Nova Scotia 2010 Exit Survey provides expenditure distributions for several regional analysis and visitor segments but none that specifically match the segments used in this evaluation.

This evaluation uses the following Nova Scotia 2010 Exit Survey segments to act as the basis for developing expenditure for the incremental visitor segments used in this evaluation:

- Incremental visitors staying in roofed accommodation: Exit Survey Analysis for: (a) Cultural Enthusiasts; (b) Total Pleasure Visitors, (c) Total Visitors to Cape Breton Island
- Incremental RV/Campground visitors: Exit Survey Analysis for: (a) Total RV Visitors to Nova Scotia
- Incremental Visitors staying with Friends & Relatives: Exit Survey Analysis for : (a) Total VFR + Pleasure Visitors

The Exit Survey expenditure data is revised and updated in three key areas:

1. Accommodation expenditures are revised and updated based on the rates the accommodation sector on Cape Breton was charging in 2013 (as opposed to what visitors recalled spending in 2010).
2. Food & beverage (Restaurant) expenditures are revised and updated based on menu prices in Cape Breton in 2013.
3. Gasoline expenditures are updated to reflect the increase in the cost of gas since 2010 (+ 24 percent).

Appendix #1 (page 25) provides complete details on the methodology used to determine these expenditure adjustments.

With these adjustments, the estimated average expenditures per party per night for the incremental visitor segments used in this evaluation ranged from a low of \$135 for visitors staying with friends and relatives to a high of \$336 per party per night for visitors staying in roofed accommodation. In comparison to Exit Survey data, average expenditures for incremental visitors to Cape Breton who stay in roofed accommodation differ most from the Exit Survey findings.

Local (day-trip) expenditures are based on admission fees plus estimated on site expenditures (average \$26 per person per day/visit). *(See appendix A-5 page 28)*

Average Expenditure per party per night

Evaluation Segment	Incremental Visitors	Exit Survey Segment(s)
Visitors staying in roofed accommodation	\$ 336	\$ 250
RV/Campground Visitors	173	170
Visitors staying with friends & relatives	135	155
Local (day-trip) visitors	26	-

6-3 Expenditures by Incremental visitors are forecast to have totaled almost \$9.9 million on Cape Breton

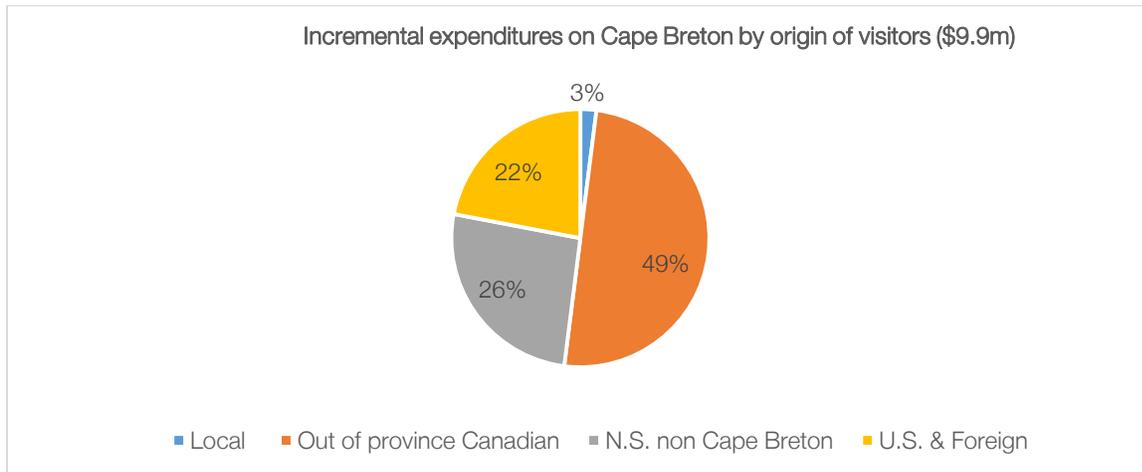
When average expenditures per party per night are applied to overnight stays the results show a total of \$9,937,000 was spent on Cape Breton Island by the 27,600 additional visitors to the Fortress of Louisburg in 2013. Visitors staying in roofed accommodation were the main contributors to expenditures. They spent an estimated \$6,881,000, which is equivalent to an average \$691 per person on their 5 day (4.0 night) trip to the Island.

Total Expenditures on Cape Breton

	Number of visitors	Number of Party nights	Expenditure Party/night	Total Expenditures
Visitors staying in hotels/motels/inns	9,900	18,800	\$366	\$6,881,000
Visitors staying in campgrounds	4,600	8,600	\$173	\$1,488,000
Visitors staying with friends & relatives	4,200	9,900	\$135	\$1,337,000
Local residents	8,900	-	\$26	\$231,000
Total	27,600	37,300	\$260	\$9,937,000

6-4 Out of Province Canadian visitors accounted for 49 percent of incremental expenditures

Out of Province Canadian visitors are forecast to have accounted for 49 percent of the expenditures on Cape Breton generated by incremental visitors to the Fortress of Louisbourg in 2013 (\$4.9 million). Nova Scotia visitors from beyond Cape Breton ranked second, accounting for 26 percent (\$2.6 million). U.S. and Foreign visitors accounted for 22 percent (\$2.2 million) and the remaining 3 percent (\$231,000) was spent by local (day-trip) visitors.



6-5 Expenditures by incremental visitors in the rest of Nova Scotia totaled \$6.6 million

The 2010 Exit Survey found visitors to Cape Breton spent an average 8.2 nights in the Province during their entire trip to Nova Scotia. This analysis has estimated that incremental visitors staying in roofed accommodation stayed 4.0 nights on Cape Breton; RV visitors 4.5 nights and visitors to friends and relatives stayed 6.2 nights on Cape Breton.

Assuming:

1. The average stay in all of Nova Scotia by incremental out of province visitors remained at 8.2 nights as determined in the 2010 Exit Survey.
2. The number of nights spent in other parts of Nova Scotia is equal to 8.2 nights less the number of nights spent on Cape Breton.
3. Average expenditures per day in the rest of Nova Scotia were the same as the estimates for Cape Breton.
4. Incremental Nova Scotia visitors from beyond Cape Breton made no expenditures outside Cape Breton (day-drive) and are excluded (5,100 visitors).

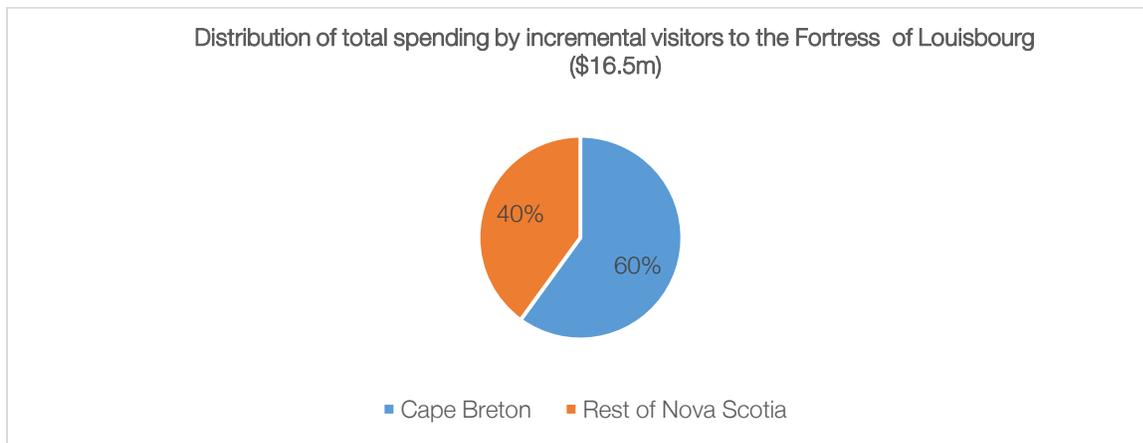
The results show the 13,700 out of province visitors to the Fortress of Louisbourg spent \$6,612,000 in the rest of Nova Scotia in addition to their expenditures on Cape Breton Island.

Expenditures in the rest of Nova Scotia

	Number of visitors	Average stay In the rest of N.S.	Number of Party nights	Expenditure Party/night	Total Expenditures
			%		
Visitors staying in hotels/motels/inns	7,300	4.2	14,600	\$366	\$5,344,000
Visitors staying in campgrounds	3,400	3.7	5,200	\$173	\$900,000
Visitors staying with friends & relatives	3,000	2.0	2,700	\$135	\$368,000
Total	13,700		23,400	\$260	\$6,612,000

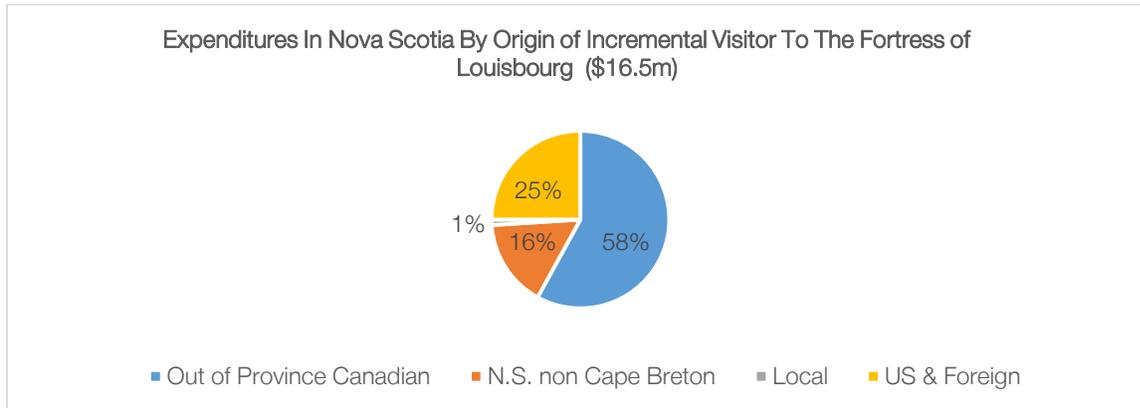
6-6 Incremental visitors to the Fortress of Louisbourg are estimated to have spent a total of \$16.5 million in Nova Scotia

Incremental visitors to the Fortress of Louisbourg are estimated to have spent a total of \$16,549,000 in Nova Scotia in 2013. Of this total 60 percent (\$9.9 million) was spent on Cape Breton Island. The remaining 40 percent (\$6.6 million) was spent in other parts of Nova Scotia.



6-7 Distribution of total expenditures by visitor origins

Out of Province Canadian visitors are estimated to have accounted for a leading 58 percent of the \$16.5 million spent in all of Nova Scotia by incremental visitors to the Fortress of Louisbourg. They spent an estimated \$9.6 million in the Province. U.S. and Foreign visitors accounted for 25 percent (\$4.1 million), and residents of Nova Scotia from beyond Cape Breton accounted for 16 percent (\$2.6 million). Visitors from the local (day-drive) area accounted for the remaining 1 percent (\$0.2 million).



6-8 Distribution of expenditures by category of expenditures

The following table illustrates the distribution of incremental expenditures by expenditure category. It can be noted that accommodation accounted for a leading \$5,177,000 in expenditures. The expenditure distribution can serve as input for the Province's Tourism Economic Impact Model.

Distribution of expenditures

	Expenditures on Cape Breton \$,000	Expenditures in Rest of N.S. \$,000	Total Expenditures in Nova Scotia \$,000
Accommodation	2,914	2,263	5,177
Campgrounds	224	135	359
Meals in restaurants & bars	2,935	2,005	4,940
Groceries & Liquor	507	277	784
Gas, oil, auto repair	1,369	848	2,217
Car rental fees	125	43	168
Local transportation	19	8	27
Tolls	19	11	30
N.S. cultural products	337	210	547
Clothing	399	228	627
Other shopping	431	253	684
Culture & entertainment	565	272	837
Sport & recreation	93	59	152
Total	9,937	6,612	16,549

7-0 RETURN ON INVESTMENT (ROI)

7-1 Program & Marketing Investment

A total of \$1,650,000 was invested in marketing and programming for Louisbourg300. Expenditures were almost equally divided between marketing (\$820,000) and programming (\$830,000). The following table illustrates investment by sponsoring organization.

Investment in Louisbourg300

Organization	Programming \$	Marketing \$	Total \$
Parks Canada (Development & Outreach)	567,800	—	
Parks Canada (marketing: to DCBA)		170,000	
Sub-total Parks Canada	(567,800)	(170,000)	737,800
ECBC (Marketing: to DCBA)		300,000	
ECBC (Fortress of Louisbourg Association)	180,000		
Canadian Heritage (Fortress of Louisbourg Association)	82,200		
Sub-total ECBC & Canadian Heritage	(262,200)	(300,000)	562,200
Total Government of Canada Investment	830,000	470,000	1,300,000
Nova Scotia Tourism Agency (Marketing to DCBA)		100,000	
Nova Scotia Tourism Agency (Marketing: Quebec)		250,000	
Sub- total Nova Scotia Tourism Agency		(350,000)	350,000
Total Marketing & Programming Investment	830,000	820,000	1,650,000

7-2 Return on Investment (ROI)

Based on visitor expenditures and a total program investment of \$1,650,000, the return on investment (ROI) for Cape Breton was equivalent to \$6.02 : \$1.00. When visitor expenditures in the rest of Nova Scotia are included the ROI for all of Nova Scotia increases to \$10.03 : \$1.00.

The \$820,000 invested in marketing yielded an ROI of \$12.12 : \$1.00 for Cape Breton and an overall ROI of \$20.18 : \$1.00 for all of Nova Scotia.

While it is not possible to isolate the impacts of individual investments in a coordinated program involving several partners; if the Parks Canada investment is considered the stimulus for the overall program, then the Parks Canada investment yielded an ROI of \$13.47 : \$1.00 on Cape Breton and \$22.43 : \$1.00 in all of Nova Scotia.

ROI's: Louisbourg300

Organization	Investment	ROI Cape Breton	ROI Nova Scotia
Parks Canada (total)	\$737,800	\$13.47 : \$1.00	\$22.43 : \$1.00
Government of Canada (total)	\$1,300,000	\$7.64 : \$1.00	\$12.73 : \$1.00
N.S. Tourism Agency (total)	\$350,000	\$28.39 : \$1.00	\$47.28 : \$1.00
Total Marketing Investment	\$820,000	\$12.12 : \$1.00	\$20.18 : \$1.00
Total Program Investment	\$1,650,000	\$6.02 : \$1.00	\$10.03 : \$1.00

8-0 INDUSTRY REACTION

The following summarizes key points from 12 interviews with respondents from various sectors of the tourism industry.

- From an industry perspective Louisbourg300 was very successful. It was in fact more than very **successful...in the words of one respondent, it was “a phenomenal year”**. Industry in all sectors and at all locations were universally positive; in some cases almost to the extreme...**“It wasn’t just a Cape Breton success story or a Nova Scotia success story...it was a success story for tourism in all of Canada”**.
- **Two key factors appeared to drive industry opinion. First, the increase was so large it carried a “wow” factor. It was not a “good” increase (10-15 percent); it was a huge increase. Second, strong local promotion “Louisbourg was everywhere this summer” kept industry constantly aware that it was not happening on its own.**
- A number of operators in Sydney reported selling Louisbourg 300 packages, lobby displays, promotional material etc. While these activities may have had modest impact on the overall success of the program, they were very successful in terms of making operators feel involved and sharing in the success of the program.
- The net outcome was proof positive to industry that marketing, especially if it is combined with good programming, can and does work. With this confidence, several indicated their intention to become involved **and ensure that momentum continues into next year...some expressed concern that they may already be running behind schedule.**
- Positive reaction was not limited to the immediate (Louisbourg) area. All hotel operators surveyed in Sydney and North Sydney reported a very good year, and they did not hesitate to credit the increase in performance to Louisbourg300. More distant operators on the western coast of Cape Breton also reported a very good year and while they were somewhat reluctant to credit all of the increase to Louisbourg300, they did acknowledge that it was likely one of the key factors involved.
- Improved performance was not limited to a specific segment of travelers. All classifications of accommodation (high end, mid-range and budget) reported increases.
- A few operators in the immediate area noted they were always filled in most of July and August and the greatest impact they experienced in 2013 was in the shoulder season months (June & September). The majority of businesses reported a much greater impact. They reported across the board increases and they tended to place these increases in the 40 percent range.
- Increases in the 40 percent range are significant for two reasons. On the positive side, if the gain in revenues (40 percent) exceeds the increased in attendance (36 percent) it indicates the increase in attendance was not driven by lower spending local or repeat visitors. On the negative side, it indicates businesses in the immediate area must have been running at dangerously low revenue levels in previous years (lunch hour **only last so long...a restaurant should not be able to increase business by 40 percent unless they were operating with many empty tables the year before**)
- Respondents generally agreed that success was due to the combination of programming and marketing (not one or the other). It was noted by one respondent that it was the first meaningful marketing effort that the Fortress of Louisbourg had carried out in many years. They suggested that the Fortress of Louisbourg had completely dropped from top of mind and expressed concern that an entire generation of travelers may have no knowledge of the site.
- In addition to the revenue success it was noted that the event was an excellent learning experience in terms of hosting and managing events (scheduling, capacities, crowd control etc.). There was optimism that lessons learned would be implemented immediately and result in an improved product next year.
- Respondents did not hesitate to credit Parks Canada as a key player in making it all happen. If there was a **criticism, it was that the success of the year proved what they already suspected...Parks Canada is a professional organization with the expertise to make a tremendous success like Louisbourg300 happen. Their questions were ...why did they have to wait so long and why don’t they do it every year?**

APPENDIX

Expenditures by visitor segments

The Nova Scotia 2010 Exit Survey provides expenditure distributions for several segments of visitors but none that specifically match the segments used in this evaluation.

As visitors in the three travel segments have different spending patterns, each is assessed separately.

A-1 Expenditures by visitors staying in roofed accommodation (Hotels/Motels/Inns/Resorts/B&B's)

Expenditures by visitors staying overnight in roofed accommodation on Cape Breton use as guidelines the Nova Scotia Exit Survey expenditure data for the three segments: Cultural Enthusiasts, total visitors to Cape Breton and total pleasure visitors.

Exit survey data is modified in three key areas.

Adjustment for accommodation expenditures

Exit survey data shows visitors spent an average \$53 to \$80 per night on Accommodation. These averages are underestimated because they include nights not spent in commercial accommodation. They are also not possible **because there are only a handful of properties on the entire Island offering rates of \$80 or less (B&B's)**

This evaluation uses average accommodation expenditures based on what accommodation properties were charging in 2013 when visitors called a hotel, visited their web site or went through a web reservation system (Expedia, Travelocity, CAA etc.).

The initial source is the 2013 East Coast Rate Report which determines average rates in Atlantic Canada and New England based on rates as listed on web reservation systems and direct calls to hotels. Cape Breton is one of 16 individual east coast destinations monitored annually. (Rates are determined for the upcoming season as quoted to potential tourists in June).

As relatively few of Cape Breton's properties list on web systems the average rates for unlisted smaller properties, **Inns and B&B's were determined** based on listed rates on the Nova Scotia Tourism web site. Average accommodation expenditures were then determined based on accommodation capacity by type and star grade, average rates and estimated demand.

The results found visitors staying in roofed accommodation spent an average \$155.28 per room per night (includes tax). See appendix A-5, p. 29 for details.

Adjustment for Food & Beverage (restaurant expenditures)

The Exit survey indicates visitors spend an average \$45 to \$61 per party per day on food and beverage in restaurants. These averages are considered far too low for mid to upscale traveler staying in hotels, motels and Inns.

As was the case with accommodation, this evaluation bases food and beverage expenditures on what industry was charging rather than what visitors recall spending. A survey of menu prices at 15 top ranked restaurants in Cape Breton (as ranked by tripadvisor.ca) forecasts visitors staying in hotels motels and inns spent an average of \$121 per party per day on food and beverage in restaurants. While this is well above the exit survey average, it was the lowest food cost among all New England and Maritime destinations studied (approximately 15 percent below average for the same menu items). See appendix A-6 for details.

Adjustment for gas, oil and auto repair expenditures

This expenditure category is dominated by gasoline expenditures and it depends on the average distance traveled per day, fuel efficiency and the cost of gasoline.

The 2010 Exit Survey shows visitors spent a remarkably similar \$26 - \$27 per day on gasoline for all three segments examined. This evaluation assumes visitors to Cape Breton purchased the same amount of gasoline per day, however; in 2013 gasoline prices were approximately 24 percent higher (average \$1.31 per liter in 2013 vs. \$1.06 in 2010).

Adjusting for the price increase results in an average expenditure on gasoline of \$33 per party per day.

Visitors staying in roofed accommodation spent an estimated \$366 per party per night

In total, visitors to the Fortress of Louisbourg who stayed overnight in roofed accommodation are forecast to have spent an average \$366 per party per night during their stay on Cape Breton.

As illustrated in the following table, with the exceptions of accommodation, food and fuel, expenditures are based on averages or logical adjustments to expenditure reported for the three exit survey segments.

Distribution of expenditures by visitors staying in roofed accommodation:

Visitors to the Fortress of Louisbourg vs. 2010 Exit Survey Segments

	Fortress of Louisbourg Hotel/motel	Cultural Enthusiasts	Cape Breton Visitors	Pleasure visitors
	\$	\$	\$	\$
Accommodations	155	80	57	73
Campgrounds	0	4	4	4
Meals in restaurants & Bars	121	61	45	54
Groceries & Liquor	8	17	17	18
Gas, oil, auto repair	33	27	26	27
Car rental fees	0	20	19	20
Local transportation	0	2	1	1
Tolls	0	1	1	1
NS Cultural products	11	29	9	11
Clothing	10	13	10	13
Other shopping	11	11	11	14
Culture & entertainment	14	16	9	13
Sport & recreation	3	3	4	5
Average/party/day	366	284	213	254

Average daily expenditures for visitors to the Fortress of Louisbourg are considerably higher than any of the other three segments, however; this is heavily influenced by the fact that the Fortress of Louisbourg visitor segment consists of only visitors staying in roofed accommodation while the other segments include a mix (lower spending VFR & RV visitors).

A-2 RV/camper expenditures are estimated to have averaged \$173 per party per night

This evaluation uses the Nova Scotia 2010 exit survey expenditure distributions for RV/camper in assessing spending by RV visitors to the Fortress of Louisbourg.

Adjustments are made only for the increased cost of gasoline (+ 24 percent) and the elimination of expenditures on fixed-roof accommodation.

Distribution of expenditures by RV / Campground visitors
Visitors to the Fortress of Louisbourg vs. 2010 Exit Survey

	Fortress of Louisbourg RV/campers	Exit Survey RV visitors
	\$	\$
Fixed-roof accommodations	0	9
Campgrounds	26	26
Meals in restaurants & Bars	25	25
Groceries & Liquor	22	22
Gas, oil, auto repair	59	48
Car rental fees	3	3
Local transportation	1	1
Tolls	1	1
NS Cultural products	8	8
Clothing	5	5
Other shopping	11	11
Culture & entertainment	10	10
Sport & recreation	2	2
Average/party/day	173	170

Expenditures by RV/camper visitors to the Fortress of Louisbourg are estimated to have averaged \$173 per party per night. This is very close to the average of \$170 per night reported in the Exit Survey.

A-3 VFR visitor expenditures

This evaluation uses the 2010 exit survey distribution of expenditures for VFR + pleasure visitors in assessing spending by VFR visitors to the Fortress of Louisbourg. Adjustments are made only for the increased cost of gasoline (+24 percent) and elimination of fixed roof accommodation cost.

Average expenditures for visitors to the Fortress of Louisbourg who stayed overnight with friends and relatives are estimated at \$135 per party per night.

Distribution of expenditures by visitors staying with friends & relatives

Visitors to the Fortress of Louisbourg vs. VFR + pleasure (2010 Exit Survey)

	Fortress of Louisbourg VFR visitors	Exit Survey VFR visitors
	\$	\$
Fixed-roof accommodations	0	24
Campgrounds	0	0
Meals in restaurants & Bars	40	40
Groceries & Liquor	17	17
Gas, oil, auto repair	22	18
Car rental fees	10	10
Local transportation	1	1
Tolls	1	1
NS Cultural products	8	8
Clothing	15	15
Other shopping	13	13
Culture & entertainment	6	6
Sport & recreation	2	2
Average/party/day	135	155

A-4 Expenditures by local (day) visitors

Expenditures by local (day drive) visitors are estimated to have averaged \$26.00 per person per day. This assumes an average admission expenditure of \$16.00 (allows for family discounts), on site merchandise and food & beverage expenditure of \$7.00 (based on revenue data supplied by the Fortress of Louisbourg) and cost of fuel to arrive and return (estimated at \$3.00 per person).

A-5 Accommodation Room Rates

The following table illustrates average room rates for July/August 2013 as listed on the Expedia reservation system in June 2013. Overall CAA listed the lowest rates (5 percent lower than Expedia on average); direct calls to hotels resulted in the highest rates (6 percent higher on average). Source: East Coast Rate Report 2013

Budget properties are rated 2.0 stars or less; mid-range 2.5-3.0 stars; High-end 3.5 stars and higher.

Cape Breton properties were very competitively priced with the rest of the Maritimes at the budget and mid-range level. They were considerably higher at high-end levels (3.5 star and higher).

Average Listed Room Rates by Destination: July/August 2013

	New Brunswick N=72	Nova Scotia N=83	P.E.I. N=25	New England N=526	Cape Breton N=14
Budget	113.39	121.70	136.73	154.36	124.34
Mid-range	160.22	165.40	174.27	257.31	167.73
High-end	165.70	229.03	240.47	276.56	260.40
Average Daily Rate	146.44	172.04	183.82	229.41	184.49

Adjusting for non-listed properties

As relatively few properties on Cape Breton list on Expedia the overall average room rate was determined based on total capacity by accommodation grade or type; estimated sales and room rates. As illustrated in the following table the overall average room rate (includes tax) for Cape Breton in main season 2013 was estimated at \$155.28

Average Room Rate: Cape Breton: 2013

	% of sales	Room rate \$
Budget	39.1	124.34
Mid-range	31.2	167.73
High-end	11.1	260.40
Inns	8.3	158.06
B&B's	10.3	119.50
Total/Average	100.0	155.28

A-6 Food & Beverage (Restaurant) Expenditures

Average daily food expenditures are based on the assumptions that breakfast/lunch expenditures will be low (average \$15.00 per person) and dinner costs will be higher and variable based on a survey of menu prices. (Note: many accommodation properties include free breakfast).

The survey of restaurants was based on top ranked restaurants by location as listed on tripadvisor.com. A total of 15 restaurants were included in the Cape Breton survey. It can be noted that Cape Breton was somewhat unique in that average prices dropped as lower ranked restaurants were added to the survey. In most destinations average prices increased (restaurants were ranked lower because they were viewed as too expensive).

Average Dinner menu Prices by Destination (August 2013)

	New Brunswick	Nova Scotia	P.E.I.	Boston	Coastal New England	Cape Breton
	\$	\$	\$	\$	\$	\$
Appetizers	9.46	11.17	10.20	14.77	10.90	8.80
Salad	8.75	10.20	10.60	12.33	8.30	6.40
Salmon	22.27	26.40	22.00	29.00	25.44	22.00
Scallops	26.83	27.50	25.25	32.50	25.55	23.75
Steak	27.11	32.40	28.00	36.50	30.44	24.75
Average entrée	25.40	28.77	25.08	32.67	27.14	23.50
Sub Total	43.61	50.14	45.88	59.77	46.34	38.70
Exchange @ 0.97	-	-	-	1.79	1.39	-
Total (Can \$)	43.61	50.14	45.88	61.56	47.73	38.70

When estimated dinner costs are included with breakfast/lunch costs and tax added, the results show expenditures in restaurants averaged an estimated \$60.68 per person per day on Cape Breton. This was the lowest average expenditure among the 6 East Coast destinations studied.

Average Daily Food Costs Per Person per Day by Destination (August 2013)

	New Brunswick	Nova Scotia	P.E.I.	Boston	Coastal New England	Cape Breton
	\$	\$	\$	\$	\$	\$
Breakfast/lunch	15.00	15.00	15.00	15.00	15.00	15.00
Dinner	43.61	50.14	45.88	59.77	46.34	38.70
Sub total	58.61	65.14	60.88	74.77	61.34	53.70
Tax	13%	13%	13%	12%	7%	13%
Total tax	7.62	9.77	7.91	8.97	4.29	6.98
Exchange @ \$0.97	-	-	-	2.51	1.97	-
Total Expenditure	66.23	74.91	68.79	86.25	67.60	60.68

A-7 References/Data Sources

1. Data supplied by the Fortress of Louisbourg.
2. Nova Scotia Tourism Indicator Reports (2000 – 2012)
3. Analysis from Nova Scotia Tourism Indicator Reports (2004 – 2013)
4. New Brunswick Department of Tourism (attraction attendance 2000 – 2013)
5. Analysis from Nova Scotia Tourism Indicator Report 2013
6. Analysis of Provincial Tourism Indicator Reports (NB, PEI, NS) 2009 – 2013
7. East Coast Rate Reports (2009 – 2013)
8. Nova Scotia Exit Survey Visitors to Cape Breton Island 2010
9. Analysis from PAC postal code origin data: the Fortress of Louisbourg 2013