



Nova Scotia *Come to life*: 2007 Survey Results
Senior Business – New Markets: Houston & Calgary

Omnifacts Bristol Research

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Prepared for Communications Nova Scotia

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Executive Summary



Methodology and Objectives

- Baseline telephone survey of 603 business people from Houston and Calgary during April 2007
 - Margin of error is +/-3%, 19 times out of 20
- Objectives
 - To assess attitudes and perceptions of senior business people on key Nova Scotia brand attributes; and
 - To assess the advertising campaign conducted in the Calgary market.

Public Perceptions of Key Brand Attributes

Findings

- Approximately one-quarter of business people in Houston (27%) and Calgary (28%) expect Nova Scotia's economic performance to be **better this time next year**.
- Approximately one-quarter of business people in Houston (28%) and Calgary (25%) expect Nova Scotia to be a **better** place to do business *this time next year*.
- As detailed in the table below, more than 40% of those surveyed **agreed** with each of the following statements:
 - Nova Scotia is easily accessible by ocean (67%)
 - Nova Scotia has everything required to make a great vacation (63%)
 - Nova Scotia is in close proximity to both Canadian and American markets (53%)
 - Nova Scotia is easily accessible by air (45%)
 - Colleges and universities in Nova Scotia offer quality academic programs (41%).
- In addition, more than 40% of those surveyed **disagreed** with each of the following statements:
 - The quality of life in Nova Scotia is *declining* (45%)
 - Nova Scotia does not have a well-educated labour market (43%).

2007 – Summary of Results

- % Giving Agreement Ratings of 8,9 or 10-

		2007 Overall (n=603)	Houston (n=300)	Calgary (n=303)
Fast Ocean Access	NS is easily accessible by ocean	67%	60%	75%
Quality of Life	NS as a place to live and work	19%	16%	20%

	NS has a high quality health care system	20%	24%	16%
Educated Labour Market	NS does not have a well-educated labour market (% giving 1,2 or 3)	43%	38%	48%
Trust & Respect	In NS, business dealings can be made on a handshake	14%	12%	16%
Quality of Life	NS as a place to live and work compared to other provinces in Canada	12%	13%	10%
	I would like to live and work in NS	10%	9%	11%
	The quality of life in NS is <i>declining</i> (% giving 1,2 or 3)	45%	44%	46%
	Working in NS enables a person to balance their work and home life	32%	27%	36%
Business Environment	NS as a place to do business	16%	21%	11%
	I would like to conduct business in NS	23%	23%	23%
Business Climate/ Economy	Businesses in NS can succeed	37%	36%	39%
Dynamic Business Community	NS is a dynamic place to do business	10%	13%	10%
Progressive Business Community/ Business Climate/ Economy	NS is a great place to open a business	9%	10%	7%
Fast Air Access	NS is easily accessible by air	45%	38%	53%
Transportation	NS does <i>not</i> have a well-developed transportation infrastructure (% giving 1,2 or 3)	23%	19%	27%
Competitive Tax	NS offers a competitive corporate tax rate	6%	7%	6%
Innovative	NS has a well-established entrepreneurial business community	16%	16%	16%
R&D - Innovation	Many businesses in NS participate in research & development activities	11%	10%	11%
Halifax – Dynamic City	Halifax is a dynamic national city	39%	34%	43%
Education	Colleges and universities in NS offer quality academic programs	41%	26%	56%
Training	NS has limited training resources (% giving 1,2 or 3)	24%	18%	29%
Vacation Destination	NS has everything required to make a great vacation	63%	54%	73%

Skilled Labour Market	NS has a skilled workforce	26%	21%	29%
Competitive Labour Costs/Skilled Labour Market	Qualified labour is accessible to employers at competitive rates	23%	17%	30%
Telecommunications Infrastructure	Telecommunications infrastructure ensures that communities within NS are accessible to the world	37%	36%	39%
Business Climate	NS is in close proximity to both Canadian and American markets	53%	47%	58%

- A large portion of respondents were unable to provide evaluations of a number of the statements. Houston business people were generally less capable of providing assessments than their Calgary counterparts, resulting in a larger proportion of “don’t know” responses.
- There are gaps between the experiences and perceptions of Calgary business people and Houston business people. Calgary business people are more likely to conduct business in Nova Scotia. They are also more likely to evaluate Nova Scotia more positively on many image attributes. *It is important to note that Houston business people provided higher ratings than Calgary business people when asked to rate Nova Scotia as a place to do business (21% versus 11%), but gave lower ratings for Nova Scotia having qualified labour accessible at competitive rates (17% versus 30%).*

Advertising Campaign: Awareness & Effectiveness

Findings

- Recall of the pre-Christmas billboard campaign and/or the “Calgaria” advertising is quite good with the business audience even though they were not the target audience; the campaign was focused toward ex-patriot Nova Scotians living in Calgary. The actual recall based on stringent requirements (respondent had to mention specific scenes or slogans) was 10% unaided recall and 3% aided recall for a total of 13% with an additional 9% who almost certainly recalled the correct advertising.
- About one-half (53%) of those who were aware of the advertising felt that the ads made them feel that there are a lot of opportunities in Nova Scotia.
- The advertising seems to be creating some positive word of mouth communication in that almost one-half (41%) of those who were aware of the advertising said they had spoken to others about it.
- The advertising did not become tiresome in that only 12% indicated they were tiring of it.

Introduction and Background

This report contains the findings from baseline research conducted within the Houston and Calgary business communities. This research was conducted in April of 2007 with three very distinct objectives:

1. To assess attitudes of senior business people on key Nova Scotia attributes;
2. To assess the advertising campaign conducted in the Calgary market; and
3. To build a baseline measurement from which to measure change.

Findings for each of the first two distinct objectives have been presented in separate sections of this report.

Background

As part of the on-going evolution of the strategy, it has been deemed important to conduct periodic evaluations and assessments to determine whether objectives are being met, as well as to gather feedback that can be used to refine the strategy as appropriate. These two markets (Houston, Texas and Calgary, Alberta) were identified as ideal markets in which to expand the Nova Scotia *Come to life* messages. Houston business people had not been exposed to any messaging at the point of surveying, while Calgary may have had some exposure to the pre-Christmas billboard campaign and/or the “Calgaria” campaign which was targeted toward Nova Scotia ex-patriots living in Calgary to prompt them to take a second-look at Nova Scotia.

The Questionnaire

The first section of the survey used many statements about various aspects of Nova Scotia in general and its business environment more specifically to measure various aspects of the desired brand attributes.

The second section of the survey served to measure the awareness levels of the advertising campaign at this point in the on-going *Come to life* project. The survey assessed the impact of efforts in Calgary to date and provides direction for any necessary changes to the creative approach.

Section 1: Measuring Public Perceptions of Key Brand Attributes

- Benchmark Measures -

Familiarity with Atlantic Canada

The survey began by asking respondents about their familiarity with Atlantic Canada and their business experiences with the region. The vast majority of Calgary respondents (90%) were familiar with the Atlantic Canadian provinces.

One-fifth of Calgary respondents (20%, n=60) indicated that their organization currently has business dealings in Atlantic Canada. Of those respondents who currently have business dealings in Atlantic Canada, almost all conduct business in Nova Scotia (77%) and Newfoundland and Labrador (70%), with a smaller portion conducting business in New Brunswick (60%) and Prince Edward Island (43%).

In the Houston area, 51% of respondents were familiar with the Atlantic Canadian provinces and 5% (n=15) currently conduct business in Atlantic Canada.

As seen in the table below, it is clear that Calgary business people have had much more exposure to Nova Scotia than those from Houston; almost one-half of Calgary respondents have visited Nova Scotia for a pleasure trip.

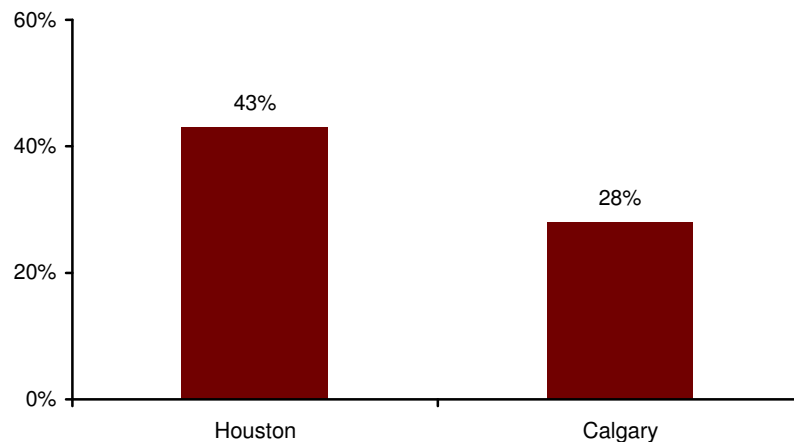
Activity	Houston	Calgary
Visited NS for pleasure trip	12%	49%
Visited NS for business trip	10%	32%
Lived in NS	1%	11%
Attended college or university in NS	1%	3%
Attended secondary school in NS	0%	3%

The Economy

The attitudes on the economy, the quality of life and the business climate in Nova Scotia will be affected by what is happening in the province. Financial markets have been volatile and energy costs have been increasing. To add context, the Winter 2007 issue of The Inside Out Report (Omnifacts Bristol's quarterly survey of public opinion) showed both a decline in optimism that the economy will improve and a decline in the percentage of Nova Scotians who rate the economy as good or excellent (39% in December of 2006).

Respondents were asked to evaluate Nova Scotia's economic performance. As shown below, 43% of Houston respondents and 28% of Calgary respondents rated Nova Scotia's economy as being either "good" or "excellent". As will be noted repeatedly throughout this report, a portion of respondents said they 'did not know' - two-thirds of Houston respondents (34%) were unable to rate Nova Scotia's economy.

**Rating Nova Scotia's Economy
(Ratings of "Good" or "Excellent")**



Looking ahead to next year, 63% of Calgary respondents and 46% of Houston respondents expect the economy **to be about the same** as it is today while 28% and 27% (respectively) expect the economy to improve. Houston is most likely to be unable to provide a prediction (25%). Only a small portion of those in Houston (3%) and Calgary (2%) expect the economy to be **worse**.

Perceptions of Nova Scotia

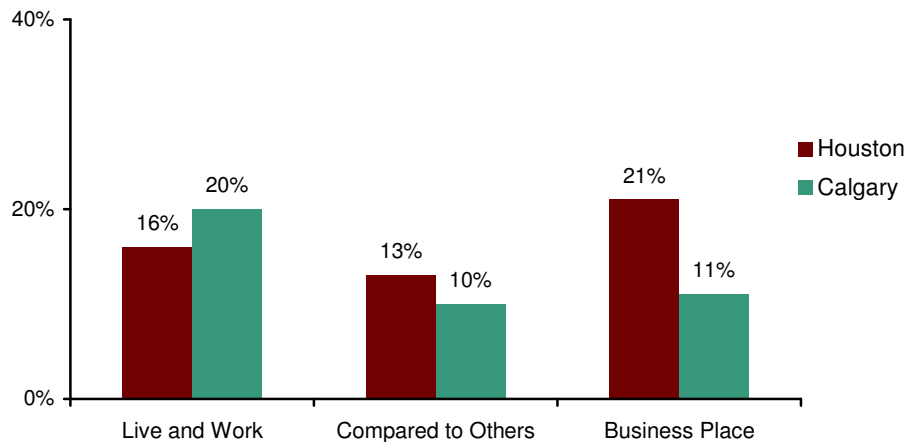
Both markets (Houston and Calgary) were asked to provide feedback on their perceptions of Nova Scotia. The results in the following charts and all those in this report that were asked on a 10-point scale are presented as the percentage of respondents who gave scores of 8, 9 or 10 out of 10. Arguably, using a standard of a rating of 8 or higher is a relatively high standard, but doing so adds clarity to the findings; ratings are not “watered down.”

Houston respondents gave slightly higher evaluations than their Calgary counterparts when asked to rate Nova Scotia as:

- i) a place to do business (21%, compared to 11%), and;
- ii) a place to live and work *compared to other provinces in Canada* (13%, compared to 10%).

Conversely, Calgary respondents gave slightly higher evaluations than Houston when asked to rate Nova Scotia as a place to live and work (20%, compared to 16%).

Perceptions of Nova Scotia (Ratings of 8+)



When asked about Nova Scotia’s major business strength, the most commonly cited response was the people (their personality, attitude, hospitality and customer service – 12%), followed by Nova Scotia’s geographical location or closeness to the world markets (11%). Nova Scotia’s geographic location or distance from world markets was also seen to be a weakness for some respondents (19%).

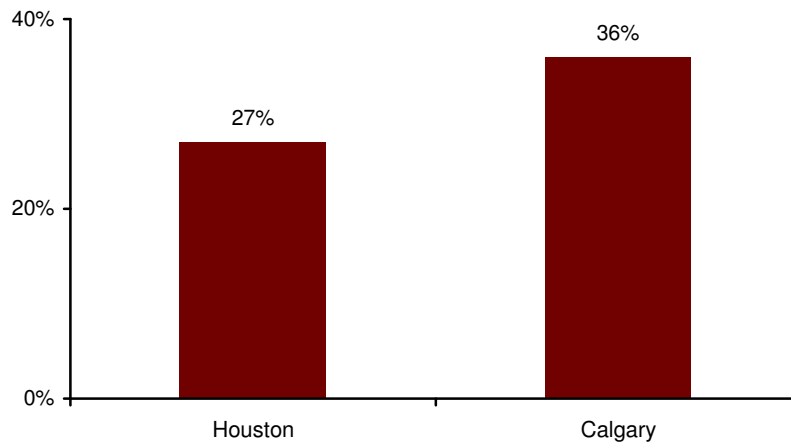
Again looking ahead to next year, respondents were asked to predict whether Nova Scotia would be better, worse or about the same as a place to conduct business. Both Houston and Calgary business people were optimistic about the future; 28% of Houston respondents and 25% of Calgary respondents felt it would be **better**.

All respondents were asked whether the quality of life in Nova Scotia is *declining*. Overall, 44% of Houston business people and 46% of Calgary business people *disagree*

that the quality of life is *declining*. It is important to note that 38% of Houston respondents and 23% of Calgary respondents said they 'did not know'.

The perspective that Nova Scotia offers a good work/life balance was also evaluated. Twenty-seven percent of Houston business people and 36% of Calgary business people were able to recognize this feature of Nova Scotia. Many respondents from Houston (47%) and to a lesser degree from Calgary (28%) felt that they were not knowledgeable enough to offer an evaluation of this dimension of Nova Scotia.

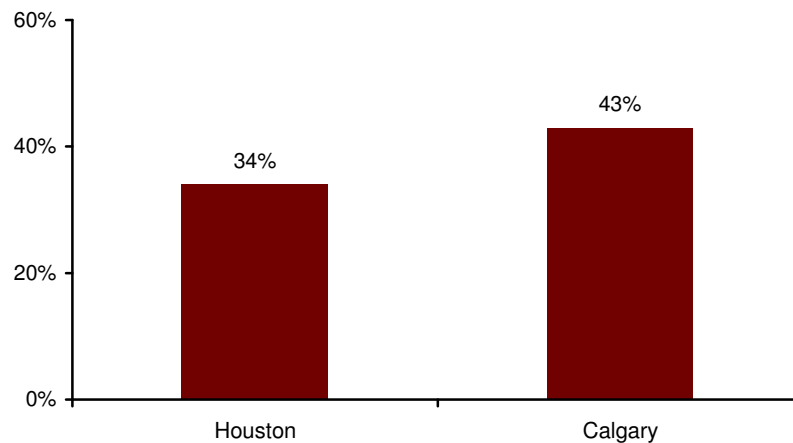
**"Working in NS enables a person to balance their work and home life"
(Ratings of 8+)**



Stretching the idea of measuring the quality of life in Nova Scotia by evaluating the quality of the health care system, about one-fifth of all respondents gave a rating of 8 or higher (24% in Houston and 16% in Calgary). Forty-two percent of Houston business people and 51% of Calgary business people could not offer an opinion on this topic.

Halifax, Nova Scotia's provincial capitol and major business center, was also evaluated. Forty-three percent of Calgary business people and 34% of Houston business people agreed that Halifax is a dynamic national city. Approximately one-third of Houston respondents (30%) said they did not know.

**"Halifax is a dynamic national city"
(Ratings of 8+)**



Connecting with Nova Scotia

A number of respondents have a desire to conduct business in Nova Scotia. Approximately, one-quarter of Houston respondents and Calgary respondents indicated that they would like to conduct business in Nova Scotia. Fewer respondents agree that they would like to live and work in Nova Scotia (9% of Houston respondents and 11% of Calgary respondents).

When asked about the reason they would not necessarily desire to make business connections in Nova Scotia, the most commonly cited reasons include: Nova Scotia is not one of their primary markets (mentioned by 16% of Houston respondents and 19% of Calgary respondents), they are not looking to expand: they are already settled in their business, they have no interest, or they are about to retire (12% of Houston respondents and 20% of Calgary respondents). Additionally, a portion also mentioned the high cost of travelling to Nova Scotia (10% of Houston respondents and 8% of Calgary respondents). Some could not give a specific reason (24% of Houston respondents and 15% of Calgary respondents).

For those who disagreed with the idea of living and working in Nova Scotia, many are simply settled where they are and have no interest in moving. This sentiment was strongest for Calgary respondents (47%). Houston business people are most likely to indicate the weather or climate as being too harsh to consider moving to Nova Scotia (47%).

While many business people may not be ready to move to or set up shop in Nova Scotia, there are a number of other opportunities for them to make a connection with Nova Scotia. All respondents were asked about their likelihood of participating in a number of activities in Nova Scotia over the next 12 months. As detailed in the table below, Houston and Calgary business people are most likely to make a connection with Nova Scotia by i) looking to visit Nova Scotia for a pleasure trip, ii) looking for new business opportunities in Nova Scotia and iii) looking to increase existing business activities in Nova Scotia.

Activity	Market	2007
Look for <u>new</u> business opportunities in NS	<i>Houston</i>	10%
	<i>Calgary</i>	10%
Look to increase <u>existing</u> business activities in NS	<i>Houston</i>	7%
	<i>Calgary</i>	10%
Invest in existing businesses in NS	<i>Houston</i>	4%
	<i>Calgary</i>	4%
Look for employment in NS	<i>Houston</i>	1%
	<i>Calgary</i>	2%
Look for educational opportunities in NS	<i>Houston</i>	3%
	<i>Calgary</i>	2%
Look to visit NS for a pleasure trip	<i>Houston</i>	23%
	<i>Calgary</i>	32%

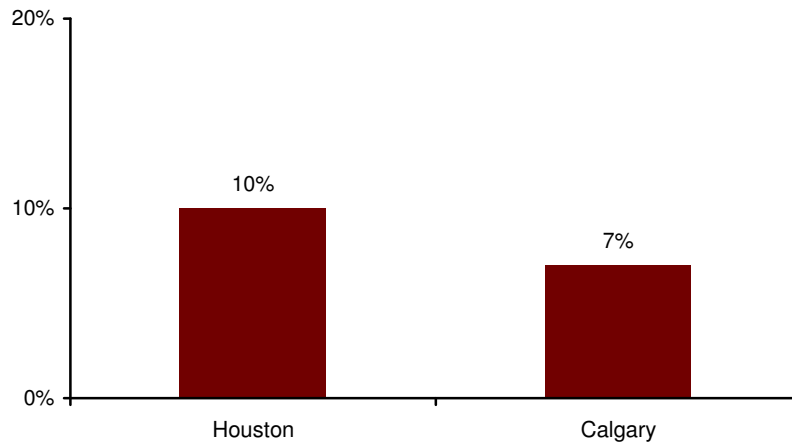
Nova Scotia's Business Community

Respondents were read a series of image statements about Nova Scotia and then asked to indicate their level of agreement with each. These statements are primarily related to the business environment. It should be noted that several of these statements were worded negatively. This is a standard research technique that helps validate opinions. For the purposes of meaningful presentation of results, the scale is reversed; rather than reporting the percentage of respondents who give an 8, 9 or 10 out of 10 (indicating high levels of agreement with a positive statement), the results for these negatively-framed questions will be reported as the percentage of respondents who gave a 1, 2 or 3 (indicating that they strongly disagree with the negative statement).

From starting a business to succeeding in business, to making deals and looking for innovation and research and development, business people from both markets weighed-in.

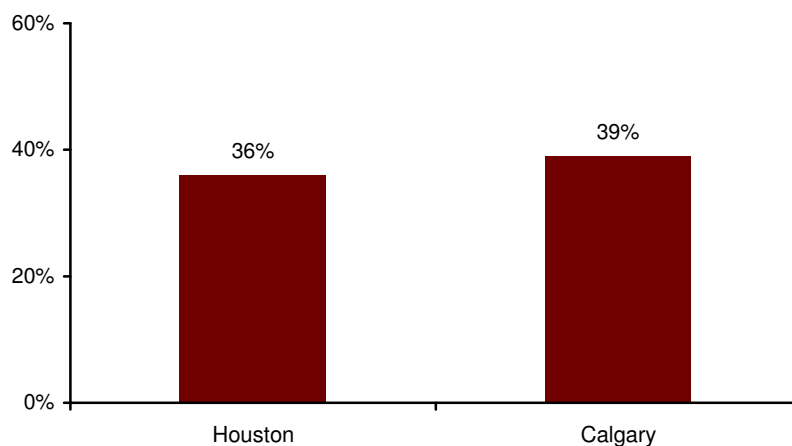
Only a small proportion of Houston and Calgary business people would consider Nova Scotia a *great* place to open a business. As noted previously, many businesses are not interested in expanding or do not consider Nova Scotia to be one of their primary markets. Many felt they could not offer an opinion on this topic (43% of Houston respondents and 24% of Calgary respondents).

"Nova Scotia is a great place to open a business"
Progressive Business Community
(Ratings of 8+)



Thirty-six percent of respondents in Houston and 39% of respondents in Calgary agree that businesses can succeed in Nova Scotia. The portion who could not respond to the statement was nominal (12 – 13%)

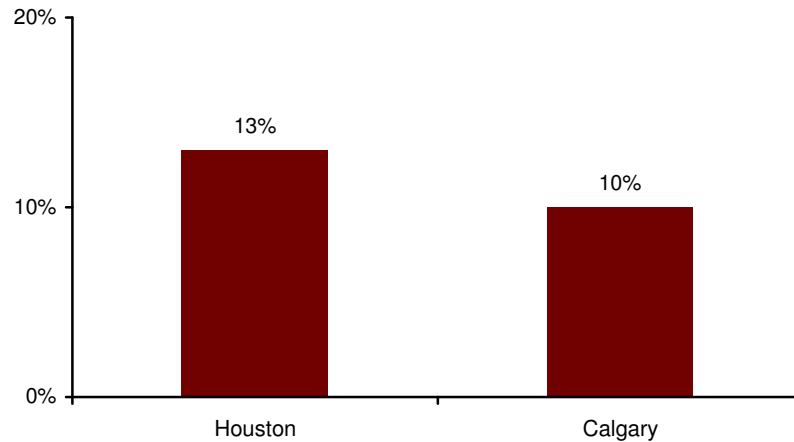
"Businesses can succeed in Nova Scotia"
Good Business Climate
(Ratings of 8+)



Only a small proportion of Houston and Calgary business people perceive Nova Scotia as a dynamic place to do business. Thirty-eight percent of Houston business people and

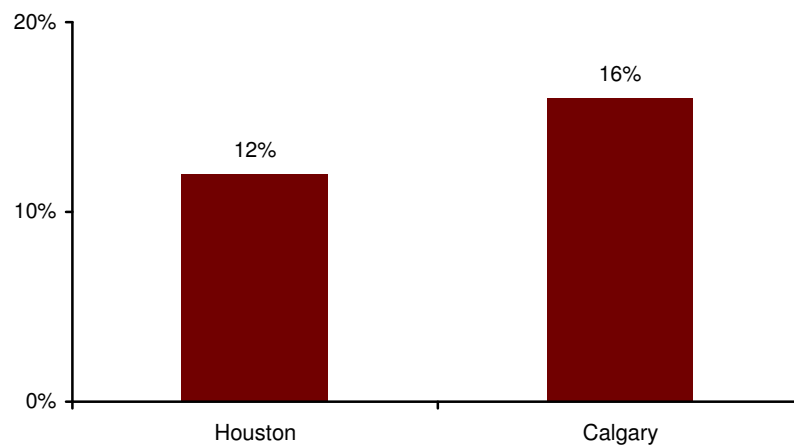
21% of Calgary business people were unable to evaluate whether or not Nova Scotia is a dynamic place to conduct business.

"Nova Scotia is a dynamic place to do business"
Dynamic Business Community
(Ratings of 8+)



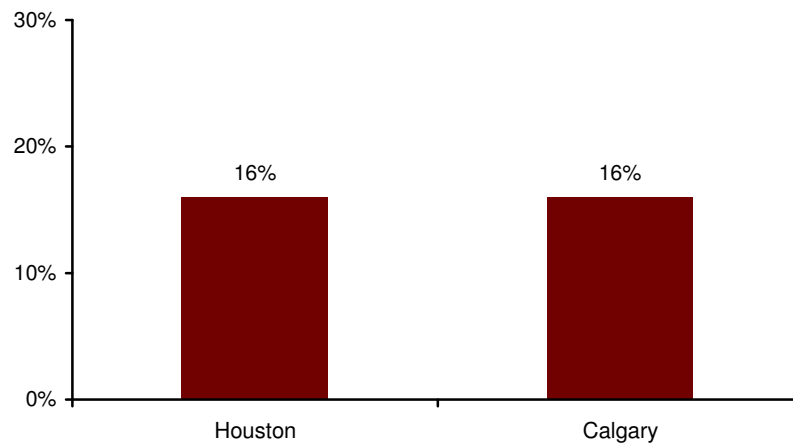
The idea of a hand-shake being the binding element of a business deal represents the degree of trust and respect in the business environment. Many could not respond to the statement (56% of Houston respondents and 44% of Calgary respondents).

"In NS, business dealings can be made on a handshake"
Trust & Respect
(Ratings of 8+)



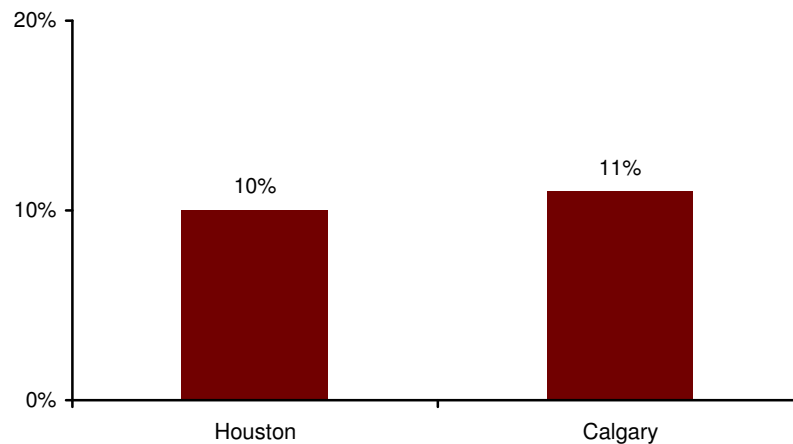
Sixteen percent of Houston and Calgary business people ranked Nova Scotia highly on its entrepreneurial nature. A sizeable portion of respondents could not give an opinion due to lack of knowledge – 48% of Houston respondents and 37% of Calgary respondents.

"NS has a well-established entrepreneurial business community"
Innovative
(Ratings of 8+)



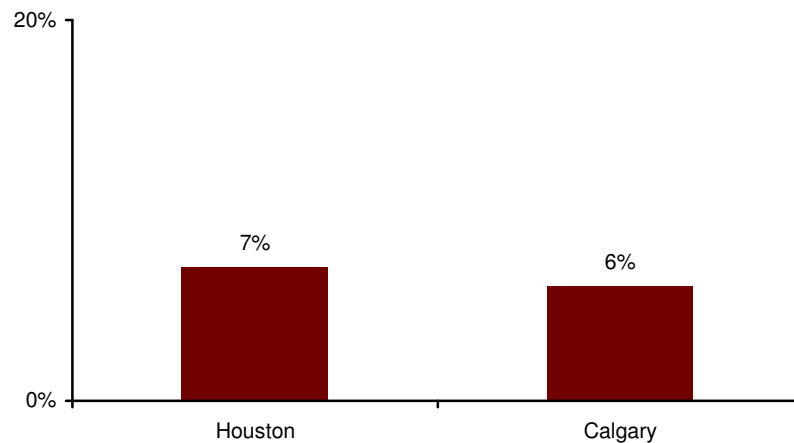
Some business people are aware of Nova Scotia's research and development industry. More than one-half of respondents (58% in Houston and 53% in Calgary) could not offer an opinion on whether Nova Scotian businesses are participating in research and development.

"Many businesses in NS participate in research & development"
R&D - Innovative
(Ratings of 8+)



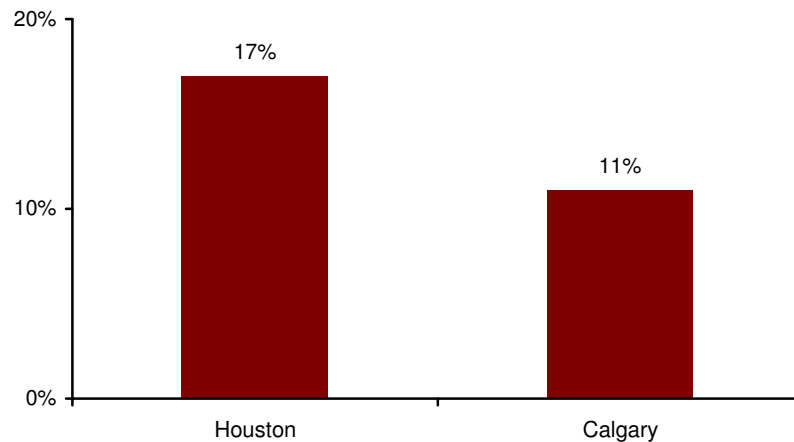
Very few people agreed that Nova Scotia's tax rate is competitive. The reason for the low score is not necessarily because they think the tax rate is *not* competitive, but rather due to a lack of awareness - the "don't know" responses represented 69% for Houston and 59% for Calgary.

"NS offers a competitive corporate tax rate"
Competitive Tax
(Ratings of 8+)



Seventeen percent of Houston business people believe that investing in the Nova Scotia business community is a smart thing to do. Support for this idea decreases in the Calgary market (11%).

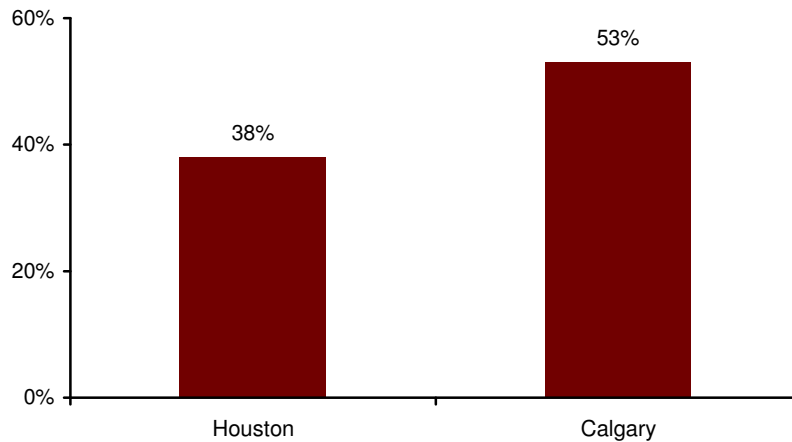
"Investing in NS's business community is a smart thing to do"
Progressive Business Community
(Ratings of 8+)



Accessibility

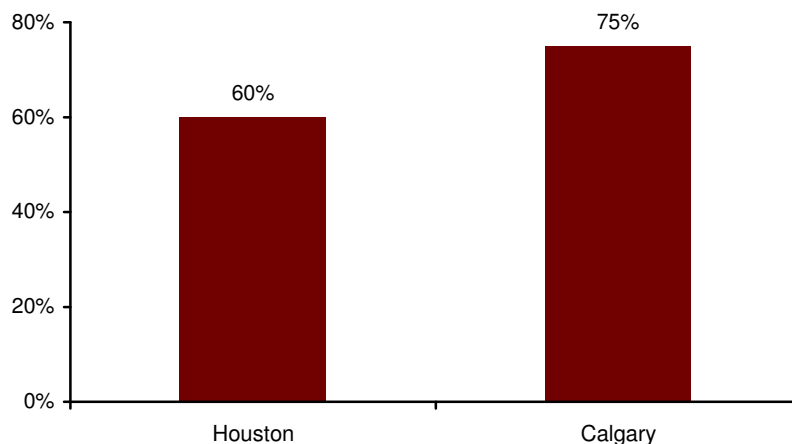
As expected, those living in Canada are more likely to feel that Nova Scotia is easily accessible by air compared to those living outside of Canada. In October of 2006, Halifax Stanfield International Airport, Nova Scotia's primary airport opened a U.S. pre-clearance facility and the number of non-stop US flights has been increasing since that time.

"Nova Scotia is Easily Accessible by AIR"
Fast Air Access
(Ratings of 8+)



Other Canadians are also more likely to feel that Nova Scotia is easily accessible by ocean.

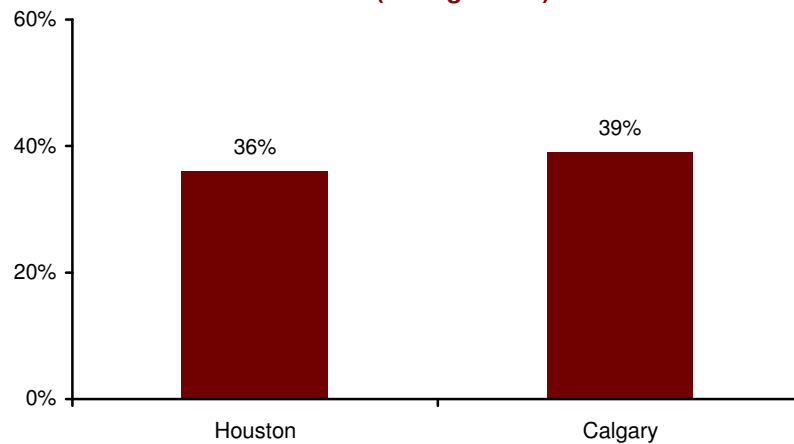
"Nova Scotia is Easily Accessible by OCEAN"
Fast Ocean Access
(Ratings of 8+)



When asked about Nova Scotia's overall transportation infrastructure and whether the system is *not* well-developed, many respondents were unable to provide an opinion – (51% of Houston business people and 42% of Calgary business people).

Non-physical accessibility of Nova Scotia was also evaluated, namely telecommunications infrastructure. A little more than one-third of Houston and Calgary respondents agreed that telecommunications infrastructure ensures that communities within Nova Scotia are accessible to the world. A number of Houston (33%) and Calgary (29%) respondents said that they did not know.

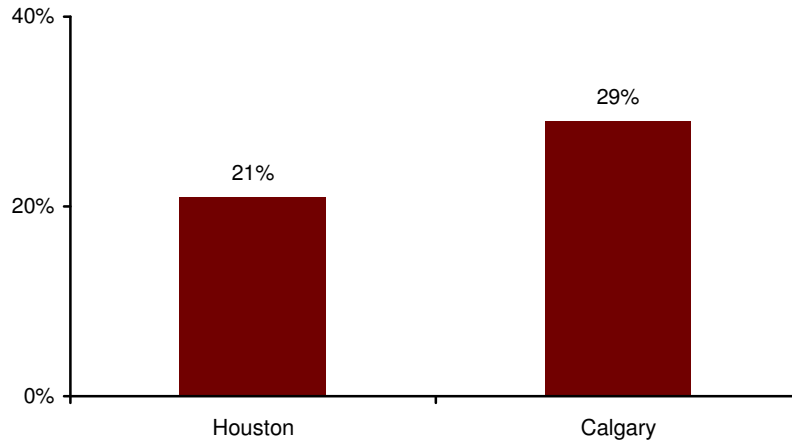
"Telecommunications infrastructure ensures that communities within NS are accessible to the world"
Telecommunications Infrastructure
(Ratings of 8+)



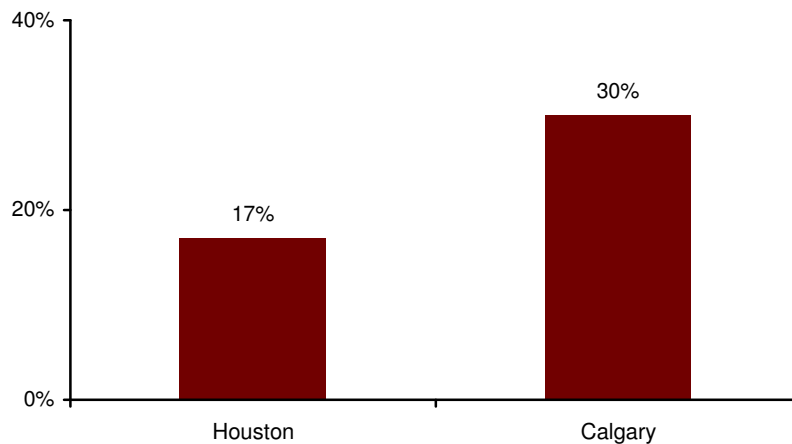
Labour Market

The questionnaire also included questions about Nova Scotia's labour market. Calgary respondents were more likely than Houston respondents to agree that skilled labour is available in Nova Scotia and that qualified labour is available at competitive rates. Again, it is important to point out that many respondents in both markets could not provide an opinion, with more Houston business people being unable to comment (46% don't know versus 26% of Calgarian business people).

"Nova Scotia has a skilled workforce"
Skilled Labour Market
(Ratings of 8+)

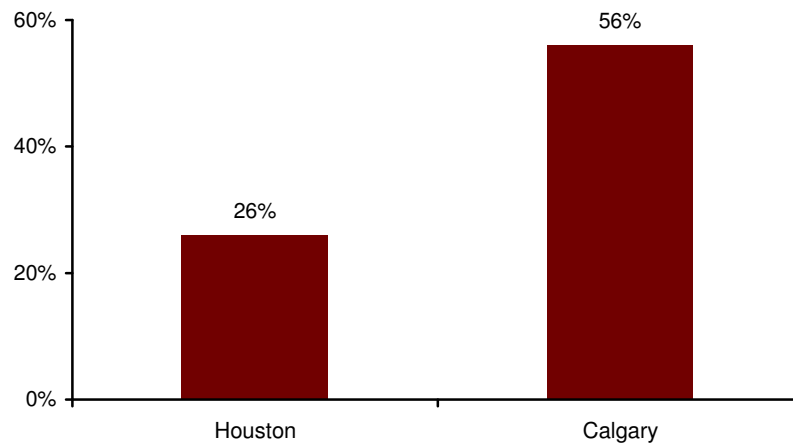


"Qualified labour is accessible to employers at competitive rates in NS"
Competitive Labour Costs
(Ratings of 8+)



Other Canadians have confidence in Nova Scotia's post-secondary education system with more than one-half (56%) agreeing that Nova Scotia's colleges and universities offer quality programs. Ratings are lower in the Houston market – however, many Houston respondents were unable to respond to the statement (43%).

"Colleges & universities in NS offer quality academic programs"
Education
(Ratings of 8+)



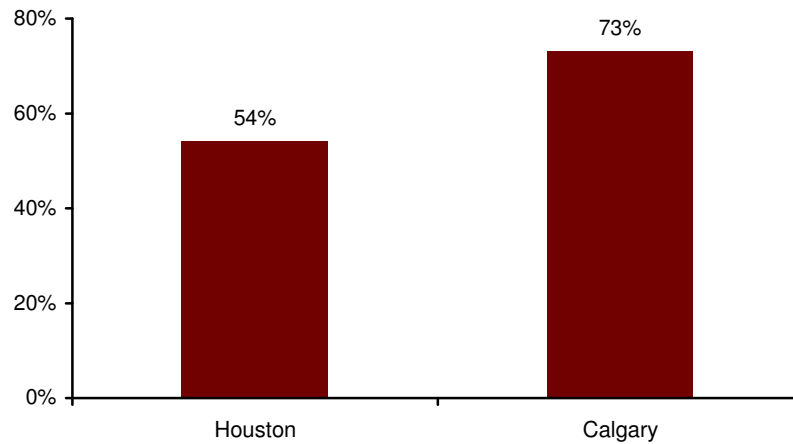
When asked if Nova Scotia *does not* have a well-educated labour market, 48% of Calgary business people and 38% of Houston business people disagreed. Forty-three percent of Houston respondents and just under 20% of Calgary respondents felt they were not knowledgeable enough to give an opinion.

Again asked from a negative perspective, a number of business people disagreed that Nova Scotia has *limited* training resources. In Calgary, 29% disagreed and in Houston - 18% disagreed. A large proportion could not answer the question (55% in Houston and 42% in Calgary).

Vacation Destination

Ratings of Nova Scotia as a *vacation destination* are very high, but are lowest in Houston when compared to all other business markets surveyed (including Calgary, Toronto, Boston and the Other Atlantic Provinces – not including Nova Scotia).

**"Nova Scotia has everything required to make a great vacation"
A Vacation Destination
(Ratings of 8+)**



Section 2: The *Come to life* Campaign

- Measuring Awareness & Effectiveness -

Overall Recall

The Houston market had not yet been exposed to the Nova Scotia *Come to life* messaging at the time of surveying, and a brief campaign ran in Calgary and was targeted toward Nova Scotians who were now living in Calgary and prompted them to re-consider Nova Scotia.

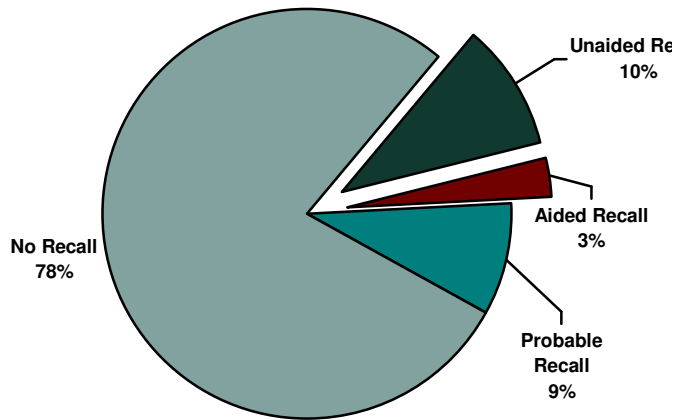
A very conservative approach was taken when examining recall with the 301 Calgary business people who were surveyed. A respondent not only had to say they saw the correct advertising; they also had to specifically mention an element in the advertising (an image or the tagline as an example) to confirm they were talking about the correct one. This would tend to understate the actual recall, but was done because of the similarity of tourism advertising being run in the same market.

Normally, two types of recall are specified; unaided recall where the respondent remembers the advertising without prompting, and aided recall when they have been given some prompting such as a phrase or summary of the advertising. In both cases, the respondent had to confirm details of the advertising so we would know they were talking about the correct advertising.

As was also noted in the other regions surveyed, there are also people who said they had seen or heard the advertising, but then could not provide the confirming detail. In some cases, because of the words that were used by the respondent, there is reasonable confidence that they were recalling the advertising, but they have not been counted because the words or phrases they used to describe the ads were slightly different. Unaided recall is often considered to be the most desirable type of awareness since it suggests that the ad or product has cut through the clutter and has been established in the consumer's top-of-mind memory.

In this case, 10% of the sample clearly identified the "Calgaria" advertising on an unaided basis, and as many as an additional 9% recalled some elements of the campaign but did not clearly identify the advertising (recalled descriptions for this group was more general and about promoting Nova Scotia as a great place to work and do business and promoting Nova Scotia as a place to live). An additional 3% correctly recalled the advertising once they were prompted. In summary, there is definite unaided recall of 10%, definite aided recall of 3%, which adds to a total recall of 13%. On top of that, there is 9% more who are probably recalling the correct advertising. (*Note chart on following page*)

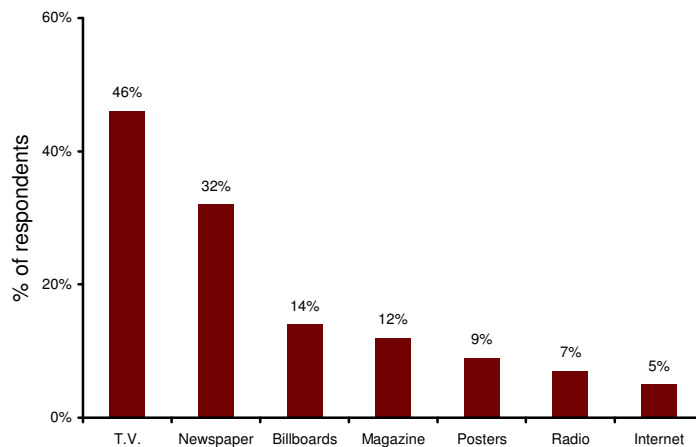
Overall Recall Levels



Again, to be conservative, only the 13% of the sample who definitely saw the advertising is considered in the comparative analysis.

As is typical of most advertising research, television is mentioned most often when respondents are asked where they saw or heard the advertising. In this case, television is mentioned by 46% of those who definitely saw the advertising. While the campaign did not include a television component, it did include a video. This was followed by newspaper at 32%, billboards at 14%, magazines at 12%, posters at 9%, radio at 7% and internet at 5%.

Location of Seeing, Hearing or Reading the Ads SUBSET: Those with recall of the Come to Life ads



Main Message

The process of “qualifying” respondents as having correctly remembered the advertising did demonstrate specific recall of images or the tagline. They were also asked “what was the main message of the advertising?” Forty percent felt the main message of the advertising was to encourage Nova Scotians to come home. Like the other markets, there is clearly some confusion with vacations and tourism as about one-quarter (26%) of the respondents felt the advertising was for vacations or to come visit Nova Scotia. Eleven percent were unsure of the main message of the ads - this was a lower percentage than in other markets surveyed. However, 28% felt the advertising was promoting the quality of life in Nova Scotia and promoting Nova Scotia for business.

Evaluating the Advertisements

A series of agree/disagree statements were included to evaluate whether respondents were learning anything from the advertising and whether or not they were tiring of them. The ads performed relatively well on all of these questions:

- Over half (53%) agreed that the ads make them feel that there are a lot of opportunities in Nova Scotia;
- Almost half (41%) agreed they spoke positively about the ads to other people;
- Less than 1 in 10 said they did not like the ads;
- Only 12% said they were getting tired of seeing or hearing them.

