



ROYAL NOVA SCOTIA
INTERNATIONAL

tattoo

Post-Pandemic Recovery and Stabilization Plan

Executive Summary



- Since 1979, the Royal Nova Scotia International Tattoo has been a cultural cornerstone with a total live audience of 2.3 million and an international cast of 40,000, positioning itself as a leading economic contributor in Atlantic Canada's cultural events sector.
- The Tattoo's visibility ranks high, leading in familiarity among Nova Scotia Tourism tested artistic and cultural events/organizations, indicating significance as a leading tourism product.
- The 2023 edition indicated the beginning of post-pandemic recovery, with a total audience of 59,000, including 29,000 ticket holders at Scotiabank Centre and 30,000 attendees at free Tattoo Festival events.
- The economic impact is significant, contributing \$10.2 million in local expenditures resulting in \$22 million in economic impact and supporting 177 full-time equivalent jobs in 2023.
- However, the Tattoo faced challenges amid the global pandemic, losing over \$4 million in revenue and depleting a \$600,000 operating reserve.
- Despite recovery signals in 2023, revenues remain below pre-pandemic levels with persistent inflation dominating ongoing post-pandemic recovery challenges.
- The Tattoo is actively seeking a combined investment of \$650,000 from municipal, provincial, and federal levels. This investment aims to address stabilization, technical production enhancements, content diversity, and strategic initiatives for post-pandemic growth.

Current Context – The Pandemic and Post-Pandemic Recovery



- Navigating the current climate of persistent inflation and post-pandemic economic recovery poses several challenges for Tattoo planning. These challenges impact various aspects including financial considerations, audience expectations and operational logistics.
- Since March 2020, the Tattoo has been under extreme financial duress and the current post-pandemic era of recovery has proven to be more challenging than the shutdowns of 2020 and 2021.
- The Tattoo continues to face many unprecedented challenges. Challenges never seen before in the history of the show.
- The shaky return to production in 2022 as the world emerged from pandemic lock downs complicated with ongoing global economic uncertainty resulted in major damage to the financial well-being of the Tattoo.
- Persistent cost of living inflationary pressures continue to impact the Tattoo as we compete for shrinking family entertainment dollars coupled with ongoing rising production costs. The Tattoo must navigate a complex landscape characterized by cost inflation, audience budget constraints, ongoing public hesitancy, labor shortages and limited corporate sponsorship.

Current Context – K Shaped Economic Recovery



- The live entertainment sector is a vast and intricate landscape where economic disparities between major multi-national players and smaller independent entities are becoming increasingly pronounced.
- Given this, the potential exists for inaccurate perceptions regarding the post-pandemic health of the local live events sector, contributing to a “K-shaped” economic recovery.
- The economic disparity between industry giants and small independent organizations is stark.
- Multinational live event producers enjoy significant financial backing, allowing them to invest heavily in marketing, production, and global tours.
- In contrast, small local independent events are struggling to stay afloat amid lower box office sales, rising costs and limited resources.
- In the post-pandemic age, there exists a potential disconnect between the success of industry giants like Live Nation/Ticketmaster and the reality of smaller companies, venues, festivals, and artists still grappling with economic recovery.

Rationale for Investment – Tattoo Economic Impact



- Since 1979, the Tattoo has been a major economic contributor to the City of Halifax and the Province of Nova Scotia.
- With a total global live audience of 2.3 million and an international cast of 40,000 since 1979, the Tattoo has been and continues to be arguably the most significant economic contributor to the cultural events sector in Nova Scotia.
- **Attendance:** 59,000 (29,000 Scotiabank Centre + 30,000 Tattoo Festival free events)
- **Actual Number of Tourists (outside HRM) attending Scotiabank Centre:** 10,929 or 37% of total audience attending Scotiabank Centre (based on Ticket Atlantic POS postal code collection)
- **Estimated Tourist Room Nights:** 11,500
- **Actual RNSIT Room Nights for Cast and Crew:** 3,000 (\$148,576 value)
- **Total Room Nights:** 14,500
- **Total Local Visitor Expenditures:** \$7.7 million
- **Total Tattoo Production Local Expenditures:** \$2.5 million
- **Total Local Expenditures (visitor, capital, and operational spending):** \$10.2 million
- **Total Estimated Provincial Economic Output:** \$22 million
- **Total Net Increase in Economic Activity in Nova Scotia:** \$12 million
- **Total Estimated FTE Jobs Supported:** 177 FTE jobs equaling \$6 million in wages and salaries.
- **Total Estimated Level of Taxes Supported:** \$5 million (\$2 million federal, \$2 million provincial, and \$1 million municipal).

Rationale for Investment – Tattoo and Junos Economic Impact

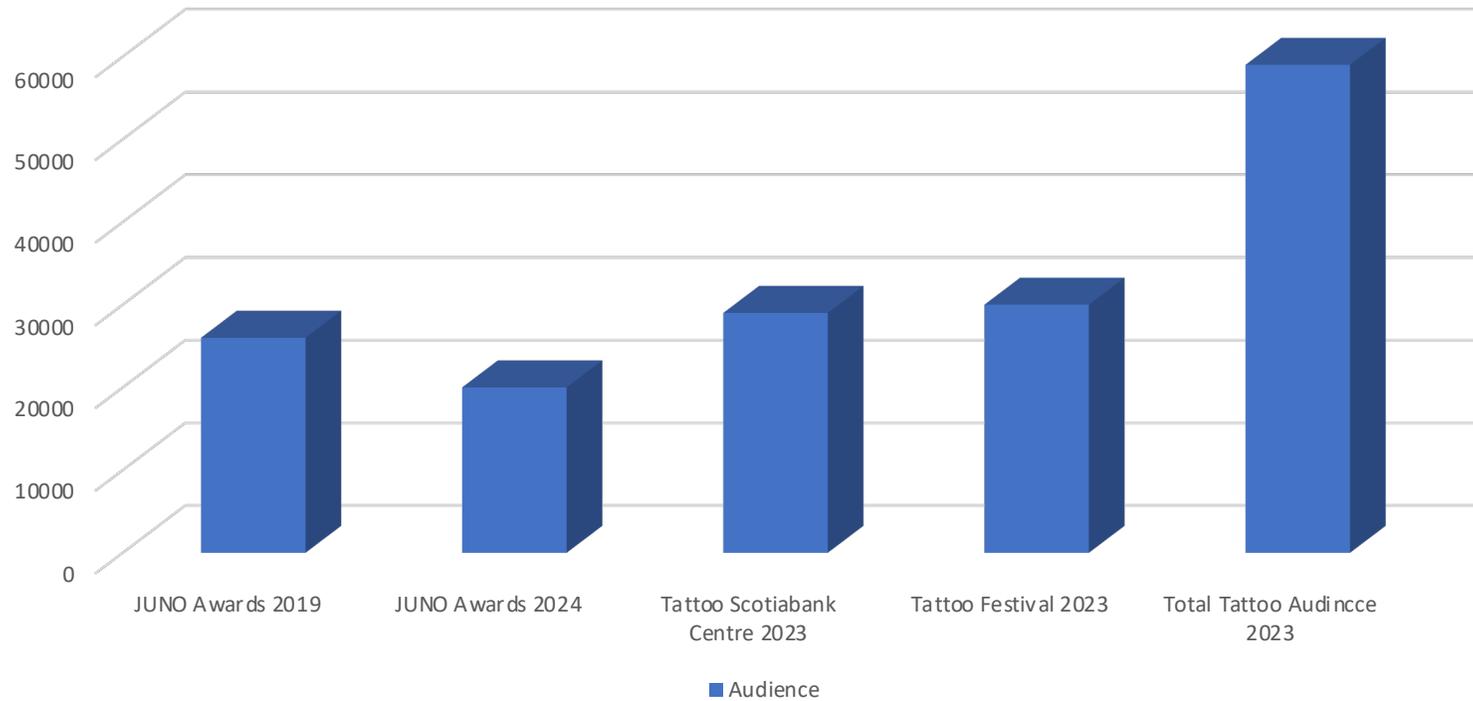


- Data for the following section was taken from the 2023 Tattoo box office, the 2023 Tattoo customer survey, the 2015 Tattoo STEAM report, the 2019 JUNO Awards STEAM report and the Halifax Regional Municipality staff report to the Special Events Advisory Committee – Major Hosting Bid JUNO Awards 2024 Funding Report (dated August 24, 2022).
- The Tattoo 2023 data and estimates includes ticket holders for Scotiabank Centre performances only and does not include the estimated 30,000 people who attended free Tattoo festival events in downtown Halifax and Dartmouth. Also, it is important to note that the Tattoo estimates do not include the estimated \$1 million spent by the Canadian Armed Forces to support their independent activities throughout the Tattoo show and festival.

Rationale for Investment – Tattoo and Junos Economic Impact



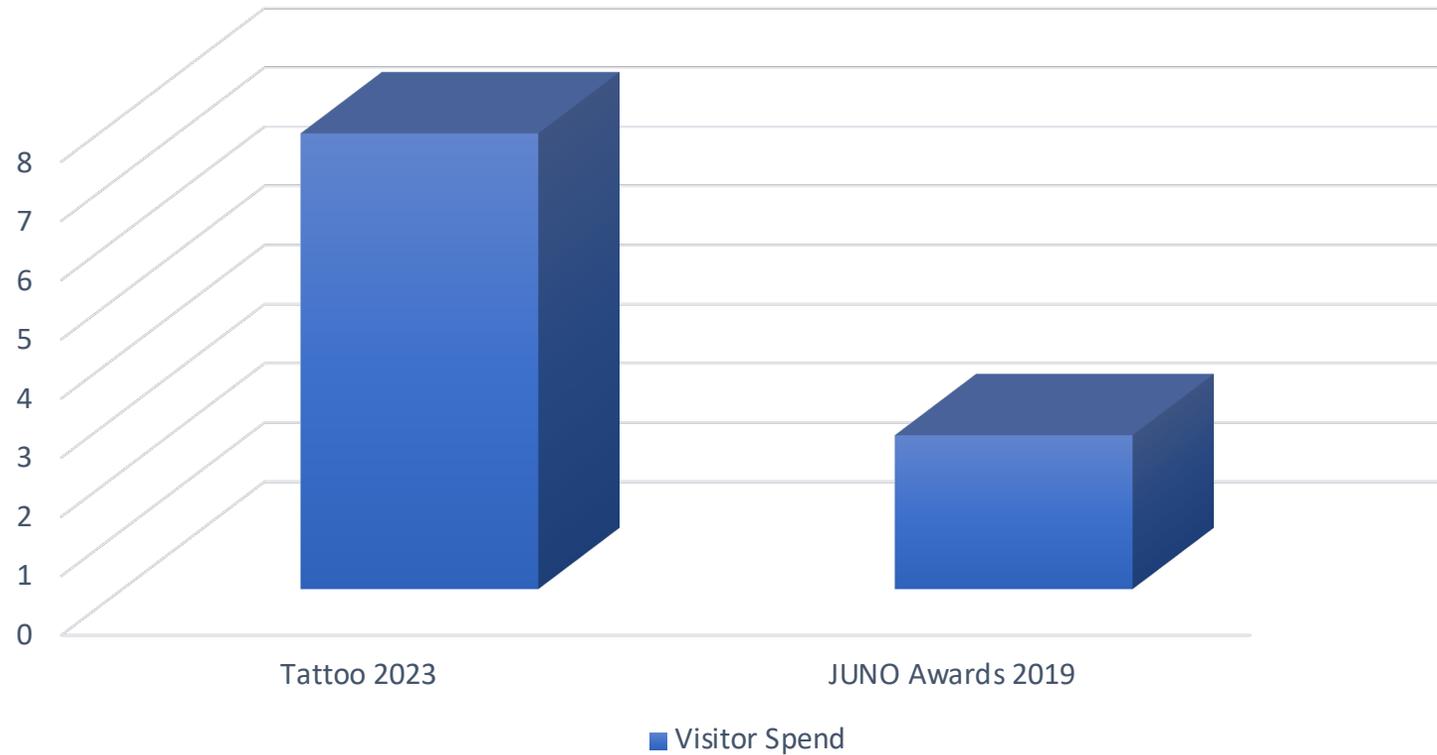
Estimated Audience – JUNO Awards 2019, JUNO Awards 2024, Tattoo 2023



Rationale for Investment – Tattoo and Junos Economic Impact



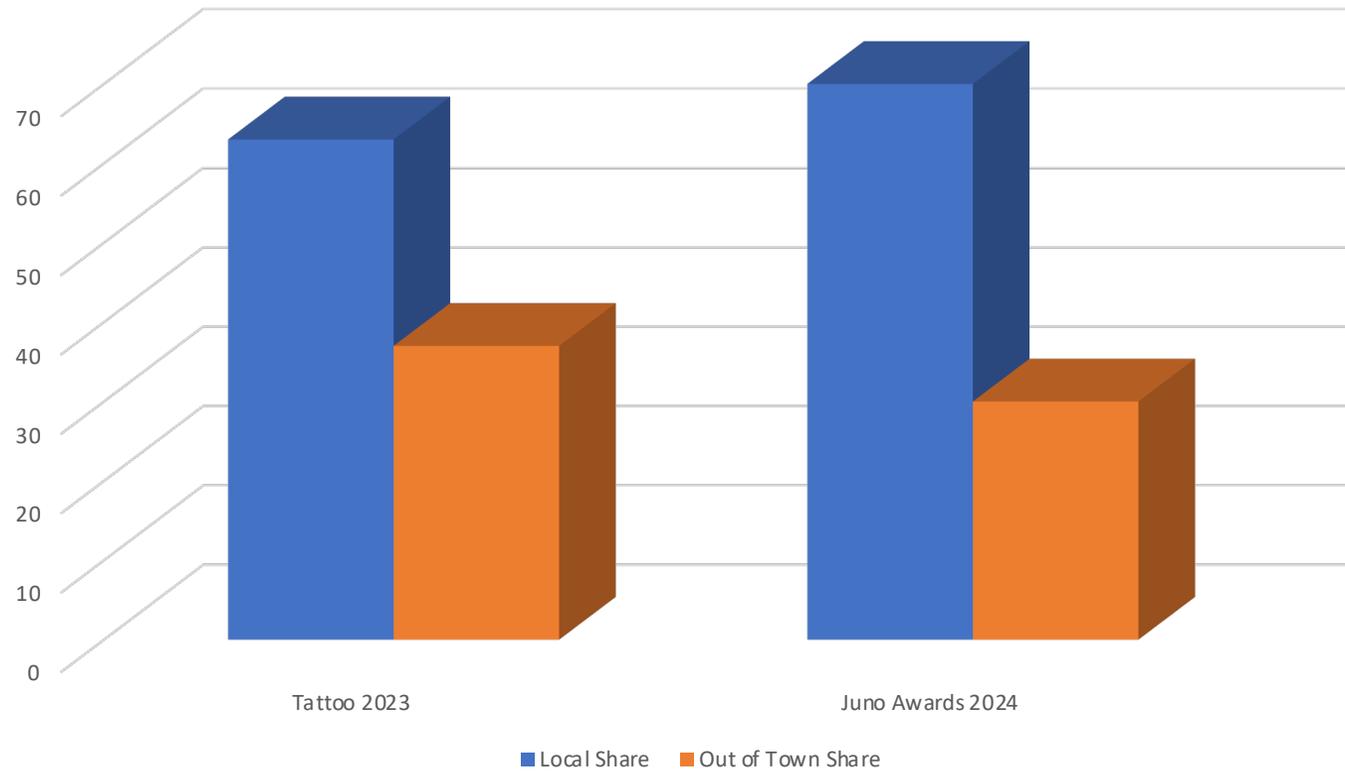
Estimated Visitor Spending Comparison Tattoo 2023 and Junos 2019



Rationale for Investment – Tattoo and Junos Economic Impact



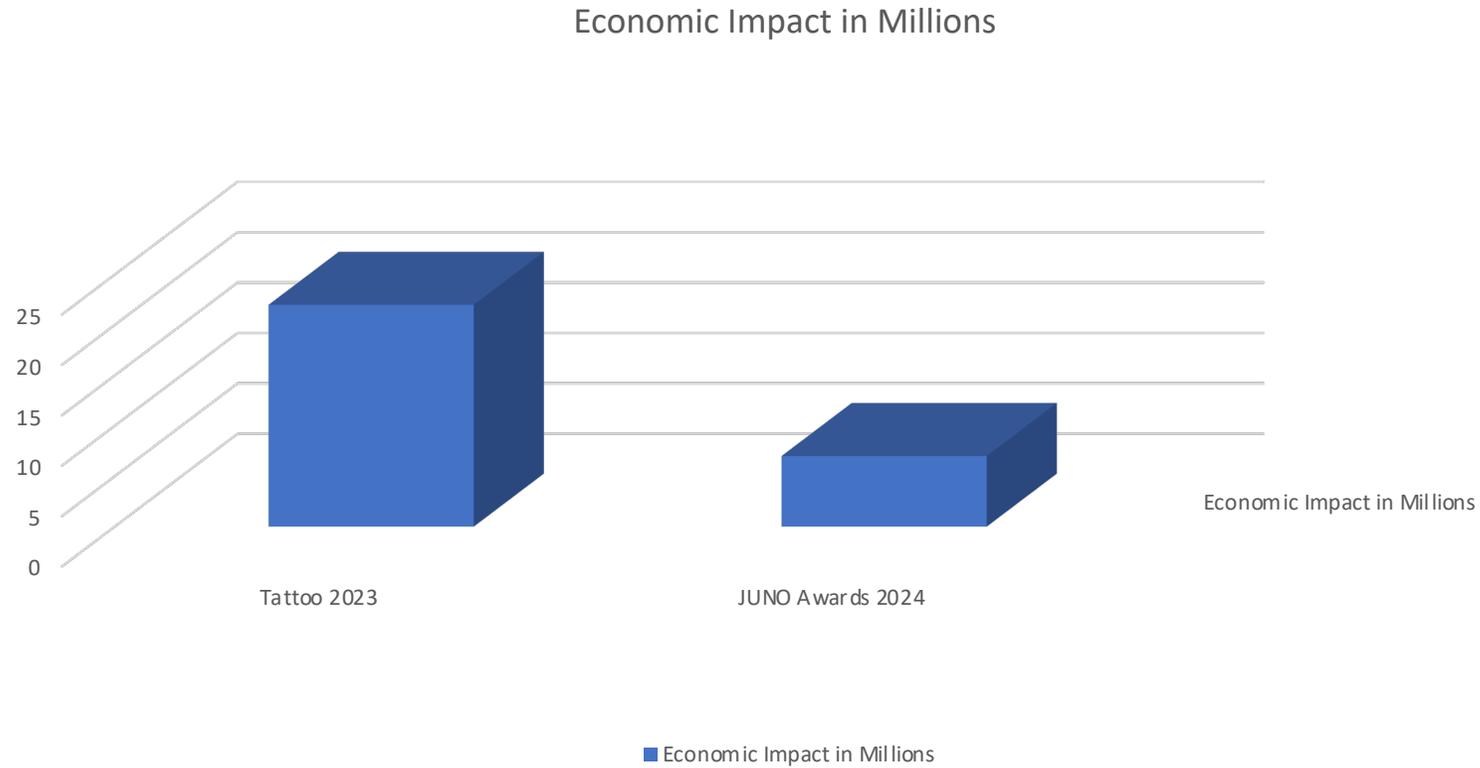
Estimated Out of Town Visitor Share Comparison Tattoo 2023 and Junos 2024



Rationale for Investment – Tattoo and Junos Economic Impact



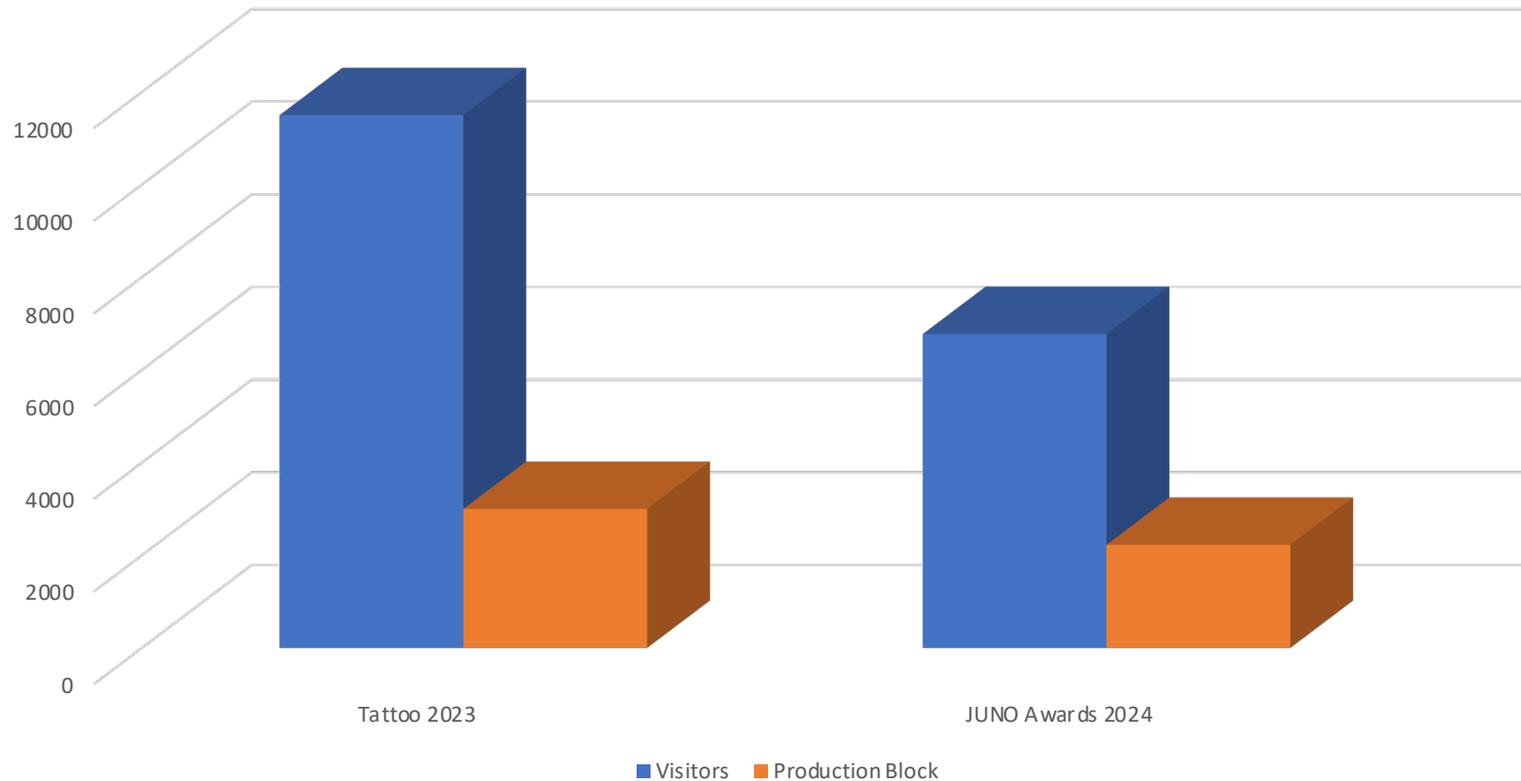
Estimated Economic Impact Comparison Tattoo 2023 and Junos 2024



Rationale for Investment – Tattoo and Junos Economic Impact



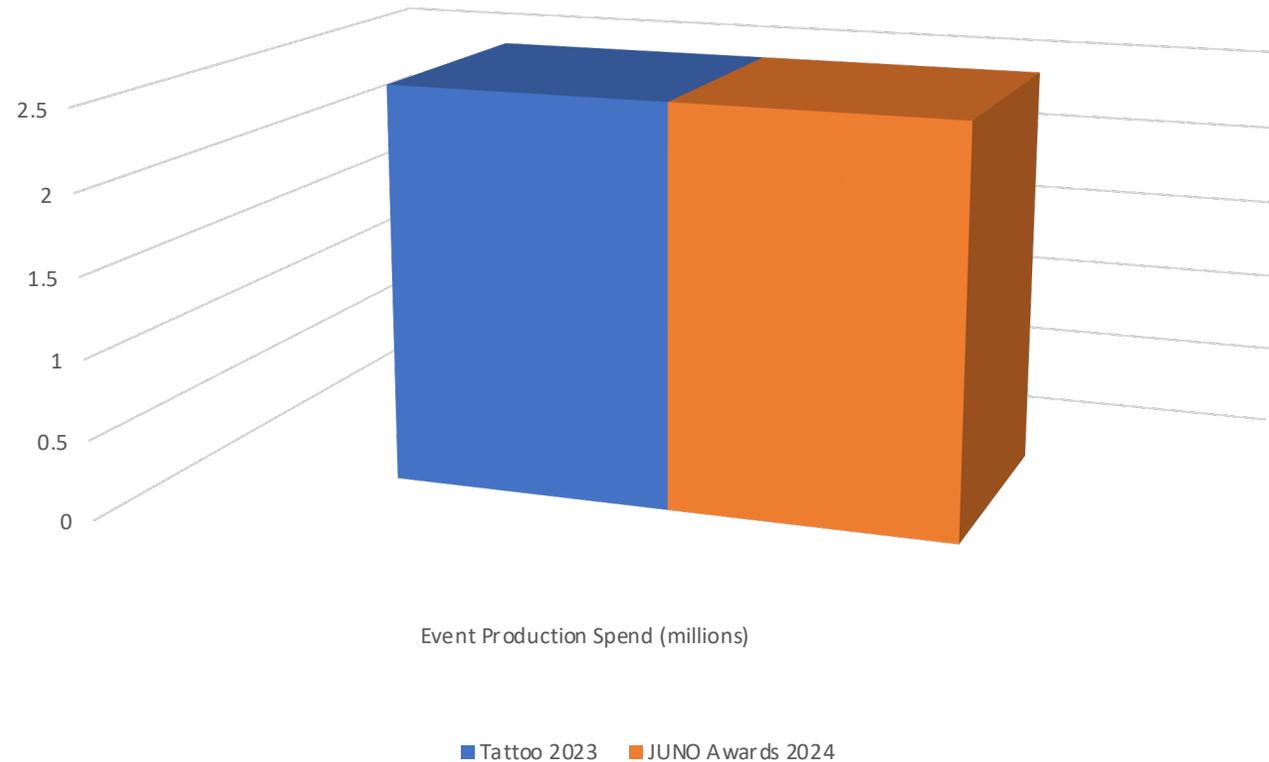
Estimated Number of Room Nights Comparison Tattoo 2023 and Junos 2024



Rationale for Investment – Tattoo and Junos Economic Impact



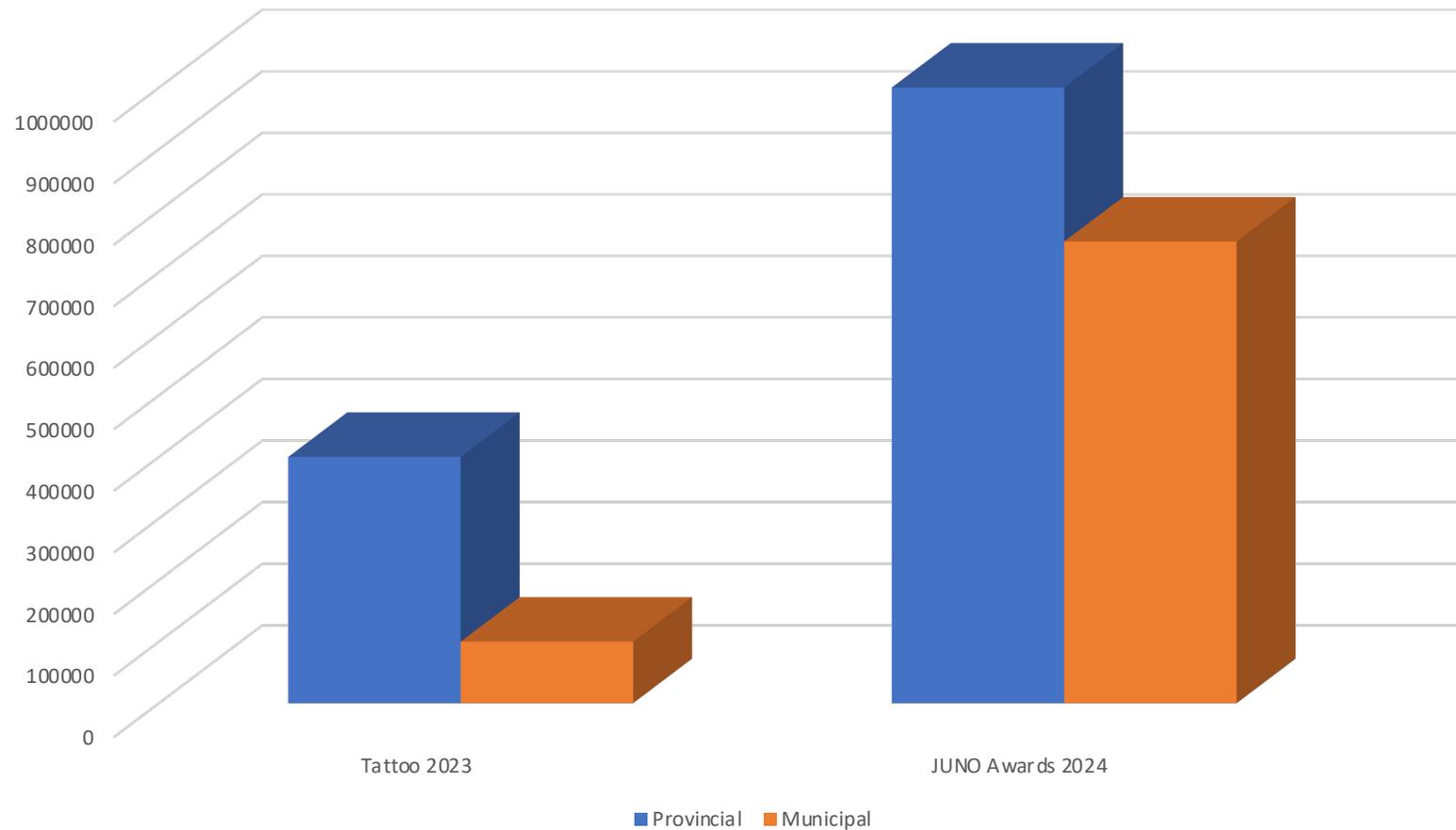
Estimated Event Production Spend in Halifax Tattoo 2023 and Junos 2024



Rationale for Investment – Tattoo and Junos Economic Impact



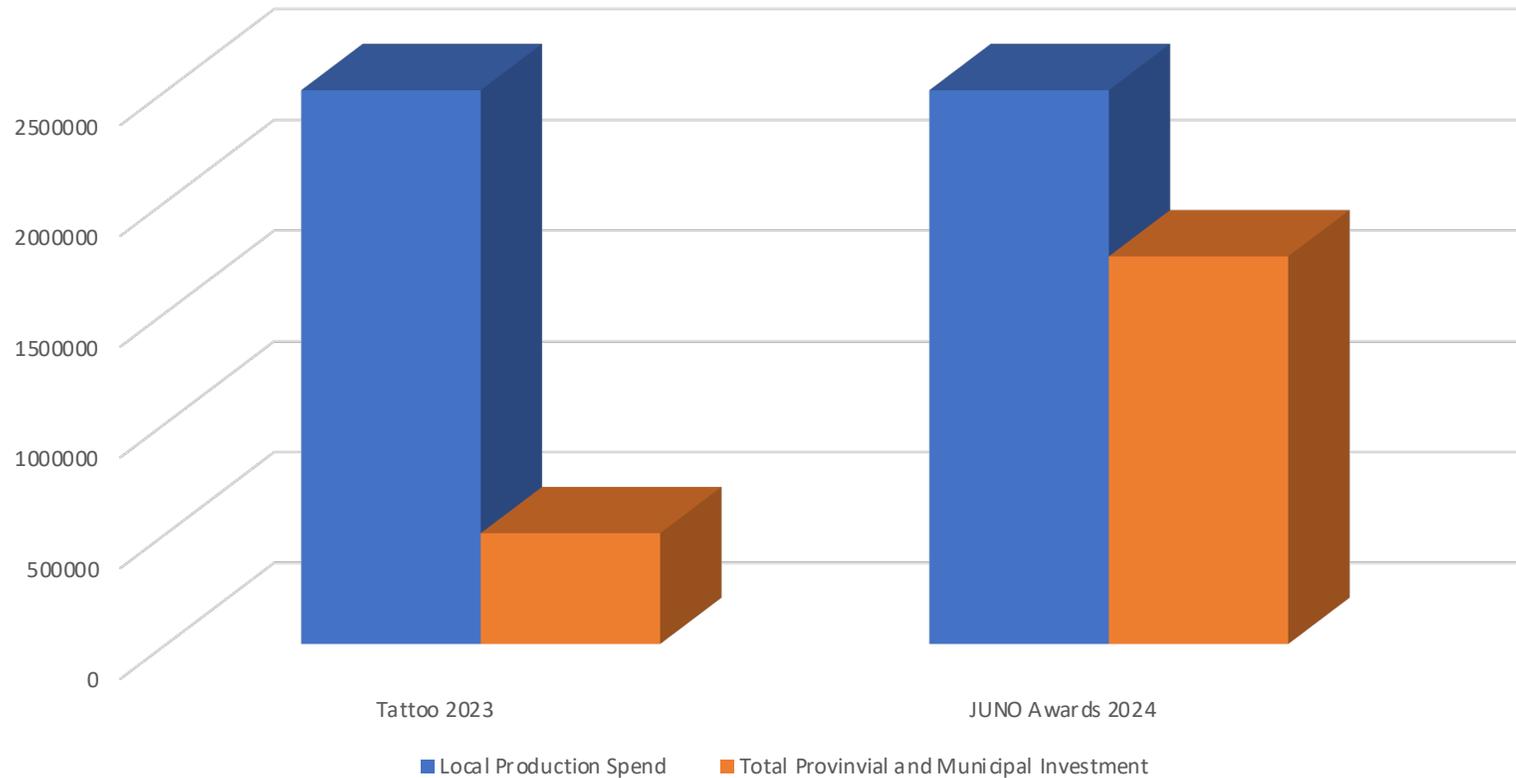
Provincial and Municipal Investment Comparison Tattoo 2023 and Junos 2024



Rationale for Investment – Tattoo and Junos Economic Impact



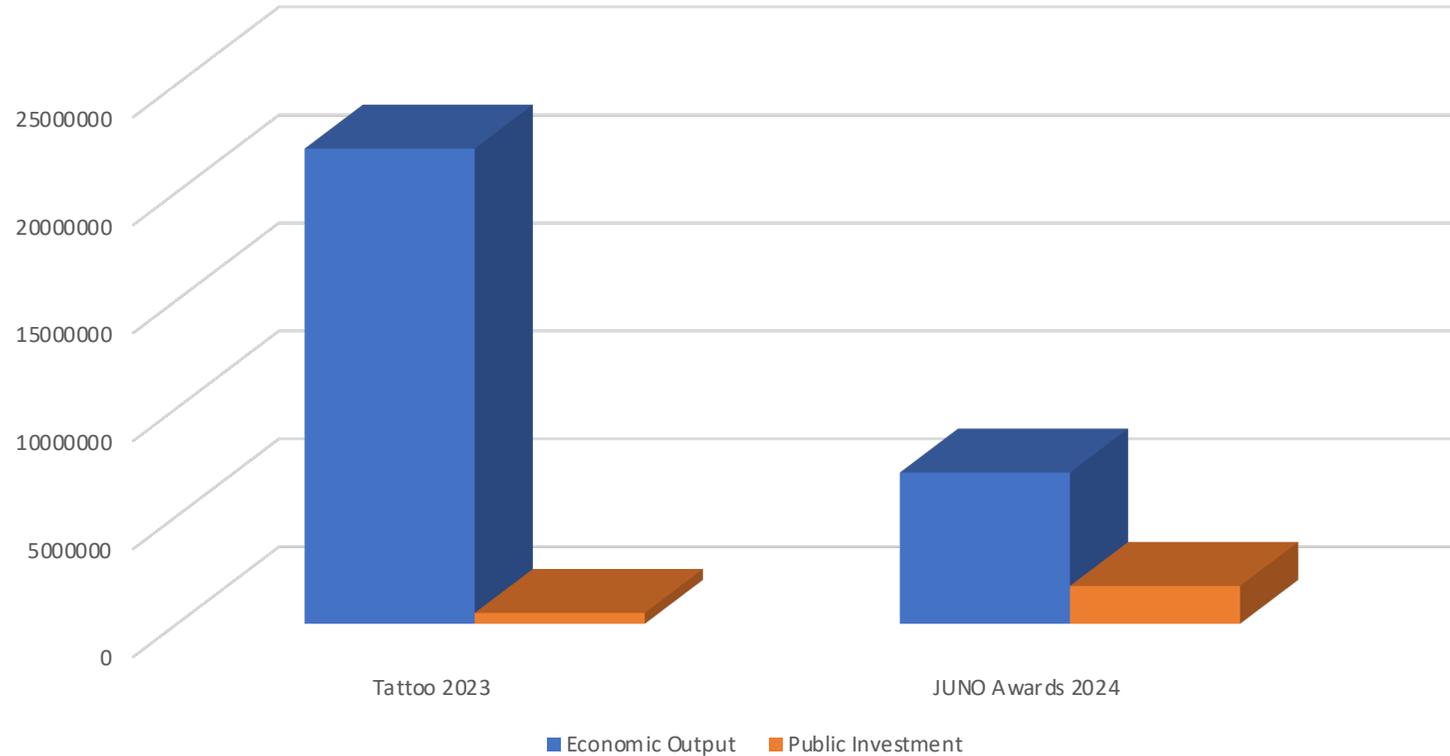
Provincial and Municipal Investment and Production Spend Comparison Tattoo 2023 and Junos 2024



Rationale for Investment – Tattoo and Junos Economic Impact



Provincial and Municipal Investment & Economic Impact Comparison Tattoo 2023 and Junos 2024



Rationale for Investment – Investment Disparity



- The audience and economic impact data presented clearly illustrates a disparity in public funding when it comes to investing in local major events versus visiting major events. The Tattoo has been contributing an estimated \$20-\$40 million in economic impact to the Province of Nova Scotia annually for over 40 years yet receives substantially less investment in comparison to most visiting major events such as the JUNO Awards.
- To be clear, the Tattoo supports attracting and investing in successful visiting major events like the JUNO Awards. Doing so is critically important in relation to creating a healthy creative community, a desirable place to live, a strong live events sector and overall economic development. However, the major events public investment model needs to ensure that local major events are taken more seriously when it comes public investment and economic impact.

Rationale for Investment – Federal Pandemic Recovery Support



- In 2021, the Government of Canada introduced the Major Festivals and Events Support initiative.
- The two-year \$200 million fund was positioned as a financial tool to “help position festivals for post-pandemic economic recovery and growth”.
- No major festival in Atlantic Canada met the required \$10 million budget threshold to become eligible for post-pandemic recovery support.
- In 2022, the Calgary Stampede received \$8.6 million in funding from the Major Festivals and Events Support Initiative representing 6% of the Stampede’s total budget. The Stampede received an additional \$4.4 million in other Covid-19 related federal support programs in the 2022 fiscal year. The 2022 Stampede generated a \$13.8 million profit.
- Montreal’s Just For Laughs Festival received \$6.5 million from the fund in 2022 and are now in bankruptcy protection.

Rationale for Investment – Tattoo Visibility Ranks High

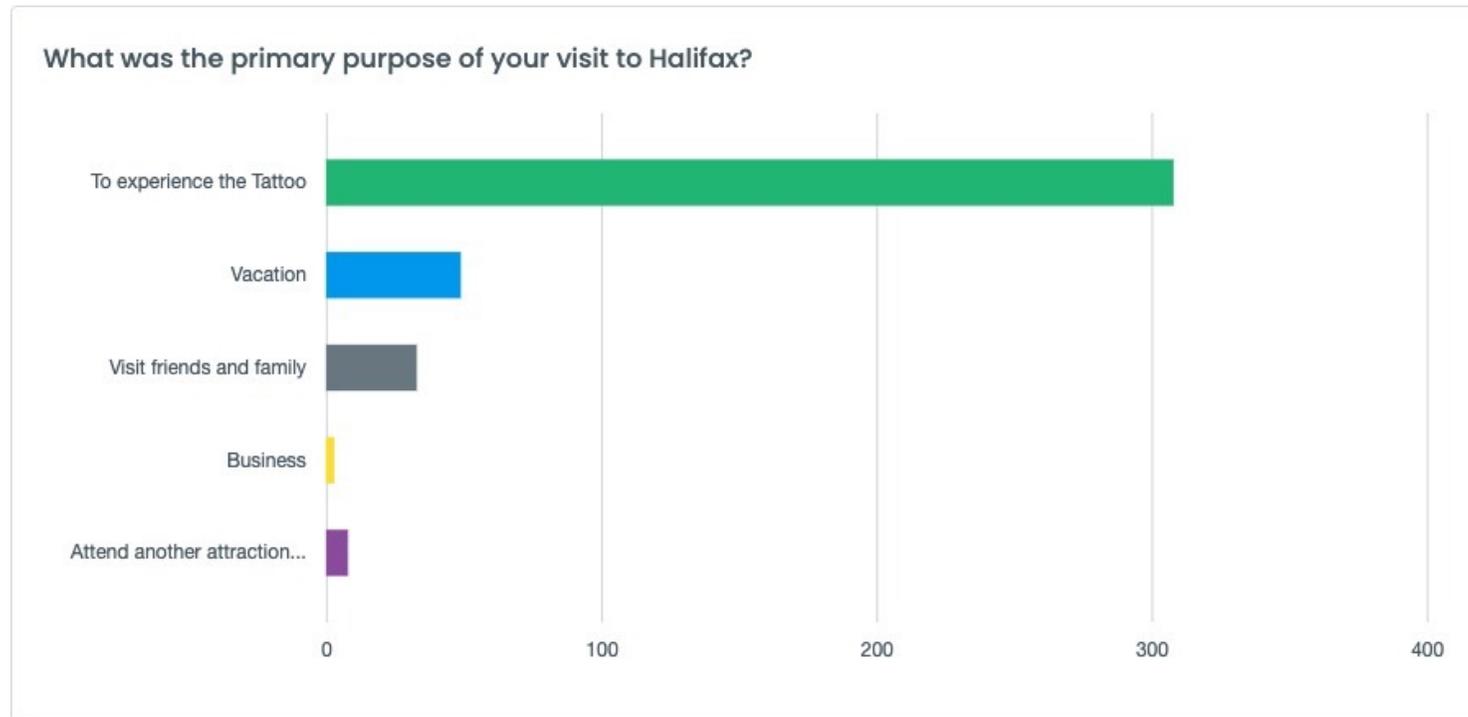


- The Tattoo recently participated in the Tourism Nova Scotia Voice of the Visitor Survey spring 2023 program.
- The survey is administered through the Tourism Nova Scotia Online Advisory Panel which consists of past visitors from across Canada, the United States and overseas.
- The survey focuses on the Free Spirits, Cultural Explorers, and Authentic Experiences tourism market segments.
- The Royal Nova Scotia International Tattoo garnered the highest level of familiarity (38%) among the artistic and cultural events/organizations tested, leading by almost 10 percentage points.
- Following behind the Tattoo were Art Gallery of Nova Scotia & Halifax BuskerFest tied (29%) and Celtic Colours at (27%)

Rationale for Investment – The Tattoo is a Robust Tourism Product



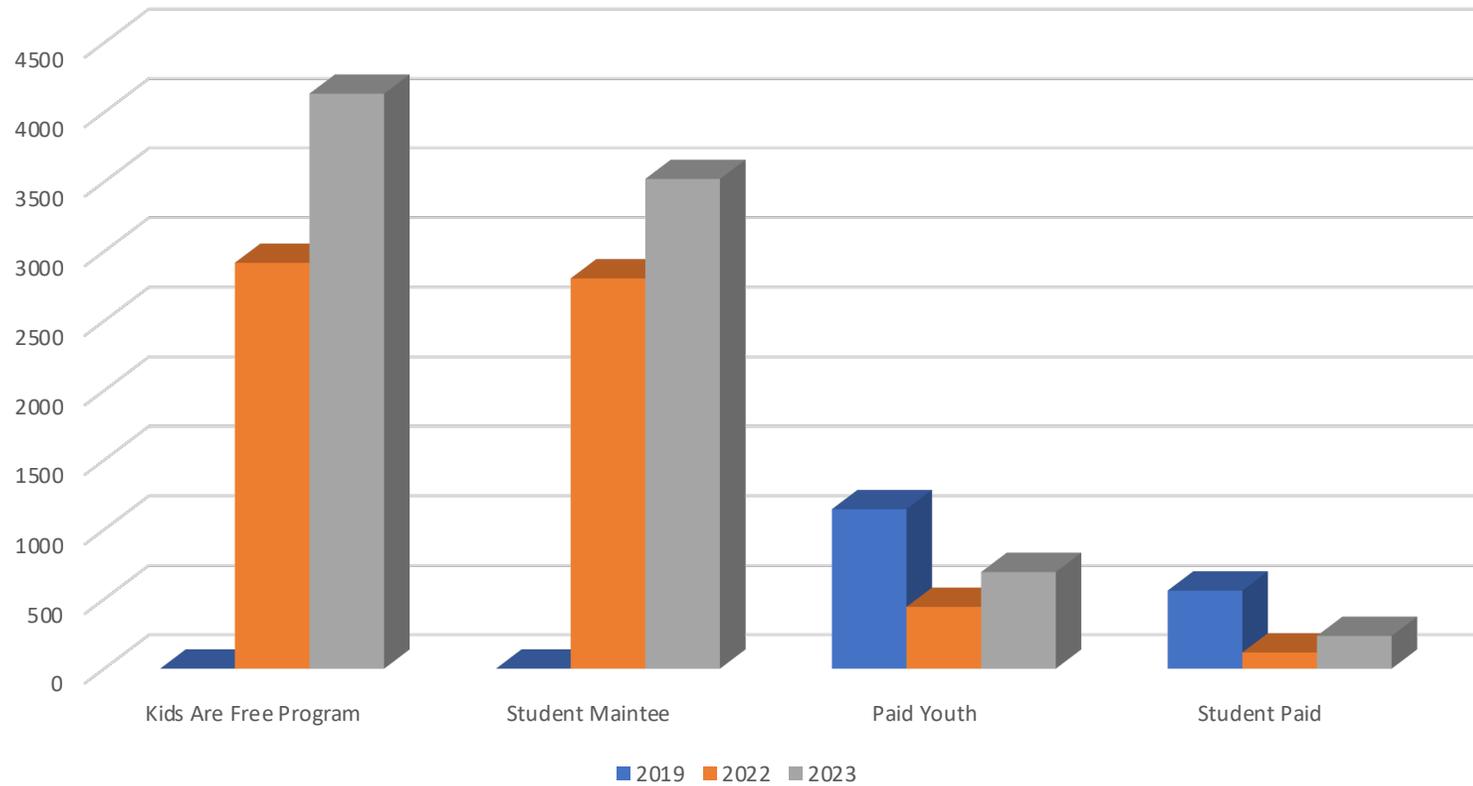
- Nearly 11,000 Tattoo ticket holders came from outside the Halifax Regional Municipality in 2023 accounting for 37% of the total Tattoo audience at Scotiabank Centre.



Rationale for Investment – Audience Demographics in Transition



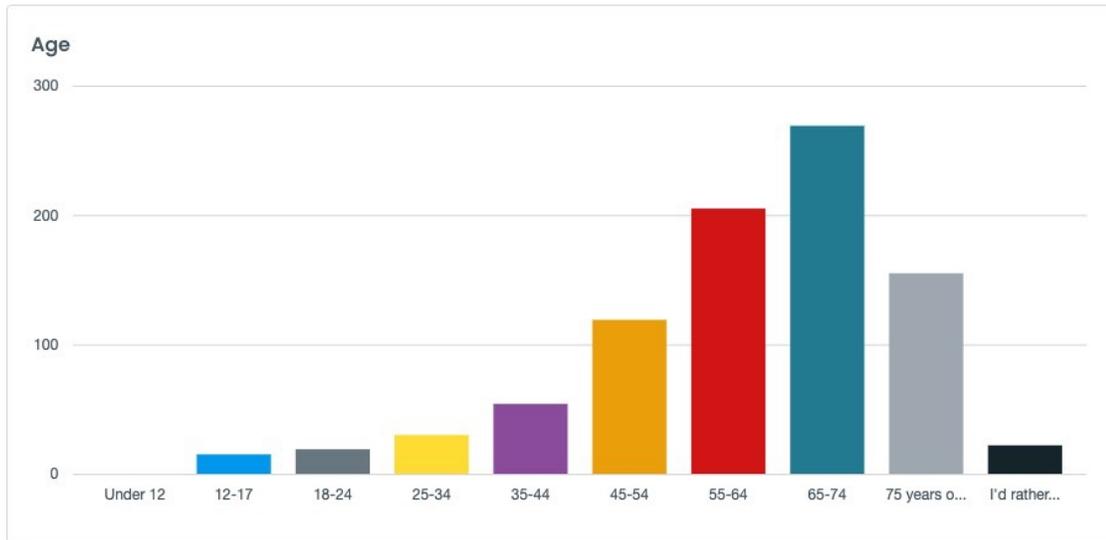
Youth/18 and Under Attendance 2019, 2022, 2023



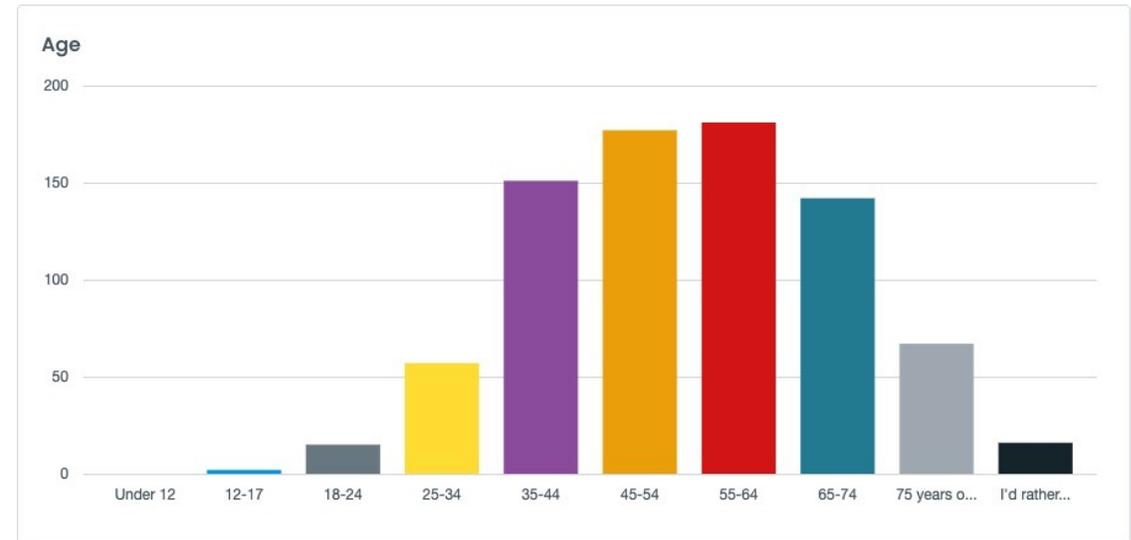
Rationale for Investment – Audience Demographics in Transition



Survey Respondents 2019



Survey Respondents 2023



A key highlight of note shows Tattoo survey respondents ages 25-54 total 47% of respondents as opposed to 26% in 2019.

Rationale for Investment – Federal Investment for Tourism Recovery



- According to Canada 365: Welcoming the World. Every Day. The Federal Tourism Growth Strategy, “festivals and events are an integral part of tourism, attracting both international and domestic visitors. Tourists hailing from communities that value and celebrate diverse languages and cultural practices come to Canada for our film, music, and art festivals, exhibits and events. Our government sees the immense value in supporting festivals and events and continues to invest in this segment of the tourism sector to grow its presence on the world stage.”
- Despite the acknowledgment of festivals and events as vital components of tourism growth in Canada, the Royal Nova Scotia International Tattoo was deemed as “not a fit” for both the Tourism Relief Fund and the recently announced Tourism Growth Program.
- Excluding the Tattoo from tourism sector relief and growth investment programs raises questions about the alignment of federal government initiatives with the stated objectives.
- The Federal Tourism Growth Strategy also champions the Canadian Heritage BCAH program as an initiative to support tourism growth by investing in local festivals. However, it is important to note that the BCAH program was significantly reduced in the 2023/2024 fiscal year.

Rationale for Investment – Canadian Armed Forces Recruiting



- Preserving military heritage and supporting military music within the Canadian Armed Forces is not only a matter of tradition but a strategic investment in maintaining a resilient and cohesive fighting force.
- In addition to its internal benefits, supporting military heritage and music within the Canadian Armed Forces is instrumental in fostering positive relationships with the wider community.
- Government investment in military music and heritage serves as a powerful recruiting tool for the Canadian Armed Forces.
- Celebrating military traditions and showcasing the vibrancy of military music not only attracts potential recruits but also instills a sense of pride and purpose in those considering military service.
- Public events, such as military parades and ceremonial performances, create a visible and positive representation of the armed forces, inspiring individuals to pursue a career within its ranks.

Objectives and Opportunity – Amplify Our Value Proposition



- In the current economic climate of persistent inflation that is resulting in families having to make tough choices, family entertainment budgets are shrinking as discretionary spending is being usurped by the rising costs of living necessities like groceries and rent.
- It has never been more important to amplify the Tattoo's value proposition – **affordable world-class family entertainment.**
- To effectively deliver on this value proposition, the Tattoo is currently developing, refining and executing a three-pillar approach consisting of:
 - Marketing – Targeting families with children
 - Pricing – Kids Are Free program, discounts, strategic pricing partnerships
 - Creative Programming – Diversity, youth, and technology

Objectives and Opportunity – Increase Box Office Sales

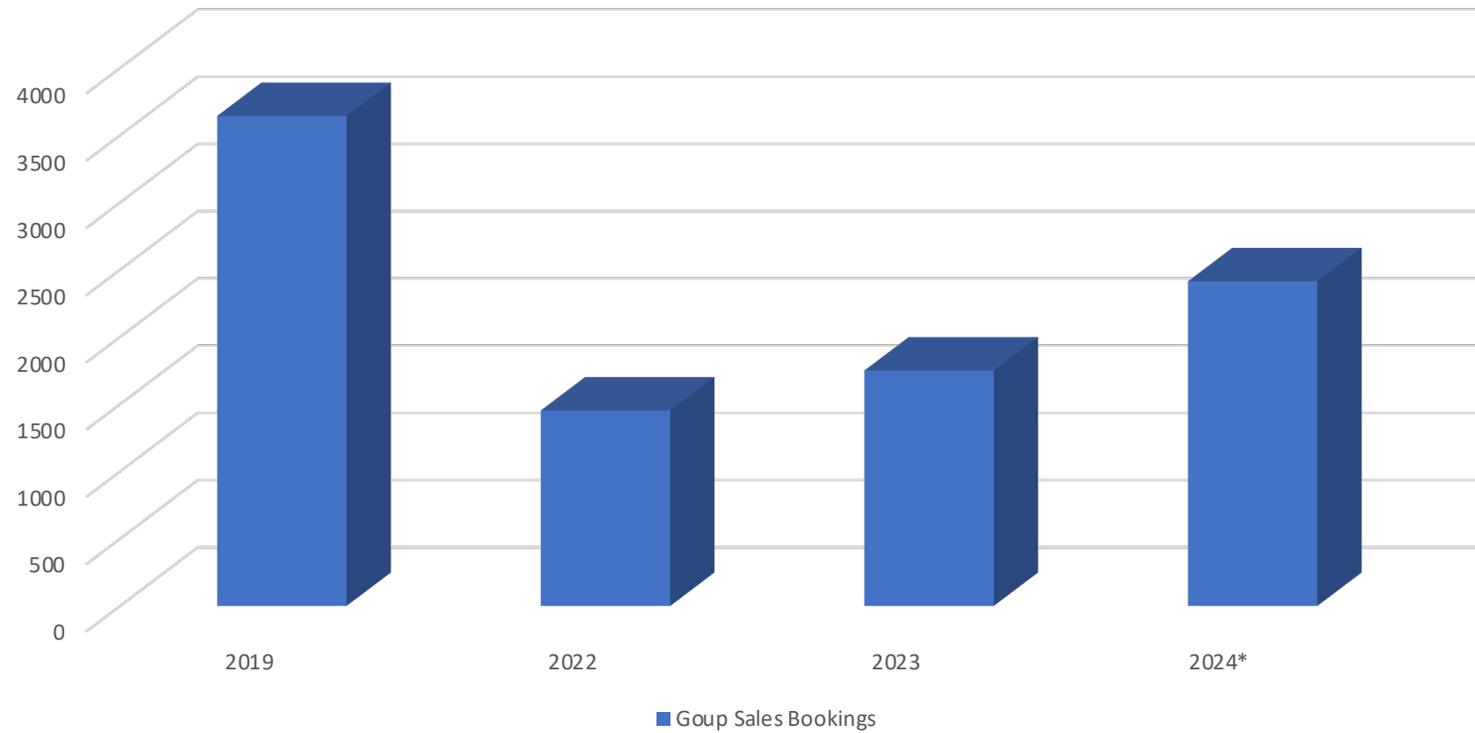


- The Royal Nova Scotia International Tattoo experienced an upward shift in 2023 box office sales, marking a rebound from the disappointing figures of 2022 (lowest sales in the history of show).
- This positive momentum not only signals the beginning of recovery for the Tattoo but also presents a unique and opportune moment to rebuild audiences.
- By jumping on this opportunity, the Tattoo can not only recover lost ground but emerge stronger and more resilient than before.
- Strategies include:
 - Increase regional marketing reach – community engagement
 - Group sales – B2B marketing plan
 - Targeting transatlantic and USA air travellers

Objectives and Opportunity – Group Sales



Goup Sales Seat Bookings



Objectives and Opportunity – Corporate Sponsorship



- Fostering community engagement and strategic partnerships will play a pivotal role in financial recovery and stabilization.
- As part of the Royal Nova Scotia International Tattoo's post-pandemic recovery strategy, the hiring of a dedicated Sponsorship Fulfillment Specialist emerges as a strategic investment.
- This specialist will play a pivotal role in enhancing corporate engagement, streamlining sponsorship processes, and maximizing the value proposition for potential sponsors.
- Corporate sponsorship revenue in 2023 increased by 203% over year prior but remains down -55% compared to 2019.
- Integrating a Sponsorship Fulfillment Specialist can elevate corporate engagement efforts, cultivate long-term sponsor relationships, and drive sustainable revenue growth.

Objectives and Opportunity – Aggressive Youth Engagement



- The Tattoo’s value proposition is based on high quality but affordable family entertainment. For the first time in 2022, the Tattoo introduced the “Kids Are Free” program.
- The program, intended to increase consumer accessibility and reduce financial barriers to the show, allowed free tickets for youth 18 and under based on a 1:1 ratio with the purchase of an adult or senior ticket.
- This program was continued in 2023 and saw the youth 18 and under comprise 28% of the total Tattoo audience at Scotiabank Centre.
- The target for 2024 is 30%.

Objectives and Opportunity – Aggressive Youth Engagement



- The 2023 edition of the Tattoo saw the return of the Student Matinee Program.
- The student matinee was offered as 'field trip" experience for all schools across Nova Scotia.
- Over 3000 students attended.
- The Tattoo “Kids Are Free” program and Student Matinee performance started in 2022 has resulted in the show transitioning from a “show for senior citizens” to a **full-fledged all-ages family event**.
- Our recent focus on youth and consumer accessibility has been our biggest success story to date.

Objectives and Opportunity – Aggressive Youth Engagement



- Audience and youth accessibility objectives include:
 - Increase accessibility to the show by decreasing financial and social barriers for youth at risk.
 - Nurturing of positive community and military/police relationships
 - Provide educational opportunities on the role of military, police and first responders (past, present, and future).
 - Enhance future recruitment by showcasing how important and meaningful careers in the military and policing can be.
 - Provide a cultural experience by exposing youth to top quality talent from around the globe.
 - Provide affordable family entertainment in times of economic uncertainty.

Objectives and Opportunity – Modernize Technical Production



- In the quest for post-pandemic recovery and long-term sustainability, the Tattoo recognizes the paramount importance of modernizing its technical production capabilities.
- One key avenue for achieving this transformation lies in investing in compelling content tailored for large-screen LED walls and projection mapping.
 - Enhanced audience engagement
 - Dynamic storytelling opportunities
 - Immersive brand integration enhancing sponsorship opportunities
 - Technological innovation and competitiveness

Objectives and Opportunity – Economic Impact Study 2024



- An updated economic impact study for the Tattoo is imperative to quantify and analyze the tangible benefits it brings to Nova Scotia's economy.
- With accurate data on the revenue generated and jobs supported by the event, the Tattoo can make informed choices to enhance its sustainability and maximize its positive effects on the local economy.
- The findings of the economic impact study will not only benefit the Tattoo but also various stakeholders, including governments, businesses, and residents.

Proposed Investment Allocations



- Levels of investment:
 - Municipal \$175,000
 - Provincial \$225,000
 - Federal \$250,000
- Investment allocation:
 - Stabilization \$500,000
 - Technical modernization \$100,000
 - Economic impact study \$50,000