Recovery Signals Framework (as of April 15, 2020)

CANADA FOR GLOWING HEARTS

Canada

DESTINATION CANADA

We are planning on 6 streams of research

Stream A. Economic Models assess total revenue, GDP, job losses, tourism businesses impacted, foregone tax revenue(total, by industry sub-segment, by province)

Stream B. Current Industry Impacts of COVID-19, as measured by revenue lost (domestic, by source market, by destination, by leisure & by business events)

Stream C. Recovery Signals. when, where and how markets will return

Stream D. Support to Domestic Marketing.

Stream E. Community Impacts of COVID-19, including willingness to host visitors

Stream F. Changes in Consumer / Traveller Perceptions and Behaviours

Our core approach to dealing with COVID-19's effects

We believe in tourism
It is not a matter of "if" we rebound, but how fast

We believe in Team Canada
How fast we rebound will be determined by how well we work together

It is a fluid & fast-moving situation
Flexibility is key moving forward, hence a "WIP"

Destination Canada's Caveats and Interpretation Notes

This represent the views of Destination Canada and is based on their analysis and interpretation. It does not represent the views or analysis of partners or of organizations whose data some of the analysis is built on.

CANADA FOR GLOWING HEARTS

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DESTINATION CANADA

Potential blueprint for staged recovery of the wider Canadian economy, built from lessons from Asia[1]

Stages of lockdown

		Strict lockdown	Partial lift – stage 1	Partial lift – stage 2	Partial lift – stage 3	
General population	Higher risk	Stay at home or at designated location	Stay at home or at designated location	Stay at home or at designated location	Restrictions to transit in specified zones, times, and days	Release of all lockdown measures
	Others	Required to stay home in mandatory isolation	Restrictions to transit in specified zones, times, and days	No restrictions but remote work is highly recommended	No restrictions, but remote work is recommended	
Economic sectors	Essential	Government ensures the management of select essential supply chains (e.g. health) in partnership with private sector	Government partially manages essential supply chains in partnership with the private sector	Government begins to prepare the management of key supply chains in partnership with the private sector	All sectors are allowed to operate, and key supply chains operate on a market basis	
	Others	Only those that can operate on an online basis are allowed	Only a few sectors are allowed to operate and they need to comply with specific social distancing and health protocols	Most sectors are allowed to operate but they need to comply with specific social distancing and health protocols	All sectors are allowed to operate	
Transport		Intraregional mobility is limited to exceptional cases, no interregional mobility allowed	High restrictions to intraregional mobility, no interregional mobility allowed	Some restrictions to intraregional mobility, no interregional mobility allowed	No restrictions to intraregional mobility; interregional mobility is allowed but only between regions in Stage 3	
Assembly		Events are limited to household members and caregivers if required in private spaces	Events of up to 10 people are allowed in public and private spaces	Events of up to 50 people are allowed in public and private spaces	Events of up to 200 people are allowed in public and private spaces	

[1]McKinsey and Company, as adapted

The distance and length of time that people are willing and able to travel is assumed to shift as the public health restrictions are lifted

I. COVID Response → II. HyperLocal to Local → III. Regional → IV. Inter-prov → V. Tentative International → VI. Regularized International

Strict lockdown — Easing of public health measure restrictions — All restrictions lifted

	I. COVID Response	II. HyperLocal to Local	III. Regional	IV. Inter-prov	V. Tentative International	VI. Regularized International
Primary Market	No travel	Hyper-local	Same Province	Inter-province	US Drive Markets	DC Markets
Means of transport	No travel	1-2 hours drive	1-5 hours drive	5- 10 hour drive 1-4 hour flight	5-20 hour drive	1-6 hour flight (US) 5+ hour flight (other countries)
Length of stay	No travel	Day trips	Day trips Overnights	Overnights Multi-day trips	Multi-day Multi-week	Multi-day Multi-week
Location of trip	No travel	Within your home community	Within a half-day drive of your home community	Within Canada	Within Canada – enter via US land border	Within Canada – enter via international airport
Size of group	No travel	Close family (1-5 ppl)	Close family (1-5 ppl) Close friends (1-5 ppl)	Extended family (5-10 ppl) Friends (5-10 ppl) Small group of coworkers (5-10 ppl)	Extended family (10-50 ppl) Extended friends (10-50 ppl) Large group of coworkers (10-50 ppl)	Extended family (10-50 ppl) Extended friends (10-50 ppl) Large group of coworkers (10-50 ppl)
Sub-sectors active in pahse *(not exhaustive)*	No travel	Outdoor attractions (e.g. parks, greenbelt, golf courses)	*(previous phase, plus)* Smaller leisure attractions Small restaurants Rental car agencies Small retail	*(previous phase, plus)* Larger restaurants Mid-sized leisure attractions (e.g. zoos) Large retail Accommodations Air and rail travel	*(previous phase, plus)* Bars/ clubs Anchor attractions Business conferences	*(previous phase, plus)* Festivals and events (e.g. sports games)

Who and how will Leisure Travel re-start? Our current Work-In-Progress

	I. COVID Response	II. HyperLocal to Local	III. Regional	IV. Inter-prov	V. Tentative International	VI. Regularized International
Primary Market	No travel	Hyper-local	Same Province	Inter-province	US Drive Markets	DC Markets
Current hypothesis on most likely segments **(by trip type, by age / demo / by psychographic)**	No travel	**Day trips only** - Local Dining - Family friendly activities (local attractions) - Families / couples - Multi-generational - VFR & Friends - Camping and nature seekers - De-stress (psychographic)	Phase II PLUS -Within province overnight -Multi-day camping trip - Active activities - Younger people with higher income -De-stress (psychographic) -Off the beaten path / remote / open spaces (psychographic)	- Phase III PLUS -Canadians who have continued working (stable income) - Younger people with higher income -'Deal seekers' with high risk tolerance (domestic, international?) -Frequent flyers? (people used to travel with high risk tolerance) - Luxury travellers (international) -Families may not be taking longer trips past September (school dependent)	Phase IV PLUS -Older people with more stable financial situation (domestic) -Luxury travellers (international) - Deferred travel (e.g. students returning)	Phase V PLUS - Younger people with higher income (international) - Older people with more stable financial situation (international) - People who have continued working (international)
Questions to answer / additional research	**When is the best time to understand when to ask questions on travel again?** **What kind of traveller is willing to travel without a vaccine?**	What are the 'gating events' that will spur travel in each phase? (e.g. gov't restrictions lifting, vaccine available) What (and by when) information does business need in order to make investments to open for the 2020 summer season?	What industry actions need to happen to allow travel to happen? **How will we know which communities are ready to welcome guests again?** What is role of sharing economy?	How can we capitalize on Canadians who can no longer go abroad? How will COVID-19 impact the product and experiences during recovery and resilience phases? Will we see more interest for outdoor activities? Remote regions? Nature and parks?	What would a business (i.e. a hotel, restaurant, museum, etc.) have to do to convince travellers that it is safe to visit? What does the 'new normal' look like? When do we ask that of travellers?	How do re-bookings get managed (i.e. foregone revenue / revenue already collected)? What does summer 2020 look like? Fall 2020? Summer 2021? When will people book?

How could Business Events re-start? Our current Work-In-Progress Hypotheses

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Strict lockdown — Easing of public health measure restrictions — All restrictions lifted

	I. COVID Response	II. HyperLocal to Local	III. Regional	IV. Inter-prov	V. Tentative International	VI. Regularized International
Primary Market	No travel	Hyper-local	Same Province	Inter-province	US Markets	DC Markets
Current hypothesis on most likely segments	No travel	There will be two segments: Anxious & Keen-to-travel Decision-makers / frequent flyers will be in the Keen-to-travel; whereas attendees / delegates will be a mix	Domestic Business Travel (urgent) Face-to-face Corporate Meetings (regional)	US Business Travel (urgent)	Overseas Business Travel (urgent) Incentive for thriving companies and sectors (groups of 40ish)	Sector-based International / US Conference (smaller groups?)
Questions to answer / additional research	No travel	Will delegates for conferences be willing to travel until there is a vaccine? When will decision makers want to discuss their business events?	We have differing studies on luxury – will it be hardest hit or will it thrive? How can we capitalize on luxury / incentive that is fresh air / remote based?	What are the remote resorts that can be targeted to incentives? Will charter & private flights be running?	Which companies have corporate culture that will be more willing to travel? Which sectors will be thriving holding incentives?	Which sectors are thriving that will have face-to-face conferences?

DC’s Recovery Analysis Framework

	What it tells us	Signals on Phase	Comment
Travel Search Index	Any consumer is looking for travel (upper funnel)	II. Hyper-local travel onward	Confidential Google Data
Accommodation Searches on OTA	A traveller is searching for a specific destination (lower funnel)	II. Hyper-local travel onward	Confidential Online Travel Agency (OTA) Data
Rate of Hotel Booking	Travellers are booking travel (lower funnel)	III. Regional Travel onwards	Confidential OTA Data
Rate of Air Bookings	Travellers are comfortable on planes (lower funnel)	IV. Inter-Province travel onwards	Confidential OTA Data & IATA
New COVID Cases	State of outbreak	I. COVID Response to IV. Intra-Province	Public Data
COVID-19 Search Index	Sentiment on outbreak	I. COVID Response	Under Development
Dining / Events Search Index	Any consumer is beginning to be comfortable in social gathering settings	I. COVID Response & II. Hyper-Local	Google Data
Traveller Path to Purchase	Phase of funnel specific targets are in	IV. Intra-Province Travel Onwards	Survey data to be used when we leave Phase I. COVID Resposne
Social Sentiment	TBD	TBD	Under Development

DC’s Recovery Analysis: Canada

Canada (April 15)	Phase						Analysis
	I COVID Response	II HyperLocal	III Regional	IV Inter-prov	V Tentative Int’l	VI Regularized Int’l	
Travel Search Index	●	◍	◍	◍	◍	◍	Still declining
Accommodation Searches on OTA	●	◍	◍	◍	◍	◍	Steep declines earlier in the month. No signs of recovery
Rate of Hotel Booking	╲	╲	◍	◍	◍	◍	National occupancy rate under 10% (STR source). Not applicable at this stage.
Rate of Air Bookings	╲	╲	╲	◍	◍	◍	Not applicable at this stage
New COVID Cases	●	◍	◍	╲	╲	╲	Further analysis by Province / Region may be required
COVID-19 Search Index							Under development
Dining / Events Search Index	●	◍	◍	╲	╲	╲	Still declining
Traveller Path to Purchase	╲	◍	◍	◍	◍	◍	Not applicable at this stage
Social Sentiment							Under development

Legend

- ● Current phase
- ╲ Signal not applicable
- ◍ Not there yet

DC's Recovery Analysis: South Korea

Destination Canada's Assessment of South Korea market:	**II** Domestic	Destination Canada assesses that South Korea has left the COVID Response phase, and that domestic travel within South Korea is being considered, planned, and booked; and that trips are being taken. There is insufficient signal to indicate that South Koreans are considering or planning international travel at this point.

	Phase			
	I COVID Response	**II** Domestic	**III** Tentative Int'l	**IV** Regularized Int'l
Travel Search Index	●	○	○	○
Accommodation Searches on OTA		●	○	○
Rate of Hotel Booking		●	○	○
Rate of Air Travel		●	○	○

Forward Looking Data will provide what season to focus on

Change in net planned travel (air) as of April 23 (US) April 27 (all others), 2020

	Phase	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2021 Q1	2021 Q2	2021 Q3	2021 Q4
US	I													
Mexico	I													
UK	I													
France	I													
Germany	I													
India	I													
China	I													
South Korea	II													
Japan	I													
Australia	I													

Legend

- Declining
- Not enough data
- Increasing

Thank you!
Merci !