



Canadian Tourism
Commission

Commission canadienne
du tourisme

Global Tourism Watch

2013 Canada Summary Report



Table of Contents

- 1. Introduction 1
- 2. Key Take-Aways..... 2
- 3. Market Health and Outlook 3
- 4. Market Potential..... 5
- 5. Competitive Environment 7
- 6. Strategic Marketing..... 13

1. Introduction

The Canadian Tourism Commission (CTC) began conducting the annual Global Tourism Watch (GTW) program in 2007. The primary purpose of this research program is to expand the base of consumer-based intelligence in 12 key markets.

The study approach has changed slightly for 2012 and 2013, the sixth and seventh years of the program, with the GTW being conducted in approximately one half of the markets in one year and the other half in the next. This new cycle will allow the CTC and its partners to maintain an up-to-date pulse on all key markets, while, at the same time, focusing on fewer individual countries in any given year creating some cost efficiencies. Eight markets were included for 2012: Canada, the US, the UK, Germany, Australia, China, South Korea, and Brazil. In 2013, the study was conducted in six countries – Japan, France, Mexico and India in addition to Canada and the US.

The overall objectives of the GTW study are to:

- Monitor awareness, travel intentions, and other key market indicators for Canada and the regions;
- Assess perceptions of Canada and track brand performance against the competitive set over time;
- Identify the general experiences sought by travellers, assess Canada's competitive positioning on key products and identify growth opportunities;
- Identify motivators and barriers for travel to Canada; and,
- Explore the role of social media and advocacy in the tourism context.

In response to a rapidly changing travel marketplace, the CTC and TNS worked together to substantially revise and update the questionnaire prior to the 2012 fieldwork. This was done to better reflect current travel realities and to gather more in-depth information on Canada's competitors in each market. The new GTW data permits direct comparison of Canada to those competitor countries unique to each market. The CTC has designated the US, the UK, France, Italy, Australia / New Zealand and China / Hong Kong as the competitive set for Canada.

Methodology

In 2013, a web-based panel survey was conducted by TNS. The target population was residents aged 18 years and older, who had taken a pleasure trip outside of their region / province where they had stayed at least 2 nights with a minimum of 1 night in paid accommodation in the past 3 years or plan to take such a trip in the next year.

Data was gathered from 4,132 respondents in Canada. Quotas were in place to ensure regional and linguistic representation (survey was conducted in French and English). Data was collected in August 2013.

2. Key Take-Aways

The Canadian economy continues to recover slowly as the US and European economies show distinct signs of rebounding. Despite the economic ups and downs of recent years, Canadians are intrepid travellers taking 32.3 million trips outside of the country. On a global basis, Canada now ranks 7th in international tourism expenditures.

The US is the primary beneficiary of Canadian travel, recording more than 22 million visits in 2012. Much of Canadians' pleasure travel is to sun destinations in the winter and Europe in the summer. Domestic travel is also very important to the Canadian economy, accounting for just over 80% of total visitor spending in the country, up from 67% in 2000.

- Survey results show brighter economic news in 2013 translated into marginally increased travel; 90% of Canadians took a qualifying out-of-region trip, up slightly from 2012 (89%).
- Canadian travellers appear modestly more optimistic about their ability to travel in future. A slightly larger proportion of travellers expect to travel more in the coming 2-3 years relative to the recent past. This shift caused the market outlook indicator to inch up from +21 in 2012 to +22 at present. This indicator remains substantially below 2011 levels (+32).
- The ability to afford a trip remains the top possible barrier to out-of-region travel. Interestingly, the barrier typically linked to affordability is concerns about a poor economy, but this factor dropped from 3rd spot in 2012 to 8th place at present. This suggests Canadians are now more concerned about their ability to afford a vacation rather than the overall state of the Canadian economy.
- Despite data being collected in late summer, more Canadians reported recent travel to the US (42%) than to domestic destinations beyond their home province (35%). This result confirms the domestic tourism industry faces considerable challenges encouraging Canadians to travel within Canada even in the peak summer season.
- The dominance of the US is predicted to continue as the country outpaced Canada on both unaided awareness (57% for the US compared to 29% for Canada) and unaided consideration measures (39% versus 20%). From a trending perspective, unaided awareness of Canada is down 3% this year (29%), significantly lower than peak awareness levels (36%) set in 2009.
- The reverse pattern is evident on aided measures, with over two-thirds of Canadian travellers claiming to be knowledgeable about domestic holiday opportunities versus 35% for the US. Slightly fewer Canadians are considering Canada for a vacation within the next year (90% this year, down from 91% in 2012) while the US saw a marginal increase (86%, up from 85%).
- In 2013, expense – up 3% from 2012 – is the top barrier cited which could impede travel plans among those planning to travel domestically (approximately 60% of the traveller population). Weather concerns were mentioned by 17% of respondents, down slightly from 2012. Fifteen percent cited the fact they live in Canada while an equivalent number noted a preference for other destinations as a possible reason not to travel

domestically. Emphasizing the value of a domestic vacation, especially as the Canadian dollar declines in value, will be key to encouraging these travellers to choose Canada.

- In terms of personality trait association, Canada recorded 1st place finishes for “Friendly”, “Beautiful”, “Informal”, and “Liberal”. Canada slipped below the US on “Confident” this year and remains 2nd to the US on “Energetic”, Italy on “Inspirational”, and the UK for “Witty”. Canada’s strong performance on branding perceptions suggests Canadians have a high opinion of their country, which can be harnessed in domestic marketing efforts.
- In the minds of Canadian travellers, Canada continues to hold its own on two critical brand elements – inspirational geography and engaging people. Italy is seen to dominate on culture and authenticity. Canadians see Canada as the best place for the experiences they seek (relevancy), yet ranked other destinations slightly ahead of Canada on other key value aspects. In terms of price, a domestic vacation is seen to offer good value for money, but the US is significantly ahead on air travel affordability. Marketing efforts should capitalize on perceived strengths – geography, engaging and friendly people, varied experiences, and value, especially in light of the declining Canadian dollar.
- Nature and culture remain the top vacation interests of Canadian travellers. Canadians are significantly more likely to seek out city activities, local / unique experiences, city cultural experiences and exploring those cities close to nature activities than a year ago.
- The #1 interest of Canadian travellers remains beautiful scenery and Canada continues to outperform competitors by a wide margin. However, other highly sought experiences such as cultural attractions, opportunities to experience local flavours and unique cultures, and urban activities are associated with European destinations and the US. This is the conundrum for the Canadian tourism industry – how to convince Canadian travellers that a domestic vacation can offer equivalent cultural and urban experiences to perceived market leaders.
- Travel agents play a minor role in the Canadian marketplace with just one-quarter of trips being booked this way. Travel agent involvement in domestic trips is even lower (10%), so the Canadian tourism industry should focus on direct-to-consumer marketing to boost domestic travel.
- Canada placed 2nd on the Net Promoter Score – behind Australia / New Zealand – as in 2012. However, the difference has grown from a 1 point difference to 8 points this year. Canada still places well ahead of the #3 destination, Italy and noticeably ahead of the US, the top destination for Canadian travellers. There is considerable advocacy potential in the domestic market, which the Canadian tourism industry is encouraged to leverage through strategies to get Canadian travellers to share domestic travel experiences.
- The 2013 results suggest Canadians are sharing less both during and after their trips. One-third of Canadians do not share experiences during a trip. Most notably, social media sharing by computer is down, yet sharing via mobile apps is up slightly among those travelling domestically. The bulk of sharing continues to take place post-trip.

3. Market Health and Outlook

Canadian Market Conditions & Outlook

Canada is the world's 9th largest economy, despite having a population of less than 35 million. Buoyed by high commodity prices in recent years, Canada was relatively insulated from the global economic crisis and resulting recession in the US, yet GDP growth was modest at an estimated 1.6% in 2013. High household debt and worries about a possible housing bubble and interest rate hikes remain threats to recovery. The Canadian dollar was near parity with the US dollar in 2012, but fell below par in January 2013 and continued to slide through 2013. At the time of data collection, the Canadian dollar was worth approximately \$0.95 US.

The short-term outlook for the Canadian economy is cautiously optimistic yet recovery has been slow. The economy expanded modestly in 2013 and 2014 estimates call for slightly stronger growth (GDP expansion of 2.3%) as the US and European economies show definitive signs of recovery. While the inflation rate remained under 1% in 2013, it is forecast to rise to 1.5% in 2014.

Tepid economic growth, generally lower consumer confidence, and a falling dollar may turn out to be a blessing for the Canadian tourism industry as it may encourage more domestic travel. Despite the economic ups and downs of recent years, Canadians are intrepid travellers taking 32.3 million overnight trips outside of the country in 2012. Spending on international travel has almost doubled since 2005 and Canada ranked 7th in international tourism expenditures globally in 2012.

The US is the primary beneficiary of Canadian travel, which recorded more than 22 million visits in 2012. With the launch of *Brand USA* in 2012, the US has stepped up its national efforts to attract Canadians, which poses a further threat to domestic marketers.

Much of Canadians' pleasure travel is to sun destinations in the winter (specifically Cuba, Dominican Republic, Mexico, Jamaica in addition to the US) and Europe in the summer (specifically France, the UK, and Italy) in addition to China / Hong Kong. Domestic tourism is also very important to Canada's tourism industry. Canadians took 229 million trips within Canada in 2010 and domestic travel accounted for just over 80% of total visitor spending, up from 67% in 2000.

GTW survey results show incidence of out-of-region travel among Canadians held steady at 90% in 2013 (versus 89% in 2012). The proportion of frequent travellers (3+ trips in the past 3 years) remains unchanged at 52%. Canadian travellers appear marginally more optimistic about their ability to travel in future with a slightly larger proportion of travellers expecting to travel more in the coming 2-3 years as they have in the recent past. This shift caused the market outlook indicator to edge up from +21 in 2012 to +22 at present. This indicator is still considerably below the high of +32 recorded in 2011.

In terms of barriers to travel, the ability to afford a trip remains the top concern with close to half of Canadian travellers citing this factor. Interestingly, the barrier typically linked to affordability is concerns about a poor economy, but this reason dropped from 3rd spot in 2012 to 8th place at present. This suggests Canadians are more concerned about their ability to pay for a vacation rather than the overall state of the Canadian economy.

4. Market Potential

Exhibit 4.1 provides an estimate of the size of the potential out-of-region market in two ways – the macro target market and immediate potential.

The target market is a broader estimate of the market size based on expressed interest among all Canadian out-of-region travellers (market size estimate derived from the 2010 omnibus study of the Canadian adult population). The proportion of GTW respondents who are definitely, very interested, or somewhat interested in out-of-region travel in the next year is applied to broader traveller population to come up with a target market estimate of 14.1 million.

The immediate potential is a more conservative estimate based on GTW respondents who say they are definitely or very likely to travel within Canada in the next year. This translates into a market of 8.5 million travellers with more immediate potential for conversion. The immediate market estimate is up by approximately 100,000 from 2012.

Exhibit 4.1 – Size Of The Potential Market To Canada (Next Year)

	Size of Potential Market					
	BC (n=681)	AB (n=694)	SK/MN (n=672)	ON (n=714)	QC (n=712)	ATL (n=659)
Total potential out-of-region pleasure travellers (aged 18 plus)	2,352	1,811	1,124	6,136	3,298	1,021
Target Market for Canada						
Definitely / very / somewhat interested in travelling within Canada in the next year	90%	94%	96%	91%	83%	93%
Size of the target market	2,117	1,702	1,079	5,584	2,737	950
TOTAL	14,169,000					
Immediate Potential for Canada						
Planning Canada trip next year ¹	50%	66%	68%	53%	44%	62%
Immediate potential	1,176	1,195	764	3,252	1,451	633
TOTAL	8,471,000					

Base: Out-of-region pleasure travellers

Note: Blue squares indicate a result that is significantly lower than at least 2 other markets. Red circles indicate a result that is significantly higher than at least 2 other markets.

¹Calculation is now based on Q11c: Which of the following countries do you plan to visit in the next year on a vacation trip which is two or more nights long with at least one night in paid accommodation? As a result of the question change (Canadian respondents are no longer asked about the likelihood of specifically travelling within Canada), 2013 results are comparable to 2012 but not to previous years.

Exhibit 4.2 shows the immediate potential for the regional partners of the GTW study based on current levels of interest from travellers resident in each of Canada's regions who are intending to travel domestically in the next year.

Exhibit 4.2 – Market Potential for the Regions

Province / Territories	Canadian Provinces / Territories Most Likely to Visit					
	BC (n=374)	AB (n=465)	SK/MN (n=465)	ON (n=407)	QC (n=341)	ATL (n=415)
British Columbia	-	59%	24%	24%	13%	13%
Alberta	46%	-	33%	14%	10%	14%
Saskatchewan / Manitoba	4%	10%	-	3%	-	1%
Ontario	24%	11%	19%	-	48%	47%
Québec	8%	6%	3%	23%	-	18%
Atlantic Canada	7%	10%	7%	27%	22%	-
Northern Canada	6%	1%	1%	1%	1%	1%
Don't know	5%	3%	4%	8%	6%	5%

Base: Those likely to travel within Canada in the next year (n=2,467)

Q11e: And, which region of Canada would you be most likely to visit?

Note: Red circles indicate a result that is significantly higher than at least 2 other markets.

*2013 results are comparable to 2012 but not comparable to previous years as earlier data included in-province travel.

Residents of BC are more likely to vacation in Alberta (46%) and Ontario (24%) in the next year.

Albertans are likely to reciprocate with 59% taking a vacation of two nights or more in BC – by far their primary destination when it comes to Canadian trips.

Travellers in Ontario also appear keen on BC (24%), but the close proximity of the Atlantic provinces (27%) make them the largest draws.

Likewise, Ontario is the most popular destination across the Atlantic region, with almost half of residents considering a trip to the province. A similar pattern is evident in Québec with just under half of Québécois planning to visit Ontario and 22% considering Atlantic Canada.

Travellers in Ontario have slightly more diverse travel plans, with the propensity to travel to BC, Québec, and Atlantic Canada not dissimilar. In contrast, Albertans are more likely to just have plans to visit BC, while those in the Atlantic region are considerably more likely to visit Ontario.

5. Competitive Environment

The GTW tracks Key Performance Indicators (KPIs) for Canada in areas such as unaided and aided destination awareness, unaided and aided destination consideration, market penetration, and advertising awareness.

Exhibit 5.1 summarizes the 2013 KPIs for Canada. On an unaided awareness basis, nearly 3-in-10 of respondents mentioned somewhere within Canada, a percentage significantly behind the US (57%), but well ahead of Mexico in 3rd spot (21%). Destinations in BC were mentioned most frequently. On an aided basis, over two-thirds of Canadian travellers claim to be knowledgeable about domestic holiday opportunities. The US remains in 2nd spot (53%).

From a trending perspective, unaided awareness of Canada is down 3% this year (falling from 32% to 29%), significantly lower than peak awareness levels (36%) set in 2009. Despite fluctuating awareness levels over the years, Canada is consistently in 2nd spot behind the US on this measure. Aided awareness is steady at 68%.

Canada (outside of the travellers' home province or region) comes 1st on past visitation (86%), leading the US by 6 percentage points. The coastal areas of Mexico (36%) and the main EU countries (France, the UK, Italy, and Germany) are far behind.

In terms of destinations under consideration in the next 2 years, on an unaided basis Canada (at 20%) again ranks 2nd, well behind the US (39%). On the aided measure, Canada (90%) continues to have a narrow lead over the US (86%). In a virtual dead heat in 3rd place are Australia / New Zealand, Italy and the UK with approximately two-thirds of respondents considering them. From a trending perspective, unaided consideration of Canada has been on the decline since 2009, yet remains in its traditional #2 spot. Aided consideration of Canada dipped marginally in 2013 while the US recorded a slightly higher result, narrowing the gap between the two countries to 4 percentage points.

Respondents were also asked about recall of advertising for Canadian destinations. Six-in 10 out-of-region travellers could recall Canadian destination advertising (2nd behind the US which 68% of Canadians could recall).

Exhibit 5.1 – Key Performance Indicators For Canada By Traveller Type

Indicator	Definition	All Out-of-Region Travellers (n=4,132)
Destination Awareness		
Unaided awareness of Canada (roll-up)	% who said Canada or a destination in Canada	29% (2 nd)
Aided awareness of travel opportunities in Canada	% with excellent / very good knowledge of travel opportunities in Canada	68% (1 st)
Aided Awareness		
Aided awareness of advertising for Canada	% who said they saw advertising for Canada or a destination in Canada	60% (2 nd)
Past Visitation		
Overall market penetration	% who have ever travelled within Canada for pleasure	86% (1 st)
Intentions		
Unaided destination consideration	% who mentioned Canada or a destination in Canada on their consideration list (for trips in the next year)	20% (2 nd)
Competitive positioning on destination consideration	Rank on the consideration list relative to competitors (roll-up)	2

Base: Out-of-region pleasure travellers.

Note: **Blue squares** indicate a result that is significantly lower than at least 2 other markets. **Red circles** indicate a result that is significantly higher than at least 2 other markets.

¹ Travelled overseas (e.g., outside of Canada, the US and Mexico/Caribbean region) for pleasure on their most recent trip.

² Travelled to the US (but not overseas) for pleasure on their most recent trip.

³ Travelled to Mexico/Caribbean (but not to the US or overseas) for pleasure on their most recent trip.

⁴ Travelled out-of-region (but not outside Canada) for pleasure on their most recent trip.

⁵ Did not travel out-of-region in past 3 years, but plan to in the next year.

One of the key objectives of the GTW study is to measure traveller response to Brand Canada across all key global markets. For 2012, the study focus changed somewhat to measure personality, value, brand, and price perceptions against key competitors rather than Canada in isolation as was done previously.

In terms of personality trait association, Canada recorded 1st place finishes for “Friendly”, “Beautiful”, “Informal”, and “Liberal”. These results mirror those recorded in 2012. Canadians now believe the US outperforms Canada on “Confident”, which is the only change from 2012. Canada remains in 2nd place for “Energetic” (behind the US) “Inspirational” (trailing Italy) and “Witty” (behind the UK). In total, Canada has eight 1st or 2nd place finishes, suggesting Canadians have a high opinion of their country. Canada’s only lacklustre result is a 6th place for “Intriguing” (ahead of last place US). This result underscores Canada’s challenge in the domestic marketplace; Canadians see distant destinations such as Australia/New Zealand and China/Hong Kong as “Intriguing”, while the familiar is not as enticing.

The primary challenge for the Canadian tourism industry remains converting Canadians’ high opinions of the country into greater domestic visitation.

Exhibit 5.2 – Aided Brand Personality Perceptions

	1#	2#	3#	4#	5#	6#	7#	8#
Friendly¹	CAN 78%	AUS/NZ 46%	USA 27%	ITA 22%	UK 21%	FRA 13%	CHN/HK 6%	NONE 4%
Beautiful	CAN 66%	AUS/NZ 51%	ITA 45%	FRA 30%	USA 23%	UK 14%	CHN/HK 11%	NONE 3%
Informal	CAN 57%	USA 44%	AUS/NZ 40%	ITA 14%	UK 13%	NONE 11%	FRA 11%	CHN/HK 9%
Liberal¹	CAN 56%	USA 32%	AUS/NZ 26%	FRA 25%	UK 21%	ITA 16%	NONE 13%	CHN/HK 4%
Confident	USA 51%	CAN 47%	UK 24%	FRA 24%	AUS/NZ 21%	ITA 17%	CHN/HK 11%	NONE 11%
Energetic¹	USA 44%	CAN 40%	AUS/NZ 33%	CHN/HK 26%	ITA 20%	FRA 16%	UK 15%	NONE 9%
Inspirational¹	ITA 39%	CAN 36%	FRA 32%	AUS/NZ 31%	UK 20%	USA 15%	CHN/HK 15%	NONE 12%
Witty	UK 36%	CAN 33%	AUS/NZ 25%	NONE 21%	USA 20%	FRA 19%	ITA 15%	CHN/HK 8%
Authentic	ITA 46%	FRA 36%	CAN 36%	UK 28%	AUS/NZ 28%	CHN/HK 20%	USA 13%	NONE 8%
Intriguing	AUS/NZ 44%	CHN/HK 42%	ITA 35%	FRA 26%	UK 21%	CAN 19%	USA 11%	NONE 8%

Base: out-of-region pleasure travellers (2013 n=4132)

Q10: We would like you to use your imagination for a moment. Consider the following words and pick up to 3 countries you associate with each word

Red text indicates CTC strategic priorities.

¹ New attributes added in 2012.

To be successful, a destination must be perceived as offering value, relevant experiences, and unique tourism products to travellers. To assess brand, value, and price perceptions, respondents were asked to evaluate Canada relative to competing destinations on four brand-, four value-, and three price-related statements.

In the minds of Canadian travellers, Canada continues to dominate on two critical brand elements – inspirational geography and engaging people. Italy is the leader on culture and authenticity, although Canada is in striking distance on the latter. Canadians continue to see the country as the best place for the experiences they seek (relevancy), yet ranked other destinations slightly ahead of Canada on other key value attributes. In terms of price, a domestic vacation is again seen to offer good value for money, but the US remains significantly ahead on the affordability of air travel in the minds of Canadians travellers.

Exhibit 5.3 – Brand, Value, Price Perceptions

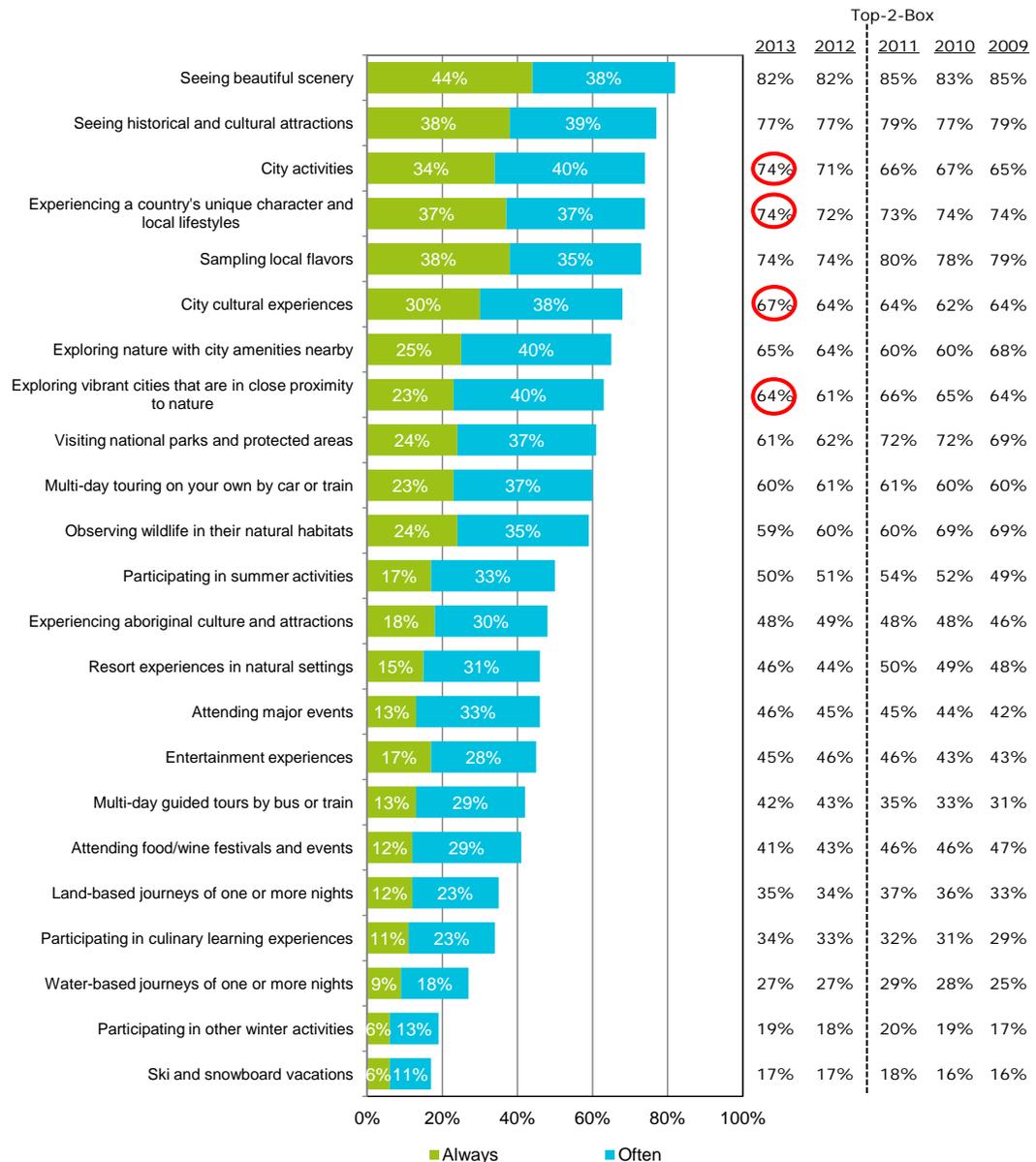
Top-3 Box	1#	2#	3#	4#	5#	6#	7#
Brand Perceptions							
A place that inspires me to explore its geography	CAN 76%	AUS/NZ 68%	ITA 60%	USA 51%	FRA 51%	UK 46%	CHN/HK 41%
A place that inspires me to explore its culture	ITA 70%	FRA 62%	AUS/NZ 59%	CAN 57%	UK 53%	CHN/HK 48%	USA 32%
A place that inspires me to meet and engage with its people	CAN 63%	AUS/NZ 59%	ITA 58%	UK 49%	FRA 47%	USA 39%	CHN/HK 30%
A place that offers an authentic experience	ITA 70%	AUS/NZ 66%	FRA 65%	CAN 65%	UK 56%	CHN/HK 54%	USA 40%
Value Perceptions							
A destination I would pay a little more for (Quality)	ITA 47%	AUS/NZ 45%	FRA 40%	CAN 40%	UK 36%	USA 27%	CHN/HK 23%
A destination with the travel experiences I am specifically looking for (Relevance)	CAN 59%	AUS/NZ 54%	ITA 54%	FRA 47%	USA 45%	UK 43%	CHN/HK 26%
A place with unique features that other destinations don't offer (Uniqueness)	ITA 69%	AUS/NZ 67%	CAN 64%	FRA 60%	CHN/HK 58%	UK 55%	USA 43%
A dream destination that I would visit if money were no object (Desirability)	ITA 62%	AUS/NZ 60%	CAN 57%	FRA 53%	UK 50%	USA 44%	CHN/HK 31%
Price Perceptions							
A destination that is affordable to get to by air	USA 56%	CAN 47%	ITA 26%	FRA 26%	UK 24%	AUS/NZ 19%	CHN/HK 16%
A destination with reasonable prices for food, entertainment and hotels	CAN 58%	USA 55%	ITA 31%	AUS/NZ 29%	CHN/HK 27%	UK 27%	FRA 26%
A place that offers good value for money	CAN 58%	USA 52%	ITA 30%	AUS/NZ 28%	FRA 27%	UK 26%	CHN/HK 25%

Base: Out-of-region pleasure travellers (n=4,132)

Q11: We are interested in your general impressions of <Insert country>, as a vacation destination<If country=Canada hide “, even if you have never been there”>. On a scale of 1 to 10, where 1 is “strongly disagree” and 10 is “strongly agree,” how would you rate <Insert country> on each of the following?

Exhibit 5.4 tracks the product interests of Canadian travellers. Nature-based experiences and cultural attractions remain the top vacation interests of Canadian travellers. Growing interest in city activities, local / unique experiences, city cultural experiences and exploring cities close to nature is evident in 2013.

Exhibit 5.4 – Product Interests



Base: Out-of-region pleasure travellers (2013 n=4,132; 2012 n= 4,227; 2011 n=4,023; 2010 n=4,054; 2009 n=4,023)

Q7: We are interested in knowing the types of activities and experiences you are looking for on your vacation. Please indicate how important each of the following activities is to you when choosing a destination.

Note: 2013 results are comparable to 2012, but not comparable to previous years due to changes in the question wording and to the product list in 2011.

Blue squares indicate a result that is significantly lower than 2012. Red circles indicate a result that is significantly higher than 2012

Exhibit 5.5 shows how Canada ranks against the competition on each product. Canadians continue to rank their own country tops on 13 of 23 tourism experiences which suggests they see many reasons to travel within Canada. Canada remains in 1st place for beautiful scenery, the top vacation experience sought by Canadians. However, Canadians continue to look to other destinations for highly valued experiences such as cultural attractions, local flavours, and unique experiences (strongly associated with European competitors, particularly Italy) and city activities, which the US dominates.

Exhibit 5.5 – Product Interest Associations By Country

	1#	2#	3#	4#	5#	6#	7#	8#
Visiting national parks and protected areas	CAN 77%	USA 57%	AUS/NZ 45%	U.K. 9%	CHN/HK 6%	ITA 6%	FRA 5%	NONE 4%
Participating in other winter activities	CAN 75%	USA 38%	FRA 13%	AUS/NZ 10%	NONE 9%	U.K. 8%	ITA 7%	CHN/HK 5%
Seeing beautiful scenery	CAN 73%	AUS/NZ 52%	USA 44%	ITA 19%	FRA 14%	U.K. 11%	CHN/HK 10%	NONE 4%
Observing wildlife in their natural habitats	CAN 72%	AUS/NZ 58%	USA 43%	CHN/HK 8%	U.K. 6%	FRA 6%	ITA 6%	NONE 5%
Ski and snowboard	CAN 70%	USA 44%	FRA 19%	AUS/NZ 14%	ITA 13%	NONE 9%	U.K. 8%	CHN/HK 5%
Participating in summer activities	CAN 68%	USA 47%	AUS/NZ 37%	FRA 15%	ITA 15%	U.K. 11%	NONE 8%	CHN/HK 5%
Resort experiences in natural settings	CAN 65%	USA 52%	AUS/NZ 32%	FRA 13%	U.K. 11%	ITA 10%	NONE 10%	CHN/HK 5%
Exploring nature with city amenities nearby	CAN 64%	AUS/NZ 43%	USA 42%	ITA 14%	U.K. 13%	FRA 13%	CHN/HK 8%	NONE 7%
Water-based journeys of one or more nights	CAN 64%	USA 43%	AUS/NZ 41%	ITA 11%	NONE 10%	FRA 10%	U.K. 7%	CHN/HK 5%
Experiencing aboriginal culture and attractions	CAN 61%	AUS/NZ 52%	USA 29%	CHN/HK 16%	ITA 10%	FRA 9%	NONE 9%	U.K. 6%
Land-based journeys of one or more nights	CAN 60%	USA 39%	AUS/NZ 38%	ITA 18%	FRA 18%	U.K. 15%	NONE 9%	CHN/HK 7%
Exploring vibrant cities that are in close proximity to nature	CAN 56%	AUS/NZ 41%	USA 39%	ITA 20%	FRA 19%	U.K. 16%	CHN/HK 9%	NONE 7%
Multi-day touring on your own by car or train	CAN 53%	USA 44%	ITA 30%	FRA 30%	U.K. 27%	AUS/NZ 26%	CHN/HK 8%	NONE 6%
Attending major events	USA 61%	CAN 53%	U.K. 27%	ITA 17%	FRA 16%	AUS/NZ 14%	NONE 10%	CHN/HK 6%
Entertainment experiences	USA 64%	CAN 41%	U.K. 23%	FRA 22%	ITA 16%	AUS/NZ 15%	CHN/HK 14%	NONE 9%
City activities	USA 49%	FRA 39%	CAN 37%	ITA 35%	U.K. 30%	CHN/HK 18%	AUS/NZ 17%	NONE 5%
Attending food / wine festivals and events	FRA 57%	ITA 55%	CAN 35%	USA 25%	AUS/NZ 19%	U.K. 10%	NONE 8%	CHN/HK 6%
Participating in culinary learning experiences	FRA 58%	ITA 57%	CAN 25%	USA 17%	CHN/HK 17%	AUS/NZ 14%	U.K. 10%	NONE 9%
Multi-day guided tours by bus or train	ITA 40%	FRA 38%	U.K. 34%	CAN 26%	AUS/NZ 24%	USA 23%	CHN/HK 21%	NONE 8%
Seeing historical and cultural attractions	ITA 55%	FRA 52%	U.K. 47%	CAN 26%	USA 22%	CHN/HK 21%	AUS/NZ 13%	NONE 3%
Sampling local flavours	ITA 63%	FRA 57%	CHN/HK 30%	CAN 26%	AUS/NZ 21%	USA 18%	U.K. 14%	NONE 4%
City cultural experiences	FRA 53%	ITA 48%	U.K. 43%	USA 32%	CAN 31%	CHN/HK 12%	AUS/NZ 12%	NONE 4%
Experiencing a country's unique character and local lifestyles	ITA 48%	AUS/NZ 41%	FRA 35%	CHN/HK 28%	U.K. 28%	CAN 26%	USA 17%	NONE 4%

Base: Always, often, sometimes important in destination selection (Q7)

Q8: Thinking about the following destinations, please select up to three destinations that you personally feel would be the best places to go for each of the following. Your choices can be based on your impressions, or anything that you have seen, heard or read. Select one to three destinations ONLY that you feel are best for each item.

6. Strategic Marketing

Exhibit 6.1 shows the US dominating recent travel, capturing 42% of the recent trip market, ahead of Canada with a 35% share. The Caribbean remains in 3rd spot with 12%, and Coastal Mexico pulling in 5% of the traffic. The ongoing marketing challenge for the industry is to persuade a greater proportion of Canadians to travel domestically.

Canadian travellers do not take long in their trip planning – a relatively short 3.1 months while booking occurs an average of 2.1 months before the trip. This is likely related to the trip length definition – most out-of-region trips of 2 or more nights do not need to be planned with a great deal of lead time. Since approximately three-quarters of travel is within the US or Canada, travel agents are availed of by only about a quarter of all travellers. The majority of respondents travel independently, with a vacation being the primary motivation and VFR-related travel accounting for one-quarter of trips.

Older Canadians (55+ years) are more likely to report travel to the US and Mexico than other age groups, while middle-aged Canadians (35-54 years) are the most likely to visit the Caribbean.

Exhibit 6.1 – Most Recent Pleasure Trip Profile By Destination

	All Out-of-Region Travellers (n=3,810)
Destination(s) Visited	
USA	42%
Canada	35%
Caribbean	12%
Mexico - Coastal Resort Areas (e.g., Acapulco, Cancun, Puerto Vallarta, Los Cabos, Mazatlan, Huatulco, Ixtapa, etc.)	5%
Other Europe	4%
France	4%
United Kingdom	3%
Italy	2%
Germany	2%
Southeast Asia (e.g., Cambodia, Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam, etc.)	2%
Amount of Time Before Departure When Trip Planning was Started	
Average months	3.1
Amount of Time Before Departure When Trip was Booked	
Average months	2.1
Trip Type	
Travel independently	72%
Combine independent travel with some guided tours for parts of the trip	7%
A fully escorted or guided tour	4%
All inclusive or semi-inclusive resort stay	13%
A cruise	5%
Trip Purpose	
Vacation	59%
Visited friends or relatives	25%
Business	3%
Study	1%
Personal reasons (e.g., wedding, reunion, etc)	11%
Travel Agent Involvement	24%

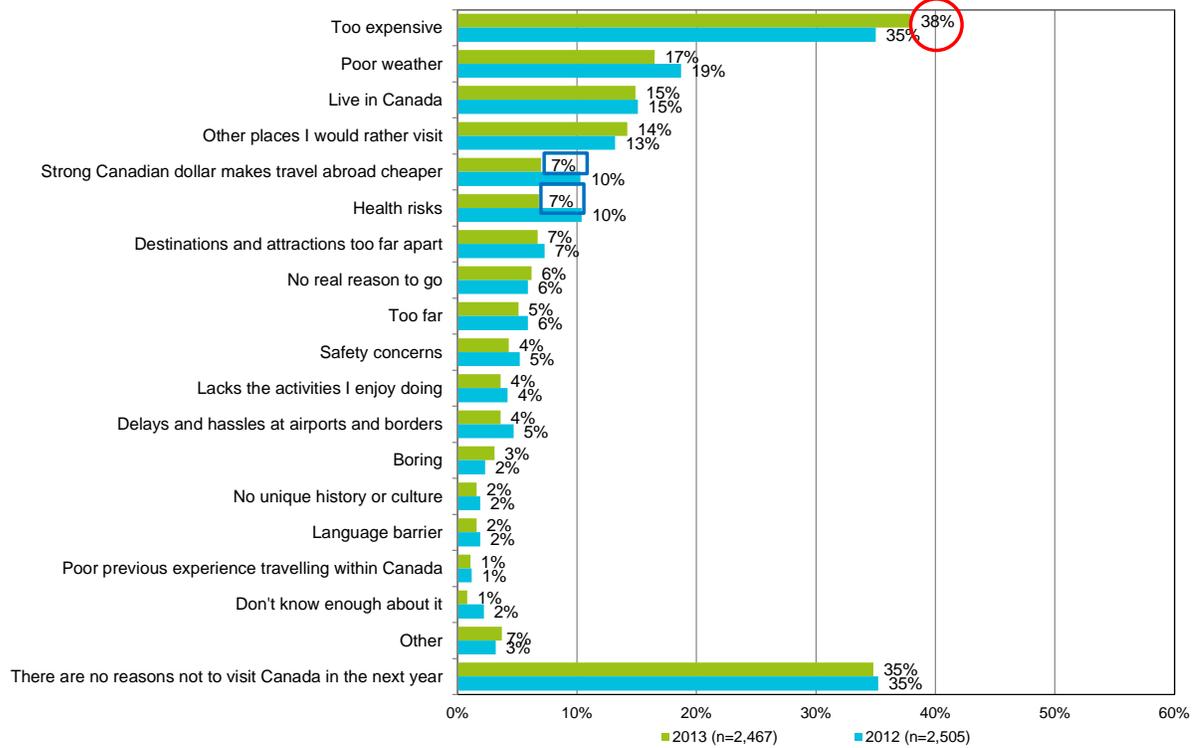
Base: Out-of-region pleasure travellers who have taken an out-of-region pleasure trip in the past three years

Exhibit 6.2 shows primary reasons why Canadians planning a domestic trip in the next year may forego the trip. The cost of the trip remains the primary constraint, up 3% from 2012. Weather concerns were mentioned by 17% of respondents, down slightly from 2012. Fifteen percent cited the fact they live in Canada while an equivalent number noted a preference for other destinations. These latter two reasons suggest Canadians may substitute an international trip for a domestic destination if there is a large enough inducement (presumably price is a primary factor).

Canadian travellers tend to be very aware of exchange rates and the decline in the Canadian dollar caused the preferential exchange rate measure to fall from 10% in 2012 to 7% at present. Encouragingly, 35% of those planning a trip with Canada say there are no reasons why they will not take a domestic trip within the next year.

Approximately 40% of Canadian travellers do not intend to travel domestically within the next year. The top reason cited is the fact they live in Canada (44%), followed by the preference for other destinations (35%) and expense (23%). Convincing travellers not planning to travel to consider a domestic vacation over an international destination is a formidable challenge. Expense is a common impediment among both groups and marketing efforts should emphasize the overall value of a domestic vacation.

Exhibit 6.2 – Key Barriers For Travelling Within Canada



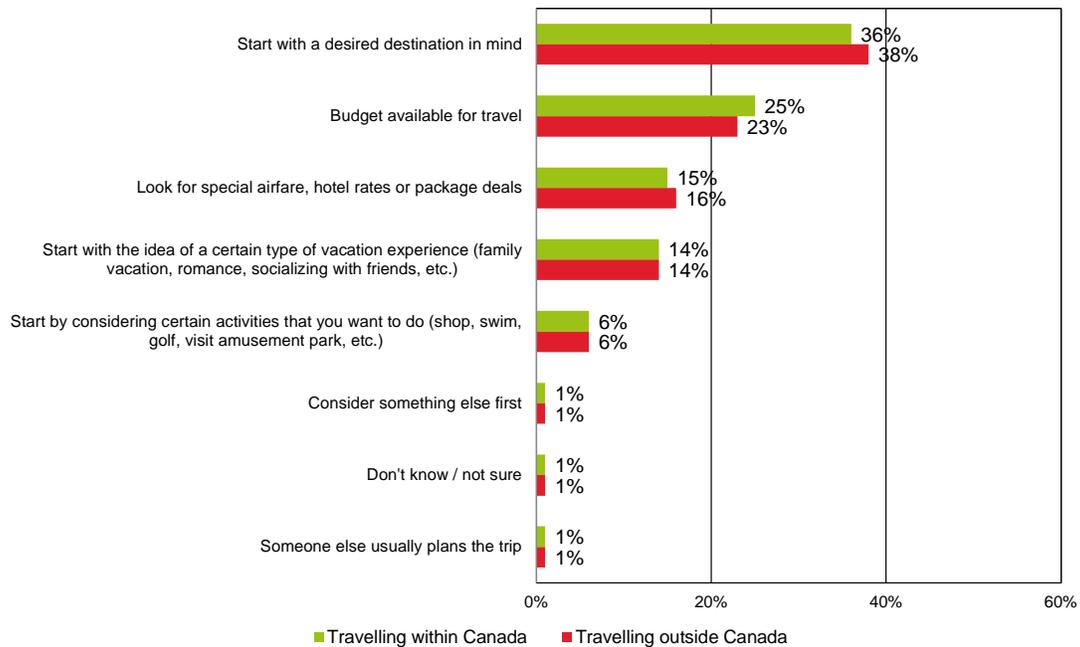
Base: Out-of-region pleasure travellers who are planning to travel within Canada next year

Q11H2: Earlier you indicated you were planning to travel within Canada beyond your province in the next year. Please indicate which of the following reasons could prevent you from travelling within Canada.

Blue squares indicate a result that is significantly lower than 2012. Red circles indicate a result that is significantly higher than 2012

While other data suggests the Canadian market is price sensitive, travellers were asked what one factor is the first consideration in trip planning. Results show that about one-third of travellers see the destination as paramount, while budget considerations are of primary concern to a smaller portion of the market. Those who travelled domestically remain slightly more likely to cite budgetary constraints.

Exhibit 6.3– One Factor Typically Considered First When Planning A Trip



Base: Out-of-region pleasure travellers who travelled within Canada in the past three years (n=2,521). Out-of-region pleasure travellers who travelled outside of Canada in the past three years (n=2,565)

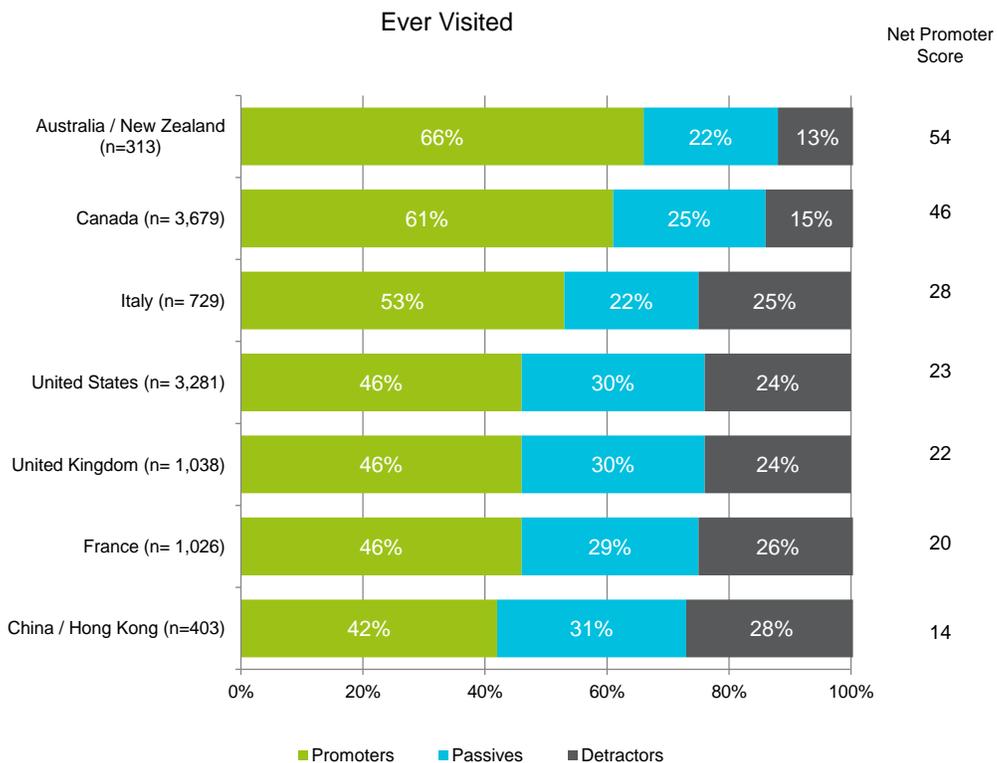
QS9: What one factor do you typically consider first when planning a vacation?

A series of questions on advocacy and social media usage were added in 2012 to understand the evolving role these channels are playing in the tourism sphere and uncover ways the CTC and partners can effectively have influence.

The Net Promoter Score is an established tool to measure a respondent’s likelihood to recommend a product or service to friends and family. Data was gathered among all respondents, but results from past visitors to each destination are the most telling and are presented below. Canada remains in 2nd place on this measure – behind Australia / New Zealand – as in 2012. However, the difference has grown this year, with 8 percentage points separating the destinations, up from a single point in 2012. Canada still places well ahead of the #3 destination, Italy, and noticeably ahead of the US, the top destination for Canadian travellers.

Canada’s #2 rank on this measure suggests there is considerable advocacy potential among Canadians. Of course, it is one thing to have travellers prepared to talk positively about their experiences, but to be active advocates they have to share this information with others which the Canadian tourism industry needs to encourage to bolster domestic tourism.

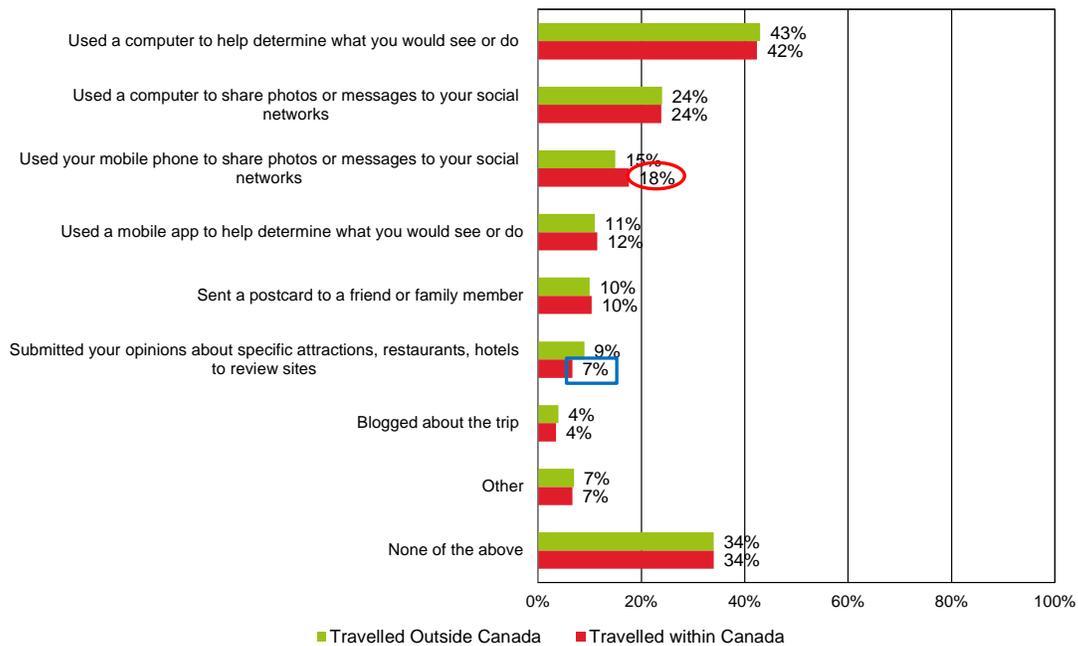
Exhibit 6.4 – Net Promoter Score Results



Q3: Whether you have visited or not, how likely are you to recommend each of the following holiday destinations to a friend, family member or colleague?

Two new questions ask Canadians about sharing behaviour during and after trips. **Exhibit 6.5** looks at Canadians who travelled either within Canada, or outside Canada, to determine whether they either actively sought advice from others, or shared their own experiences. While one-third claimed that they did neither, close to half took to their computers to help with planning while on the trip. They were slightly more likely to do so if they were travelling outside of Canada, but also highly likely to do so for travel within Canada. Approximately one-quarter shared experiences via social networking. Those travelling within Canada continue to be more likely to use their mobile phones to share via social networks.

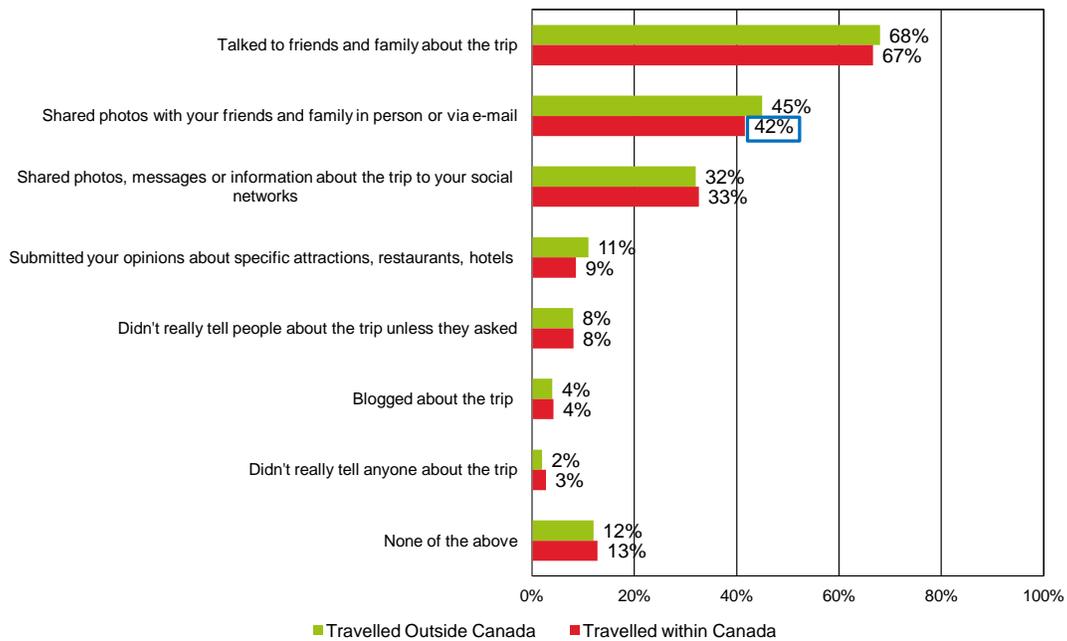
Exhibit 6.5 – During The Trip: Sharing Experiences / Seeking Advice



Q31: During your recent trip to <country>, did you share your trip experiences with anyone or seek advice? (Select all that apply)

The 2013 results reveal declines in post-trip sharing behaviour. While talking to friends and family about the trip remains most common, about two-thirds of travellers shared this way, down from three-quarters in 2012. A slight dip is noted in photo-sharing this year (approximately half shared this way last year). Social network use is holding steady with roughly one-third sharing photos and/or stories this way.

Exhibit 6.6 – After The Trip: Sharing Experiences



Base: Recent travellers to other destinations in the past 3 years (n=2,565). Travelled within Canada in the past three years (n=2,521)

Q32: After coming back from your trip did you share experiences with anyone?

Note: Blue squares indicate a result that is significantly lower than the other group; Red circles indicate a result that is significantly higher than the other group.