Canadian Tourism Commission
Commission canadienne du tourisme

Global Tourism Watch Year 3

Australia - Key Findings

Canadian Tourism Commission (CTC)

Canada

www.canada.travel

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Introduction

Background

Driven by the launch of a new global brand and ongoing challenges in Canada's priority markets, the Canadian Tourism Commission (CTC) implemented an ongoing Global Tourism Watch (GTW) program in 2007 to expand consumer-based intelligence in its core markets.

In 2009, the third year of the program, the GTW was implemented in ten markets – Canada, the US, Mexico, the UK, France, Germany, Australia, Japan, China and South Korea[1]. The Year 3 research was co-funded by a regional partner group that included British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Atlantic Canada, Yukon and Northwest Territories.

Objectives

The GTW program was designed to collect market intelligence across core markets in a consistent way. The specific study objectives were set around following four over-arching themes:

- Monitor key performance indicators;
- Track response to Brand Canada;
- Identify and track product opportunities; and
- Provide input into strategic market plans.

The primary focus of the 2009 reports is on identifying shifts in each market since 2007. The GTW is to continue to track the key indicators on an annual basis in order to develop trend lines, assess Canada's market performance and examine market shifts over time.

Ultimately, the GTW study will provide the CTC, its partners and the Canadian tourism industry with information to help enhance Canada's marketing strategies globally and draw international travellers to its shores.

[1] The 2009 program is the second year in which China was included and the first year in which Canada was included.

Methodology

The target population for the survey consisted of residents, aged 18 and older, who have taken a long-haul pleasure trip where they stayed at least one night in paid accommodations in the past three years or who plan to take such a trip in the next two years. For all markets, pleasure trips included vacation or holiday trips, trips to visit friends and relatives, and combined business-pleasure trips.

A total of 1,522 Australian respondents (including 309 recent travellers to Canada) completed the online survey. Fieldwork was conducted in September 2009 to align with the CTC's campaign timing.

The online survey sample was weighted by region, age and gender to align it with the long-haul traveller population in each market based on data collected through a random telephone Omnibus (2007).

Given the quota of recent travellers to Canada, the survey sample was also weighted to reflect the actual distribution of travellers to Canada vs. travellers to other long-haul destinations, based on the Omunibus survey. Because the sub-set of recent travellers to Canada in the Omnibus was too small to generate accurate age by gender weighting data, interntional Travel Survey (ITS) counts from Statistics Canada were used to weight this group.

Australia Competitive Set

To assess Canada's positioning in the Australian market, a number of questions in the survey asked respondents to rate Canada against key competitors, as identified by the CTC. The competitive set for Australia was as follows: the US, the UK, Europe, China, Thailand and Vietnam.

Australia Study Partners

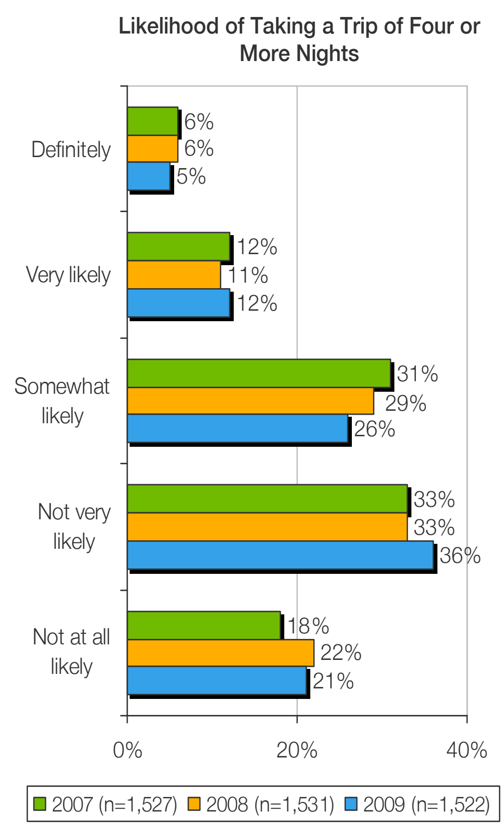
Regional partners for the Year 3 study in Australia include: Alberta, British Columbia, Northwest Territories, Ontario, Québec, Saskatchewan and Yukon.

Outlook on Travel to Canada and the Regions in the Next 2 Years

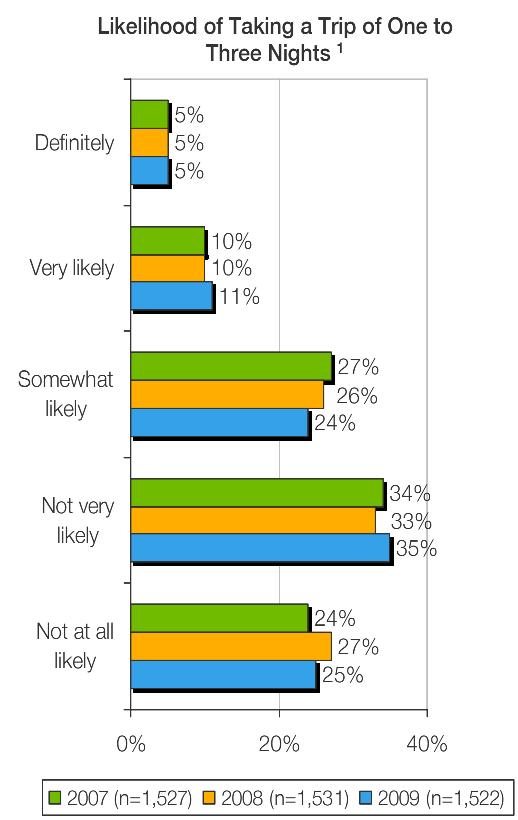
Likelihood of Visiting Canada

Exhibit 1 shows that the likelihood of visiting Canada in the next two years is holding steady at around a fifth of the market, with no change for either short break travel or longer trips. As with interest, Australia continues to have one of the lowest propensities for Canada travel among the GTW markets, which is likely due to the long distance and high cost, particularly at a time when travellers are seeking more budget-conscious destinations. Australia is also the market with the highest proportion of negatively committed travellers for longer vacations, which has intensified to hit a three-year high of 57%.

Exhibit 1 - Likelihood of Visiting Canada in the next 2 years



Overall, 20% are definitely or very likely to visit Canada in the next 2 years. [2]



Base: Long-haul pleasure travellers.

Notes: [1] Including trips to other countries (e.g., the US) that involve a stay of one to three nights in Canada.

[2] Includes trips of one to three nights or four nights or more.

Size of the Potential Market to Canada

A telephone omnibus study (2007) was used to estimate the size of the potential long-haul pleasure travel market in Australia. The base for this estimate includes those who have taken a long-haul pleasure trip of four or more nights in the past three years or who plan to do so in the next two years. As **Exhibit 2** shows, the incidence of long-haul pleasure travel for Australia is 43%, placing Australia behind the UK as the GTW market with the highest proportion of long-haul travellers.

Driven by a dollar whose purchasing power is stronger than at any time in the past two decades, Australians are leaving the country in droves, with outbound travel having virtually doubled over the past decade. Even the economic downturn has failed to keep Australians from heading abroad (outbound departures were up 5.0% in the first nine months of 2009), with travellers simply trading down to short-haul destinations. In fact, 2009 looks set to be the worst year for domestic tourism since the 1990s, prompting Tourism Australia to launch a series of initiatives designed to reinvigorate domestic travel.

Despite the high travel incidence, Australia's relatively small population translates into a long-haul market of only 6.8 million potential travellers, making it one of the smallest GTW markets in terms of actual traveller volumes.

Exhibit 2 – Size of the potential market to Canada (next 2 years)

	Size of Potential Market to Canada
Total potential long-haul pleasure travellers (aged 18 plus)	6,798,000
Target Market for Canada	
Very/somewhat interested in visiting Canada in the next 2 years	69%
Size of the target market	4,691,000
Immediate Potential for Canada	
Will definitely/very likely visit Canada in the next 2 years [1]	20%
Immediate potential	1,360,000

Base: Long-haul pleasure travellers (n=1,522).
Note: [1] Includes respondents likely to visit Canada on a trip of one to three nights or a trip of four nights or more.

Canadian Destinations[2] Likely to Visit

Exhibit 3 indicates that British Columbia has been progressively gathering steam as a vacation destination for Australians, trending upward from 88% in 2007 to 90% in 2009. On the other hand, interest in Ontario has dwindled, sliding from 90% to 85%, driven primarily by a loss in popularity for Niagara Falls. This loss has enabled British Columbia to firm up its leadership position in the Australian market, echoing a trend seen in several other GTW markets.

As in past years, Québec (69%) follows Ontario and British Columbia, with Montreal leading the way as the third most popular metropolis in Canada after Vancouver and Toronto. At 63%, Alberta pulls in immediately behind Québec, and well ahead of all other provincial/territorial destinations. Nova Scotia (28%) and Yukon (27%) continue to play tug-of-war for spot number five, with Nova Scotia winning out in 2009.

With scores of 34% for the North and 27% for the Prairie provinces, Australians continue to express a healthy interest in exploring the lesser-known regions of Canada.

Exhibit 3 - Destination Interest and Market Potential for the Regions

	BC	AB	SK	ON	QC	YK	NT
Immediate potential for Canada	1,360,000						
Likely to visit region[1]	90%	63%	22%	85%	69%	27%	21%
Immediate potential for the regions	1,224,000	857,000	299,000	1,156,000	938,000	367,000	286,000
Most popular destinations within region	Vancouver (79%) Whistler (35%) Victoria (35%)	Calgary (39%) Banff (31%) Jasper (24%)	n/a	Niagara (71%) Toronto (65%) Ottawa (37%)	Montreal (61%) Quebec City (42%)	n/a	n/a

Base: Long-haul pleasure travellers (n=1,522).

[1] Base for percentages is those likely to visit Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a trip there (n=748).

Note: Regional estimates are not additive since travellers may visit more than one region on a single trip.

[2] CTC partner regions only. (British Columbia, Alberta, Saskatchewan, Ontario, Quebec, Yukon and Northwest Territories)

Awareness Levels of Canada

Unaided Performance Indicators

The Global Tourism Watch measured three unaided (or top-of-mind) indicators[3] – unaided awareness of Canada, unaided awareness of Canadian travel advertising, and unaided destination consideration (**Exhibit 4**).

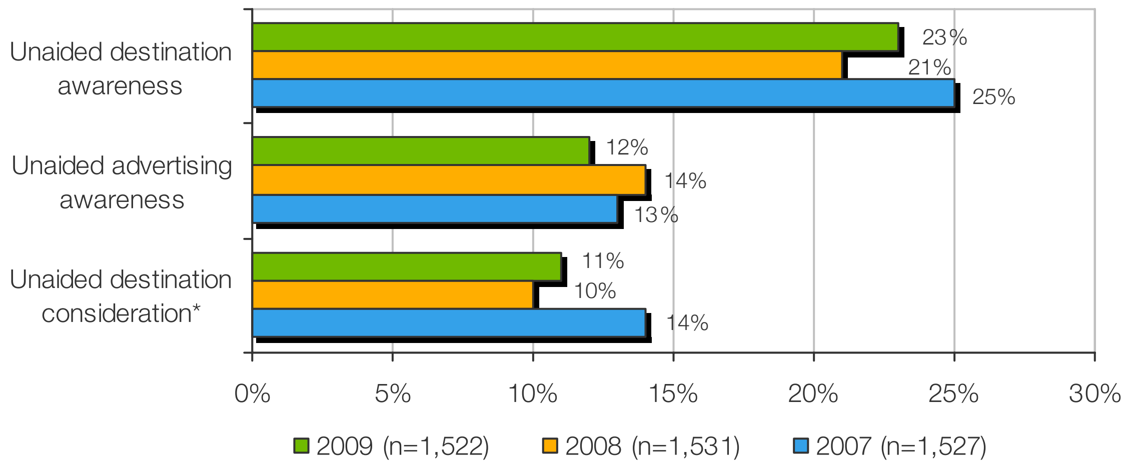
To measure unaided destination awareness, respondents were asked to name destinations that come to mind for a long-haul vacation. The exact response was recorded, whether this was "Toronto," "Ontario" or "Canada." To a measure unaided destination awareness, the top three long-haul destinations for Australian travellers have remained the same since the inception of the tracking study, with the US being the hands-down favourite, followed at a distance by the UK and Canada. However, the UK is faltering in popularity, with awareness down nine percentage points since 2007. As a result, Canada is rapidly closing the gap with the UK and could move into second place if the UK sustains further losses.

Canada's 12% unaided advertising awareness score in Australia is the highest posting for Canada in its international markets after Mexico. While Canada's score is behind the US, it is ahead of all other competitors. Moreover, "Canada" is the single destination brand with the strongest top-of-mind recall for the third year in a row, emerging well ahead of competitor brands like "Europe," the "United States" and "Thailand." These results suggest that the poor familiarity of Australian travellers with Canadian travel opportunities is not for lack of trying as Canada's advertising is being noticed.

For the most part, the unaided destination consideration results mirror those for unaided destination awareness. The US is the top long-haul destination being considered by Australian travellers for upcoming trips, followed by the UK. Canada, China and Thailand round out the top five.

[3] Cumulative results including mentions of Canada and sub-destinations within Canada.

Exhibit 4 - Unaided Performance Indicators for Canada



Base: Long-haul pleasure travellers
* *Base : Those who are planning on taking a long-haul trip in the next two years 2009 (n=1,285) / 2008 (n=1,531) / 2007(n=1.527)*
Notes: Roll-up of brand mentions by country, e.g., percentage who said Canada or any destination in Canada.

Recent and Potential Visitors from Australia

Target Market for Canada

Exhibit 5 provides demographic profiles of Australian long-haul travellers as a whole, recent travellers to Canada and travellers interested in visiting Canada.

With the tougher economic climate prompting intenders and less committed travellers to trade down to short-haul destinations or postpone travel altogether, the long-haul travel market has evolved into one that is significantly more upscale. While 25% of travellers had household incomes of A$100,000 (CDN$93,000)[4] or more in 2007, this figure has now risen to almost 40%. Travellers are also more educated, with 64% who have a university education vs. 58% a year ago. In addition, the proportion of blue collar workers has dropped, giving way to proportionately more white collar workers.

Except for the fact that they are more likely to know people in Canada, potential visitors to Canada are fairly similar to the market at large, so it isn't surprising that this segment also shows a pronounced shift to more affluent travellers. Approximately 37% now earn more than A$100,000 per year, up from only 25% in 2007.

Interestingly, recent visitors to Canada do not show the same socio-economic shift as the other two groups. In fact, with a more affluent long-haul traveller population in 2009, recent visitors to Canada now tend to have lower incomes than long-haul travellers in general. However, recent visitors continue to be older (46% are 55 plus), with more that are married and retired. Despite Canada's obvious appeal to older travellers, the tourism industry should be careful not to alienate the younger set, as they account for close to 40% of the market and are avid long-haul travellers, spurred on by an insatiable wanderlust and a yearning to see how the other half lives.

[4] Exchange rate (September 8, 2009): 1 AUD = CDN$0.9295

Exhibit 5 – Target Market Demographics

Gender	All L-H Travellers (n=1,522)	Recent Travellers to Canada (n=309)	Interested in Canada (n=543)
Female	50%	55%	54%
Age			
18 to 24	14%	6%	16%
25 to 34	24%	19%	19%
35 to 44	16%	14%	16%
45 to 54	19%	15%	19%
55 or older	28%	46%	30%
Close Friends or Relatives Living in Canada			
Yes	26%	48%	34%
Have Children in Household Under 18			
Yes	31%	28%	27%
Marital Status			
Married / partnered	69%	76%	67%
Single / never married	22%	17%	23%
Other (e.g., separated, divorced, widowed)	10%	7%	10%
Education			
High school or less	25%	22%	26%
Technical / vocational	5%	5%	6%
Completed college / university	64%	67%	62%
Employment Status			
Employed full-time / part-time	67%	60%	65%
Housewife / homemaker	6%	4%	6%
Retired	15%	28%	16%
Unemployed	4%	3%	4%
Student	7%	5%	8%
Occupation			
White-collar Worker	27%	24%	28%
Blue-collar Worker	5%	6%	5%
Manager	13%	10%	13%
Professional	26%	27%	25%
Skilled Workers	10%	7%	10%
Self-Employed / farm owner	10%	10%	10%
Unskilled / Semi-skilled	3%	3%	2%
Average Annual Household Income ($AUD)			
Less than $30,000	7%	9%	8%
$30,000 to $39,999	6%	11%	6%
$40,000 to $69,999	22%	26%	22%
$70,000 to $99,999	26%	22%	27%
$100,000 or over	39%	32%	37%

*Note: **Blue squares** indicate a result that is significantly lower than the total (all long-haul travellers); **orange circles** indicate a result that is significantly higher than the total.*

Target Market for Canadian Regions[5]

Exhibit 6 shows the demographic profile of travellers who are likely to visit Canada (or are considering a trip there) in the near-term, as well as those who plan to visit each of the regions (only GTW regional partners are included). The profiles for British Columbia, Ontario and Alberta are based on those who say they are *most* likely to visit the region, while the profiles for Saskatchewan, Québec and the North are based on those who express an interest in visiting these regions, given the relatively low proportion of travellers who say they are most likely to do so.

[5] CTC partner regions only. (British Columbia, Alberta, Saskatchewan, Quebec, Ontario, Yukon and Northwest Territories)

Exhibit 6 - Target market for Canada's regions

Gender	Total[1] (n=748)	BC[3] (n=275)	AB[3] (n=86)[4]	SK[2] (n=160)	ON[3] (n=242)	QC[2] (n=497)	North[2] (n=258)
Female	49%	47%	48%	45%	54%	49%	48%
Age							
18 to 24	14%	12%	12%	9%	17%	17%	8%
25 to 34	23%	22%	28%	10%	27%	19%	12%
35 to 44	16%	19%	10%	18%	16%	15%	15%
45 to 54	19%	17%	18%	26%	17%	21%	24%
55 or older	28%	30%	31%	37%	23%	28%	40%
Close Friends or Relatives Living in Canada							
Yes	38%	37%	45%	34%	40%	37%	35%
Have Children in Household Under 18							
Yes	30%	32%	40%	30%	29%	27%	27%
Marital Status							
Married / partnered	67%	71%	81%	65%	61%	65%	71%
Single / never married	23%	20%	10%	20%	30%	24%	14%
Other	10%	9%	9%	15%	9%	11%	15%
Education							
High school or less	22%	23%	27%	28%	22%	19%	26%
Technical / vocational	5%	4%	3%	7%	8%	6%	9%
Completed college / university	67%	68%	60%	60%	66%	69%	58%
Employment Status							
Employed full-time / part-time	70%	71%	65%	62%	70%	67%	66%
Housewife / homemaker	5%	6%	5%	5%	6%	6%	6%
Retired	14%	12%	21%	17%	10%	14%	19%
Unemployed	5%	2%	7%	7%	6%	5%	5%
Student	6%	7%	1%	9%	8%	7%	4%
Occupation							
White-collar Worker	29%	32%	31%	28%	27%	26%	27%
Blue-collar Worker	6%	4%	9%	5%	5%	7%	6%
Manager	11%	11%	17%	13%	12%	11%	9%
Professional	28%	22%	25%	23%	31%	28%	29%
Skilled Workers	8%	8%	4%	11%	11%	8%	10%
Self-Employed / farm owner	10%	13%	7%	12%	7%	11%	12%
Unskilled / Semi-skilled	3%	3%	1%	2%	2%	2%	2%
Average Annual Household Income ($AUD)							
Less than $30,000	8%	7%	6%	11%	10%	8%	9%
$30,000 to $39,999	6%	6%	1%	3%	7%	4%	5%
$40,000 to $69,999	23%	22%	25%	25%	18%	25%	25%
$70,000 to $99,999	26%	26%	26%	28%	27%	24%	24%
$100,000 or over	37%	39%	41%	33%	38%	40%	38%

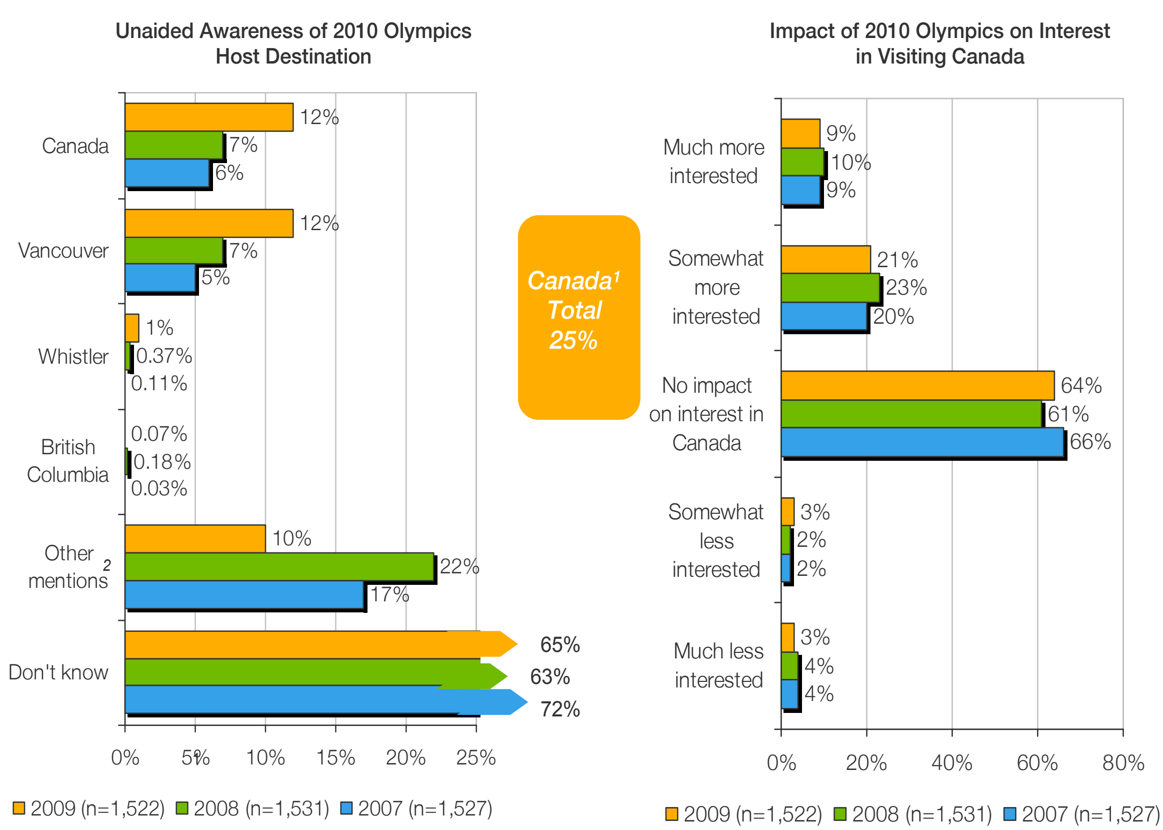
Notes:
[1] Those likely to visit Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a trip there.
[2] Those likely to visit the region.
[3] Those most likely to visit the region.
[4] Results should be interpreted with caution due to the small sample size.

The Impact of the 2010 Winter Games on Travel to Canada

As in every GTW market to date, awareness of Canada as host of the 2010 Olympic Games has surged over the last two years. **Exhibits 7** shows that both awareness of Canada in general and that of Vancouver specifically have doubled to hit 12%, with total awareness now standing at 25%. This is fairly modest by GTW standards, particularly given that the Games were only five months away when the survey was fielded.

The proportion of travellers who say that the Games have enhanced Canada's desirability as a vacation destination is also on the low side at 30%. In this respect, Australia is more closely aligned with the impact ratings of the European countries (26% to 34%), than with the much higher ratings of the other Asia-Pacific markets (47% to 73%).

Exhibit 7 – Impact of 2010 Winter Games on General Interest in Canada



Base: Long-haul pleasure travellers.

Note: [1] Includes all mentions of Canada, British Columbia, Vancouver and Whistler.

[2] Includes all mentions of London, US, UK, Europe, England, Japan for 2008.

Canada's Product Strengths and Weaknesses

Product Strength

General product strengths for Canada are products that are important in the minds of travellers in planning their long-haul trips and for which Canada is favourably viewed. Canada's strengths in Australia continue to be dominated by nature products (e.g., scenery, parks, wildlife). The hybrid city-nature products also fall out as strengths, with the nature component providing a much-needed lift to Canada's urban experiences. As in both 2007 and 2008, self-touring remains a strength for Canada, but is the area that requires most improvement.

Niche product strengths appeal to smaller groups of travellers and represent potential niche markets to be developed or targeted. Most outdoor pursuits are represented here, with ski vacations and winter activities being Canada's strongest niche products. However, given the greater potential for resorts in natural settings and summer activities, Canada may want to focus on enhancing impressions of these products.

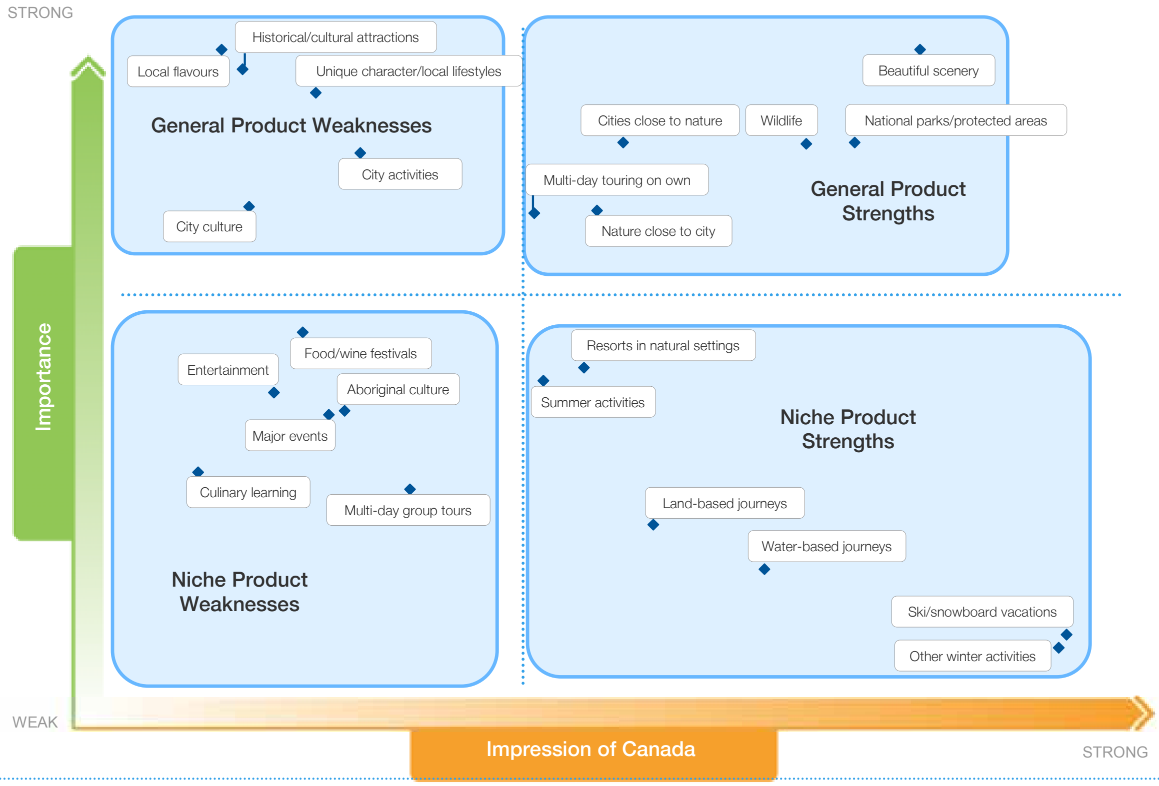
Product Weaknesses

General product weaknesses are products that are important to travellers, but for which Canada is not favourably rated, pointing to possible issues (perceptual or actual) to be mitigated. Not surprisingly, culture and stand-alone city experiences are vulnerabilities for Canada in Australia, with improvements here likely to make the most impact on Canada's overall drawing power as a vacation spot.

Niche marketing weaknesses are unfavourably rated activities that appeal to smaller groups of travellers, and as such, a considerable investment may be required to improve product perceptions for a lower return. Canada's niche weaknesses in Australia span the gamut from guided tours to entertainment and events to food/wine and culinary products. Given the below average interest in aboriginal culture in this market, this also emerges as a niche weakness for Canada.

Niche marketing weaknesses are unfavourably rated activities that appeal to smaller groups of travellers. While city activities (e.g., sightseeing, shopping) are a general weakness for Canada in many markets, in Australia, the tendency to shun more mundane tourist activities makes this a niche weakness. Coupled with this are major events, entertainment and guided group tours. Canada is also perceived as lacking on the culinary front, with food/wine festivals and culinary learning seen as shortcomings for the destination.

Exhibit 8 – Product Strengths and Weaknesses Map



Base: Long-haul pleasure travellers (n=1,522).

Australia Views on Environmentally-friendly Travel Products[6]

Prompted by growing public awareness of the environmental impact of travel and an increasing focus on responsible tourism in many countries, the GTW survey examined the attitudes of travellers towards eco-friendly tourism and travel products.

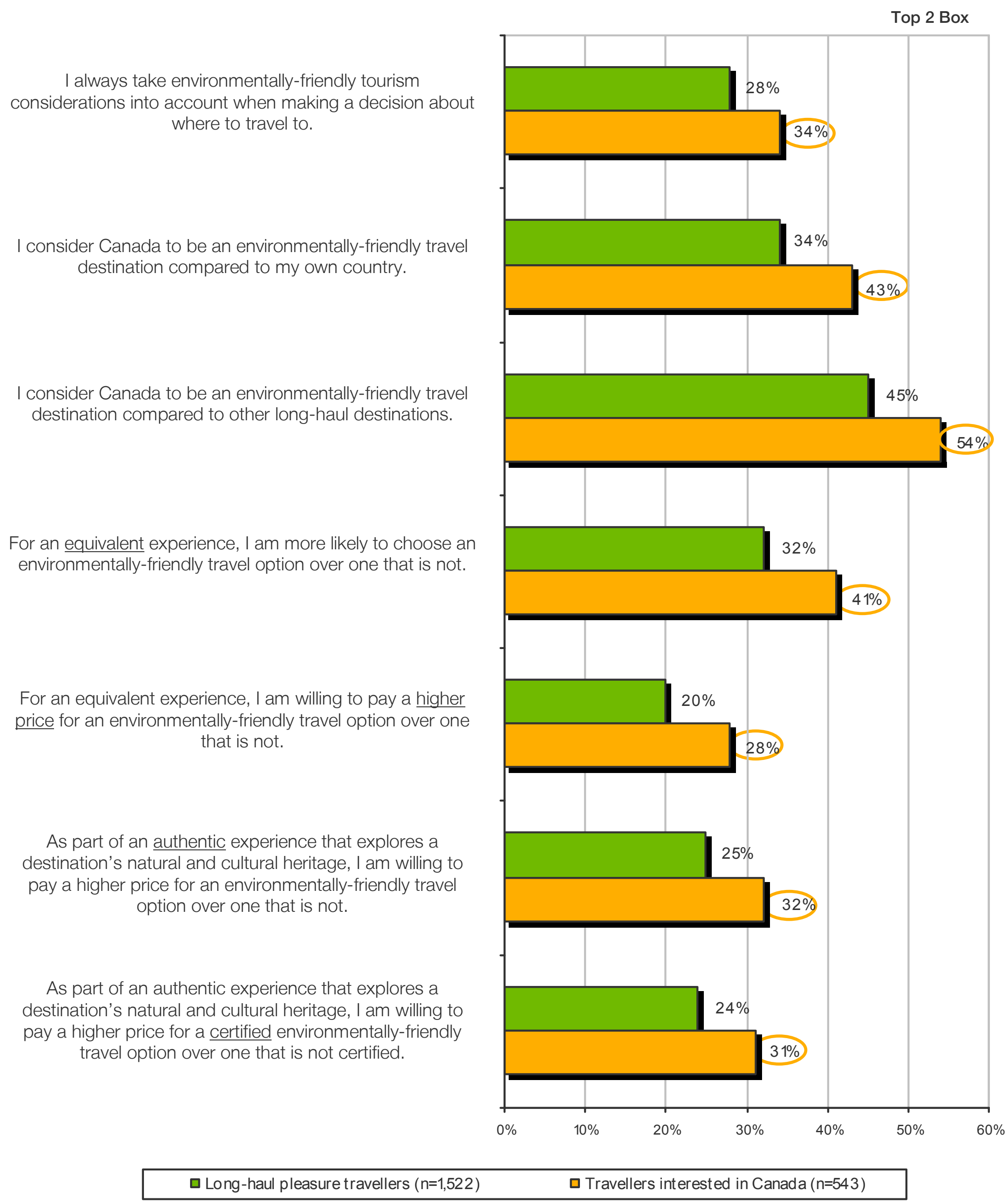
Australians rank alongside UK travellers as being the least environmentally-conscious of the 10 GTW markets. While they are more likely than UK travellers to take environmental impacts into account in assessing potential travel destinations (28%) and to choose environmentally-friendly travel options when available (32%), Australians are just as likely as their UK counterparts to balk at paying a premium for these, with only 20% who are willing to do so (see **Exhibit 9**). And like UK travellers, Australians are the least inclined of any market to pay for an authentic environmentally-friendly product that explores a destination's natural and cultural heritage, certified (24%) or otherwise (25%).

Of all GTW markets, Australians are the least likely to feel that Canada is an environmentally-friendly travel destination compared to their own country (34%), likely because the two countries are viewed as being fairly similar in this respect. However, when Canada is benchmarked against other long-haul destinations, this score rises to 45%.

As in most markets, potential travellers to Canada are more environmentally aware, awarding higher ratings on every count, including willingness to pay more for green travel products.

[6] Question changed in 2009, therefore results are not comparable to past years.

Exhibit 9 – Attitudes Toward Environmentally-Friendly Travel



Base: Long-haul pleasure travellers.
Notes: Top 2 Box refers to a rating of 4 or 5 on a 5-point scale where 1 is "Strongly Disagree" and 5 is "Strongly Agree".
***Blue squares** indicate a result that is significantly lower than the total (all long-haul travellers); **orange circles** indicate a result that is significantly higher than the total.*
Travellers interested in Canada: those who are very interested in visiting Canada in the next two years.
Question changed in 2009 so results are not comparable to past years.

How Canada is Perceived by Australian Travellers

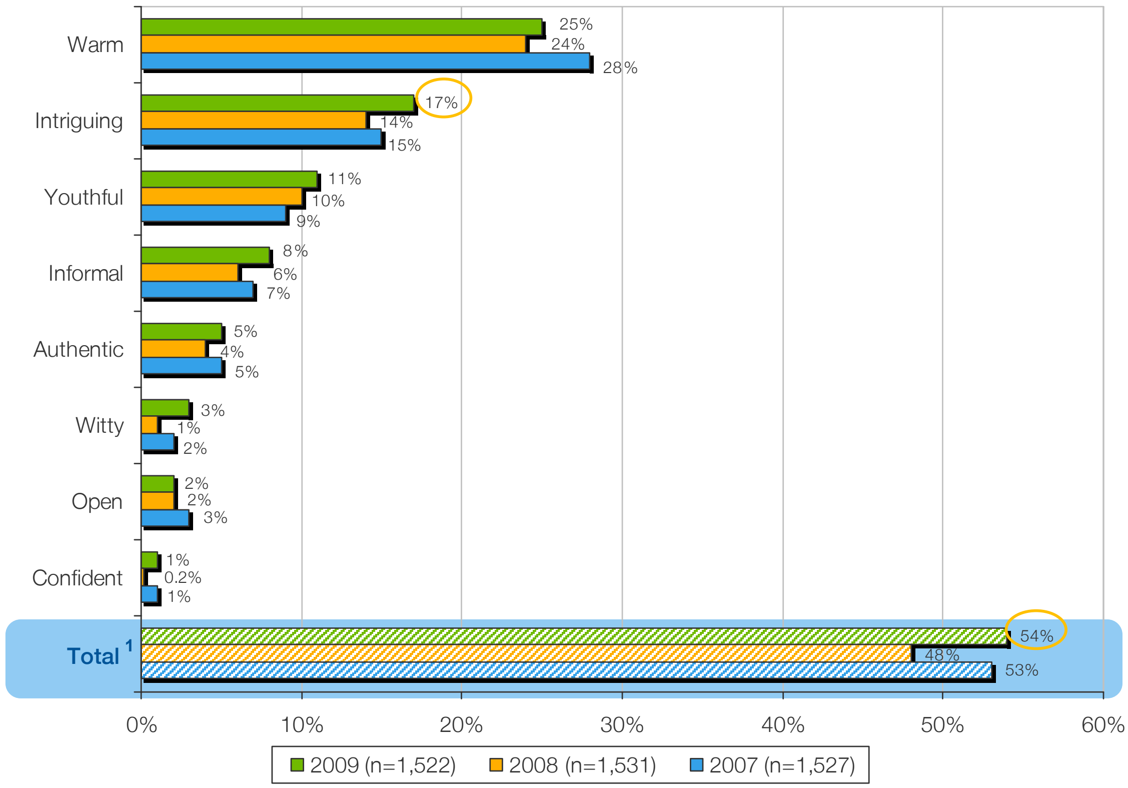
Unaided Brand Personality Perceptions

Brand personality often serves as a good metaphor for understanding travellers' perceptions of a destination. As such, respondents were asked to indicate three personality traits or characteristics that come to mind when they think of Canada as a person. The responses were coded into a number of personality dimensions, each comprised of a group of related personality traits. These included the eight dimensions encompassed by Brand Canada, as defined by the CTC:

- **Warm** (e.g., friendly, hospitable, welcoming, warm-hearted, kind);
- **Intriguing** (e.g., fascinating, interesting, exciting, appealing, engaging);
- **Informal** (e.g., casual, relaxed, easy-going, laid-back, approachable);
- **Open** (e.g., accepting, liberal, open-minded, flexible, accessible);
- **Authentic** (e.g., genuine, sincere, honest, down-to-earth, trustworthy);
- **Youthful** (e.g., energetic, lively, young at heart, vigorous, fun, vibrant, peppy);
- **Confident** (e.g., self-assured, sure, secure, poised, positive); and
- **Witty** (e.g., humorous, quick, entertaining, clever, bright, intelligent).

Exhibit 10 shows that notably more Australian travellers characterize Canada as Intriguing this year (17%) than last (14%), which is a positive sign. And, while none of the other individual attributes saw significant gains, most climbed by one or two percentage points, contributing to a solid bottom-line increase in market alignment with Canada's brand traits. In fact, the surge from 48% to 54% places Australia among the top three GTW markets on this measure.

Exhibit 10 – Unaided Brand Personality Perceptions



Base: Long-haul pleasure travellers.

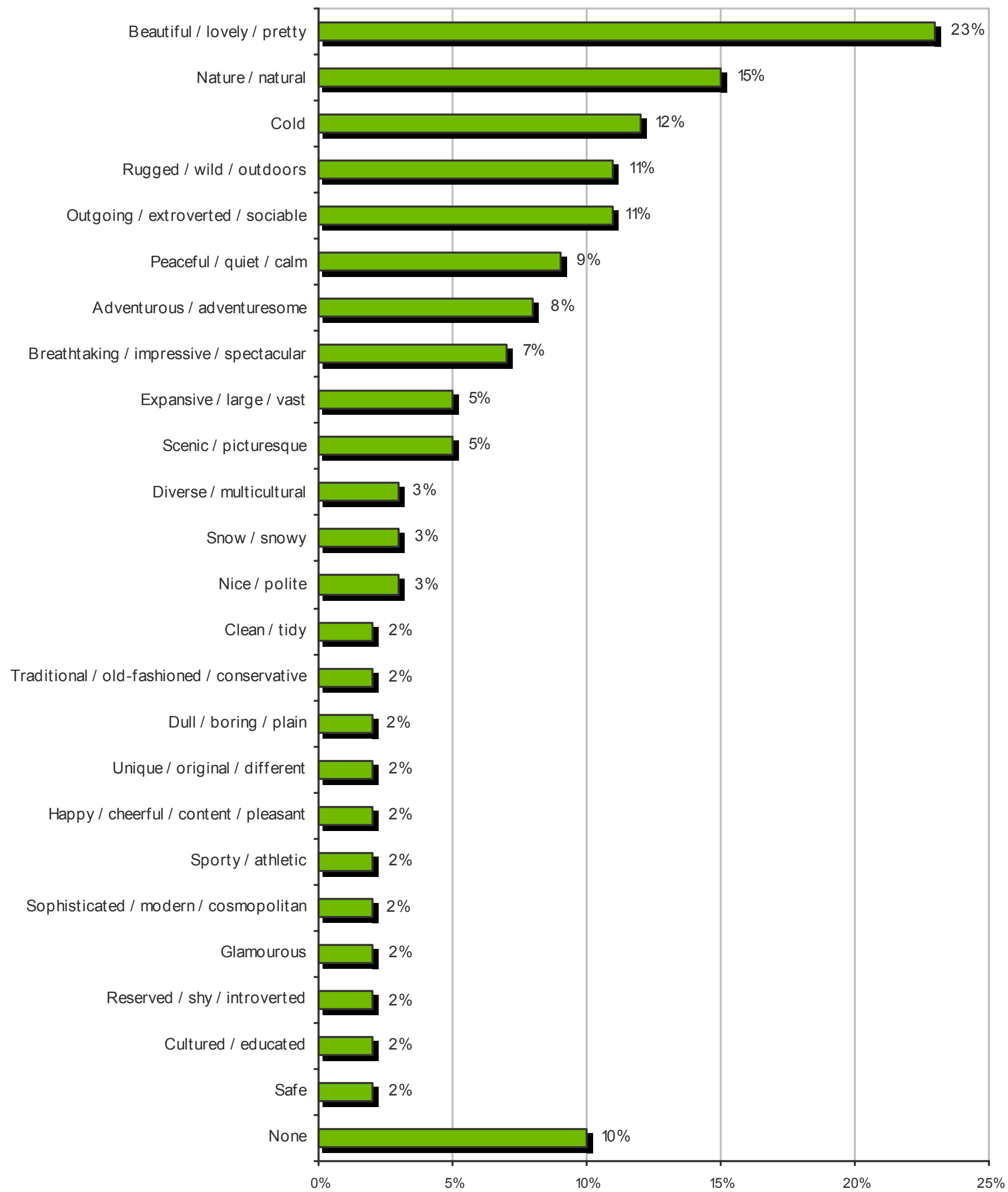
Notes: ***Blue squares*** *indicate a result that is significantly lower than 2008;* ***Double blue squares*** *indicate a significant downward trend since 2007.* ***Orange circles*** *indicate a result that is significantly higher than 2008;* ***Double orange circles*** *indicate a significant upward trend since 2007.*

[1] Percent who mentioned any of the 8 Brand Canada personality traits (or synonyms thereof).

Exhibit 11 shows other personality traits that are associated with Canada by Australian travellers. The exhibit indicates that Canada's traditional image is still very much in evidence here. There is clearly a strong association with wondrous nature and scenery, seen not only in direct mentions of "nature/natural" (15%) and "scenic/picturesque" (5%), but in other descriptors such as "beautiful/lovely/pretty" (23%) and "breathtaking/impressive/spectacular" (7%). Clearly part of Canada's curb appeal lies in the fact that it is nice to look at.

Canada is also seen as offering up nature in a wilderness state, making it an ideal playground for outdoor enthusiasts, as per mentions of "rugged/wild/outdoors" (11%), "adventurous" (8%) and "sporty/athletic" (2%). Also part and parcel of Canada's traditional image are impressions of the country as "cold" (12%), "snowy" (3%), "peaceful" (9%), "safe" (2%) and "large/vast" (5%).

Exhibit 11 – Unaided Brand Personality Perceptions – Other Mentions



Base: Long-haul pleasure travellers (n=1,522).

Value Perceptions

Destination success cannot be measured only by the degree to which the brand has established itself in the marketplace. Even if brand awareness is high, it is important for a destination or brand to be perceived as offering value to travellers. For a destination to have value, it should:

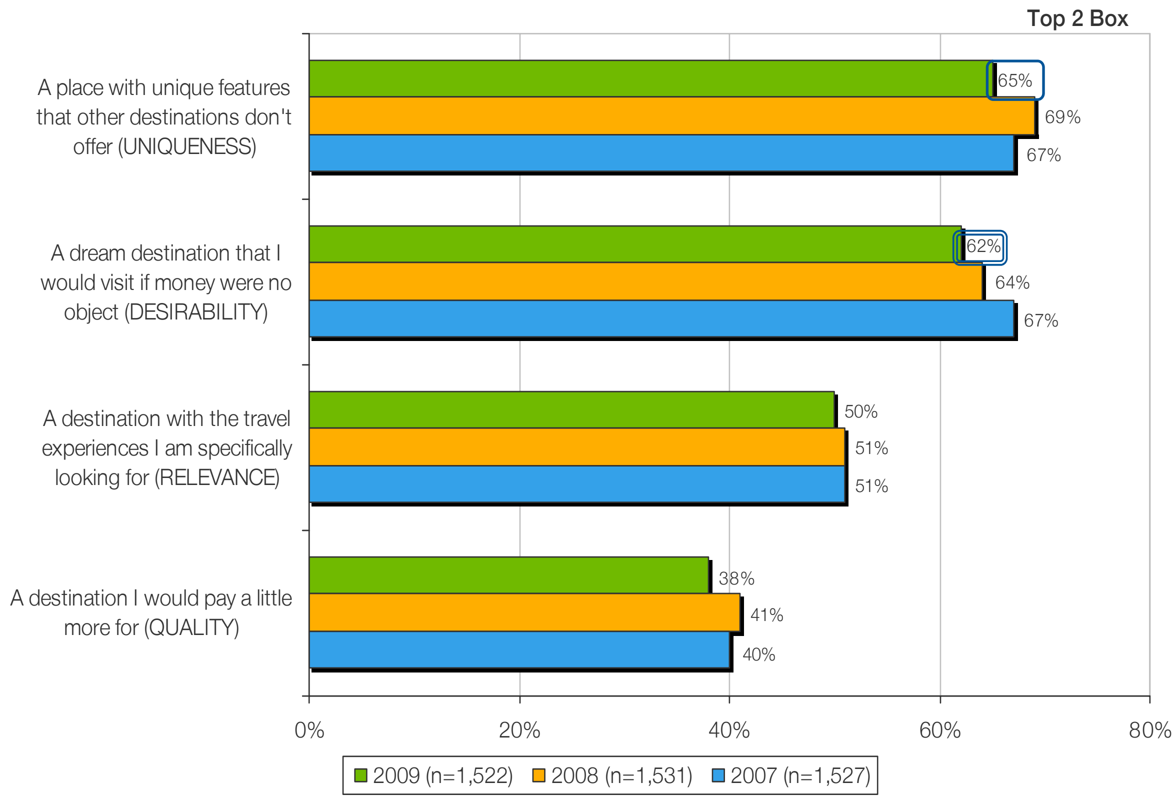
- Have an inherent desirability or appeal;
- Offer high quality experiences and travel products;
- Be relevant to travellers, with the experiences they are specifically looking for; and
- Offer a unique product relative to other destinations.

To assess value perceptions of Canada in Australia, respondents were asked to rate it on four value-related statements that embody each of the above criteria.

Exhibit 12 shows that a weakness in Uniqueness and Desirability attributes are primarily responsible for the decline, in the already-low Quality measure. Reassuringly, Relevance, which has emerged as a key driver of interest in Canada in all three years of the study, has remained steadfast.

With travellers world-wide more closely scrutinizing price vs. value trade-offs in making vacation decisions, and inexpensive Asian destinations increasingly turning the heads of Australians, conveying a better sense of value is critical if Canada wants to sell its travel experiences and products to this market. While important, reversing this year's declines should probably take a back seat to enhancing Quality perceptions, which are unduly low.

Exhibit 12 – Value Perceptions



Base: Long-haul pleasure travellers.

Notes: Top 2 Box refers to a rating of 4 or 5 on a 5-point scale where 1 is "Strongly Disagree" and 5 is "Strongly Agree".

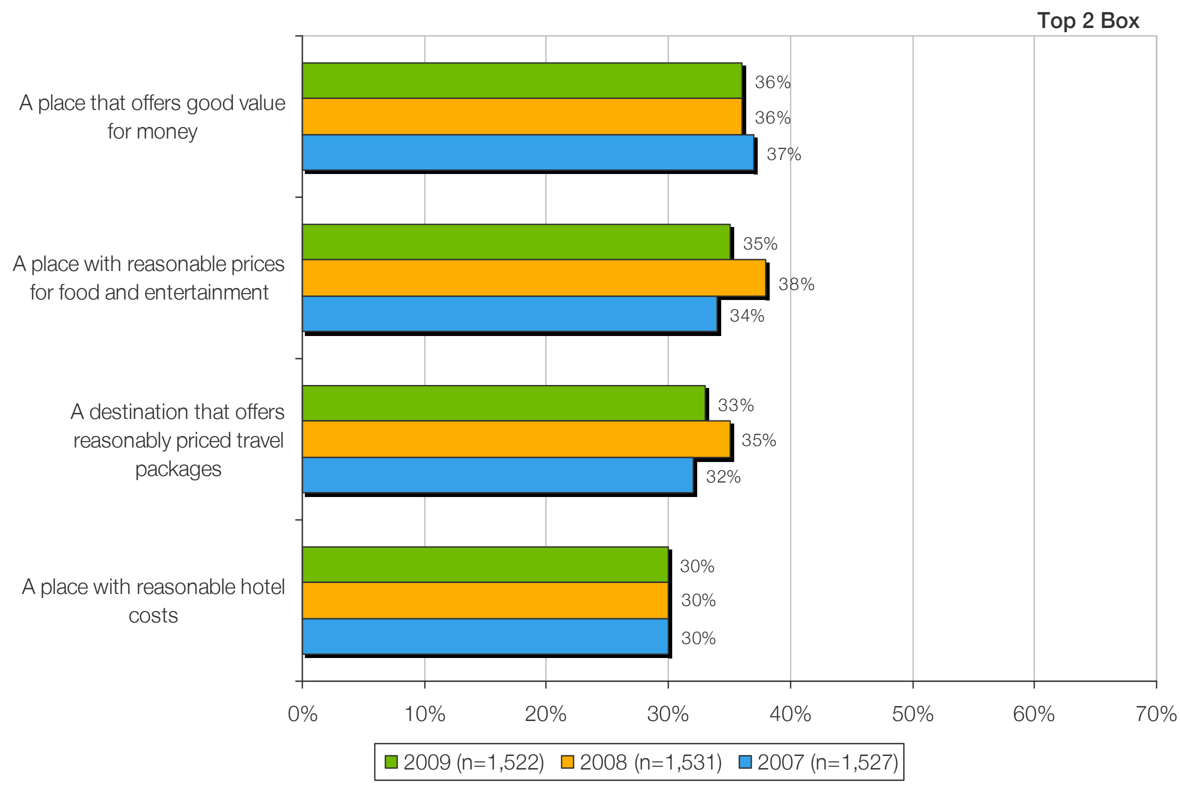
***Blue squares** indicate a result that is significantly lower than 2008; **Double blue squares** indicate a significant downward trend since 2007.*

***Orange circles** indicate a result that is significantly higher than 2008; **Double orange circles** indicate a significant upward trend since 2007.*

Price Perceptions

In addition to brand image and destination value, cost obviously plays a major role when it comes to destination decision-making. **Exhibit 13** shows how Canada is perceived by Australian travellers on various travel cost components. Overall, price perceptions saw no significant shifts in 2009.

Exhibit 13 – Price Perceptions



Base: Long-haul pleasure travellers.

Notes: Top 2 Box refers to a rating of 4 or 5 on a 5-point scale where 1 is "Strongly Disagree" and 5 is "Strongly Agree".

***Blue squares** indicate a result that is significantly lower than 2008; **Double blue squares** indicate a significant downward trend since 2007.*

***Orange circles** indicate a result that is significantly higher than 2008; **Double orange circles** indicate a significant upward trend since 2007.*

Motivation for Visiting Canada and the Regions

Key Motivations for Visiting Canada

While culture dominates the general vacation interests of Australians, **Exhibit 14** shows that it is Canada's incredible nature that rises to the top for Canada travel, with scenery, national parks and wildlife topping the list of reasons for travelling to Canada among potential visitors. The same reversal is apparent in the hybrid products, with nature close to a cosmopolitan city emerging ahead of vibrant cities close to nature, showing the pivotal role that nature plays in driving Australian travel to Canada.

However, given Australians' undeniable leanings toward culture, visiting historical/cultural attractions and experiencing local lifestyles follow nature in importance, both at around the 70% mark. Clearly, enhancing awareness and perceptions of Canada's cultural offerings in Australia would help Canada to grow its share of the long-haul market.

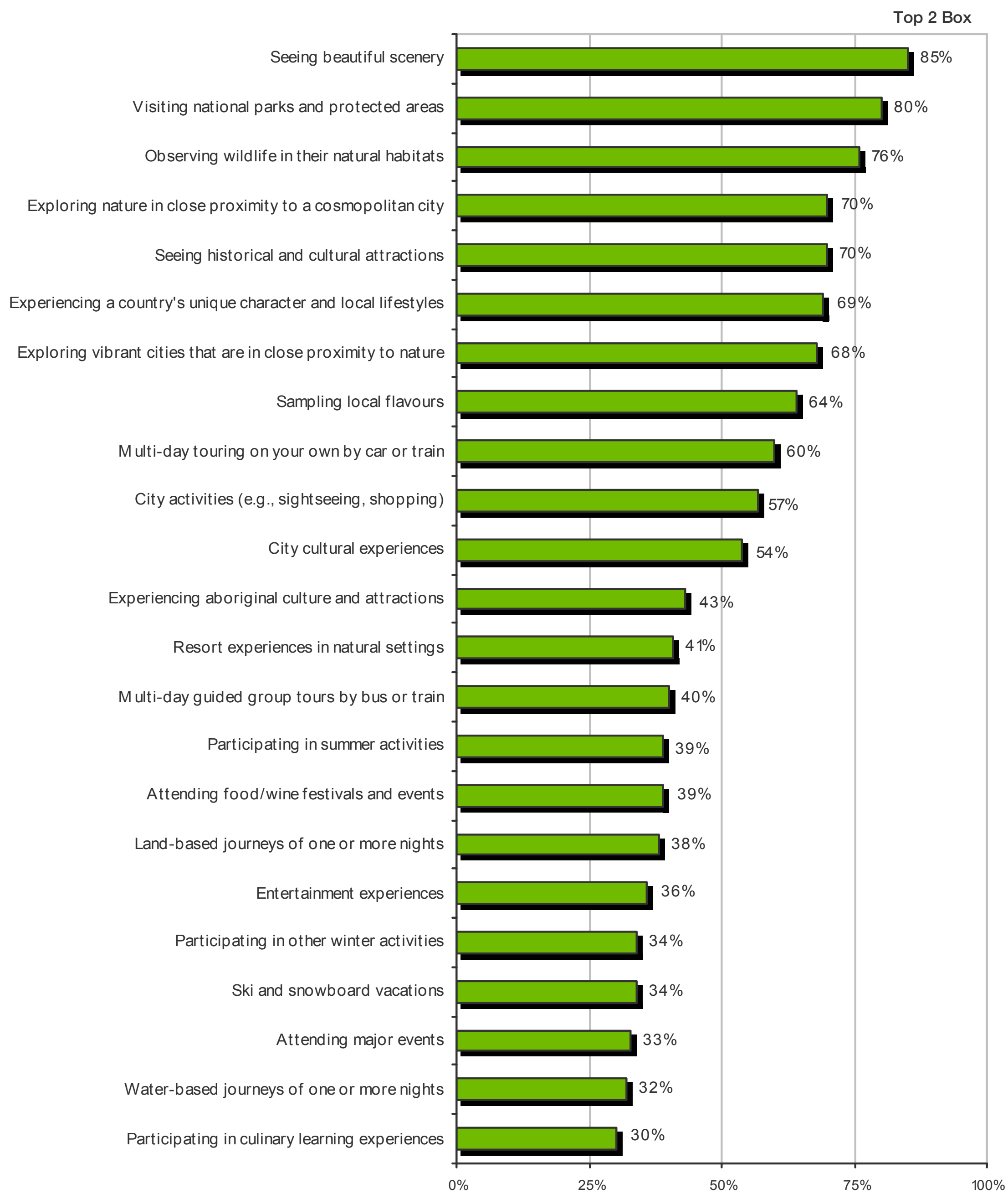
The exhibit also reveals that 64% of travellers hope to get a taste of local flavours when they visit Canada, which is a far cry from this product's 87% rating and first place ranking when it comes to vacation pursuits in general. Similarly, food/wine festivals and culinary learning experiences are ranked far lower for travel to Canada than overall interest among Australians would dictate, again highlighting the fact that Canada is not recognized for its cuisine.

What is consistent with overall preferences is the partiality of potential visitors to Canada for self-touring (60%) over guided tours (40%), which is the case in every GTW market except Japan and China.

Stand-alone city experiences take a back seat to nature and culture, with city activities such as sightseeing, shopping, visiting museums/galleries and theatre motivating 50% to 60% of likely visitors to Canada. Moreover, several urban experiences that are mid-range products for travel in general have less drawing power for Canada (e.g., entertainment and major events) given the underwhelming perceptions of these Canadian products.

As was the case for general travel interests, outdoor products such as ski vacations, winter activities and water-based journeys tend to be clustered at the end of the chart due to their niche status.

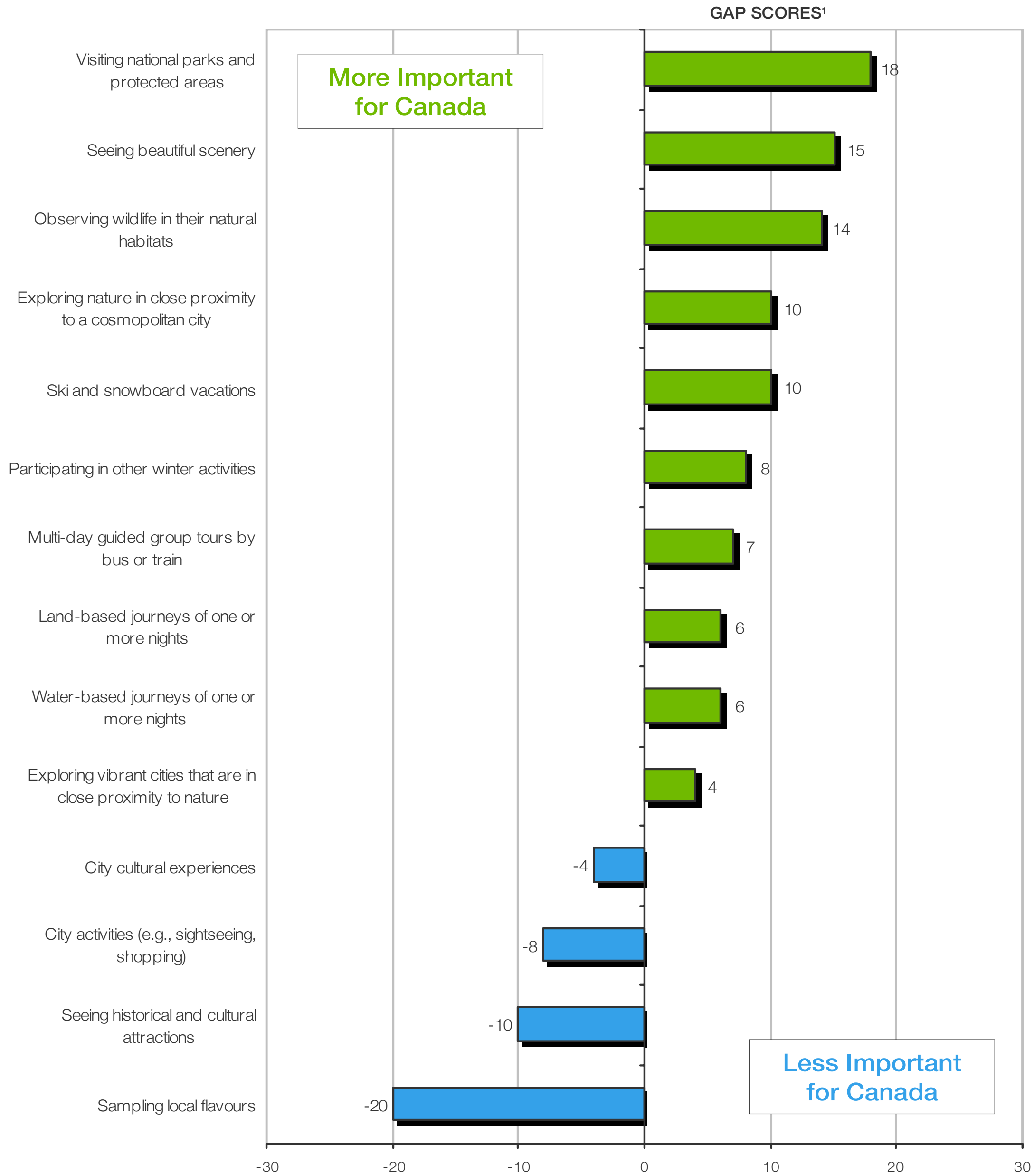
Exhibit 14 – Key Motivations for Visiting Canada



Base: Those likely to visit Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a trip there (n=787).
Note: Top 2 Box refers to a rating of 4 or 5 on a 5-point importance scale where 1 is "Very Unimportant" and 5 is "Very Important".

Exhibit 15 summarizes how the motivations for visiting Canada differ from those for long-haul travel as a whole. Travellers to Canada are more likely to be seeking nature, skiing/winter activities, city-nature hybrid products, guided tours and land and water-based journeys, which for the most part, play to Canada's strengths. On the other hand, travellers are less likely to come to Canada for city and cultural experiences, which dovetail with its perceived weaknesses.

Exhibit 15 – Differences in Motivations for Travel to Canada vs. Long-haul Destinations in General



Base: Motivations for travel to long-haul destinations in general: Long-haul pleasure travellers (n=1,522).
Base: Motivations for travel to Canada: Those likely to visit Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a trip there (n=787).
Notes: Only significant differences are shown.
[1]A positive gap score indicates a motivation that is stronger for Canada relative to long-haul destinations in general. A negative gap score indicates a motivation that is weaker for Canada relative to long-haul destinations in general.

Regional Motivations[7]

Exhibit 16 shows how travellers that are likely to visit each of the GTW partner regions are differentiated from each other in their motivations for visiting Canada. Note that motivational scores have been re-calibrated to remove “group and attribute” effects to better emphasize the differences between the regions. In essence, this involves a two-way normalization of scores across both regions and attributes to pull out the differentiating motivations for travellers likely to visit each of the regions.

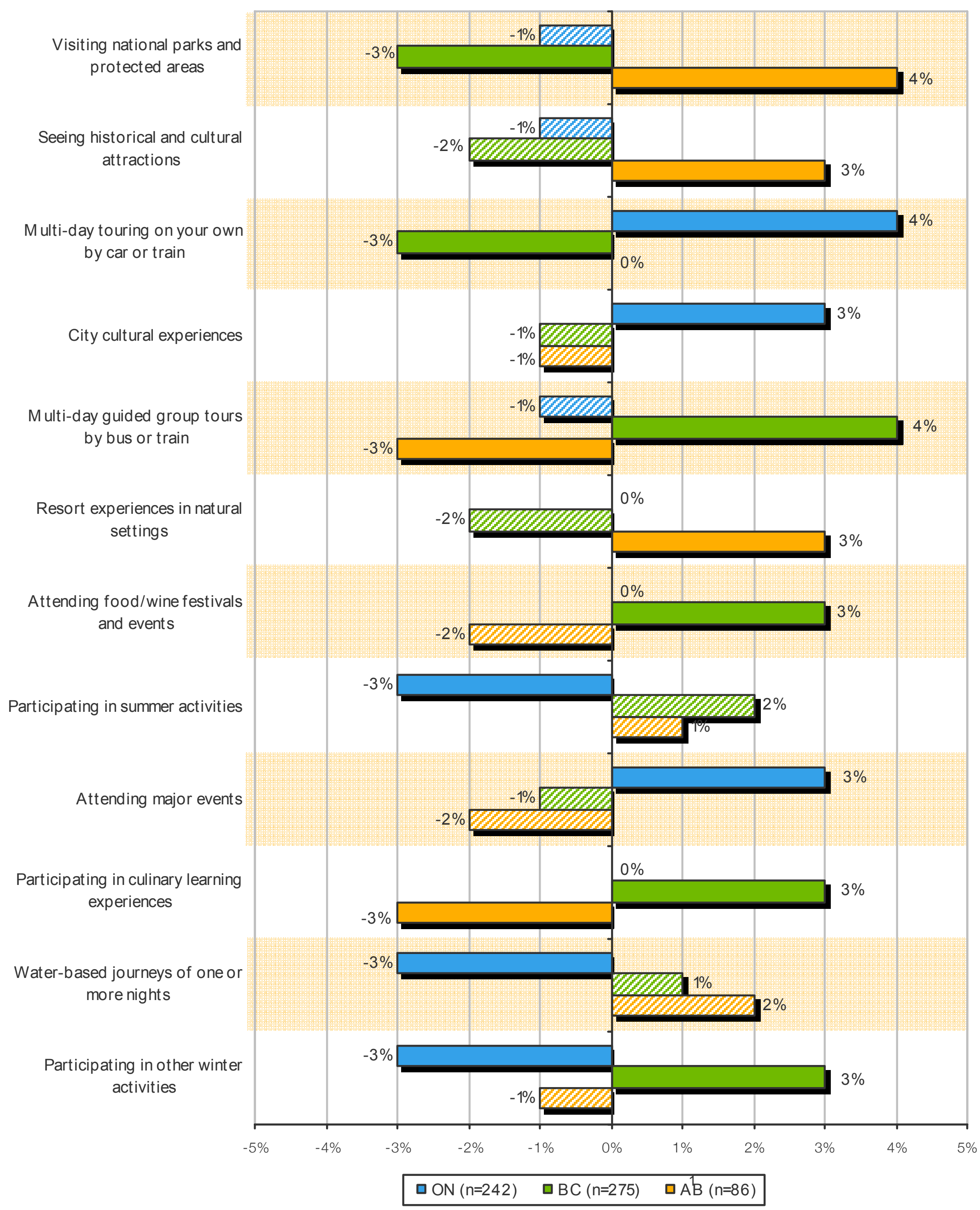
As indicated, high positive values indicate motivations that are of greater *relative* importance for a region, while high negative values represent motivations that are of lesser *relative* importance.

The exhibit shows that:

- Travellers interested in visiting **Ontario** are more likely to be motivated by culinary travel (e.g., food/wine festivals, culinary learning) and winter experiences. As in many markets, potential visitors to this region are more likely to take a multi-day guided group tour.
- Those interested in **British Columbia** are typically seeking city culture and major events (e.g., Olympics), with self-touring opportunities seen as the ideal way to explore the region.
- Travellers tempted by **Alberta** are more likely to be interested in national parks and resorts in natural settings, which is in line with this region’s offerings. Historical/cultural attractions are another key interest, which may be linked to the fact that the region is home to five of Canada’s 14 World Heritage Sites.
- The other GTW partners did not have a sufficiently large sample (of those most likely to visit) to be included in this analysis.

[7] Motivations of GTW regional partners with sufficient sample size.

Exhibit 16 - Regional Motivations



Base: Travellers most likely to visit British Columbia, Ontario or Alberta. Sample sizes for other regions were too small to be included.

Notes: Solid bars with high positive values represent motivations that are of greater relative importance for a region, while solid bars with high negative values represent motivations that are of lesser relative importance for a region. Hatched bars represent low values that are not differentiating motivations.

[1]Results should be interpreted with caution due to the small sample size.

Barriers in Attracting Visitors from Australia

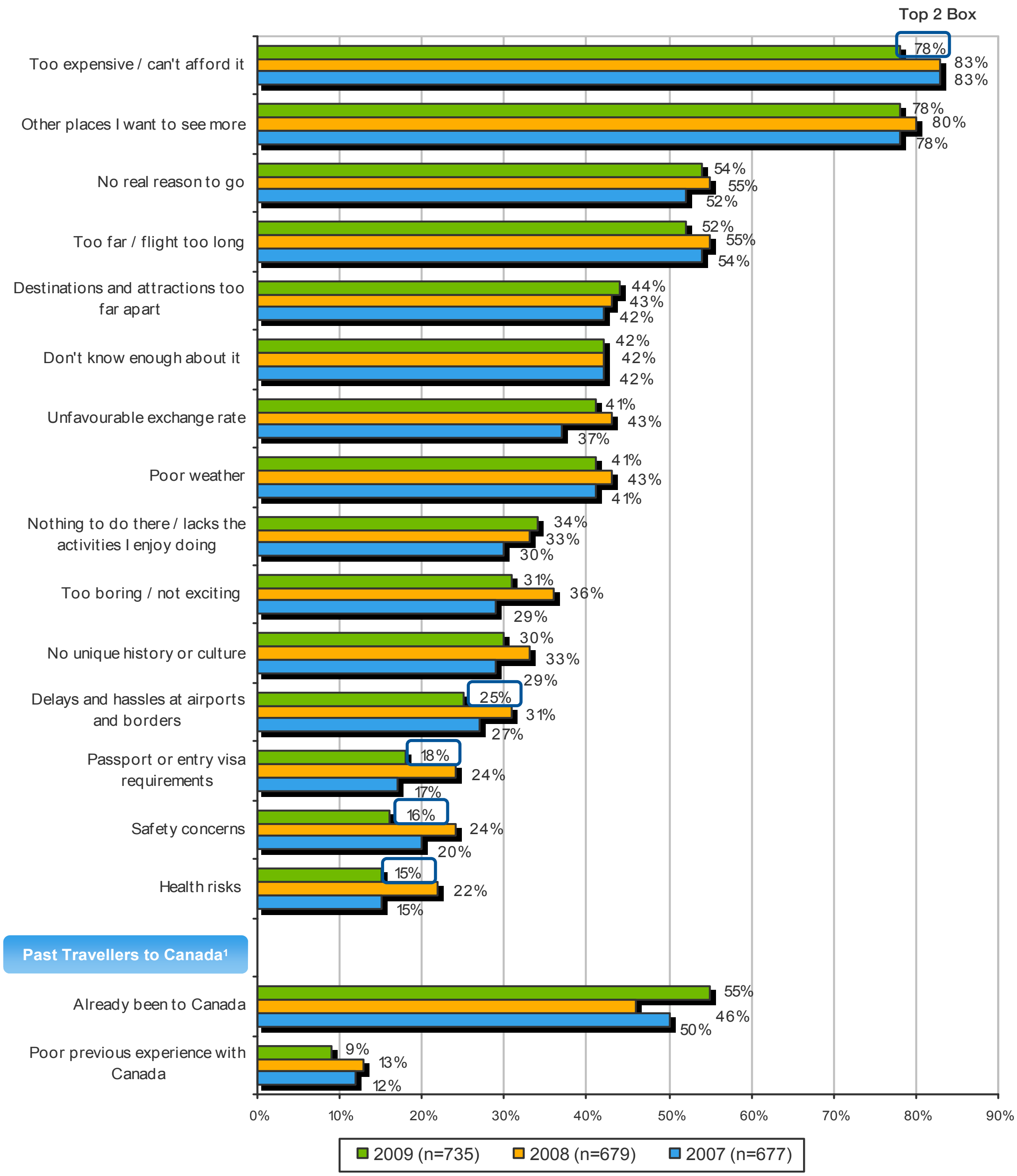
Barriers for Travel to Canada

Exhibit 17 shows why long-haul travellers from Australia are unlikely to visit Canada in the near-term. These results are important because, more likely than not, travellers that *are* likely to visit may have similar concerns that could ultimately lead them to select alternate destinations.

The top barriers for travel to Canada have remained the same as last year, with affordability and competition from other destinations being the leading deterrents, followed at a distance by lack of a compelling reason to visit and Canada's considerable distance from Australia. High costs have actually moderated somewhat since 2008, falling to under 80%, which is consistent with the more affluent long-haul traveller population in 2009.

While most image-related perceptual barriers (e.g., no reason to go, nothing to do, too boring, no unique history/culture) have maintained an even keel since last year, many of the practical barriers are more subdued in 2009, including hassles at airports/borders, entry requirements, safety concerns and health risks. Again, the more experienced and sophisticated travellers that make up today's long-haul market are less likely to be put off by basic concerns around travelling to Canada. In fact, Australian travellers are among the GTW markets that are least concerned with issues of this ilk, showing a fair degree of comfort with Canada as a travel destination.

Exhibit 17 – Key Barriers for Visiting Canada



Base: Long-haul pleasure travellers who are unlikely to visit Canada in the near future.

Notes: Percentage is the sum of major barrier and minor barrier responses.

***Blue squares** indicate a result that is significantly lower than 2008; **Double blue squares** indicate a significant downward trend since 2007. **Orange circles** indicate a result that is significantly higher than 2008; **Double orange circles** indicate a significant upward trend since 2007.*

[1] Base is long-haul pleasure travellers who have previously visited Canada and are unlikely to re-visit in the near future (2009 n=179; 2008 n=130; 2007 n=135).

Sources of Information for Australian Travellers

Sources of Information on Canada

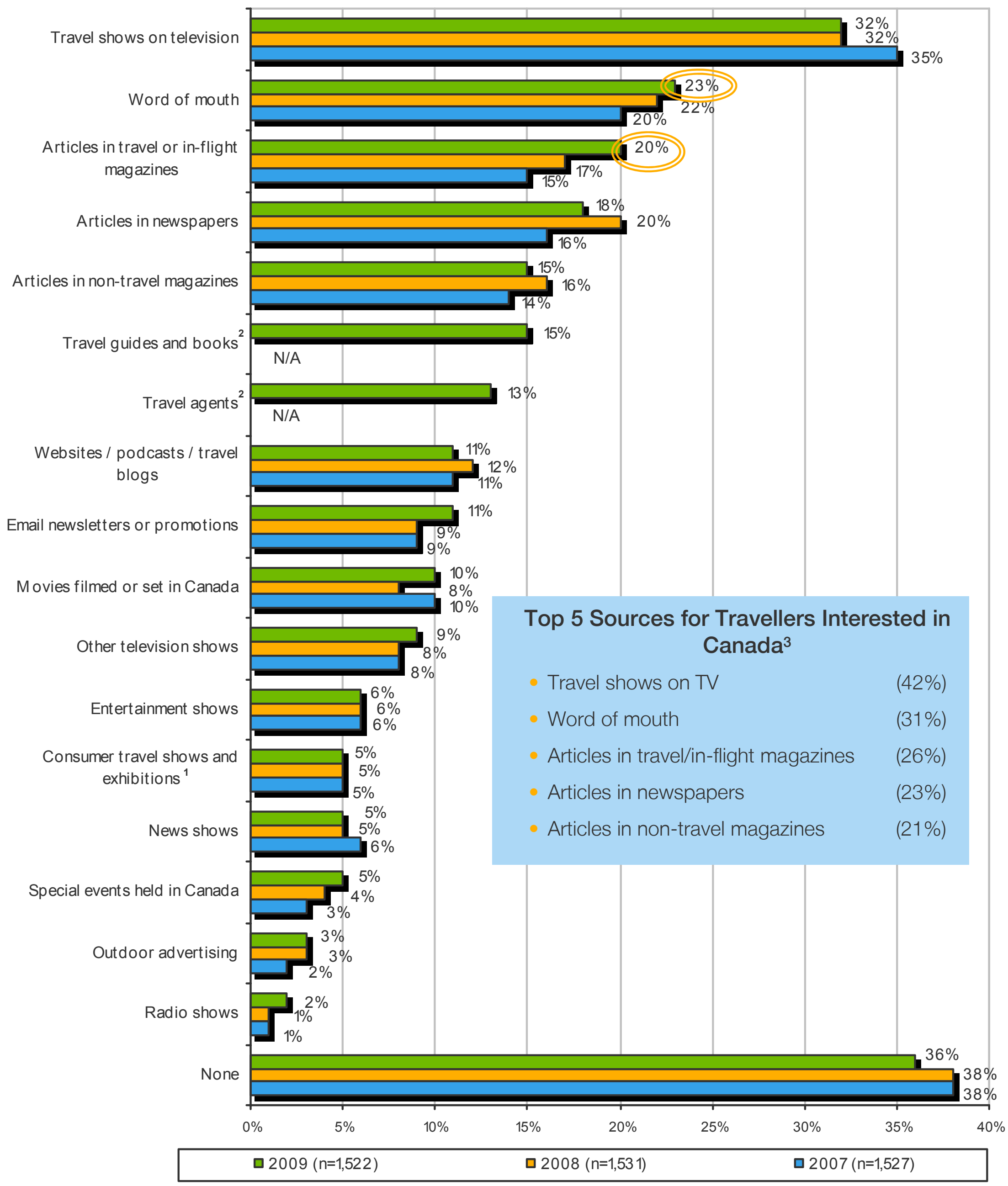
For the most part, the extent to which travellers are seeing or hearing information on Canada has remained the same over the past few years (just over 60%), with few differences in terms of where they are seeing this information (see **Exhibit 18**).

As was true in both 2007 and 2008, television travel shows remain the dominant information source at 32%. This is followed by word of mouth, which has risen steadily in importance over the last few years to hit 23%. Travel magazines are the only other source to have grown in popularity, with a five-point gain since 2007 making this one of the top three sources for information on Canada. Newspaper and non-travel magazine articles round out the top five, indicating that print media should be an important part of any destination's marketing mix in Australia.

These five channels are also the best bets for the CTC and its partners to reach potential travellers to Canada, and here too, travel magazines have been growing in importance (26%, up from 18% in 2007).

Despite the fact that Australia is the GTW market with the second highest Internet penetration (almost 80% according to Internet World Stats), online media remain limited in their reach. Only 11% of travellers saw information on Canada on websites/podcasts/travel blogs or in email newsletters and promotions, which is not particularly high. In fact, more traditional media like travel guides/books and travel agents both place higher than e-sources.

Exhibit 18 – Sources of Information on Canada (past 3 months)



Base: Long-haul pleasure travellers.

*Notes: **Blue squares** indicate a result that is significantly lower than 2008; **Double blue squares** indicate a significant downward trend since 2007. **Orange circles** indicate a result that is significantly higher than 2008; **Double orange circles** indicate a significant upward trend since 2007.*

¹ Item changed in 2008.

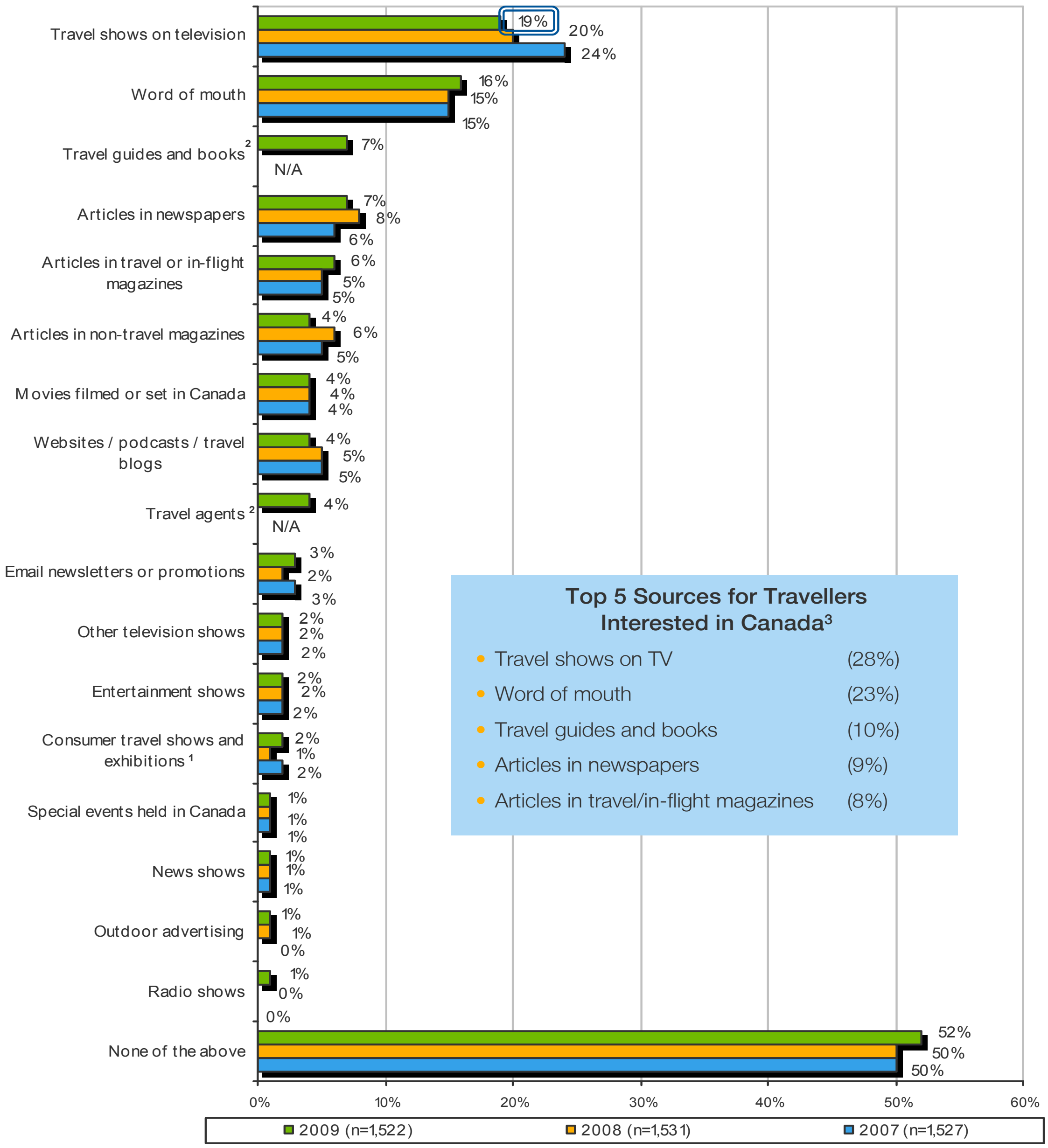
² Item changed in 2009.

³ Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years (n=543).

Top Information Sources for Increasing Canada’s Appeal

As **Exhibit 19** shows, the same marketing channels can generally be used for increasing Canada’s appeal, both among long-haul travellers in general and for Canada’s specific target market. However, a key difference is that travel guides and books are relatively more important for enhancing Canada’s cachet among Australian travellers, again underscoring the importance of traditional media in this market.

Exhibit 19 – Top Information Sources for Increasing Canada's Appeal



Base: Long-haul pleasure travellers.

*Notes: **Blue squares** indicate a result that is significantly lower than 2008; **Double blue squares** indicate a significant downward trend since 2007. **Orange circles** indicate a result that is significantly higher than 2008; **Double orange circles** indicate a significant upward trend since 2007.*

[1] Item changed in 2008.

[2] Item changed in 2009.

[3] Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years (n=543).

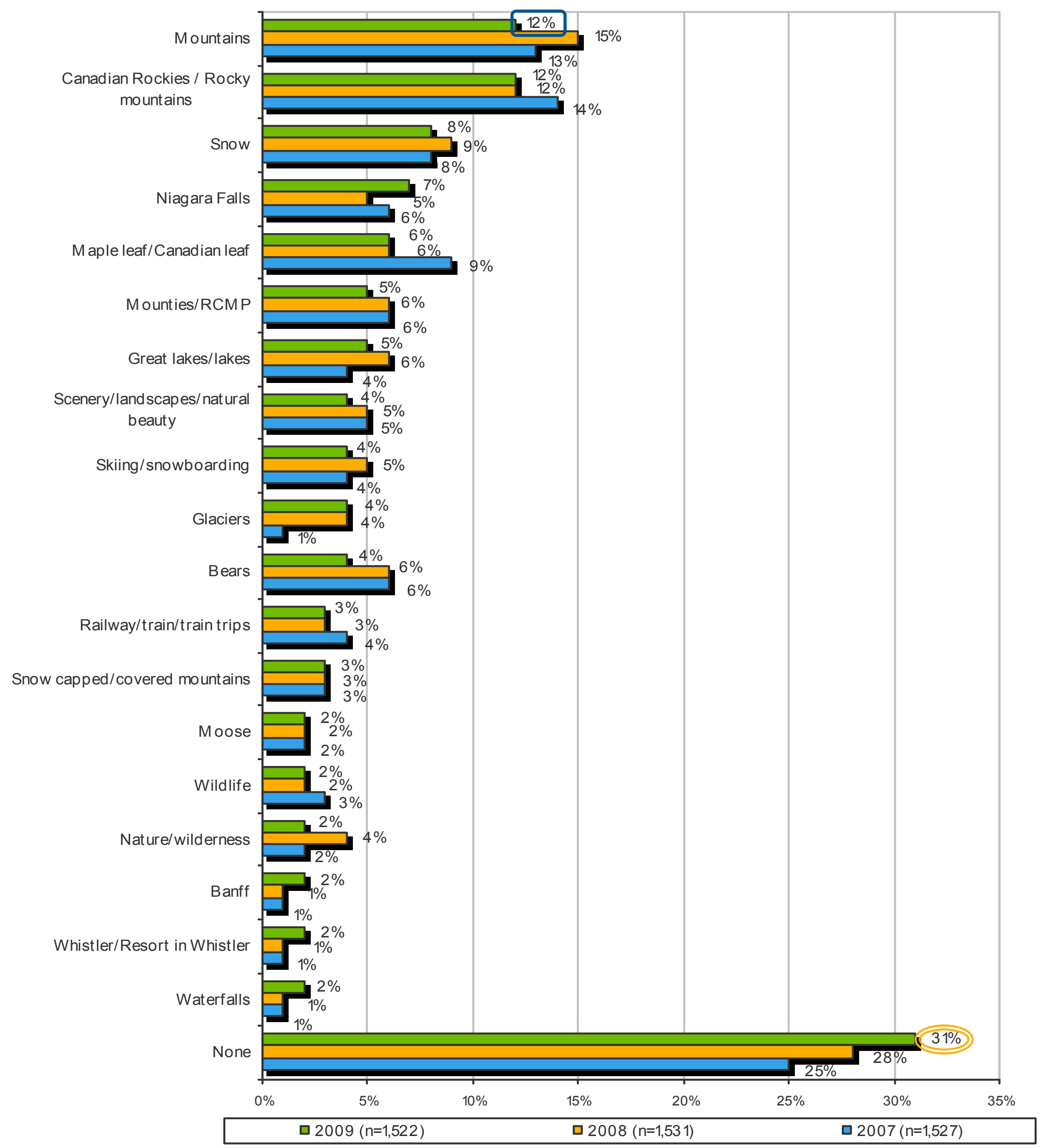
Icons or Images that Inspire Interest in Canada

As in past years, Canada's majestic mountains dominate the top inspirational icons and images, with mountains in general and the Rocky Mountains each cited by 12% of Australian travellers, and another 3% mentioning snow-capped mountains further down the list (see **Exhibit 20**). In no other GTW market is mountain imagery so prominent in travellers' mental picture of Canada, exceeding even the country's number one physical landmark and tourist attraction – Niagara Falls (7%).

Australia is also one of four markets where snow is cited as a top five mention, and the only market where glaciers make the top ten, indicating that winter imagery does have the power to impress despite this market's lower than average interest in skiing and winter activities. Canada's symbolic maple leaf rounds out the top five icons at 6%, which is unchanged from last year.

Aside from Mounties (5%) and rail tours (3%), most of the other images that are likely to spur travel are focused on nature and the outdoors, with imagery of uniquely Canadian wildlife (e.g., bears and moose) particularly effective in this market compared to others.

Exhibit 20 – Icons or Images that Inspire Interest in Canada



Base: Long-haul pleasure travellers.

*Notes: **Blue squares** indicate a result that is significantly lower than 2008; **Double blue squares** indicate a significant downward trend since 2007.*

***Orange circles** indicate a result that is significantly higher than 2008; **Double orange circles** indicate a significant upward trend since 2007.*

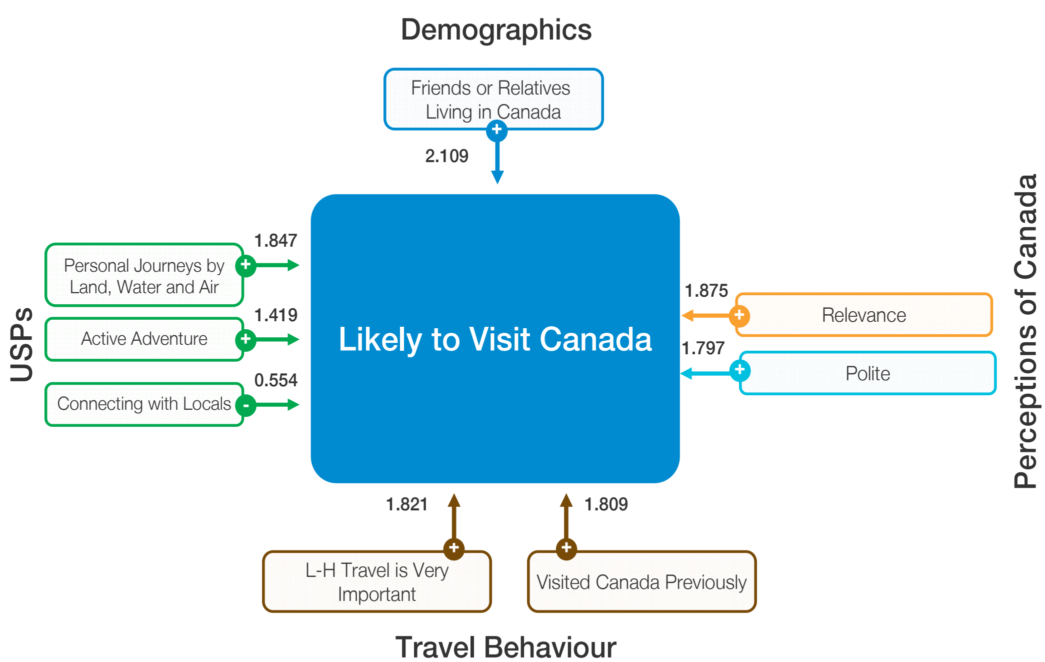
The Key Drivers for Visiting Canada

A key drivers model was developed with the dependent variable being whether or not travellers are likely to take a pleasure trip of four or more nights to Canada in the next two years. The independent variables that were modelled against likelihood of visiting included demographics, travel attitudes and motivations, perceptions of Canada, product interests and travel behaviour (previous visitation of Canada, importance of long-haul travel, etc).

Exhibit 21 summarizes the results of the key drivers model:

- As in past years, travellers who have visited Canada before, have friends or relatives living there, or have made long-haul travel a priority in their lives, are more likely to express positive travel intentions.
- Those seeking Active Adventure or Personal Journeys are more likely to be drawn to Canada, while those who want to Connect with Locals are more likely to avoid it.
- For the third year in a row, travellers who view Canada as offering travel experiences that are directly relevant to them are more predisposed to visiting. Those who see Canada as Polite are also more apt to make the trip.

Exhibit 21 – Key Drivers for Likelihood to visit Canada



Base: Long-haul pleasure travellers (n=1,522).
Note: Numbers are odds ratios. Odds ratio is the exponentiated value of B. If >1, the odds ratio is the factor by which the odds of being likely to visit Canada increase as the independent variable increases; if <1, it is the factor by which the odds of being likely to visit Canada decrease.

Conclusion and Considerations

Australia stands as the only western nation to have defied the global recession. Although GDP growth slowed to a crawl, the country skirted recession with only one quarter of economic contraction in late 2008. Moreover, economic indicators recovered quickly, with key metrics like household consumption, stock market prices and consumer confidence turning around as early as Q2 of 2009. In October, the Reserve Bank hiked interest rates, making Australia the first large economy to officially signal the end of the economic storm. Although high unemployment is expected to remain a drag on the recovery in 2010, the Reserve Bank forecast of 1.75% GDP growth for the year is fairly healthy by recent standards.

While the long-haul market outlook has eroded in Australia (with the outlook indicator falling from +32 to +24 over a two-year span), the deterioration has not been as acute as in many GTW markets, tempered by the more resilient economy, a strengthening Aussie dollar and a growing wanderlust among Australians. Indeed, Australians have continued to travel, with departures up 5.0% in the first nine months of 2009, albeit trading down to short-haul destinations like New Zealand or taking shorter breaks to more inexpensive long-haul destinations. With the economy back on track, the dollar tipped to reach parity with the US greenback, and a myriad of vacation bargains to be had, the long-haul market looks set for a strong recovery in 2010.

Although the picture is more optimistic in Australia than in many other markets, the GTW results do reflect the tougher market conditions that prevailed in 2009, with concerns around the struggling economy and possible job losses having intensified as roadblocks to travel. As in many other markets, the long-haul travelling population has been pared down to a more exclusive and committed group, with higher incomes, more travel experience under their belts and long-haul travel a greater priority in their lives.

Although Australian travellers aspire to destinations like Europe, the US and Canada, it is closer and more economical destinations that are winning out in the current environment. While traditionally pricey destinations like Canada and the UK are seeing some erosion in their awareness and interest levels, Asian destinations like Vietnam, Thailand, Malaysia and India have gained some ground. An exception is the US, where interest has climbed to new highs, spurred on by record lows on airfare between Australia and the US.

While the poor travel climate may make conversion a challenge, Canada cannot afford to ignore its lacklustre performance in the Australian market. Both the fifth place rank on knowledgeability and the interest rating of 69% are now among the worst of any GTW market. Moreover, the 20% likelihood of visiting continues to be lethargic by GTW standards, while the proportion of negatively committed travellers (i.e., those unlikely to take a longer vacation to Canada) has risen to a three-year high. And despite the more mature travelling population in 2009, the proportion of travellers who have made a purchase decision remains modest and the size of the “someday” segment continues to be extremely high. Clearly, there is a need to solidify travellers’ nebulous knowledge of Canadian travel experiences, ratchet interest up a notch or two, and move travellers to the next stage of the decision-making cycle.

Over the last few years, the global recession and economic weakness in Australia have sparked a marked shift in the cultural outlook of Australians. National pride, family values and sustainability are back in fashion, with the pursuit of success and aspirational trappings replaced by a back to basics mentality. Essentially, Australians are spending less, staying in and eschewing luxury goods for more carefully considered purchases that are tops in value. Given the pivotal role that value assessments play in destination decision-making, the CTC and its partners may want to better convey the value of the Canadian travel experience and drive home the message of quality.

Although Canada's brand health is not as strong as in Mexico or Europe, it fares better in Australia than in some of the other Asia-Pacific markets (e.g., South Korea and Japan). However, Canada may want to do more to foster the more dynamic and effervescent side of its brand personality in this market, particularly among younger Australians who account for close to 40% of the market and are the vanguard of future visitors to Canada.

Europe emerges as the powerhouse destination in Australia when it comes to travel products, attaining the number one position on four of the CTC's five USPs. However, Canada tops both Europe and other competitors on Active Adventure, with this USP being the CTC's best bet for connecting with Australians. In fact, only resorts in natural settings and summer activities offer any real room for improvement.

Personal Journeys also offer good opportunities for drawing travellers to Canada, with Canada and the US tied in second place behind Europe. While Canada leads on water and land-based journeys, Europe and the US have more clout on touring products. Working with the travel trade to ensure that self-touring products (e.g., fly drive, unlimited use rail/air passes, themed driving routes) are readily available to independently-minded Australians could help Canada to close the gap with Europe and outdistance the US.

Canada is a weak fourth on Vibrant Cities, with a perceived gap between its offerings and the renowned cities of Europe, the US and the UK. Canada fares even worse on Local Cuisine and Connecting with Locals, pulling up at the bottom of the pack. Connecting with Locals demands most attention as cultural pursuits tend to top the to do list of Australian travellers and drive travel for two of Canada's targeted EQ types (Cultural Explorers and Personal History Explorers). In fact, strengthening Canada's cultural products is probably the single biggest step that Canada could take to enhance its overall desirability and broaden its brand in this market. Moreover, promoting local communities and ways of life in regions like Alberta, the North and the Prairies would appeal to the intrepid spirit of Australians and their desire to explore the lesser known regions of the country.