



Canadian Tourism
Commission

Commission canadienne
du tourisme

Global Tourism Watch

Brazil Summary Report - 2011



Canada

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1. Research Objectives

The Canadian Tourism Commission initiated a Global Tourism Watch (GTW) program in 2007 to expand the consumer-based intelligence in its key markets; the Canadian domestic market was later introduced in 2009. In 2011, India and Brazil were added to the study. The overall objectives of the GTW study are:

- To monitor awareness, travel intentions and other key market indicators for Canada and the regions;
- To assess perceptions of Canada and track brand performance over time;
- To identify the general experiences sought by travellers, assess Canada's competitive positioning on key products and identify growth opportunities;
- To identify motivators and barriers for travel to Canada, as well as media sources and images that lift Canada's appeal.

2. Methodology

The target population for the online survey was residents aged 18 and older, who had taken a pleasure trip in the past three years where they stayed at least four or more nights with at least one night in paid accommodations, or plan to take such a trip in the next two years. Trips had to be outside of South America.

Pleasure trips included vacation or holiday trips, trips to visit friends and relatives, and combined business-pleasure trips. In Brazil, the target was n=1,500 long-haul pleasure travellers, with a quota of n=200 recent travellers to Canada and the sample was evenly split between the nine largest metropolitan areas (Brasilia/Distrito Federal, Belo Horizonte, Curitiba, Fortaleza, Porto Alegre, Recife, Rio de Janeiro, Salvador, Sao Paulo). The survey was conducted in July 2011.

3. Market Outlook and Potential

In 2011, 95% of Brazilian travellers feel that long-haul travel is important to them. This is on the high side, but not overly so, being in line with some of the results posted in boom markets like South Korea, China and France over the years. However, the intensity of feelings toward long-haul travel seems to run deeper in Brazil, with far more travellers claiming that long-haul travel is very important to them (a remarkable 70%). This is likely a result of the immaturity of the market, with overseas travel still a relatively new phenomenon and one that is currently viewed as somewhat of a status symbol.

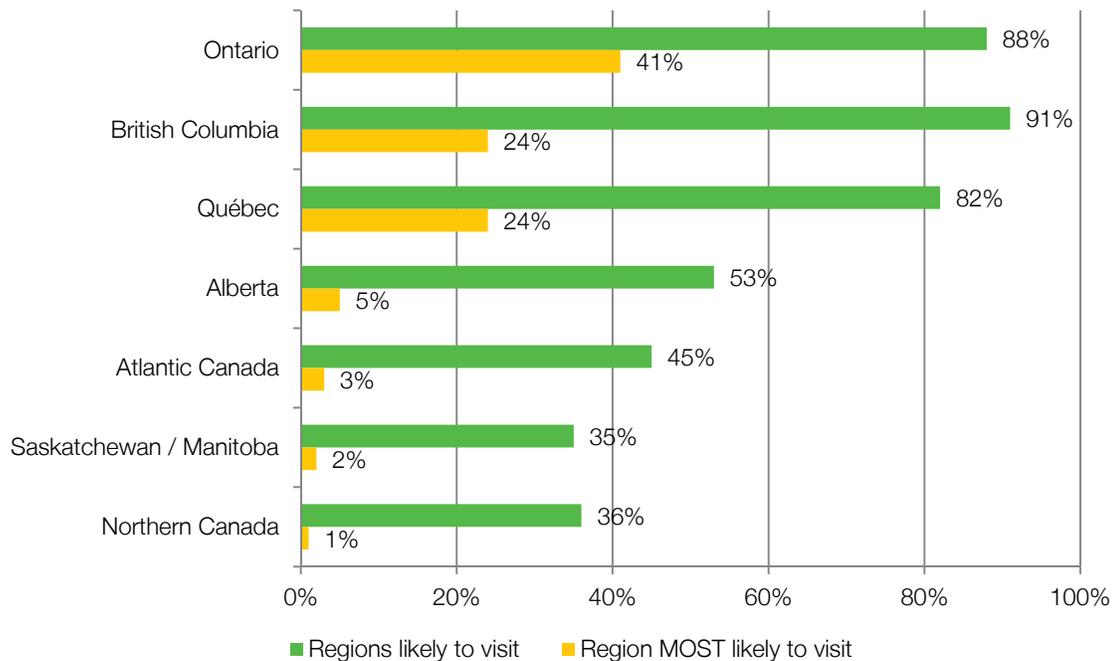
About two-thirds of Brazilian long-haul travellers intend to travel more in the next three years compared with the past three years, while only 4% say they will travel less. Accordingly, the GTW market outlook indicator (percentage difference between "will travel more" and "will travel less" in the next 3 years vs. the last 3 years) sits at +63, which is the highest figure posted in any market to date.

The likelihood of visiting Canada in the next two years was assessed for both shorter stays of one to three nights and longer stays of four or more nights. In total, 43% of Brazilian long-haul

pleasure travellers say they are either definitely or very likely to visit Canada in the next two years. Canada’s performance in Brazil is topped only by its showing in China and Mexico (among the GTW markets), again pointing to good prospects ahead.

When asked to choose the Canadian destination they are “most likely to visit” (selected one destination only), Ontario (41%) trumps British Columbia (24%). Québec also sits at 24%, which again is notably high, with Brazilian travellers being second only to the French in terms of their interest in this province. The other Canadian regions do not tend to register as must-see destinations, chosen by 5% or fewer.

Exhibit 3.1 Canadian Destination Most Likely to Visit



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=1,148).

Exhibit 3.2 estimates the immediate potential for the regional partners of the GTW study based on current levels of interest. British Columbia, Ontario and Québec each stand to benefit from Brazilians’ growing interest in long-haul travel, each with a sizeable potential market of over one million travellers. Alberta could also see an influx of travellers from Brazil over the next few years, drawing from a potential market of over 750,000 people.

Exhibit 3.2 Size of the immediate potential for Canada

	CDA	BC	ON	QC	AB	YK	NU
Immediate Interest¹	43%	91%	88%	82%	53%	25%	19%
Potential (M)²	1.5	1.3	1.3	1.2	0.8	0.4	0.3

Base: Long-haul pleasure travellers (n=1,506)

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=1,148)

² Results are from the random telephone omnibus survey undertaken in 2011 (n=3,400) Base is general population aged 18 plus in nine metropolitan areas.

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

4. Unaided Destination Awareness

To measure top-of-mind awareness for Canada, respondents were asked to name destinations that come to mind for a long-haul vacation. The US enjoys a high profile among Brazilian travellers, with virtually 1 out of every 2 travellers naming it as a potential vacation spot (45%). The US' popularity stems primarily from its reputation as a shopping paradise for brand name goods and as a purveyor of top-notch entertainment experiences. Not surprisingly then, New York City is a particular favourite among Brazilians, with visitation to this city having quintupled since 2002. Orlando is also on the radar of many travellers, who are enticed by its warm weather, shopping opportunities and theme parks. In fact, Brazil became Florida's first billion dollar market in 2010, with most major attractions setting new highs in terms of Brazilian visitation.

Europe is a long-standing dream destination for Brazilians, so it isn't surprising that France, Italy, Spain and the UK all emerge among the top five destinations, while Portugal and Germany are among the top ten. With many Brazilians of Portuguese, Italian, Spanish and German descent, these destinations largely appeal on the basis of their cultural and historical offerings, particularly their built heritage (e.g., castles, buildings and monuments). However, European cities like Paris are also renowned as shopping meccas. Brazilians now account for more retail transactions in Paris than Americans do.

Canada pulls into seventh spot – its lowest positioning in any GTW market to date – with 15% of Brazilian travellers citing it as a possible vacation destination. Awareness is understandably low when compared with more mature markets that Canada has been courting for years, but Canada's performance in Brazil is already out-stripping its success levels in China.

Exhibit 4.1 Unaided Destination Awareness
(Showing top 7 countries only)

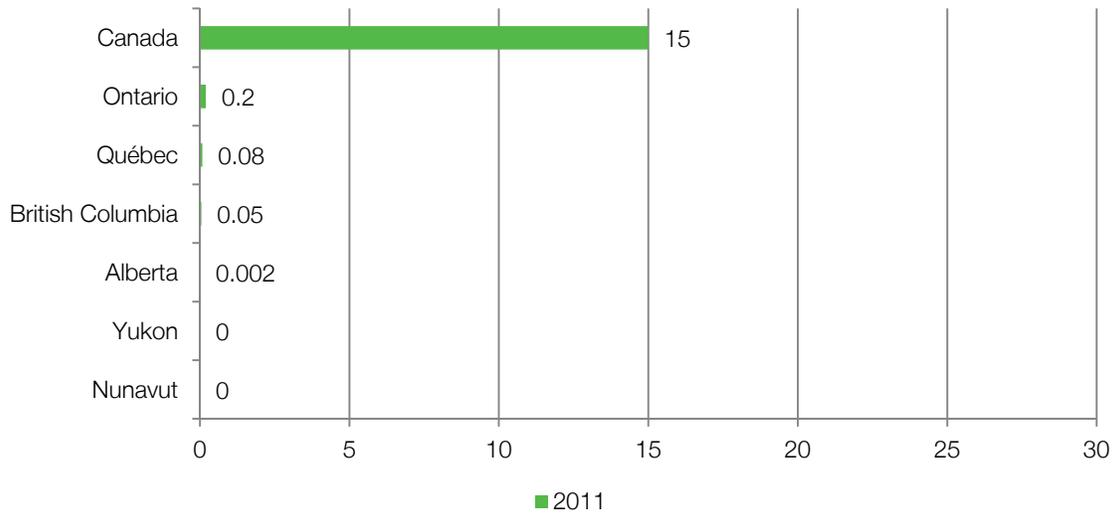
	2011
1. US	45%
2. France	31%
3. Italy	29%
4. Spain	20%
5. UK	18%
6. Portugal	16%
7. Canada	15%

Base : Long-haul pleasure travellers (n=1,506)

Roll-up of brand mentions by country, e.g., percentage who said Canada or any destination in Canada.

As seen in [Exhibit 4.2](#), unaided awareness of the GTW partner regions in Brazil is very low.

Exhibit 4.2 Unaided Awareness of Canada's regions



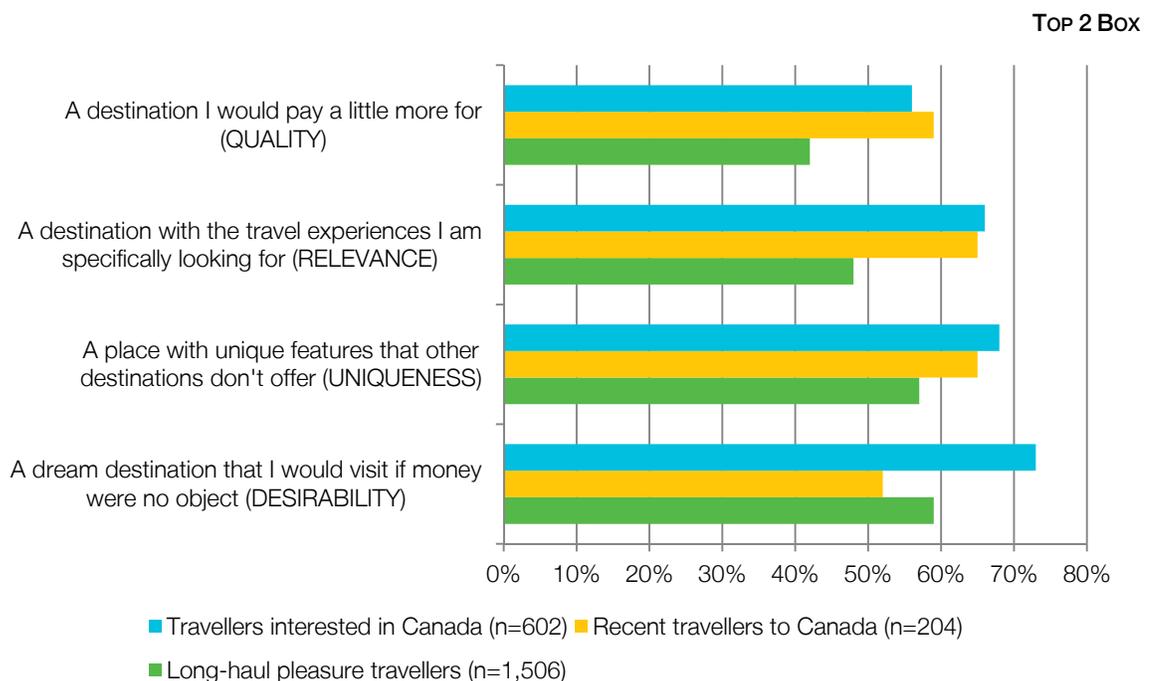
Base: Long-haul pleasure travellers (n=1,506) Note: Only GTW regional partners are included.

5. Canada's Value & Price Perceptions

Canada's success as a travel destination cannot be measured only by the degree to which its brand has established itself. It is important for Brand Canada to be perceived as offering value at a good price.

To assess value perceptions of Canada in Brazil, respondents were asked to rate the country on four value-related statements that embody each of the criteria. **Exhibit 5.1** shows that, of the four, Canada performs best on Desirability at close to 60%, with Uniqueness a close second (57%). However, less than half of Brazilian travellers feel that Canada offers travel experiences that are Relevant to them, perhaps because it is not seen as a shopping destination. At 42%, Quality lags behind the other value attributes, which is true of most other GTW markets, including the domestic one. This suggests that Brazilians, like other travellers around the world, expect quality products to be a given and are not really prepared to pay more for it. The lower Desirability score for recent visitors is an exception. No doubt having already taken a vacation to Canada makes it less of a dream destination.

Exhibit 5.1 Value Perceptions



Base: Long-haul pleasure travellers

Recent Travellers to Canada: those who have visited Canada in the past 3 years (pleasure trip, 4+ nights, 1 or more nights in paid accommodations). Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years.

Note: 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".

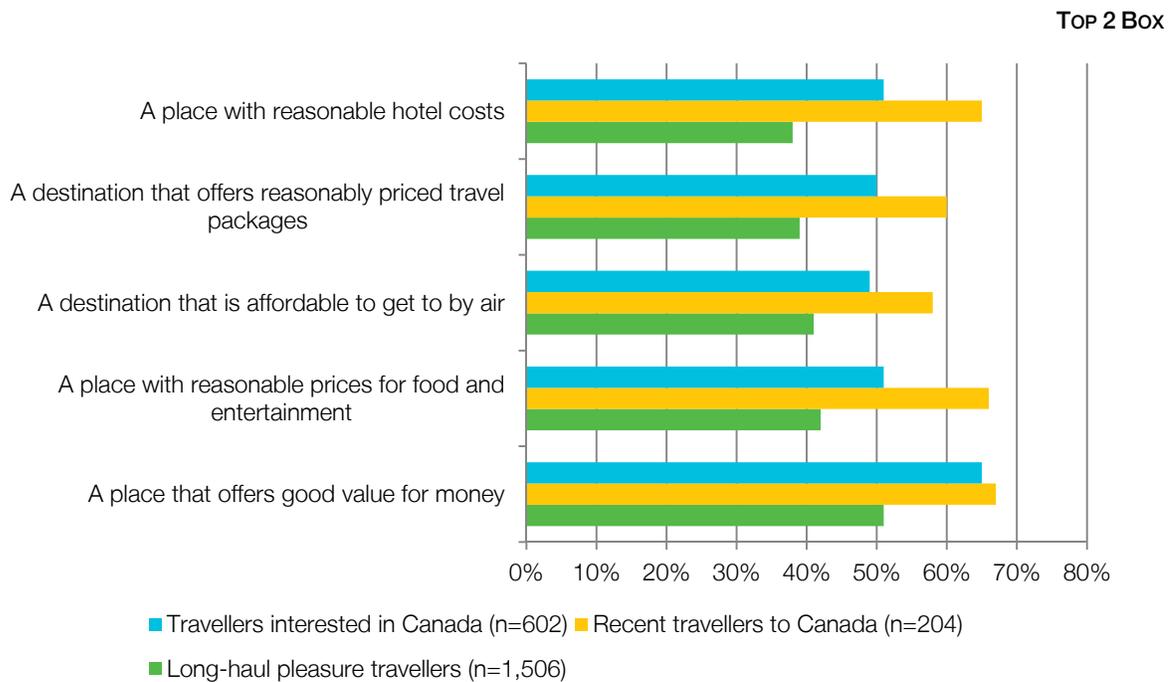
In addition to brand image and value perceptions, cost obviously plays a major role when it comes to destination decision-making. **Exhibit 5.2** shows how Canada is perceived by Brazilian travellers on various travel cost components.

Canada fares best on value for money (51%), with the remaining price components all poorly rated (i.e., in the range of 38% to 42%). However, given the warning signals on the horizon

(e.g., slowing economy, rising inflation, maxed out consumers), ensuring that Canada is seen as a more affordable vacation spot may be key to ensuring future traffic flows. This is all the more important in view of the strong competition from the US for the attention of Brazilian travellers.

Perceptions of travel component prices are better among the recent travelers to Canada where ratings are 17 to 27 ppt higher than for long-haul travellers as a whole and 9 to 15 ppt higher than for potential visitors. This suggests that there may be some serious misperceptions regarding the cost of a trip to Canada that Canada may want to eradicate.

Exhibit 5.2 Price Perceptions



Base: Long-haul pleasure travellers.

Recent Travellers to Canada: those who have visited Canada in the past 3 years (pleasure trip, 4+ nights, 1 or more nights in paid accommodations).

Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years.

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".

6. Product Interest

Exhibit 6.1 shows that Brazilian travellers enjoy a good mix of activities on their vacations, with the top five pursuits running the gamut from nature (e.g., scenery, national parks) and culture (e.g., historical/cultural attractions) to cuisine (e.g., local flavours) and cities (e.g., city cultural experiences). In short, Brazilians want to do it all, which is a trend that has surfaced in many of the emerging GTW markets.

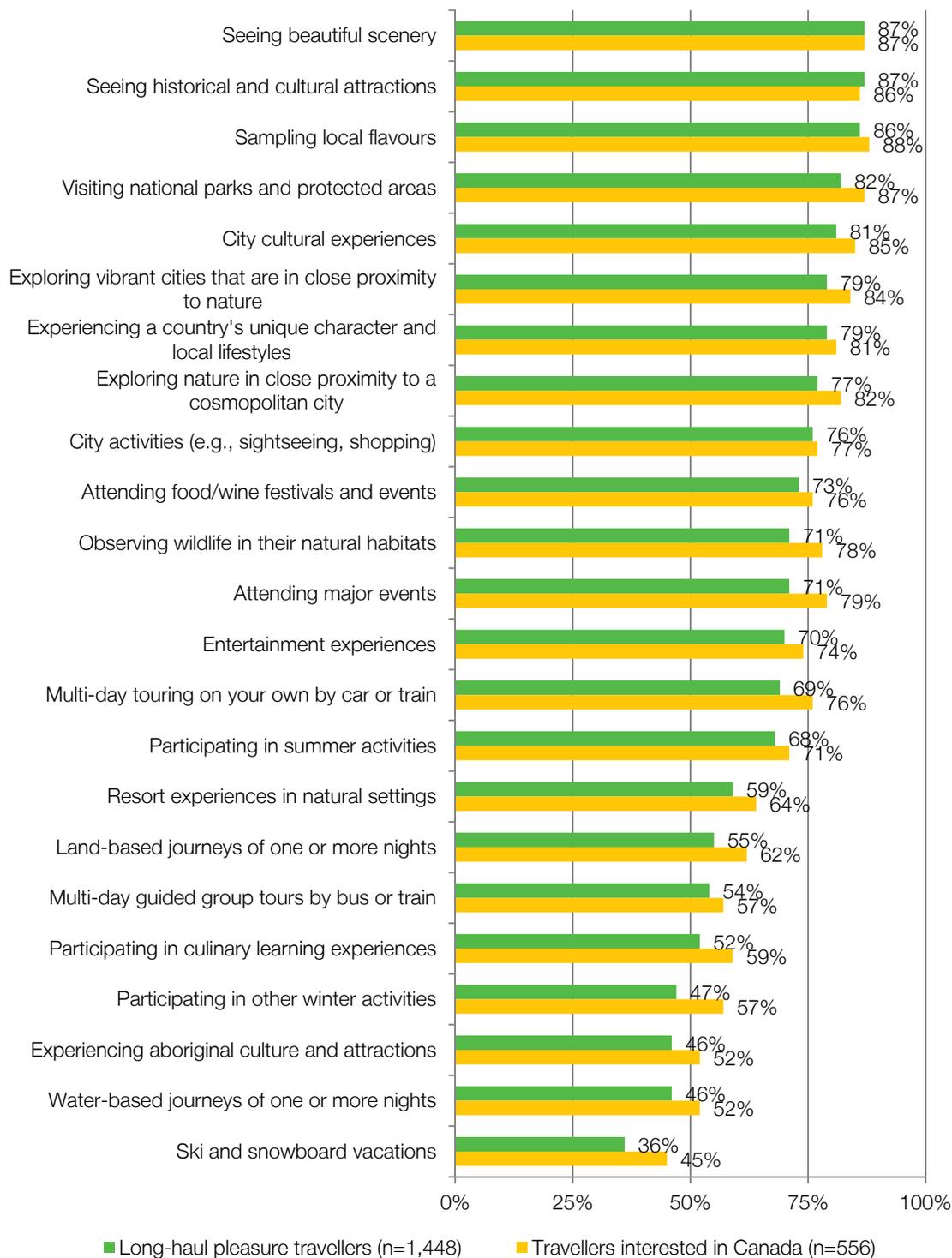
Interestingly, Brazilian holidaymakers prefer to absorb their culture in more passive ways, with seeing historical/cultural attractions being tied with scenery as the number one vacation pursuit. In fact, Brazil is one of only a handful of markets where visiting historical/cultural sites, buildings and monuments is extremely important to travellers (i.e., one of the top two interests). On the other hand, more experiential cultural activities, such as delving into unique local lifestyles and experiencing aboriginal culture, tend to be ranked much lower than in other markets. For example, aboriginal culture is in position 21 in Brazil vs. 3rd to 16th in most of the other GTW markets.

Brazil is also one of the most promising markets for city experiences, with both major events and entertainment experiences being ranked higher than in any other market (i.e., 12th and 13th, respectively). In addition, Brazil is one of only two markets to date where city culture is one of the top five activities (Mexico being the other). For Canada, however, the best plan of attack for the time being is likely to promote the hybrid city-nature products, with both of these appealing to almost 80% of the market. These products are more in line with Canada's offerings and leverage its awe-inspiring natural beauty to sell its lesser-known city experiences.

Brazilians are known to have a penchant for fine cuisine, and are often more willing to spend money on gastronomic experiences than they are on accommodations while travelling. Although Brazil is primarily a beer culture, enjoyment of wine is rapidly increasing, with most restaurants now offering a comprehensive wine menu. Not surprisingly then, Brazil is one of only a few GTW markets where food and wine festivals rank as a top ten vacation pursuit and interest is over 70%.

Exhibit 6.1 Product Interests

Top 2 Box



Base: Long-haul pleasure travellers.

Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years.

Notes: Top 2 Box refers to a rating of always or often important on a 4-point importance scale.

7. Competitive Product Positioning

Exhibit 7.1 provides more detailed results showing how Canada ranks against its six competitors on each specific product.

Canada has just two first place positions to its name in Brazil – ski/snowboard vacations and other winter activities. Moreover, Canada typically leads by more than 30 ppt on these products in other markets, however, in Brazil the point spread with the US is much closer. This indicates that, although not the ultimate ski destination, the US could win Brazilian skiers over on the basis of proximity, convenience and cost.

In most markets, Canada emerges as the clear leader for nature/outdoor vacations. However, in Brazil, Australia is the definitive front-runner for nature/outdoor activities (other than skiing), with Canada typically in second or third place. Overtaking Australia and establishing itself in its traditional sphere of strength will be an important first step for Canada in terms of a marketing strategy for Brazil. Australia is ahead by 20 to 30 ppt on wildlife, water-based journeys and summer activities, establishing a formidable lead. However, Australia leads by less than 10 ppt on scenery, national parks, land-based journeys and nature close to cities, making these good starting points for Canada's bid to claim the leadership position. Resorts in natural settings also offers some potential, with Canada lagging behind the US by only 12 ppt.

Beyond nature/outdoor products, touring and city experiences are likely the best areas for Canada to focus on. Canada is generally in 5th or 6th spot on these products, and in the case of touring, trails the leader by a reasonable point spread. While Canada is in 4th place on aboriginal culture, this tends to be of minimal interest to Brazilian travellers.

Exhibit 7.1 Competitive Positioning

	1	2	3	4	5	6	7
Participating in other winter activities	CAN 58%	USA 40%	FRA 19%	UK 17%	ITA 16%	AUS 12%	MEX 6%
Ski and snowboard vacations	CAN 56%	USA 39%	FRA 17%	AUS 16%	ITA 13%	UK 12%	MEX 6%
Seeing beautiful scenery	AUS 42%	CAN 37%	ITA 31%	FRA 24%	MEX 23%	USA 22%	UK 15%
Exploring vibrant cities that are in close proximity to nature	AUS 48%	CAN 31%	MEX 24%	ITA 24%	USA 20%	FRA 16%	UK 12%
Observing wildlife in their natural habitats	AUS 59%	CAN 31%	USA 22%	MEX 22%	FRA 10%	ITA 9%	UK 8%
Exploring nature in close proximity to a cosmopolitan city	AUS 40%	CAN 31%	USA 23%	ITA 22%	MEX 22%	FRA 20%	UK 16%
Land-based journeys of one or more nights	AUS 38%	CAN 29%	USA 25%	FRA 25%	ITA 24%	MEX 22%	UK 14%
Visiting national parks and protected areas	AUS 42%	USA 41%	CAN 34%	MEX 19%	ITA 18%	FRA 17%	UK 13%
Resort experiences in natural settings	USA 39%	AUS 35%	CAN 27%	FRA 19%	UK 18%	ITA 18%	MEX 15%
Water-based journeys of one or more nights	AUS 46%	USA 31%	CAN 24%	MEX 21%	ITA 16%	FRA 14%	UK 11%
Experiencing aboriginal culture and attractions	MEX 54%	AUS 34%	USA 26%	CAN 16%	ITA 10%	FRA 9%	UK 8%
Attending major events	USA 46%	ITA 33%	FRA 33%	UK 26%	CAN 21%	AUS 16%	MEX 11%
City activities (e.g., sightseeing, shopping)	USA 58%	FRA 39%	ITA 30%	UK 26%	CAN 19%	AUS 12%	MEX 8%
Multi-day touring on your own by car or train	ITA 43%	FRA 42%	USA 32%	UK 25%	CAN 18%	AUS 17%	MEX 15%
Entertainment experiences	USA 61%	FRA 31%	UK 24%	ITA 23%	CAN 16%	MEX 15%	AUS 14%
Multi-day guided group tours by bus or train	FRA 35%	ITA 34%	USA 28%	UK 25%	AUS 22%	CAN 21%	MEX 18%
Participating in summer activities	AUS 43%	ITA 31%	MEX 29%	USA 27%	FRA 23%	CAN 15%	UK 12%
Seeing historical and cultural attractions	ITA 54%	FRA 53%	UK 32%	USA 24%	MEX 18%	CAN 14%	AUS 11%
Attending food/wine festivals and events	ITA 59%	FRA 53%	USA 17%	UK 15%	MEX 14%	CAN 13%	AUS 11%
City cultural experiences	FRA 53%	ITA 47%	UK 34%	USA 30%	MEX 13%	CAN 12%	AUS 11%
Experiencing a country's unique character and local lifestyles	ITA 37%	FRA 31%	MEX 30%	USA 28%	AUS 26%	UK 20%	CAN 19%
Sampling local flavours	ITA 59%	FRA 50%	MEX 38%	AUS 16%	USA 14%	UK 13%	CAN 12%
Participating in culinary learning experiences	ITA 55%	FRA 54%	MEX 22%	USA 15%	AUS 12%	UK 11%	CAN 10%

Base: Long-haul pleasure travellers (n=1,506).

Notes: Figures represent the percentage of respondents choosing the destination among the top 3 places to go for each attribute.

Legend: CAN = Canada, USA = United States, FRA = France, UK = United Kingdom, MEX = Mexico, ITA = Italy, AUS = Australia.

8. Sources of Information on Canada

Exhibit 8.1 shows that a very high proportion of Brazilian long-haul travellers (85%) claim to have seen or heard information relating to Canada travel in the past three months. In fact, this is the third best performance for Canada among the GTW markets completed to date, behind Mexico and China. Above average penetration levels for most of the individual media sources contribute to Canada's overall success in this market, and show that Brazilians are generally quite attuned to Canada's marketing initiatives.

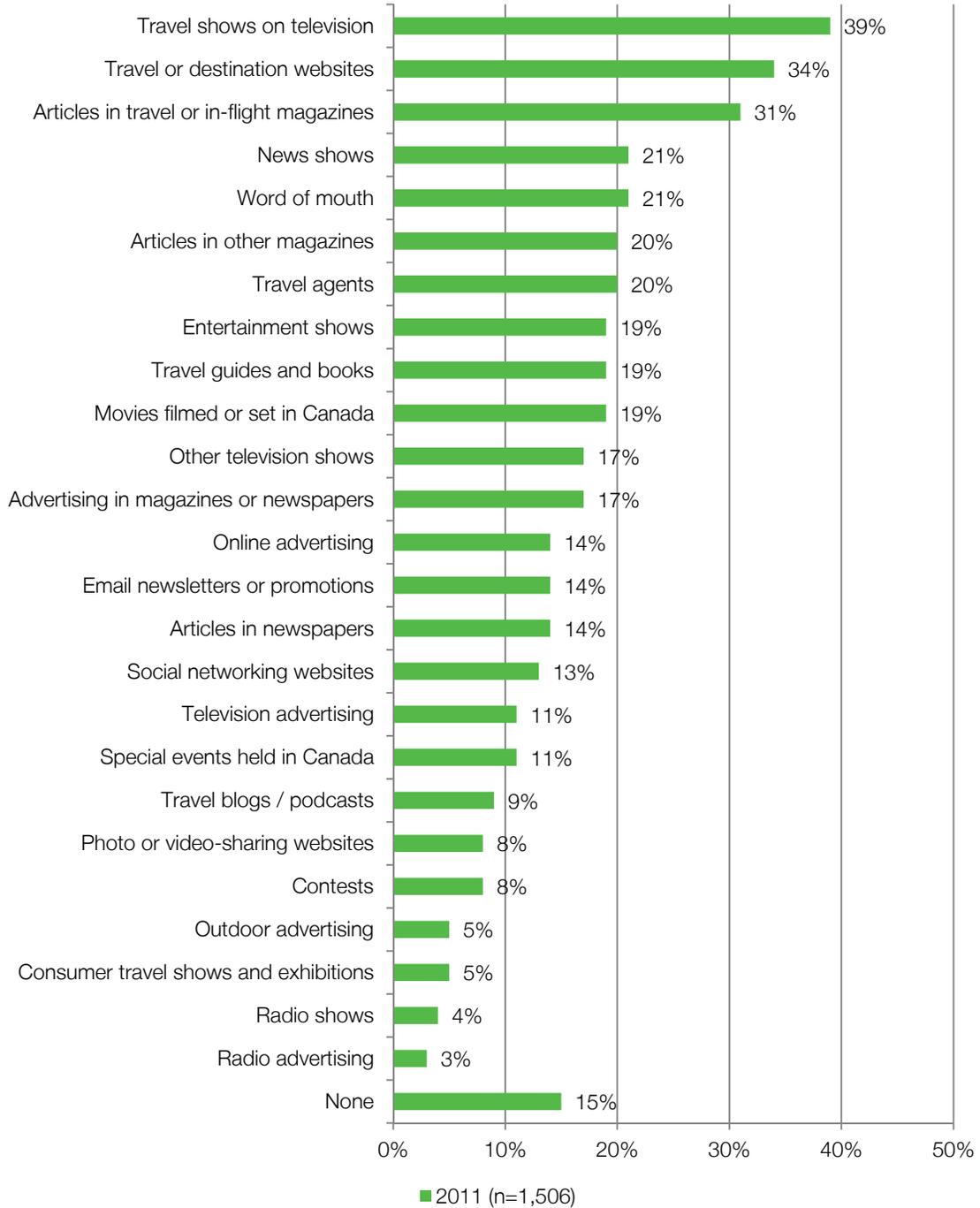
As in most of the international GTW markets, television travel shows achieve the highest penetration levels at almost 40%. However, Brazil is the only market where travel/destination websites rank second, with about a third of travellers seeing information on Canada here. Travel-related magazine articles also perform very well at 31%. Clearly, a marketing strategy featuring these three sources heavily in the mix would fare extremely well in Brazil.

Brazil is also unique in that news shows are one of the top five information sources at 21%, with China being the only other market where this is the case. Word of mouth rounds out the top five sources, also at 21%. All of these sources show that the trust factor (i.e., information from a trusted source) is important in this market.

Other sources seen by approximately one fifth of the market include articles in non-travel related magazines, travel agents, entertainment shows, travel guides/books and movies filmed/set in Canada.

Generally the best bets for reaching potential travellers to Canada are the same as for the market as a whole, with articles in non-travel magazines replacing news shows in the top five.

Exhibit 8.1 Top sources of information on Canada in the past three months



Base: Long-haul pleasure travellers (n=1,506).

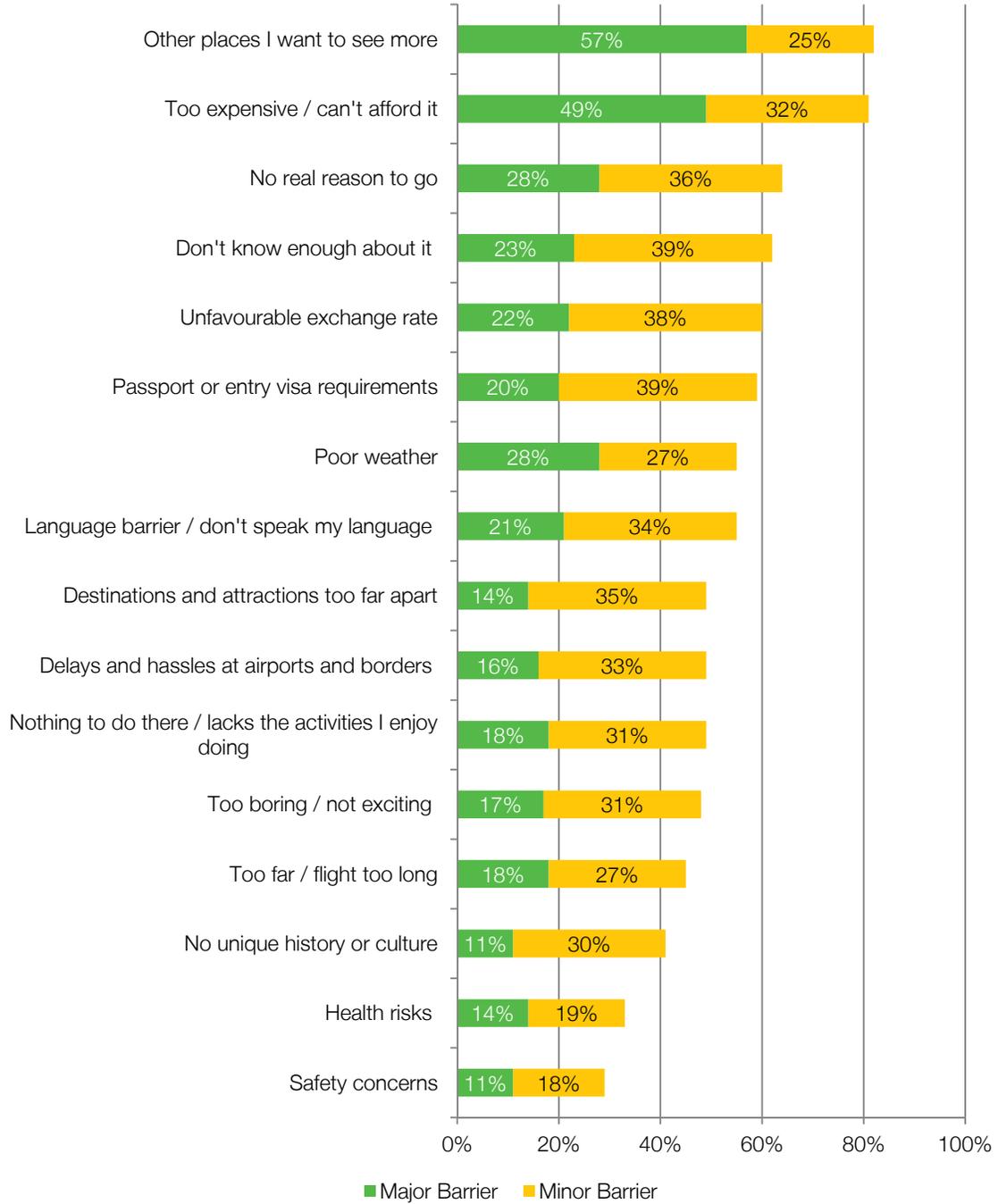
9. Key Barriers for Travel to Canada

Exhibit 9.1 shows why long-haul travellers from Brazil 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.

As in most markets, the top two barriers for visiting Canada among Brazilian travelers are the “desire to see other places” and “high costs”. Of the two, interest in other destinations is the more formidable deterrent, with close to 60% of travellers citing it as a major barrier vs. only about 50% for affordability. Competition from other destinations promises to be an ongoing roadblock in developing this market.

Lack of awareness is also a significant barrier in developing the Brazilian market, with no particular reason to go and not knowing enough about Canada both ranking among the top five barriers. This indicates that the CTC’s marketing activities and awareness-building campaigns could have a profound influence on Brazilian’s desire to visit. Interestingly, the reason of “nothing to do,” too boring” and “no unique history/culture” are ranked lower in Brazil than in most of the other GTW markets, emerging near the bottom of the list. This suggests that Brazilians do recognize that Canada has exciting things to do, but are simply unaware of what they are.

Exhibit 9.1 Key Barriers for visiting to Canada



Base: Long-haul pleasure travellers who are unlikely to visit Canada in the near future (n=319).

10. Conclusions: Key Take-Aways

With a dynamic and growing economy, high demand for its commodities, a young population, low unemployment and national optimism around the 2014 FIFA World Cup and 2016 Olympic Games, the long-term outlook is healthy, with Brazil set to become the world's fifth largest economy within the next decade.

- With the booming economy and rising salaries, the ranks of the middle-class have swelled over the last few years. This newly won prosperity has created a nation of highly acquisitive consumers, which buoyed by the appreciating Real, easier accessibility to credit and the allure of less expensive consumer goods abroad, have set their sights on long-haul travel in 2011.
- While the economic picture was rosy at the time of the GTW survey in July, 2011, the market outlook has clouded considerably since then. The Brazilian economy has lost momentum in recent months, driven by a slowing global economy, an over-valued Real and weakening domestic consumption. With Brazil facing escalating inflation, high interest rates, tapped out consumers and softening market sentiments, long-haul travel could be dampened to some extent, depending on how these potential risks play out in 2012.
- The GTW reveals that Canada lacks a top-of-mind presence in Brazil. The 15% posting on unaided awareness is low relative to other GTW markets, with the US and five European destinations emerging ahead of Canada. Clearly Canada will need to become more aggressive with its awareness building initiatives if it wants to make its mark in Brazil. On the bright side, the GTW results suggest that the CTC's efforts in this respect could have a profound influence on the desire of Brazilians to visit, as both lack of awareness and no particular reason to go are among the top five deterrents to visiting Canada.
- Competition from other destinations emerges as the number one barrier for visiting Canada in Brazil. As the most coveted vacation spot for Brazilians, the US is Canada's most formidable competitor, with a virtually impenetrable lead on unaided awareness (30 ppt). Moreover, the situation could become even tougher over the next few years, with US Congress announcing a pilot program to simplify and accelerate the non-immigrant visa process for Brazilians. With Brazil already one of the top three markets in terms of the extent to which passport/visa requirements deter travel to Canada, having an easier process to visit the US over Canada may be a serious blow to the Brazilian visitation to Canada in the future.
- In terms of improving value perceptions, the focus for the CTC could be on Relevance and Quality, as these are not only the two most poorly rated attributes, but key drivers of visitation to Canada as well. A marketing push on Canada's best-in-class nature/outdoor experiences would likely result in the most immediate gains for Quality, while Relevance could be built by promoting unique city/shopping experiences to these lovers of brand name and imported goods.
- There are some misperceptions in the marketplace for Canada to contend with in terms of cost impressions, with travellers who have actually visited Canada rating package prices, airfare and ground costs significantly better than both potential visitors and long-haul travellers as a whole. In addition, affordability is currently the second greatest

- deterrent to visiting Canada, mentioned by over 80% of Brazilian travellers who plan to give Canada a miss. Enhancing price perceptions on all counts will become increasingly critical as the Brazilian economy softens and consumer spending is hampered by mounting inflation, high interest rates and escalating debt loads.
- Canada might also enhance its brand image by focusing on the Intriguing and Youthful personality traits to paint a picture of an engaging and vibrant destination among Brazil's relatively young population of travellers. Countering widely-held impressions of a cold climate (a negative driver of travel to Canada and the third greatest visitation barrier in terms of intensity), with images of summer recreational activities and water sports, might also go a long way to enhancing interest.
 - In terms of product opportunities and long-haul travel interests, Brazilian travellers tend to want to "do it all" on their vacations, enjoying a good mix of nature, culture, cuisine and cities. In fact, Brazil is one of the most promising GTW markets for city (e.g., events, entertainment, city culture) and gastronomical (e.g., food/wine festivals) experiences. While Brazilians enjoy absorbing culture as much as other travellers do, they tend to be fairly unique in their preference for passive cultural pursuits such as seeing historical/cultural attractions. These typically win out over more experiential activities such as indulging in aboriginal culture and experiencing local lifestyles, both of which are less popular in Brazil than in other markets. Unfortunately, none of the aforementioned products emerge as recognized strengths for Canada in Brazil, placing it at a distinct disadvantage to powerhouse competitors like the US and Europe.
 - City experiences likely offer the most potential for Canada, particularly when teamed with nature. Travel tends to be viewed as a status symbol in Brazil, with city visits offering travellers the opportunity to pamper themselves and enjoy the good life. Playing up dining, entertainment, event and shopping experiences in exciting Canadian cities would help to capture the interest of the upscale Brazilians that make up Canada's target market.
 - Australia leads on many of the nature and outdoor products that comprise Canada's traditional strengths, with Canada emerging as the market leader on only two such products – ski vacations and other winter activities. While Brazilian travellers are decidedly enthusiastic about winter pursuits (10% cite skiing as their Canadian dream experience), improving perceptions on other nature/outdoor products is a must, with scenery, national parks, land-based journeys, nature close to cities and resorts in natural settings affording the best opportunities. And although Australia has an impenetrable lead on summer activities and water-based journeys, enhancing perceptions of the weather could help to lift Canada's scores here.