Recovery Signals Framework (as of April 15, 2020)
We are planning on 6 streams of research

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

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

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

Stream D. Support to Domestic Marketing.

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

Stream F. Changes in Consumer / Traveller Perceptions and Behaviours
Our core approach to dealing with COVID-19’s effects

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

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

It is a fluid & fast-moving situation
Flexibility is key moving forward, hence a “WIP”
Destination
Canada’s Caveats
and Interpretation
Notes

This represent the views of Destination Canada and is based on their analysis and interpretation. It does not represent the views or analysis of partners or of organizations whose data some of the analysis is built on.
## Potential blueprint for staged recovery of the wider Canadian economy, built from lessons from Asia

### Stages of lockdown

<table>
<thead>
<tr>
<th>General population</th>
<th>Economic sectors</th>
<th>Transport</th>
<th>Assembly</th>
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</thead>
<tbody>
<tr>
<td><strong>Strict lockdown</strong></td>
<td>Higher risk</td>
<td>Infraregional mobility is limited to exceptional cases, no interregional mobility allowed</td>
<td>Events are limited to household members and caregivers if required in private spaces</td>
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<tr>
<td>Stay at home or at designated location</td>
<td>Required to stay home in mandatory isolation</td>
<td>High restrictions to infraregional mobility, no interregional mobility allowed</td>
<td>Events of up to 10 people are allowed in public and private spaces</td>
</tr>
<tr>
<td><strong>Partial lift – stage 1</strong></td>
<td>Others</td>
<td>Some restrictions to infraregional mobility, no interregional mobility allowed</td>
<td>Events of up to 200 people are allowed in public and private spaces</td>
</tr>
<tr>
<td>Stay at home or at designated location</td>
<td>Restrictions to transit in specified zones, times, and days</td>
<td>No restrictions to infraregional mobility; interregional mobility is allowed but only between regions in Stage 3</td>
<td>Events of up to 10 people are allowed in public and private spaces</td>
</tr>
<tr>
<td><strong>Partial lift – stage 2</strong></td>
<td>Essential</td>
<td>Government begins to prepare the management of key supply chains in partnership with the private sector</td>
<td>Events of up to 50 people are allowed in public and private spaces</td>
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<tr>
<td>Stay at home or at designated location</td>
<td>Government partially manages essential supply chains in partnership with private sector</td>
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<td>Events of up to 50 people are allowed in public and private spaces</td>
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<tr>
<td><strong>Partial lift – stage 3</strong></td>
<td>Others</td>
<td>All sectors are allowed to operate, and key supply chains operate on a market basis</td>
<td>Events of up to 200 people are allowed in public and private spaces</td>
</tr>
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<td>Restrictions to transit in specified zones, times, and days</td>
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<tr>
<td>No restrictions but remote work is highly recommended</td>
<td>Stay at home or at designated location</td>
<td>Government begins to prepare the management of key supply chains in partnership with the private sector</td>
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<tr>
<td>No restrictions, but remote work is recommended</td>
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</tr>
</tbody>
</table>

### Release of all lockdown measures

1 McKinsey and Company, as adapted
The distance and length of time that people are willing and able to travel is assumed to shift as the public health restrictions are lifted.

### Means of transport

- **No travel**
- **Hyper-local**
- **Same Province**
- **Inter-province**
- **US Drive Markets**
- **DC Markets**

### Length of stay

- **No travel**
- **Day trips**
- **Overnights**
- **Multi-day trips**
- **Multi-week**

### Location of trip

- **No travel**
- **Within your home community**
- **Within a half-day drive of your home community**
- **Within Canada**
- **Within Canada – enter via US land border**
- **Within Canada – enter via international airport**

### Size of group

- **No travel**
- **Close family (1-5 ppl)**
- **Close friends (1-5 ppl)**
- **Extended family (5-10 ppl)**
- **Friends (5-10 ppl)**
- **Extended friends (10-50 ppl)**
- **Large group of coworkers (10-50 ppl)**

### Sub-sectors active in phase (not exhaustive)

- **No travel**
- **Outdoor attractions (e.g. parks, greenbelt, golf courses)**
- **(previous phase, plus)**
- **Larger restaurants**
- **Mid-sized leisure attractions (e.g. zoos)**
- **Large retail establishments**
- **Accommodations**
- **Air and rail travel**
- **Bars/ clubs**
- **Anchor attractions**
- **Business conferences**
- **Festivals and events (e.g. sports games)**

### Summary

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

### Easing of public health measure restrictions

- **Strict lockdown**
- **Easing of public health measure restrictions**
- **All restrictions lifted**
### Who and how will Leisure Travel re-start? Our current Work-In-Progress

<table>
<thead>
<tr>
<th>Primary Market</th>
<th>Hyper-local</th>
<th>Same Province</th>
<th>Inter-province</th>
<th>US Drive Markets</th>
<th>DC Markets</th>
</tr>
</thead>
</table>
| No travel      | Day trips only  
|                | - Local Dining  
|                | - Family friendly activities (local attractions)  
|                | - Families / couples  
|                | - Multi-generational  
|                | - VFR & Friends  
|                | - Camping and nature seekers  
|                | - De-stress (psychographic)  
| Phase II PLUS  | - Within province overnight  
|                | - Multi-day camping trip  
|                | - Active activities  
|                | - Younger people with higher income  
|                | - De-stress (psychographic)  
|                | - Off the beaten path / remote / open spaces (psychographic)  
| Phase III PLUS | - Canadians who have continued working (stable income)  
|                | - Younger people with higher income  
|                | - 'Deal seekers' with high risk tolerance (domestic, international?)  
|                | - Frequent flyers? (people used to travel with high risk tolerance)  
|                | - Luxury travellers (international)  
|                | - Families may not be taking longer trips past September (school dependent)  
| Phase IV PLUS  | - Older people with more stable financial situation (domestic)  
|                | - Luxury travellers (international)  
|                | - Deferred travel (e.g. students returning)  
| Phase V PLUS  | - Younger people with higher income (international)  
|                | - Older people with more stable financial situation (international)  
|                | - People who have continued working (international)  

### Current hypothesis on most likely segments (by trip type, by age / demo / by psychographic)

- Phase III PLUS
  - Canadians who have continued working (stable income)
  - Younger people with higher income
  - 'Deal seekers' with high risk tolerance (domestic, international?)
  - Frequent flyers? (people used to travel with high risk tolerance)
  - Luxury travellers (international)
  - Families may not be taking longer trips past September (school dependent)
- Phase IV PLUS
  - Older people with more stable financial situation (domestic)
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  - Deferred travel (e.g. students returning)
- Phase V PLUS
  - Younger people with higher income (international)
  - Older people with more stable financial situation (international)
  - People who have continued working (international)

### Questions to answer / additional research

- **When is the best time to understand when to ask questions on travel again?**
- **What kind of traveler is willing to travel without a vaccine?**
- **What are the ‘gating events’ that will spur travel in each phase? (e.g. gov’t restrictions lifting, vaccine available)**
- **What industry actions need to happen to allow travel to happen?**
- **How will we know which communities are ready to welcome guests again?**
- **What is role of sharing economy?**
- **How can we capitalize on Canadians who can no longer go abroad?**
- **How will COVID-19 impact the product and experiences during recovery and resilience phases?**
- **Will we see more interest for outdoor activities? Remote regions? Nature and parks?**
- **What would a business (i.e. a hotel, restaurant, museum, etc.) have to do to convince travellers that it is safe to visit?**
- **What does the ‘new normal’ look like? When do we ask that of travellers?**
- **How do re-bookings get managed (i.e. foregone revenue / revenue already collected)?**
- **What does summer 2020 look like? Fall 2020? Summer 2021? When will people book?**
How could Business Events re-start? Our current Work-In-Progress Hypotheses

I. COVID Response  
Strict lockdown

II. HyperLocal to Local  
Easing of public health measure restrictions

III. Regional

IV. Inter-prov

V. Tentative International

VI. Regularized International

All restrictions lifted

Primary Market

No travel  
Hyper-local  
Same Province  
Inter-province

US Markets  
DC Markets

Current hypothesis on most likely segments

No travel  
There will be two segments: Anxious & Keen-to-travel

Domestic Business Travel (urgent)  
Face-to-face Corporate Meetings (regional)

US Business Travel (urgent)  
Overseas Business Travel (urgent)

Incentive for thriving companies and sectors (groups of 40ish)

Sector-based International / US Conference (smaller groups?)

Questions to answer / additional research

No travel  
Will delegates for conferences be willing to travel until there is a vaccine?

We have differing studies on luxury – will it be hardest hit or will it thrive?

What are the remote resorts that can be targeted to incentives?

Which companies have corporate culture that will be more willing to travel?

Which sectors are thriving that will have face-to-face conferences?

When will decision makers want to discuss their business events?

How can we capitalize on luxury / incentive that is fresh air / remote based?

Will charter & private flights be running?

Which sectors will be thriving holding incentives?
# DC’s Recovery Analysis Framework

<table>
<thead>
<tr>
<th>What it tells us</th>
<th>Signals on Phase</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel Search Index</td>
<td>Any consumer is looking for travel (upper funnel)</td>
<td>II. Hyper-local travel onward</td>
</tr>
<tr>
<td>Accommodation Searches on OTA</td>
<td>A traveller is searching for a specific destination (lower funnel)</td>
<td>II. Hyper-local travel onward</td>
</tr>
<tr>
<td>Rate of Hotel Booking</td>
<td>Travellers are booking travel (lower funnel)</td>
<td>III. Regional Travel onwards</td>
</tr>
<tr>
<td>Rate of Air Bookings</td>
<td>Travellers are comfortable on planes (lower funnel)</td>
<td>IV. Inter-Province travel onwards</td>
</tr>
<tr>
<td>New COVID Cases</td>
<td>State of outbreak</td>
<td>I. COVID Response to IV. Intra-Province</td>
</tr>
<tr>
<td>COVID-19 Search Index</td>
<td>Sentiment on outbreak</td>
<td>I. COVID Response</td>
</tr>
<tr>
<td>Dining / Events Search Index</td>
<td>Any consumer is beginning to be comfortable in social gathering settings</td>
<td>I. COVID Response &amp; II. Hyper-Local</td>
</tr>
<tr>
<td>Traveller Path to Purchase</td>
<td>Phase of funnel specific targets are in</td>
<td>IV. Intra-Province Travel Onwards</td>
</tr>
<tr>
<td>Social Sentiment</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>
## DC’s Recovery Analysis: Canada

<table>
<thead>
<tr>
<th>Canada (April 15)</th>
<th>Phase</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I: COVID Response</td>
<td>II: HyperLocal</td>
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<tr>
<td>Travel Search Index</td>
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<tr>
<td>Social Sentiment</td>
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</tbody>
</table>

**Legend**
- Current phase
- Signal not applicable
- Not there yet
DC’s Recovery Analysis: South Korea

Destination Canada’s Assessment of South Korea market:

<table>
<thead>
<tr>
<th>Phase</th>
<th>I COVID Response</th>
<th>II Domestic</th>
<th>III Tentative Int’l</th>
<th>IV Regularized Int’l</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel Search Index</td>
<td>● ○ ○ ○</td>
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Destination Canada assesses that South Korea has left the COVID Response phase, and that domestic travel within South Korea is being considered, planned, and booked; and that trips are being taken. There is insufficient signal to indicate that South Koreans are considering or planning international travel at this point.
### Change in net planned travel (air) as of April 23 (US) April 27 (all others), 2020

<table>
<thead>
<tr>
<th>Country</th>
<th>Phase</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
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<th>Sep</th>
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<th>Dec</th>
<th>2021 Q1</th>
<th>2021 Q2</th>
<th>2021 Q3</th>
<th>2021 Q4</th>
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</tbody>
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**Legend**
- Red: Declining
- Light Gray: Not enough data
- Green: Increasing
Thank you!
Merci !