Canadian Tourism Commission

Commission canadienne du tourisme

Global Tourism Watch – Year 1

Australian – Key Findings

Canadian Tourism Commission (CTC)

Canada

www.canada.travel

Table of Contents

introduction

Background

The shocks of 2001 and 2003 were strong reminders for the tourism industry regarding the speed of which consumer perceptions and decision-making processes can change based on a single event.

While there has not been a major shock to the tourism industry since 2004, a myriad of technological, social, environmental, and policy changes have occurred, affecting consumer perceptions, attitudes, motivations and travel intentions. Such changes include:

- Escalation of social media websites and their popularity across many age groups;
- Desire for healthier and more sustainable lifestyles;
- Climate change and related advocacy efforts by high-profile personalities; and
- Entry rules such as the Western Hemisphere Travel Initiative (WHTI).

To stay on top of and to adjust to the changes that are occurring, an annual research monitor was initiated to keep a pulse on consumer changes in CTC key markets.

Objectives

In 2007, the Canadian Tourism Commission, in conjunction with a partnership group that included Ontario, British Columbia, Manitoba, the Atlantic and the North, engaged Harris/Decima to conduct the Global Tourism Watch (GTW) tracking research. The program was implemented in eight global markets – the US, Mexico, the UK, France, Germany, Australia, Japan, and South Korea.

The research objectives are to collect market intelligence (across all markets in a consistent way) related to four over-arching themes:

- Monitoring key performance indicators;
- Tracking response to Brand Canada;
- Identifying and tracking product opportunities; and
- Providing input into marketing activities and strategic plans.

Methodology

The target population for the survey consisted of residents, 18 years of age 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.

A total of 1,527 Australian respondents completed the online survey. A quota was set to reach n=200 past travellers to Canada. Fieldwork was conducted in November 2007.

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 (n=2,000).

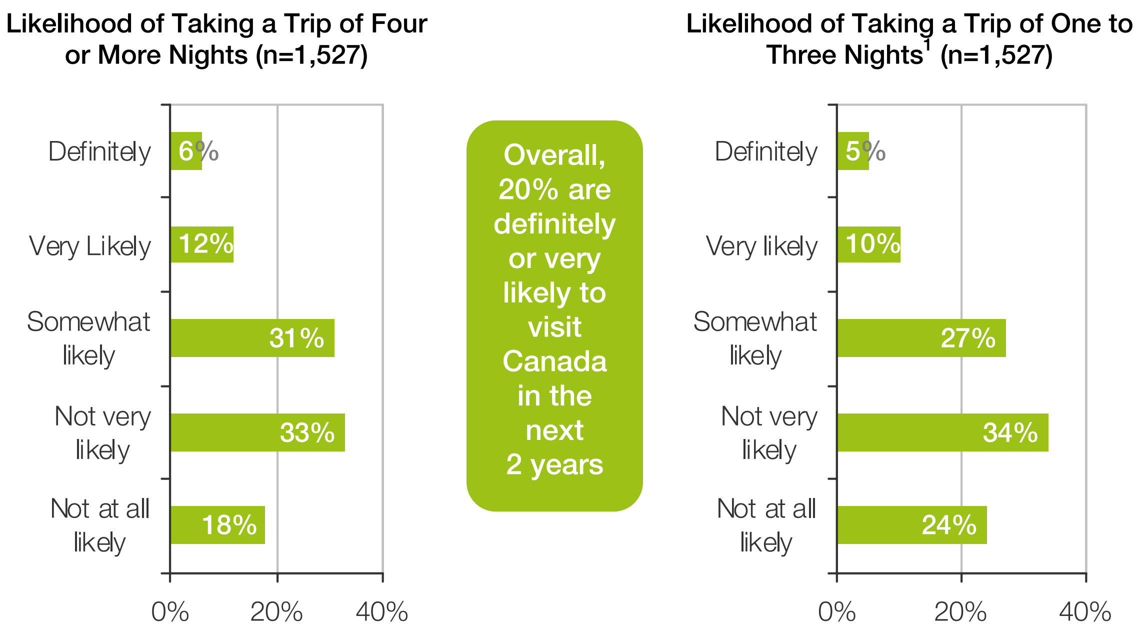
what is the outlook for travel to canada and the regions in the next 2 years?

Likelihood of Visiting Canada

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 (see Exhibit 1). In total, only 20% of Australians indicated that they will definitely or are very likely to visit Canada in the next two years.

While Australia ranks 5th among the eight markets in terms of interest, it places 8th in terms of the likelihood of actually visiting. This suggests that although Australians would like to visit, there are practical barriers like distance and cost that may stand in the way of actually making a trip.

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



Base: Long-haul pleasure travellers.

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

Size of the Potential Market to Canada

Exhibit 2 provides an estimate of the size of the potential market for Canada in two ways. The target market is a broader estimate of the market size based on expressed interest among Australian travellers, more specifically those very or somewhat interested in visiting Canada in the next two years. With a fairly high level of interest, at 73%, the target market in Australia consists of almost 5 million potential travellers.

The immediate market is a more conservative estimate based on those who say they will definitely or are very likely to visit Canada in the next two years. This is just 20% of the long-haul market, and translates into about 1.4 million travellers with immediate potential for conversion.

Again, Australia ranks 7th among the eight markets in terms of the target market size, but finishes last in terms of the immediate market size. However, Australia's traveller population is fairly small to begin with, so this is partly responsible for the small numbers.

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	73%
Size of the target market	4,963,000
Potential Market for Canada	
Will definitely/very likely visit Canada in the next 2 years	20%
Size of the potential market	1,360,000

Base: Long-haul pleasure travellers (n=1,527)

Canadian Destinations[1] Likely to Visit

As in most CTC markets studied, Australians find Ontario and British Columbia to be the two Canadian regions of greatest interest, at 90% and 88%, respectively (see Exhibit 3).

Australia ranks among the top 3 GTW markets in terms of interest in Canada's North (36%), both of which indicate a willingness to explore lesser known or more remote parts of the country. Perhaps because they have already travelled so many hours to get to Canada, and are likely taking a once-in-a-lifetime trip, they are more easily persuaded to visit places that are further afield.

Among individual destinations, Vancouver (82%) draws the most attention, but Australians are also keener than travellers in most markets to move beyond Vancouver to explore Whistler (37%), Victoria (35%) and other parts of British Columbia (17%).

As in most markets, Niagara Falls (77%) and Toronto (63%) are highly popular Canadian destinations. Ottawa (31%) is the only other place that appeals to more than 30% of travellers.

Exhibit 3: Destination Interest and Market Potential for the Regions

	BC	MB	ON	ATL	North
Likely to visit region	88%	18%	90%	42%	36%
Size of potential market for the regions*	1,197,000	245,000	1,224,000	571,000	490,000
Most popular destinations within region	Vancouver (82%)		Niagara Falls (73%)	Halifax NS (23%)	Yukon (30%)
	Whistler (37%)	n/a	Toronto (63%)	Charlottetown (20%)	NWT (24%)
	Victoria (35%)		Ottawa (31%)	St. John's NFLD (14%)	Nunavut (12%)

1 Of CTC partner regions.

what are canada's awareness levels?

Unaided Performance Indicators

The Global Tourism Watch measured three unaided (or top-of-mind) indicators[2] – unaided awareness of Canada, unaided awareness of Canadian travel advertising, and unaided destination consideration.

In terms of unaided destination awareness, Canada ranked third, with 23% of long-haul respondents mentioning Canada as a destination which comes to mind for a long-haul vacation.

For top-of-mind Canadian travel advertising, Canada performs very strongly, ranking 2nd, with 13% of long-haul respondents mentioning that they had seen or heard Canadian advertising relating to travel or holidays within three months of the survey.

Regarding unaided destination consideration, Canada ranked 3rd, with 14% of long-haul respondents mentioning that they are seriously considering Canada and Canadian destinations for their holiday trips in the next 2 years.

[2] All results include Canadian sub-destinations.

what do recent and potential visitors from australia look like?

Target Market for Canada

Exhibit 4 provides demographic profiles of recent travellers to Canada and travellers interested in visiting Canada.

Overall, Australian potential travellers are in a good position to travel, with over half the market having an annual household income of $70,000 AUD ($65,000 CDN) or more, with a quarter earning $100,000 AUD ($95,000 CDN) or more. One in six are college/university educated, and 42% are employed in managerial or professional positions.

Recent visitors to Canada are a unique group. The fact that they are more likely to be older (almost half are 55+), retired (over 30%) and married (72%), without children living at home (79%), suggests that a large proportion are empty nesters. There are also small differences in income and occupation, but age is really the distinguishing feature of recent visitors, along with the fact that they are more likely to have friends or family in Canada. With nearly half of recent travellers who know someone in Canada (vs. 20% to 30% for the other two groups), VFR obviously plays a major role in driving travel to Canada.

Target Market for Canadian Regions

Exhibit 5 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 and Ontario are based on those who say they are most likely to visit the region, while the profiles for Manitoba, the Atlantic 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.

Across the regions, there are very few meaningful significant differences. Most notably, those interested in visiting British Columbia tend to be better educated, have better jobs and earn higher incomes, while those favouring the North tend to be older.

Exhibit 4: Target market demographics for Canada

Gender	Recent Travellers to Canada (n=308)	Interested in Canada (n=553)
Female	56%	55%
Age		
18 to 24	6%	12%
25 to 34	19%	24%
35 to 44	9%	16%
45 to 54	20%	19%
55 or older	46%	30%
Close Friends or Relatives Living in Canada		
Yes	49%	28%
Have Children in Household Under 18		
Yes	21%	31%
Marital Status		
Married / partnered	72%	66%
Single / never married	15%	24%
Other (e.g. separated, divorced, widowed)	12%	10%
Education		
High school or less	31%	28%
Technical / vocational	3%	6%
Completed college / university	63%	61%
Employment Status		
Employed full-time/part-time	60%	66%
Housewife / homemaker	5%	7%
Retired	31%	18%
Unemployed	1%	1%
Student	2%	7%
Occupation		
White-Collar Worker	17%	17%
Blue-Collar Worker	8%	6%
Manager	17%	12%
Professional	34%	30%
Skilled Workers	6%	10%
Self-Employed / farm owner	7%	10%
Unskilled / semi-skilled	1%	4%
Average Annual Household Income (AUD)		
Less than $29,999	17%	10%
$30,000 to $39,999	6%	10%
$40,000 to $69,999	27%	27%
$70,000 to $99,999	21%	27%
$100,000 or over	29%	25%

Exhibit 5: Target Market for Canada's Regions

Gender	TOTAL (n=797)[1]	BC[3] (n=298)	MB[2] (n=158)	ON[3] (n=258)	ATL[2] (n=363)	North[2] (n=293)
Female	51%	50%	46%	47%	52%	48%
Age						
18 to 24	13%	13%	8%	15%	10%	8%
25 to 34	27%	28%	21%	28%	23%	19%
35 to 44	15%	14%	18%	19%	15%	14%
45 to 54	17%	17%	27%	16%	19%	21%
55 or older	28%	28%	26%	23%	32%	38%
Close Friends or Relatives Living in Canada						
Yes	30%	29%	26%	34%	33%	32%
Have Children in Household Under 18						
Yes	29%	29%	28%	32%	32%	27%
Marital Status						
Married / partnered	63%	66%	67%	58%	61%	61%
Single / never married	28%	27%	21%	35%	26%	25%
Other	10%	8%	12%	7%	13%	14%
Education						
High school or less	28%	23%	32%	33%	29%	29%
Technical / vocational	7%	5%	6%	7%	7%	8%
Completed college / university	61%	70%	55%	58%	57%	59%
Employment Status						
Employed full-time/part-time	67%	70%	63%	67%	64%	61%
Housewife / homemaker	6%	5%	10%	6%	8%	6%
Retired	16%	16%	20%	12%	18%	22%
Unemployed	1%	1%	2%	3%	1%	1%
Student	9%	7%	1%	10%	8%	7%
Occupation						
White-Collar Worker	18%	17%	11%	21%	13%	18%
Blue-Collar Worker	5%	4%	12%	6%	7%	6%
Manager	10%	8%	12%	12%	11%	12%
Professional	30%	37%	31%	26%	32%	28%
Skilled Workers	11%	10%	12%	12%	13%	12%
Self-Employed / farm owner	10%	9%	9%	9%	7%	10%
Unskilled / semi-skilled	5%	3%	6%	3%	3%	5%
Average Annual Household Income (AUD)						
Less than $29,999	10%	12%	10%	7%	12%	12%
$30,000 to $39,999	11%	6%	12%	13%	11%	12%
$40,000 to $69,999	32%	29%	32%	35%	33%	39%
$70,000 to $99,999	24%	27%	29%	21%	26%	21%
$100,000 or over	24%	26%	18%	23%	18%	16%

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.

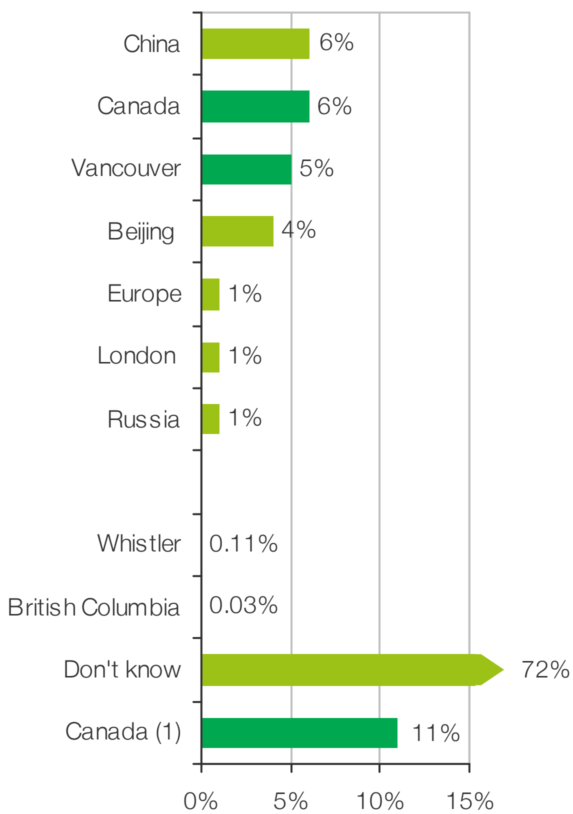
what is the impact of the 2010 Olympic Games on travel to canada?

In total, 11% of Australian travellers correctly identify Canada as the host of the 2010 Winter Olympic and Paralympic Games, with "Vancouver" accounting for about half of these mentions. However, almost as many (10%) cite China or Beijing, the host of the 2008 Summer Olympics, showing a lack of clarity around the host cities for the different years. In fact, of the CTC's eight markets, Australians are the least aware of Canada's role in the 2010 Olympics.

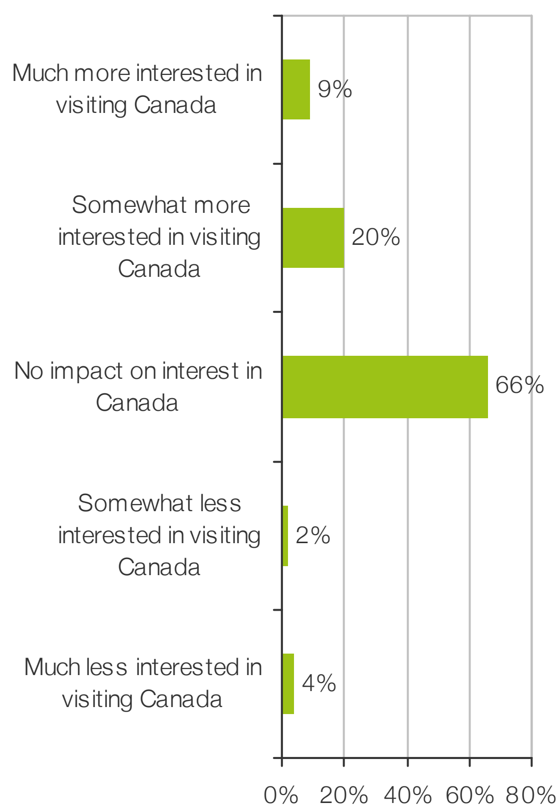
As shown in Exhibit 6, Australia ranks at the low end of the scale in terms of the influence that the Olympics have on their interest in visiting Canada, with only 29% saying that the Games have enhanced their desire to visit. As Australians are sports enthusiasts and have had the pleasure of hosting the Olympics themselves, it is possible that interest levels will increase in tandem with increased media coverage over the next few years. Regardless, Canada should take advantage of this coverage to enhance its profile and image in Australia.

Exhibit 6: Impact of 2010 Winter Olympics on General Interest in Canada

Unaided Awareness of 2010 Olympics Host Destination (n=1,527)



Impact of 2010 Olympics on Interest in Visiting Canada (n=1,527)



Base: Long-haul pleasure travellers.

Note: (1) Includes all mentions of Canada, British Columbia, Vancouver and Whistler.

what are canada's product strengths and weaknesses?

Canada's Product Strengths and Weaknesses

Exhibit 7 presents a product strengths and weaknesses map for Canada in Australia which looks at impressions of Canada's product offerings vs. the importance of these products to Australian travellers on their long-haul trips. The purpose is to identify products of importance to the Australian market where Canada is either favourably or unfavourably perceived.

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. Not surprisingly, all of the nature products emerge as strengths for Canada. In addition, self-touring is a top-rated product, although just barely, indicating room for improvement.

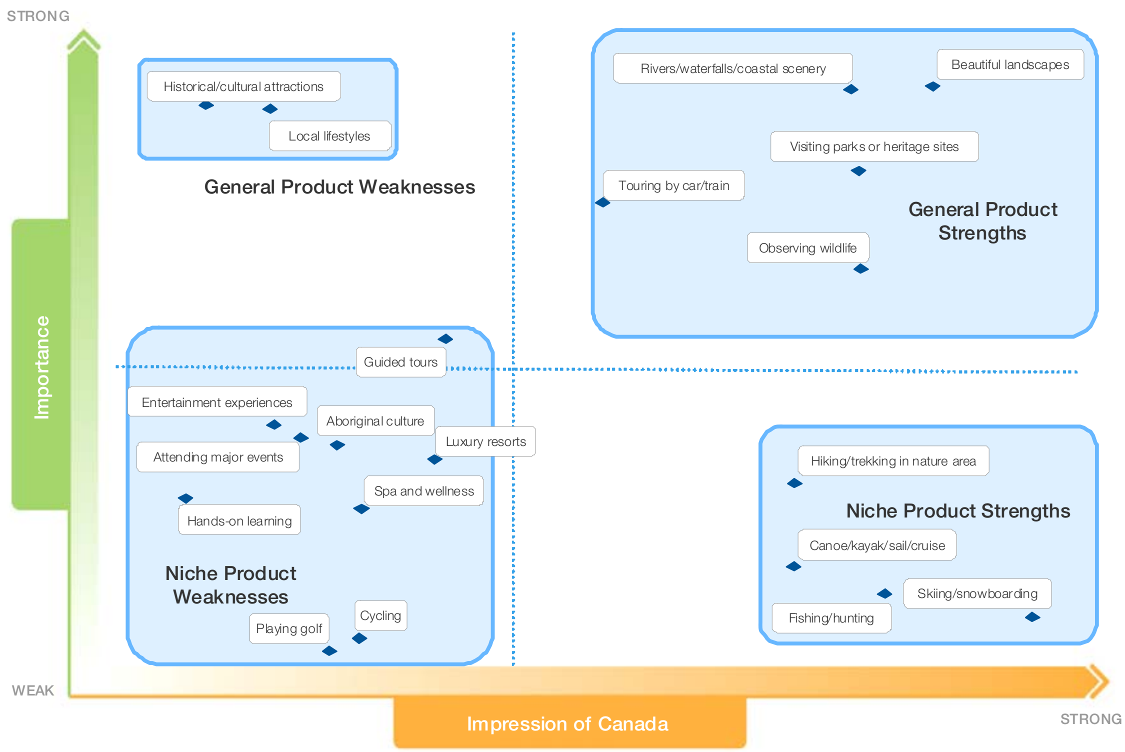
Niche product strengths appeal to smaller groups of travellers and represent potential niche markets to be developed or targeted. For Australia, these include all of the nature-related outdoor activities, with skiing emerging as the country's strongest outdoors product.

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. Culture is the real weakness here, suggesting that Canada needs to do more to shore up awareness of its historical and cultural attractions (e.g., historical sites, leading museums, galleries, cultural exhibitions) and position the diversity and distinctiveness of Canadian lifestyles as a point of interest for travellers.

Niche marketing weaknesses are unfavourably rated activities that appeal to smaller groups of travellers. As such, a considerable investment may be required to improve product perceptions for a lower return. While Canada has more strengths than weaknesses when it comes to general product interests, the situation is reversed for niche product interests. Canada has a host of niche weaknesses, including luxury/pampering (e.g., entertainment, resorts, spas), leisure activities (e.g., cycling, golf), major events, hands-on learning and guided tours.

Relatively unique to the Australian market is the positioning of aboriginal culture as a niche weakness rather than a general weakness (the US is the only other market where this is the case). Again, this is due to a lesser interest in aboriginal culture products, likely because of the availability and incomparable quality of these products at home.

Exhibit 7: Product Strengths and Weaknesses Map



Base: Long-haul pleasure travellers (n=1,527).

Top-Rated Products for Canada

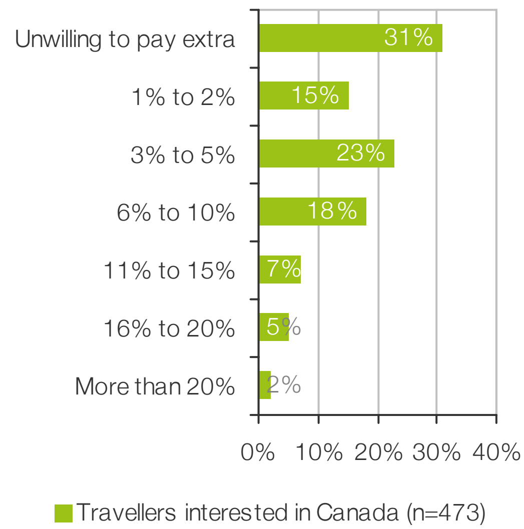
Decima conducted a competitive exercise that asked Australian respondents to select the best places to visit for a variety of travel products from amongst seven long-haul destinations: Canada, US, UK, Europe, Thailand, Vietnam and China.

Canada is viewed as *the* destination for nature and the active outdoors. All nature and outdoor offerings, with the exception of golf and cycling, are on the list of top-rated products for Canada, along with touring by car/rail.

what are australian views on environmentally-friendly travel products?

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.

Exhibit 8: Willingness to Pay a Premium for Environmentally-Friendly Travel Products



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

Although Australians are generally becoming more environmentally aware, the proportion of Australian travellers who agree that environmentally-friendly travel is important (74%, as per survey results) is below average when benchmarked against the eight other markets. And, while almost two-thirds see Canada as an environmentally-friendly destination, the opportunity to leverage these views may be limited, given that only 44% say that environmental considerations sway their destination decision-making and only 36% actively make environmental choices when travelling. Both are below the norm for the GTW markets. In addition, Australians are less willing to pay a premium for eco-friendly travel products than most other markets, with 40% who refuse to pay anything extra. Exhibit 8 shows that 69% of potential travellers say they are willing to pay a premium for environmentally-friendly products, with 14% willing to pay more than 10%.

how is canada perceived?

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: Authentic, Confident, Informal, Intriguing, Open, Warm, Witty and Youthful, as defined by the CTC.

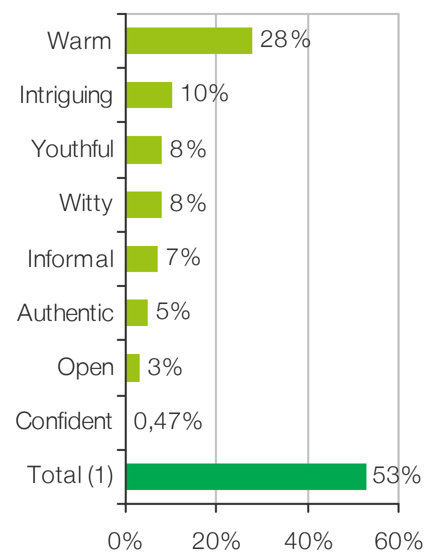
Exhibit 9 shows that as in most markets studied, the personality dimension that Australian travellers associate most closely with Canada is Warm (28%), which the CTC defines as friendly, hospitable, welcoming, warm-hearted, kind, etc. The relative strength of this trait suggests that Canada's traditional image as a friendly place is firmly entrenched in the Australian market.

Approximately 10% describe Canada as Intriguing (e.g., fascinating, interesting, exciting, appealing, engaging), and scores for both Youthful (e.g., energetic, lively, young at heart, vigorous, fun, vibrant, peppy) and Witty (e.g., humorous, quick, entertaining, clever, bright, intelligent) are on the high side compared with other GTW markets. This suggests that some Australians already view Canada as a fun, exciting and vibrant destination, providing an excellent base for the CTC to build on.

Notably, many of the more laid-back traits that appear near the top of the list in other markets are in the lower half of the Australian list, for example:

- Informal (e.g., casual, relaxed, easy-going, laid-back, approachable);
- Authentic (e.g., genuine, sincere, honest, down-to-earth, trustworthy); and
- Open (e.g., accepting, liberal, open-minded, flexible, accessible).

Exhibit 9: Unaided brand personality perceptions



Base: Long-haul pleasure travellers (n=1,527).

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

In total, 53% of the market mentioned at least one Brand Canada personality trait on an unaided basis, placing Australia in the midrange of the surveyed CTC markets.

Exhibit 10 shows other personality traits associated with Canada by Australian travellers. "Beautiful/lovely/pretty" is by far the top mention, at 30%, alluding to Canada's spectacular scenery and nature, and Australians mention this more than travellers from any other market in the study.

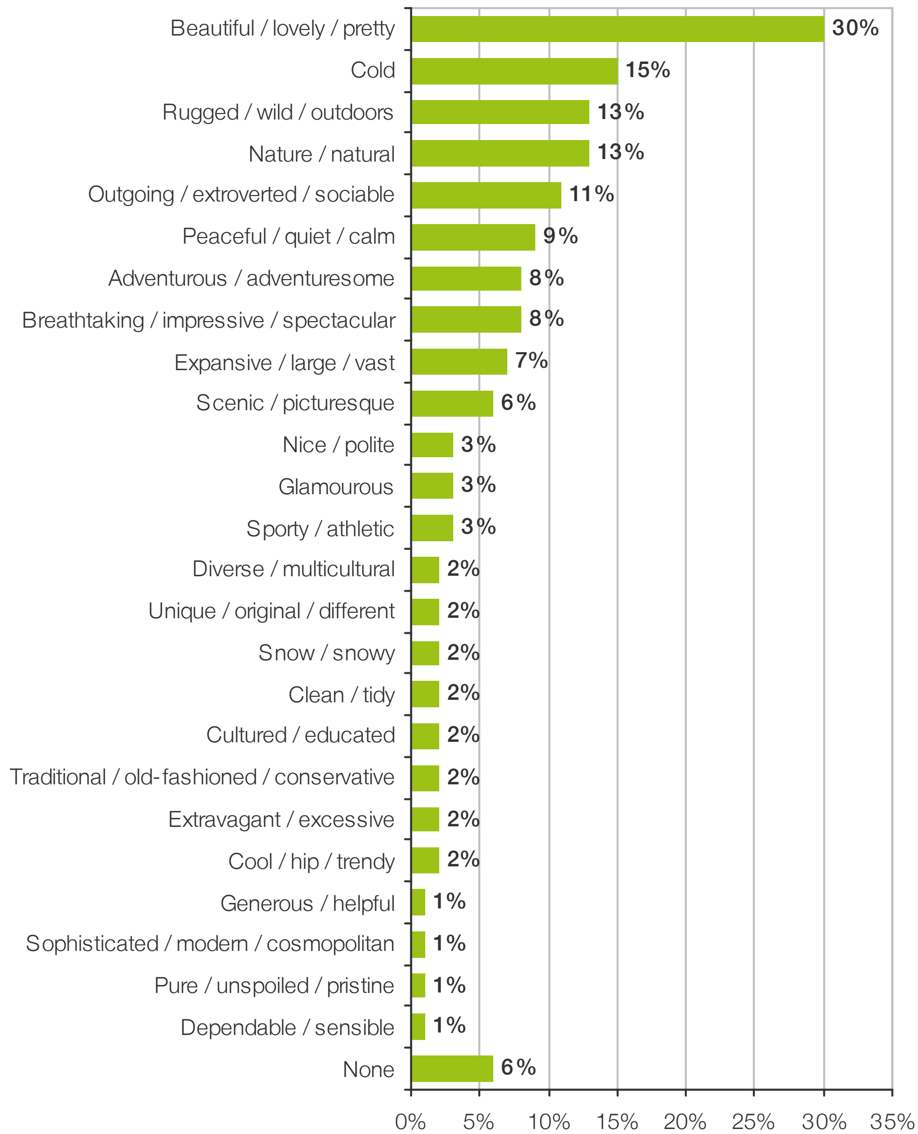
Other traits on the list also refer either directly or indirectly to Canada's nature, including:

- "nature/natural" (13%)
- "breathtaking/impressive/spectacular" (8%)
- "expansive/large/vast" (7%)
- "scenic/picturesque" (6%)
- "pure/unspoiled/pristine" (1%).

Overall, Canada's traditional image as a place to enjoy nature is very much in evidence in this market.

While to some Australians, nature fosters an environment that is peaceful and relaxing (9%), to others it suggests the opportunity for rugged outdoor activities (13%), adventure (8%) and sports (3%). In fact, Australia is among the top markets in terms of the degree to which the active outdoors is top-of-mind when thinking about Canada. "Cold" (15%) and "snow" (2%) also factor heavily into this market's linkages of Canada with the outdoors.

Exhibit 10: Unaided brand personality perceptions– other mentions



Base: Long-haul pleasure travellers (n=1,527).

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:

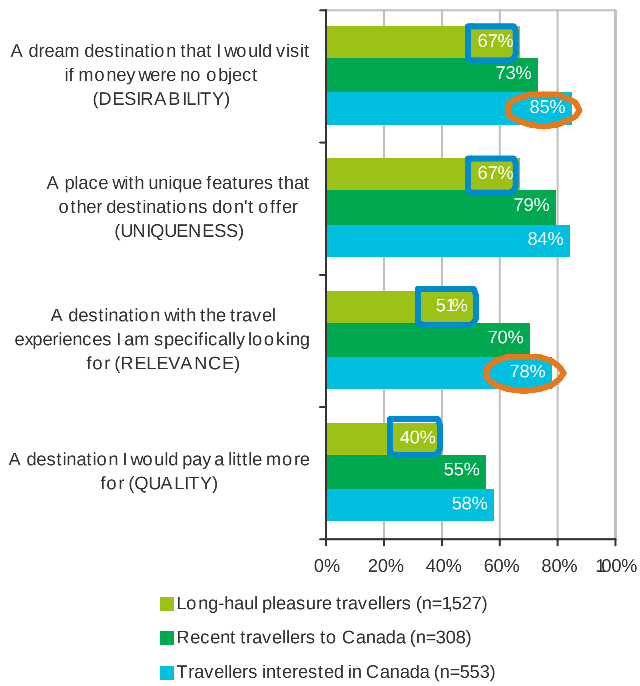
- Have an inherent desirability or appeal;
- Offer high quality experiences and travel products;

- 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 the country on four value-related statements that embody each of the above criteria.

Exhibit 11 shows that Canada performs best on desirability and uniqueness dimensions. Over two-thirds of the market view Canada as a dream destination and as having unique products and experiences that help it to stand apart from other destinations. However, only half of the market rates Canada positively on relevance, and even fewer rate it well on quality (40%), both of which are on the low side compared to other markets studied.

Exhibit 11: Value perceptions



Base: Long-haul pleasure travellers.

Notes: Top 2 Box refers to a rating of 4 or 5 on a 5-point scale. ***Blue sqaures*** *indicate a result that is significantly* ***lower*** *than another group;* ***orange circles*** *indicate a result that is significantly* ***higher*** *than another group.*

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

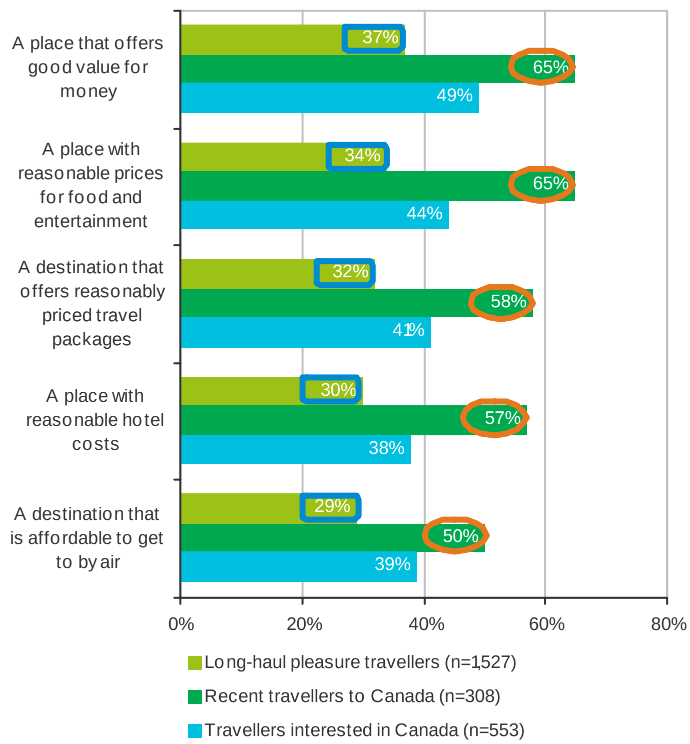
Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years.

Price Perceptions

In addition to brand image and destination value, cost obviously plays a major role when it comes to destination decision-making. Exhibit 12 shows how Canada is perceived by Australian travellers on various travel cost components. It is immediately obvious that all of the ratings here are fairly low, ranging from a high of 37% for value for money, down to a low of 29% for affordability by air. This is the lowest rating from the eight markets.

An important consideration to address for Canada would the poor price perceptions in this market, as Australians are price-conscious travellers who are swayed by special deals when it comes to destination choice. While high airfare may be a fact of life, Canada could improve the perceptions around hotel and food costs, as well as value for money. It may be of benefit to play up the currently favourable exchange rate for the Australian dollar in its marketing initiatives (e.g., no time like now to see Canada).

Exhibit 12: Price perceptions



Base: Long-haul pleasure travellers.

Notes: Top 2 Box refers to a rating of 4 or 5 on a 5-point scale.
***Blue sqaures** indicate a result that is significantly **lower** than another group; **orange circles** indicate a result that is significantly **higher** than another group.*

Recent Travellers to Canada: those who have visited Canada in the past 3 years (pleasure trip, 4 or more 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.

why do australians visit canada and the regions?

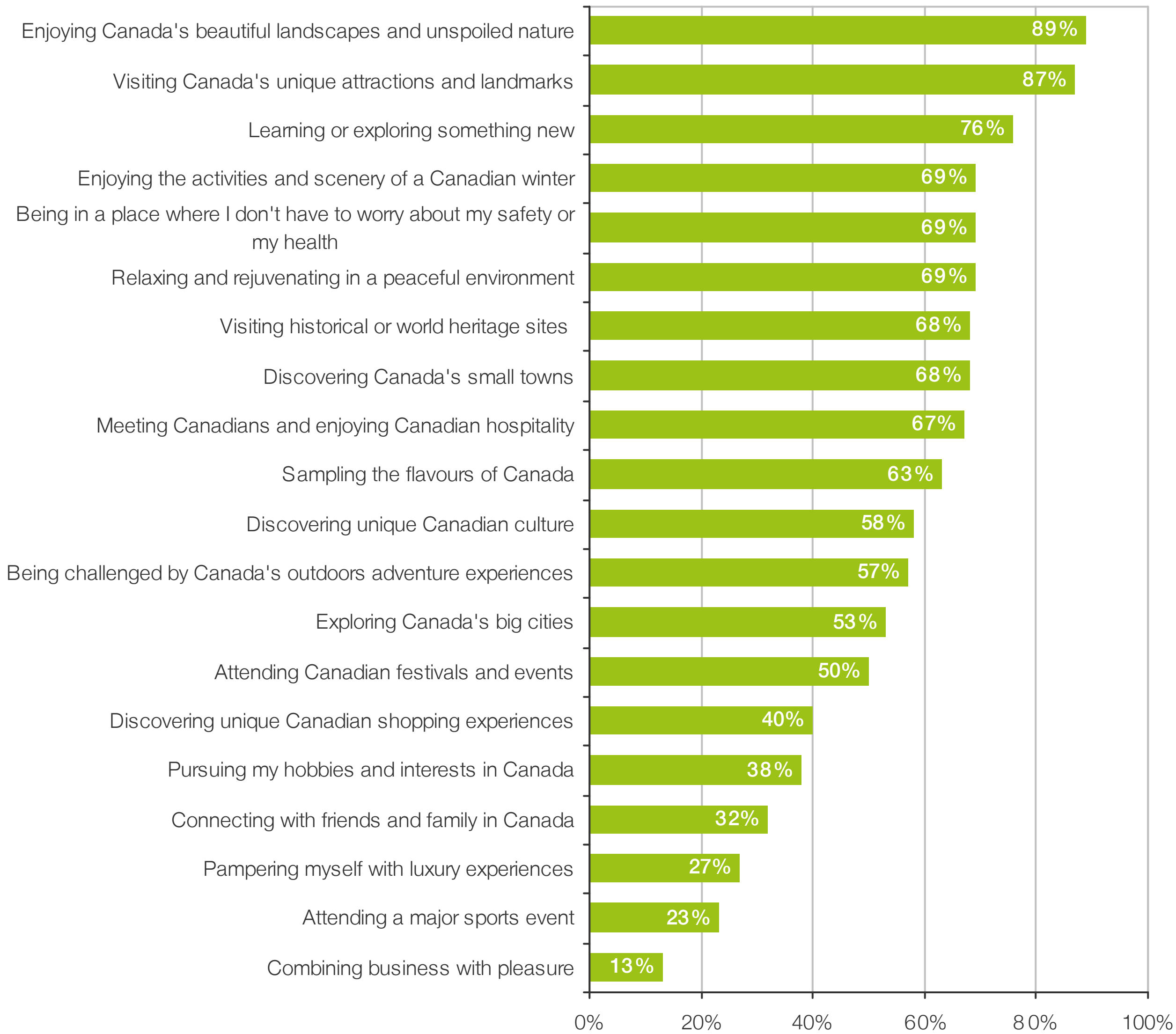
Key Motivations for Visiting Canada

Nature/scenery and unique attractions/landmarks such as Niagara Falls are firmly entrenched as the primary motivations for Australians travelling to Canada. Among the other top motivators, over three-quarters of travellers say that learning or exploring something new is a major reason to go to Canada. When it comes to the different elements of exploration, approximately two-thirds are drawn to Canada by opportunities to explore historical/world heritage sites, small towns and the Canadian people. Interest in exploring the flavours of Canada (e.g., wine, cuisine) and Canadian culture are slightly lower, hovering around the 60% mark. The desire to explore big cities is even lower, and at 53%, Australia ranks as one of the markets studied that is least tempted by Canada's urban experiences.

Exhibit 13 also shows that almost 7 in 10 Australian travellers say they would like to visit Canada to enjoy winter sports, activities and scenery, with around 6 in 10 who are interested in pursuing outdoor adventure in general. Around 7 in 10 are also drawn to Canada by the prospect of a relaxing vacation, where they don't have to worry about their safety or health.

Consistent with the relatively lukewarm interest in big cities, fewer Australians are drawn to Canada by shopping, luxury experiences, sports events, or the opportunity to mix business with pleasure.

Exhibit 13: 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=850).

Note: Top 2 Box refers to a rating of 4 or 5 on a 5-point importance scale.

Regional Motivations[3]

Exhibit 14 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.

Overall, there are few differences by region (British Columbia and Ontario were the only regions with large enough sample sizes for this analysis). Those interested in visiting Ontario are more likely to be motivated by urban experiences, including big cities, major sports events, luxury travel and opportunities to combine business with pleasure. Those interested in visiting British Columbia, on the other hand, are more likely to be motivated by outdoor adventure and winter activities such as skiing.

Exhibit 14: Regional Motivations

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

Note: High positive values represent motivations that are of greater relative importance for a region; High negative values represent motivations that are of lesser relative importance for a region.

3 Motivations of GTW regional partners with sufficient sample size.

what barriers does canada face in attracting visitors from australia?

Barriers for Travel to Canada

Exhibit 15 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.

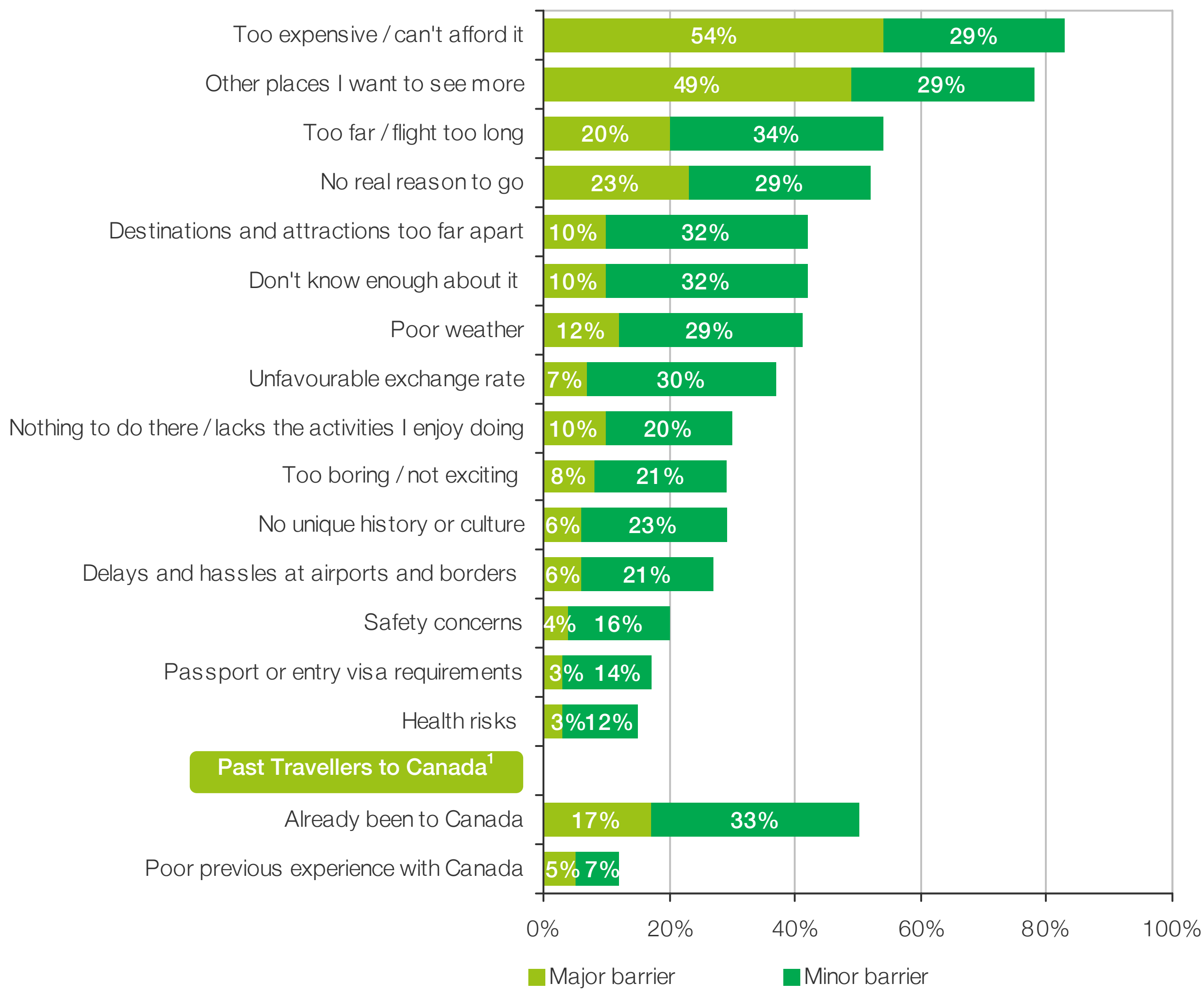
As in many markets, affordability (83%) and competition from other destinations (78%) are the top barriers, by far, for those unlikely to visit Canada in the near future. Moreover, roughly half identify these as major barriers, suggesting that these are potential deal breakers. The distance from Australia (i.e., long flights) is a hurdle to just over 50%, while another 40% say that the distance between the key tourist sites in Canada is a deterrent. About half of travellers say they simply have no reason to go, indicating that travel to Canada is not immediately compelling.

These results are not surprising, given that it takes at least 19 hours to fly from Sydney to Vancouver at a cost of over $2,400, with travel further inland jacking up the travel time and cost. On the other hand, Australians can fly to Tokyo or Beijing for half the cost, with far less time spent in transit. With today's travellers favouring shorter trips away from home, Canada faces a major challenge in converting interest into actual travel, particularly when it is viewed as being fairly similar to Australia in terms of product offerings.

About 4 in 10 feel they don't know enough about Canada, while 3 in 10 say there is nothing to do there or that it is too boring, pointing to information gaps to be filled. There are also perceptual issues to be addressed as evidenced by the 4 in 10 who cite poor weather and unfavourable exchange rates as reasons to bypass Canada in their travels. .

Among past visitors who say they are unlikely to return in the future, 50% cite the fact that they have already been there as a barrier to upcoming travel, which suggests an opportunity to market new experiences and niche interests to give these travellers a reason to return.

Exhibit 15: Key barriers for visiting Canada



Base: Long-haul pleasure travellers who are unlikely to visit Canada in the near future (n=677).

Note: [1] Base is long-haul pleasure travellers who have previously visited Canada and are unlikely to re-visit in the near future (n=135).

where do australian travellers see or hear information on canada?

Sources of Information on Canada

As Exhibit 16 shows, travel shows on television are by far the top source of information on Canada, cited by over a third of travellers. Australia is similar to the other Asia-Pacific markets studied in this respect, with television having considerable dominance and impact over the other media in getting the word across on Canada.

Television is followed by word of mouth (20%), and a variety of print media, including articles in newspapers (16%), travel magazines (15%) and non-travel magazines (14%). Travel guides/agents are also a top source of information on Canada, mentioned by 16%. The Internet gets relatively fewer mentions at 11%, although, Internet usage is reportedly on the rise, especially during the planning stages of a trip. All other sources of information are cited by 10% of travellers or less.

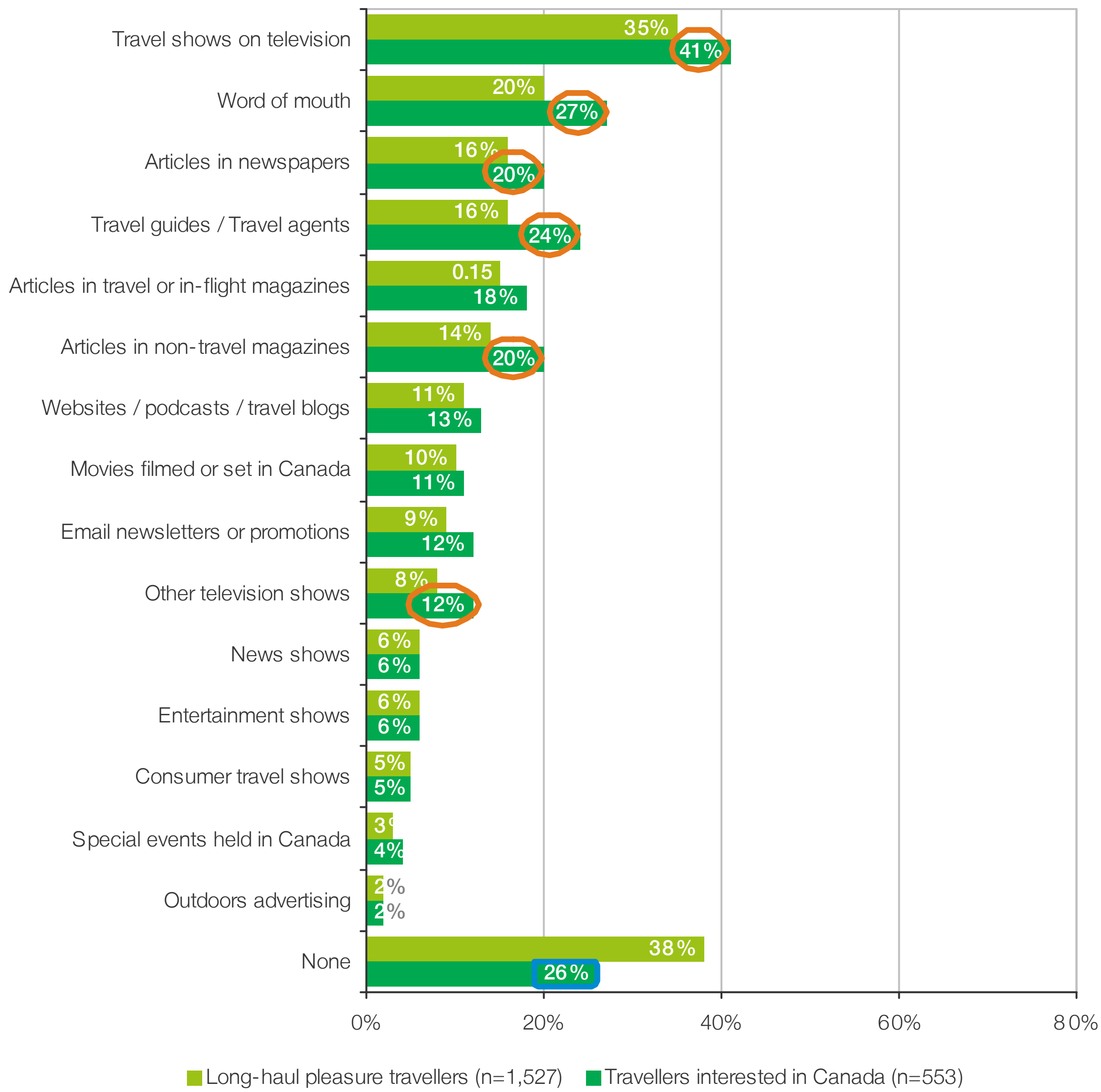
These channels are also the best bets for the CTC to reach potential travellers to Canada. In fact, travellers interested in Canada are even more likely to have seen information in most of the top sources.

Top Information Sources for Increasing Canada's Appeal

As shown in Exhibit 17, potential travellers to Canada feel that travel shows on television are the best source for increasing Canada's appeal (31%), followed by word of mouth (21%) and travel guides/agents (11%). Articles in newspapers and in non-travel magazines are each cited by 8%.

Interestingly, online media appear to be less effective in Australia than in most other markets, with Australia one of only two markets where websites/podcasts/blogs fail to make the top five sources for increasing Canada's appeal.

Exhibit 16: Sources of information on Canada in the past 3 months

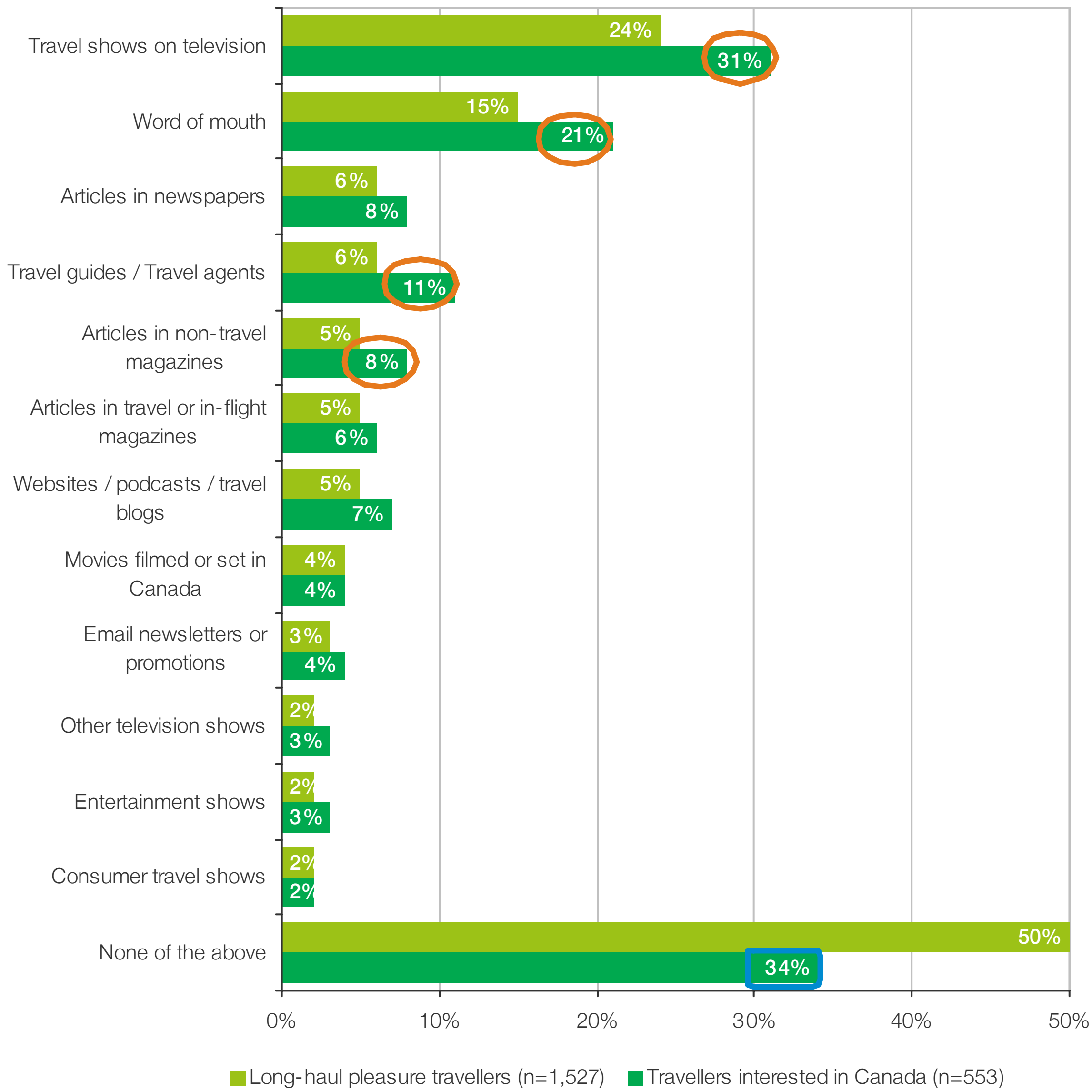


Base: Long-haul pleasure travellers.

*Notes: **Blue sqaures** indicate a result that is significantly **lower** than another group; **orange circles** indicate a result that is significantly **higher** than another group.*

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

Exhibit 17: Top information sources for increasing Canada's appeal



Base: Long-haul pleasure travellers.

*Notes: **Blue sqaures** indicate a result that is significantly **lower** than another group; **orange circles** indicate a result that is significantly **higher** than another group.*

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

what icons or images inspire interest in canada?

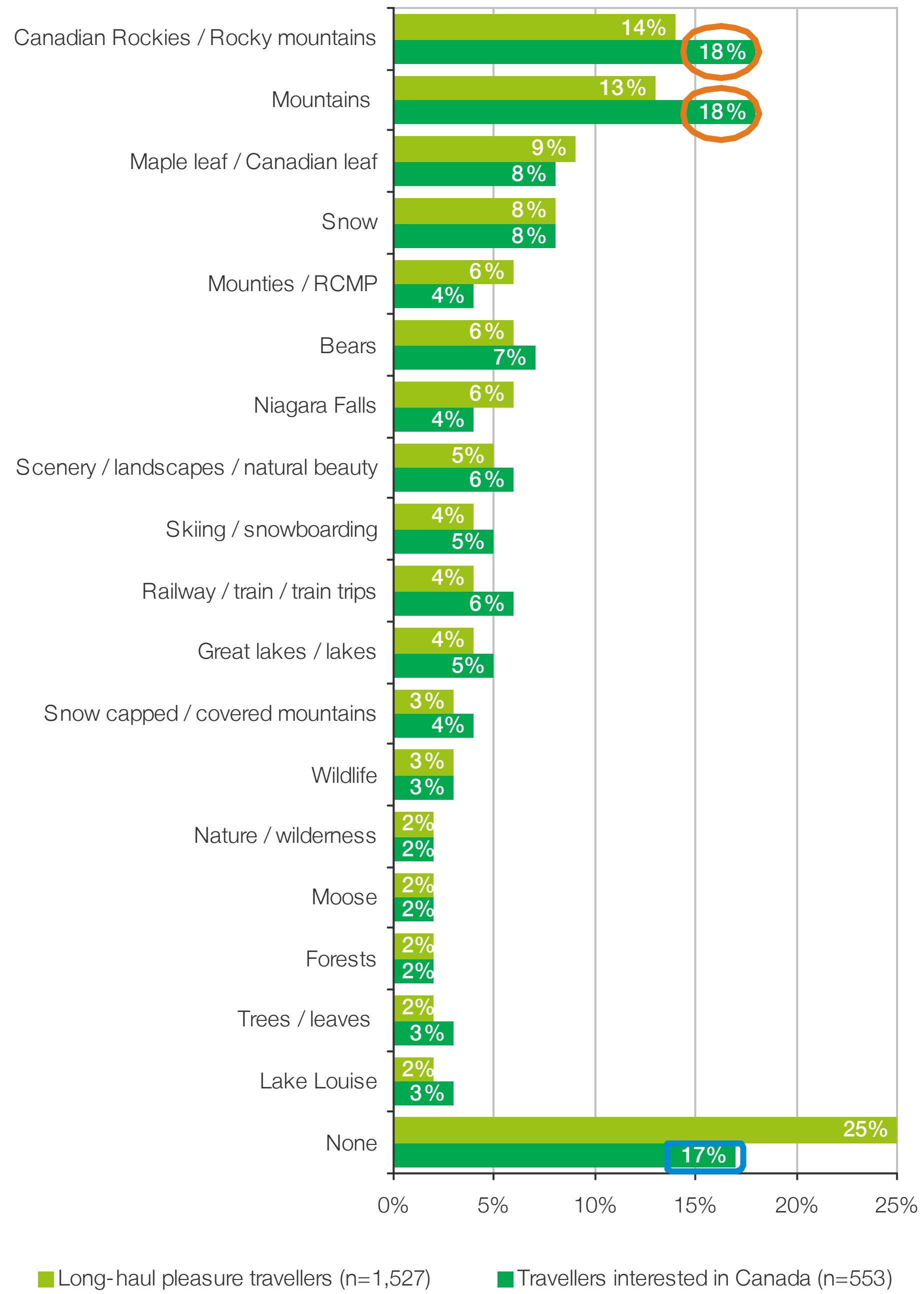
Canada's magnificent mountain imagery has a strong role to play in inspiring interest among Australian travellers (see Exhibit 18). The Canadian Rockies (14%) and mountains in general (13%) are the two most inspirational visuals, supported by mentions of snow-capped mountains (3%) further down the list. For all three, references are higher in Australia than in most other markets. Australia has the lowest and flattest terrain of any continent in the world, so it is no wonder that travellers find mountain imagery so striking. It also explains the above average popularity of Alberta and British Columbia in this market, as well as Australians' keen interest in Whistler, Banff and Jasper. As a result, the CTC and its partners should ensure that mountain imagery is prominent in all advertising targeted at Australia.

Winter imagery is also associated with Canada to a large degree, with mentions of snow (8%) in the top five, and skiing/snowboarding (4%) further down the list. Two identifiably Canadian icons round out the top five – the maple leaf (9%) and Mounties (6%). Notably, Australia is one of the few GTW CTC markets where Niagara Falls does not rank among the top five icons.

Mentions of wildlife are also fairly common, particularly bears (6%) and moose (2%), as well as wildlife in general (3%). Most of the remaining mentions are related to scenery and nature, including specific mentions of lakes and forests. In pushing Canada, it will be critical to differentiate Canada's nature and outdoor imagery from that of Australia and showcase Canada's unique offerings. For example, large mammals like bears and moose are of high interest, as most mammals in Australia are fairly small in comparison.

Compared with most other markets, railway/train imagery is fairly prominently associated with Canada, suggesting an opportunity to build awareness of Canada's rail tours through visuals and information.

Exhibit 18: Icons or images that inspire interest in Canada



Base: Long-haul pleasure travellers.

*Notes: **Blue sqaures** indicate a result that is significantly **lower** than another group; **orange circles** indicate a result that is significantly **higher** than another group.*

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

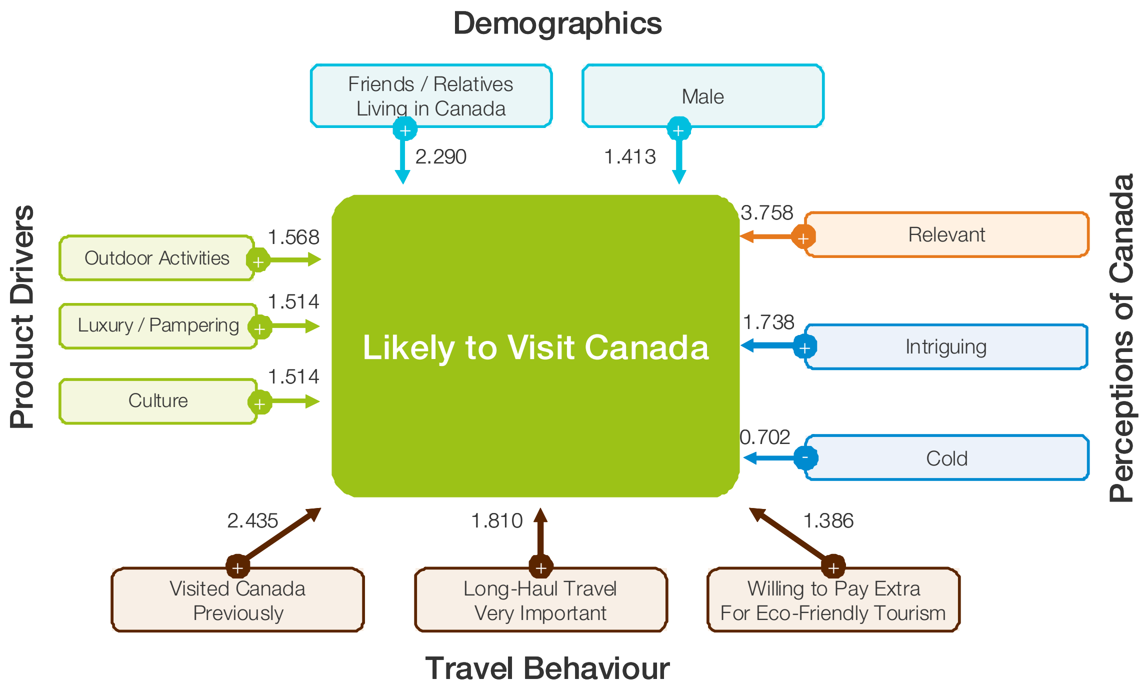
what are the key drivers for visiting canada?

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 19 summarizes the results of the key drivers model, with key findings discussed below:

- Perceptions of Canada have a very strong influence on the purchase decision, with perceptions of relevance by far the most important determinant of travel to Canada. Those who view Canada as offering travel experiences that are directly relevant to them are almost four times as likely as those who do not to say they will visit Canada in the next two years. Travellers who view Canada as intriguing and who do not see it as cold are also more likely to express positive travel intentions.
- Previous travel to Canada is another major predictor of future travel intentions, as past visitors are almost two and a half times as likely to say they will visit Canada in the next two years, compared to potential first time visitors.
- In terms of demographics, having friends and relatives in Canada is a significant driver of potential travel, and all else being equal, men are also more likely to say they will make the trip than women.
- Not surprisingly, outdoor activities are a major pull factor for travel to Canada, but luxury/pampering and culture also register strongly as product drivers that increase the likelihood of travel to Canada. Again, this shows the need to go beyond nature and present a diversified image and product suite to Australian travellers.
- As in virtually all markets, those who have integrated long-haul travel into their lifestyles and who have a strong environmental conscience are more likely to want to visit.

Exhibit 19: Key Drivers for Likelihood to Visit Canada



Base: Long-haul pleasure travellers.

Notes: 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

Australians are seasoned travellers, with one of the highest incidences of long-haul travel of any of the CTC's global markets. In fact, demand for long-haul travel has been growing steadily over the last five years, thanks to a healthy economy, a strong Aussie dollar and increased flight capacity to many long-haul destinations. The GTW indicates that the current market sentiment is one of optimism, with 43% of long-haul travellers who say they plan to travel more over the next three years than they have in the last three years.

While the external environment has been extremely favourable for market growth over the past few years, conditions have started to weaken in 2008. As in many markets, a slowing economy, ballooning inflation, high fuel prices and consumer unease are factors that could have negative implications for long-haul travel in the near-term. In addition, there is rising competition from short-haul destinations in response to this market's desire for shorter, more affordable trips.

Mirroring the global trend, Australian travel to Canada has been performing remarkably well, with double-digit growth in 3 of the last 4 years. The GTW results indicate that Canada continues to be firmly on the radar of Australian travellers, with high interest translating into a potential market of about 5 million travellers. However, the findings suggest that realization of this potential is fairly difficult as distance and cost barriers are paramount in this market. In addition, weak awareness of the specifics of Canada travel, and narrow brand and product perceptions, indicate there are awareness and perceptual issues to overcome. Canada will need to deal with these issues if it hopes to maintain its currently stellar market performance in the face of the increasingly challenging market conditions.

Specific marketing implications arising from this study that the CTC may wish to consider, depending on its mandate, priorities and budgets are as follows:

Key Performance Indicators

Increase awareness of Canada's regions and major cities. While unaided awareness of "Canada" itself is strong at 24%, provincial and city brands are not top-of-mind in Australia. Moreover, knowledge of vacation opportunities in Canada is low, both in an absolute sense, and relative to competitors. Increasing awareness of the specifics of where to go and what to see could be a priority in this market to help convert nebulous interest into firm travel plans. Emphasis could be placed on British Columbia, particularly for the smaller cities/towns and national parks (e.g., Victoria, Whistler, Interior British Columbia).

Improve realization of potential travel. While almost three-quarters of Australian travellers express interest in Canada, only 20% say they are likely to travel there in the next 2 years, and just 6% have visited in the past 3 years. This suggests that although Canada is firmly in the destination consideration set of Australian travellers, most are on the fence when it comes down to actually making plans. In fact, nowhere is the "someday" syndrome more evident than in Australia, suggesting that the CTC and its regional partners need to deliver more compelling reasons to visit possibly through one-time events, best-in-class products and must-do experiences. Canada may also need to become more aggressive on pricing as poor cost perceptions and affordability are likely the greatest roadblocks to market growth.

Re-assess advertising content and messaging. Both unaided and aided recall of Canada's advertising in Australia rank among the top three markets, and "Canada" is the single most recognized travel brand among those advertising in Australia. Despite this, Australians' awareness of travel opportunities in Canada is low, brand and value perceptions are only average, and recall of the "Keep Exploring" slogan is poor. Although Canada is doing a remarkable job at creating memorable advertising and reaching its target market, it may wish to re-examine specific content and messaging, as well as the extent to which the advertising is driving traffic to its website.

Position Canada as an add-on to US travel. The US is currently enjoying a travel boom from down under, driven by a 27% increase in the purchasing power of the Australian dollar over the last two years. The recent Open Skies agreement will only strengthen visitor flows to the US, as new carriers enter the market over the next few years. This suggests good opportunities for Canada to enhance its own visitor flows by positioning itself as an add-on to US travel. Canada could emphasize the proximity of key destinations of interest (e.g., Toronto, Ottawa and Vancouver) to popular American destinations. Canada may also want to highlight the fact that the Australian dollar currently has as much spending power in Canada as it does in the US.

Brand Performance

Continue to build and strengthen the brand. The GTW reveals mixed results when it comes to the new brand. In terms of unaided brand personality, market perceptions are fairly well aligned with Brand Canada. Australians see Canada as a fun and vibrant destination, and one that has started to evolve beyond its nice and clean image. And although nature is at the forefront, Australians tend to view it as an environment for adventure and outdoor activities, rather than in a passive way. However, the brand perception is on the low side, and shows a strong need to strengthen perceptions of Canada's culture and people for a more well-rounded brand image.

Enhance cost perceptions of Canada. Australia, alongside Japan, Korea and Germany is one of the more problematic markets when it comes to cost issues. A price-sensitive population to begin with, the availability of special deals and attractively-priced offers has become an even more important determinant of destination choice among Australians as concerns about inflation and the affordability of long-haul travel grow. Canada may wish to be aggressive in its offers, stress the currently favourable exchange rate, and play up value for money considerations in its marketing (e.g., a once-in-a-lifetime vacation with extraordinary experiences that can't be obtained elsewhere).

Promote the value of Canadian travel. While benefit could be realized by furthering the brand and to control cost perceptions, value perceptions have the greatest influence over the purchase decision, so the CTC may wish to focus on building the value proposition for Canada, particularly around the quality and relevance of its products.

Product Opportunities

Fortify Canada's positioning on the outdoor dimension. Canada has considerable strength in both the nature and outdoor dimensions, but is weaker in the outdoor arena relative to competitors. With the US and Europe strong leaders on golf and cycling, respectively, Canada could look for opportunities to strengthen these outdoor offerings where possible. Canada could also stand to put more distance between itself and the US on kayaking/canoeing and fishing/hunting to help solidify its positioning as the go-to destination for active outdoor pursuits. In addition, Canada could promote outdoor activities in the North, with the Arctic environment being a good way to clearly differentiate it from the US experience. In fact, Australia likely offers the most development potential for Canada's North, behind Germany.

Build awareness of Canada's cultural products. As in virtually every market, Canada needs would benefit most likely from by rounding out product offerings in Australia to enhance perceptions of Canadian cultural products, given significant weakness in this area and the strong cultural bent of Australian travellers. Promoting Canada's unique historical sites, premier cultural attractions and distinctive lifestyles and communities could be a priority to build relevance in this market and diversify Canada's image. However, it should be noted that aboriginal culture is not a strong draw for Australians, given the abundance and easy accessibility of these products at home.

Promote self-touring opportunities. Self-touring represents another good way to diversify Canada's product portfolio, and is an appealing product for Australians who have a strong independent streak. Touring by car/train is also a product strength for Canada and an area where it has the opportunity to move ahead of some close competitors (e.g., the US). British Columbia itineraries may prove particularly popular, as Australians are interested in exploring diverse parts of the province, including Vancouver, Victoria, Whistler and the Interior. With such good potential, British Columbia could showcase the variety of places to see and promote individualized tours to give travellers a blueprint for exploring the province.

Capitalize on perceptions of Canada as a premier ski destination. Canada is clearly perceived as the skiing destination among the competitive set, trumping both the US and the European countries. Moreover, Australians' singular interest in some of Canada's premier ski destinations such as Whistler indicates good potential to build the base of Australian ski vacationers to Canada. Although distance and cost are ongoing barriers for developing this niche, the currently favourable exchange rate makes it an ideal time to promote skiing in Canada. Moreover, Australians have a proven willingness to take long-haul ski trips, with Colorado resorts reporting huge increases in Australian visitors over the last few years seeking to take advantage of their strong dollar.

Strategic Marketing

Harness the power of television to reach potential travellers to Canada. For maximum impact, television could be used to get the word out on Canada. Advertising, travel features and in-depth profiles of specific Canadian travel experiences/destinations could be placed on television travel shows, as this is the number one information source on Canada, by a wide margin, and is also tops for increasing awareness and appeal among potential travellers to Canada. Notably, online media (e.g., websites, podcasts, travel blogs) appear to be less effective in enhancing Canada's appeal in Australia than in many other markets, indicating that web campaigns would most likely only be of benefit if they were used in conjunction with traditional media.

Continue to use nature imagery and icons. The CTC would benefit by continuing to use nature imagery in its marketing initiatives, as Australian travellers find this imagery to be inspirational. The CTC and partners may wish to focus on nature imagery that differentiates Canada from what Australians can experience at home, for example, majestic mountains and large mammals such as moose or bears. In keeping with the new brand, the findings of this research suggest that static images be avoided and that nature imagery be used in combination with people and activities to get across the concepts of exploration, discovery and the creation of personal stories. In this regard, it is also recommended that the CTC include images of skiing and train travel, as these images emerge with relatively more strength in the Australian market.

Leverage the 2010 Olympic Games. Although the fact that Canada is hosting the 2010 Olympics escapes most Australians, and the Olympics are less likely to have a strong impact on visitation, the Games will still present good opportunities to enhance Canada's presence as a tourism destination and shape its brand image in Australia. All the more so, given Australian travellers' fascination with Western Canada in general, and British Columbia, the Rocky Mountains and skiing in particular. The CTC should continue to work together with Tourism British Columbia, Olympic sponsors and the international media to build excitement in the years leading up to the Games and to capitalize on this opportunity for years to come.