



Canadian Tourism
Commission

Commission canadienne
du tourisme

Global Tourism Watch 2009 (Year 1)

Canada - Key Findings

Canadian Tourism Commission (CTC)

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Introduction

Background

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

In 2009, the third year of the program, the GTW was implemented in ten markets – Canada, the US, Mexico, the UK, France, Germany, Australia, Japan, China and South Korea¹. The Year 3 research was co-funded by a regional partner group that included British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Atlantic Canada, Yukon and Northwest Territories.

Objectives

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

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

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

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

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

Methodology

The target population for the survey consisted of residents, aged 18 and older, who have taken a 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 (or next year for the Canada study). For all markets, pleasure trips included vacation or holiday trips, trips to visit friends and relatives, and combined business-pleasure trips.

A total of 4,049 Canadian respondents (including 2,543 outbound travellers, 1,213 inter-regional domestic travellers and 304 intenders), completed the online survey. The sample was split evenly across six regions – British Columbia, Alberta, Manitoba/Saskatchewan, Ontario, Québec and Atlantic Canada. Out-of-region travel was defined as being outside of the Atlantic region for residents in the Atlantic provinces and outside of the province for all other regions. In Québec and Atlantic Canada, quotas were set for English vs. French-speaking respondents based on population distributions from the census to ensure a representative sample.

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 (2009) for the Canada study.

Canada Competitive Set

To assess Canada's positioning in the domestic market, a number of questions in the survey asked respondents to rate Canada against key competitors, as identified by the CTC. The competitive set for the domestic market was as follows: the US, the UK, France, Italy, Australia/New Zealand and China/Hong Kong.

Canada Study Partners

Regional partners for the study in Canada include: Alberta, Atlantic Canada, British Columbia, Manitoba, Northwest Territories, Ontario, Québec, Saskatchewan and Yukon.

Traveller Segment Definition

Overseas: Travelled overseas (e.g., outside of Canada, the US and Mexico/Caribbean region) for pleasure, past 3 years.

US: Travelled to the US (but not overseas) for pleasure, past 3 years.

Mexico/Caribbean: Travelled to Mexico/Caribbean (but not to the US or overseas) for pleasure, past 3 years.

Inter-Regional Domestic: Travelled out-of-region (but not outside Canada) for pleasure, past 3 years.

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

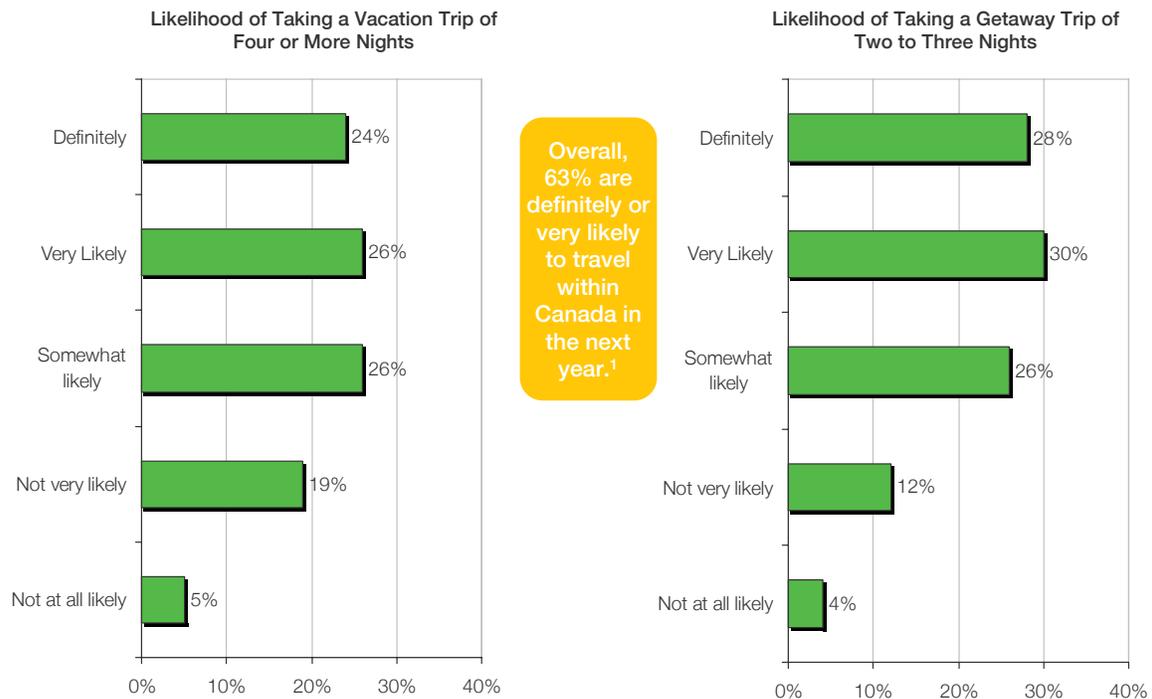
Outlook on Travel in Canada and the Regions in the Next Year

Likelihood of Travelling in Canada

The overall likelihood of travelling in Canada in the next year was assessed for both short getaways of two to three nights and longer vacations of four or more nights.

Exhibit 1 shows that, in total, 63% of out-of-region travellers say they will definitely or are very likely to travel within their own country in the next year. Although this is high by GTW standards, it is fairly weak as far as domestic travel intentions go, justifying further marketing initiatives geared at encouraging travel within Canada. With getaway travel (58%) currently having the edge over longer vacations (50%), such campaigns might also focus on persuading getaway-takers to extend their trips into bona fide vacations.

Exhibit 1 - Likelihood of Travelling Canada in the Next Year



Base: Out-of-region pleasure travellers (n=4,049).

Note: ¹ Includes trips of two to three nights or four or more (where at least one night is spent in paid accommodations).

Size of the Potential Market for Canada and the Regions

Exhibit 2 provides an estimate of the size of the potential market for domestic pleasure travel among out-of-region travellers in Canada. Two estimates are presented – the target market and the immediate potential – with both estimates based on pleasure trips of two nights or more where at least one night is spent in paid accommodations. Note that this estimate does not cover the full domestic market, but only the potential associated with out-of-region travellers (i.e., the traveller base for the GTW study). VFR (Visiting Friends and Relatives) trips are included if the paid accommodations criterion is met, but trips for personal reasons (e.g., weddings, funerals, medical reasons) are excluded.

The target market is a broader estimate of the market size based on expressed interest (very or somewhat interested) in travelling within Canada in the next year. This yields a target market of close to 14 million travellers with some level of interest in domestic travel. Interest is highest among travellers in Alberta, Saskatchewan/Manitoba and the Atlantic region, and lowest in Québec.

The immediate potential is a more conservative estimate of market size based on those who say they will definitely or are very likely to travel in Canada in the next year. This translates into almost 10 million travellers with more immediate potential for conversion, placing Canada ahead of all GTW markets except the US in terms of potential market size.

The largest immediate potential is in Ontario and Québec (over 2 million travellers), which is primarily attributable to the sheer size of the traveller base in these regions. British Columbia and Alberta are the next largest potential markets (in the range of 1.3 to 1.5 million), with Alberta's numbers benefitting from the strong travel intentions in this province. Although easterners also exhibit buoyant travel intentions, the Atlantic region's potential is obviously limited by the smaller population size.

Exhibit 2 – Size of the Potential Market for Canada and Regions (Next Year)

	Size of Potential Market					
	BC (n=676)	AB (n=671)	SK/MN (n=674)	ON (n=673)	QC (n=686)	ATL (n=669)
Total potential out-of-region pleasure travellers (aged 18 plus)	2,352,000	1,811,000	1,124,000	6,136,000	3,298,000	1,021,000
Target Market for Canada						
Very/somewhat interested in travelling within Canada in the next year	88%	94%	93%	89%	81%	92%
Size of the target market	2,070,000	1,702,000	1,045,000	5,461,000	2,671,000	939,000
TOTAL	13,888,000					
Immediate Potential for Canada						
Will definitely/very likely travel within Canada in the next year ¹	63%	72%	65%	61%	61%	69%
Immediate potential	1,482,000	1,304,000	731,000	3,743,000	2,012,000	705,000
TOTAL	9,977,000					

Base: Out-of-region pleasure travellers.

Notes: **Blue squares** indicate a result that is significantly lower than at least two other markets; **orange circles** indicate a result that is significantly higher than at least two other markets.

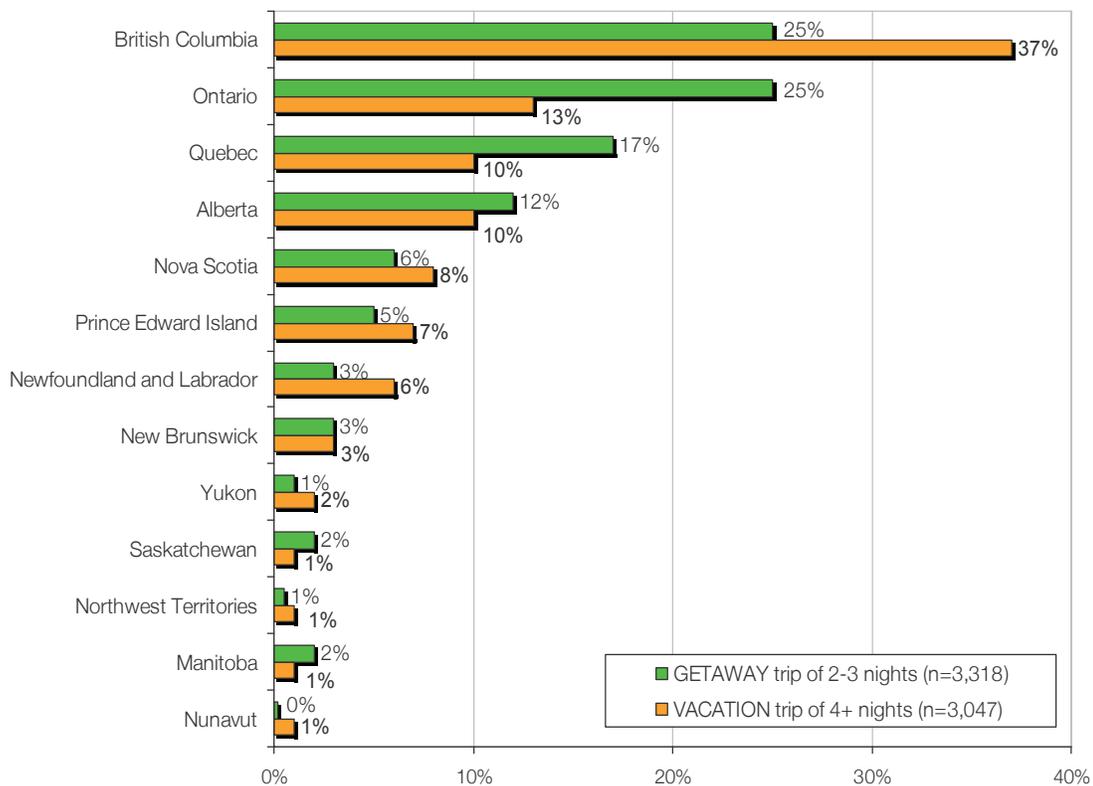
¹ Includes respondents likely to travel within Canada on a trip of two to three nights or a trip of four nights or more (where at least one night is spent in paid accommodations).

Canadian Destinations Likely to Visit

Although Ontario has been the most popular Canadian destination for out-of-region travellers over the last three years, **Exhibit 3** suggests that British Columbia is rising in popularity and could soon become the leading tourism destination for Canadians. Almost 40% of those likely to take a longer vacation in Canada select British Columbia as their destination of choice, with Ontario a distant second at 13%. Among getaway travellers, British Columbia and Ontario attract equal attention at 25% each. British Columbia's burgeoning popularity may stem from the fact that Ontario is a relatively mature destination for out-of-region travellers, with over 40% having visited this province in the past three years. British Columbia may also be winning interest from marketing and publicity related to the Olympic Games.

Aside from British Columbia and Ontario, Québec and Alberta are the only other provinces to garner 10% or more of the traveller vote. However, as a region, Atlantic Canada is the second most popular spot in Canada after British Columbia, with 24% selecting it as their must-see destination for vacations and 17% choosing it for getaways.

Exhibit 3 - Canadian Provinces/Territories Most Likely to Visit



Base: Those likely to travel within Canada in the next year on a vacation or getaway trip.

Exhibit 4 shows preferred destinations for getaways and longer vacations by market.

For **getaway travel**, destination preferences are determined largely by proximity, which comes as no surprise:

- For the three western regions, British Columbia is the leading getaway destination of interest, followed by Alberta. Saskatchewan/Manitoba travellers are also interested in exploring their own backyard, with Ontario on their radar as well.
- For Ontarians and Québécois, travelling in central Canada is most appealing for a short getaway, with their own province preferred. However, there is also strong interest in the Atlantic region as a whole.
- Those in Atlantic Canada also prefer to explore their own region, with Ontario ahead of Québec as the next most popular destination.

For **longer vacations**, the picture is somewhat different, with travellers obviously willing to venture farther:

- No matter where they live, Canadian travellers have their eye on British Columbia, with this destination being number one across all markets, including British Columbia itself.
- Ontario is also a major draw for travellers in British Columbia and Alberta, as well as for those in Atlantic Canada, being the second most popular choice for longer vacations in each case.
- After British Columbia, Ontarians and Québécois choose to take longer trips in their own province.
- Interestingly, Atlantic Canadians exhibit a higher than average interest in Alberta, while Nova Scotia attracts above average attention from Alberta.
- Travellers in Ontario also find Nova Scotia appealing. In fact, Ontarians exhibit the highest interest in Atlantic Canada as a whole, higher even than easterners themselves.
- Québécois are more likely than other travellers to gravitate to New Brunswick, no doubt due to its proximity, as well as the large French-speaking population there.

Exhibit 4 - Canadian Provinces/Territories Most Likely to Visit by Market

Canadian Provinces/Territories Most Likely to Visit on Getaways ¹						
Provinces/Territories	BC (n=558)	AB (n=569)	SK/MN (n=524)	ON (n=555)	QC (n=546)	ATL (n=566)
British Columbia	55%	51%	27%	14%	15%	12%
Alberta	18%	27%	24%	8%	3%	5%
Saskatchewan	2%	3%	10%	1%	1%	1%
Manitoba	2%	2%	10%	1%	0%	1%
Ontario	8%	6%	12%	40%	25%	21%
Quebec	5%	2%	4%	21%	34%	13%
New Brunswick	1%	1%	1%	1%	6%	6%
Nova Scotia	4%	3%	4%	6%	5%	15%
Prince Edward Island	2%	1%	3%	4%	7%	14%
Newfoundland and Labrador	1%	2%	2%	4%	1%	10%
Yukon	2%	1%	1%	1%	1%	1%
Northwest Territories	1%	0%	1%	0%	1%	0%
Nunavut	0%	0%	0%	0%	1%	0%

Canadian Provinces/Territories Most Likely to Visit on Vacations ²						
Provinces/Territories	BC (n=505)	AB (n=510)	SK/MN (n=503)	ON (n=509)	QC (n=498)	ATL (n=522)
British Columbia	32%	50%	34%	35%	40%	26%
Alberta	13%	8%	18%	9%	6%	13%
Saskatchewan	2%	2%	3%	1%	0%	2%
Manitoba	1%	2%	3%	1%	0%	1%
Ontario	18%	10%	11%	13%	11%	22%
Quebec	10%	4%	4%	9%	18%	11%
New Brunswick	2%	2%	2%	2%	10%	2%
Nova Scotia	6%	10%	9%	10%	4%	5%
Prince Edward Island	6%	5%	6%	7%	7%	6%
Newfoundland and Labrador	5%	6%	5%	9%	1%	9%
Yukon	4%	2%	3%	2%	1%	3%
Northwest Territories	1%	1%	2%	1%	1%	1%
Nunavut	0%	0%	0%	1%	1%	1%

Base: Those likely to travel within Canada in the next year on a vacation or getaway trip.

Notes: **Orange circles** indicate a result that is significantly higher than at least three other markets.

¹ Getaway trips are defined as shorter trips of 2 to 3 nights.

² Vacation trips are defined as longer trips of 4 or more nights.

Awareness Levels of Canada

Unaided Performance Indicators

The Global Tourism Watch measured three unaided (or top-of-mind) indicators² – unaided awareness of Canada, unaided awareness of Canadian travel advertising, and unaided destination consideration.

To measure brand awareness, respondents were asked to name destinations that come to mind for a vacation trip. The exact response was recorded, whether this was “Toronto,” “Ontario” or “Canada.” The top brands, as specifically mentioned by respondents, are shown in [Exhibit 5](#). The exhibit also shows a roll-up of the awareness results by country. This is essentially the total awareness for a country, including all sub-destinations. For example, total awareness for Canada includes mentions of “Canada” itself and all destinations within Canada.

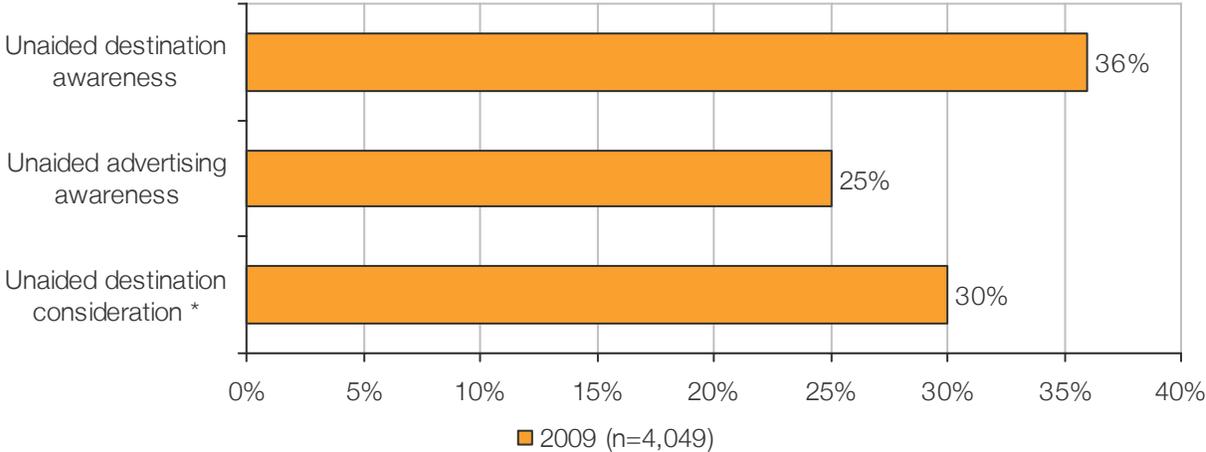
The US is the top destination among Canadian out-of-region travellers in terms of unaided awareness (50%), exceeding even Canada itself (36%). Individual US brands also tend to fare better than Canadian brands do, with “Hawaii,” “Florida,” “Las Vegas” and “New York City” all among the top ten brands at 8% or more. In contrast, “British Columbia” and “Vancouver” are in the bottom half of the list at around 4% to 5%, with no other Canadian destination among the top twenty brands. That Canadians think of the US first when it comes to vacation travel points to a continued need to build Canada’s excitement value and enhance its cachet on home turf.

The unaided advertising awareness results in [Exhibit 5](#) show that Canada is the top destination as far as advertising recall goes, placing just ahead of the US and well ahead of Mexico, Cuba and Australia. At 25%, awareness of Canada’s advertising in the domestic market is strong by GTW standards, ranking ahead of all markets except Mexico. In addition to stand-alone provincial initiatives, 2009’s highly successful *Locals Know* campaign no doubt contributed to this solid performance. Voted one of the top ten tourism-related marketing initiatives by *Forbes* magazine, the campaign invites Canadians to share their hidden travel spots with each other through photos and stories.

Generally, the destinations being considered for upcoming pleasure trips mirror the unaided awareness results, with the top ten destinations being the same. As one would expect, Canada’s performance in the domestic market is stronger than in its international markets, however, with a consideration level of just 30%, its standing could certainly be improved. Moreover, at 42%, the US again out-ranks Canada as the foremost destination being considered by Canadians.

² Cumulative results including mentions of Canada and sub-destinations within Canada.

Exhibit 5 - Unaided Performance Indicators for Canada



Base: Long-haul pleasure travellers
** Base : Those who are planning on taking a pleasure trip in the next year 2009 (n=3,212)*
Notes: Roll-up of brand mentions by country, e.g., percentage who said Canada or any destination in Canada.

Canada's Potential Market

Target Market Demographics

Exhibit 6 provides a demographic profile of Canadian travellers as a whole, as well as by traveller type.

The results show that Canadian travellers span all ages, with roughly 30% under 35, 40% who are 35 to 54, and 30% who are 55 plus. Around two-thirds are married, and about 30% have children living at home. Approximately half of all travellers have a college/university education, over 40% hold managerial/professional positions, and just under 40% have household incomes of \$80,000 or more.

As one might expect, there are marked socio-demographic differences by segment, with Overseas travellers tending to be better educated, hold professional occupations and have higher incomes. Inter-Regional Domestic travellers and Intenders are at the opposite end of the spectrum, being less educated, less likely to have managerial/professional jobs and considerably less affluent. In fact, roughly 60% of both groups have household incomes of less than \$60,000 per year, which may play into their tendency to take domestic out-of-region vacations (or none at all in the case of Intenders).

Interestingly, the traveller segments are fairly homogenous with respect to age, with the only notable difference being that Mexico/Caribbean travellers are more likely to be 45 to 54.

Exhibit 6 – Target Market Demographics

	All Out-of-Region Travellers (n=4,049)	Overseas ¹ (n=938)	US ² (n=1,382)	Mexico/Caribbean ³ (n=212)	Inter-Regional Domestic ⁴ (n=1,213)	Intenders ⁵ (n=304)
Gender						
Female	51%	52%	49%	50%	51%	53%
Age						
18 to 24	10%	11%	9%	10%	8%	10%
25 to 34	19%	20%	19%	15%	17%	20%
35 to 44	20%	21%	20%	16%	21%	18%
45 to 54	21%	15%	25%	31%	23%	20%
55 or older	31%	34%	28%	29%	31%	31%
Have Children in Household Under 18						
Yes	29%	26%	30%	26%	30%	30%
Marital Status						
Married / partnered	66%	66%	70%	70%	64%	57%
Single / never married	22%	22%	20%	15%	22%	32%
Other (e.g., separated, divorced, widowed)	12%	12%	11%	15%	14%	11%
Education						
High school or less	16%	8%	19%	17%	27%	23%
Technical / vocational	34%	27%	35%	38%	41%	40%
Completed college / university	50%	65%	45%	45%	32%	36%
Employment Status						
Employed full-time / part-time	64%	66%	64%	68%	60%	59%
Housewife / homemaker	5%	3%	6%	4%	8%	9%
Retired	19%	21%	19%	16%	18%	15%
Unemployed	4%	3%	3%	3%	6%	6%
Student	5%	6%	5%	7%	4%	5%
Occupation						
Managerial/ Administrative/ Business owner	19%	20%	21%	18%	15%	13%
Professional	24%	33%	22%	21%	16%	16%
Clerical	8%	5%	9%	9%	8%	11%
Sales / Services	12%	11%	11%	16%	12%	15%
Technical / Skilled	15%	13%	15%	16%	16%	17%
Blue collar / Labourer	7%	4%	6%	9%	11%	9%
Other	16%	14%	16%	12%	22%	18%
Average Annual Household Income (\$CDN)						
Less than \$40,000	22%	16%	17%	18%	35%	41%
\$40,000 to less than \$60,000	21%	20%	22%	20%	26%	16%
\$60,000 to less than \$80,000	20%	20%	19%	23%	19%	23%
\$80,000 to less than \$100,000	17%	19%	17%	20%	11%	14%
\$100,000 or more	20%	25%	24%	19%	8%	5%

Base: Out-of-region pleasure travellers.

Notes: **Blue squares** indicate a result that is significantly lower than at least three other groups; **orange circles** indicate a result that is significantly higher than at least three other groups.

¹ Travelled overseas (e.g., outside of Canada, the US and Mexico/Caribbean region) for pleasure, past 3 years.

² Travelled to the US (but not overseas) for pleasure, past 3 years.

³ Travelled to Mexico/Caribbean (but not to the US or overseas) for pleasure, past 3 years.

⁴ Travelled out-of-region (but not outside Canada) for pleasure, past 3 years.

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

Target Market for Canada's Regions³

Exhibit 7 shows the demographic profile of travellers who are likely to travel within Canada (or are considering a domestic trip) in the near-term, as well as those who are most likely to visit each of the regions. Generally, there are few demographic differences in the target market for each region:

- Travellers who select **Alberta** as their destination of choice are more likely to have children, suggesting that this may be viewed as an attractive family destination.
- The **Saskatchewan/Manitoba** region tends to attract a much older crowd, with over 70% who are aged 45 or older. Generally fewer are university educated and more are in services/technical/blue collar positions.
- Those who find **Atlantic Canada** and **Northern Canada** appealing also tend to be older, with over 60% who are 45 plus. In addition, potential visitors to the North are more likely to be affluent men, which could reflect this destination's outdoor adventure offerings.

³ CTC partner regions only. (British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Yukon and Northwest Territories, Atlantic Canada)

Exhibit 7 - Target Market for Canada's Regions

	Total ¹ (n=3,047)	BC ² (n=1,071)	AB ² (n=349)	SK/MN ² (n=96) ³	ON ² (n=455)	QC ² (n=270)	ATL ² (n=690)	North ² (n=116)
Gender								
Female	50%	49%	48%	43%	50%	48%	54%	38%
Age								
18 to 24	10%	12%	12%	3%	10%	12%	5%	6%
25 to 34	19%	23%	19%	17%	21%	20%	12%	9%
35 to 44	19%	17%	26%	9%	20%	25%	19%	17%
45 to 54	21%	19%	18%	29%	21%	19%	24%	30%
55 or older	31%	29%	24%	42%	28%	23%	40%	38%
Have Children in Household Under 18								
Yes	30%	30%	38%	23%	27%	28%	28%	28%
Marital Status								
Married / partnered	68%	63%	66%	66%	67%	69%	77%	62%
Single / never married	22%	25%	23%	16%	25%	25%	13%	26%
Other	11%	12%	11%	19%	8%	6%	10%	12%
Education								
High school or less	16%	15%	18%	27%	20%	11%	18%	17%
Technical / vocational	34%	33%	36%	32%	37%	33%	33%	40%
Completed college / university	49%	52%	46%	41%	43%	55%	48%	41%
Employment Status								
Employed full-time / part-time	63%	65%	66%	54%	60%	64%	58%	67%
Housewife / homemaker	6%	4%	5%	10%	7%	6%	7%	6%
Retired	20%	16%	20%	26%	20%	17%	25%	18%
Unemployed	4%	4%	3%	4%	5%	3%	5%	4%
Student	5%	7%	5%	2%	6%	8%	3%	2%
Occupation								
Managerial/ Administrative/ Business owner	19%	20%	18%	16%	19%	19%	19%	18%
Professional	25%	25%	21%	10%	27%	27%	26%	22%
Clerical	7%	8%	5%	6%	7%	6%	8%	5%
Sales / Services	12%	12%	10%	16%	7%	13%	12%	18%
Technical / Skilled	15%	12%	20%	21%	17%	16%	15%	20%
Blue collar / Labourer	7%	8%	6%	12%	6%	3%	5%	8%
Other	16%	15%	20%	19%	15%	16%	16%	10%
Average Annual Household Income (\$CDN)								
Less than \$40,000	23%	23%	21%	19%	32%	23%	19%	19%
\$40,000 to less than \$60,000	21%	20%	28%	32%	15%	19%	24%	11%
\$60,000 to less than \$80,000	21%	21%	16%	15%	17%	21%	24%	30%
\$80,000 to less than \$100,000	16%	16%	16%	20%	16%	14%	15%	24%
\$100,000 or more	20%	21%	19%	14%	19%	22%	18%	17%

Base: Out-of-region pleasure travellers.

Notes:

¹ Those likely to travel within Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a dream vacation experience here.

² Those most likely to visit the region on a vacation trip of 4+ nights in the next year.

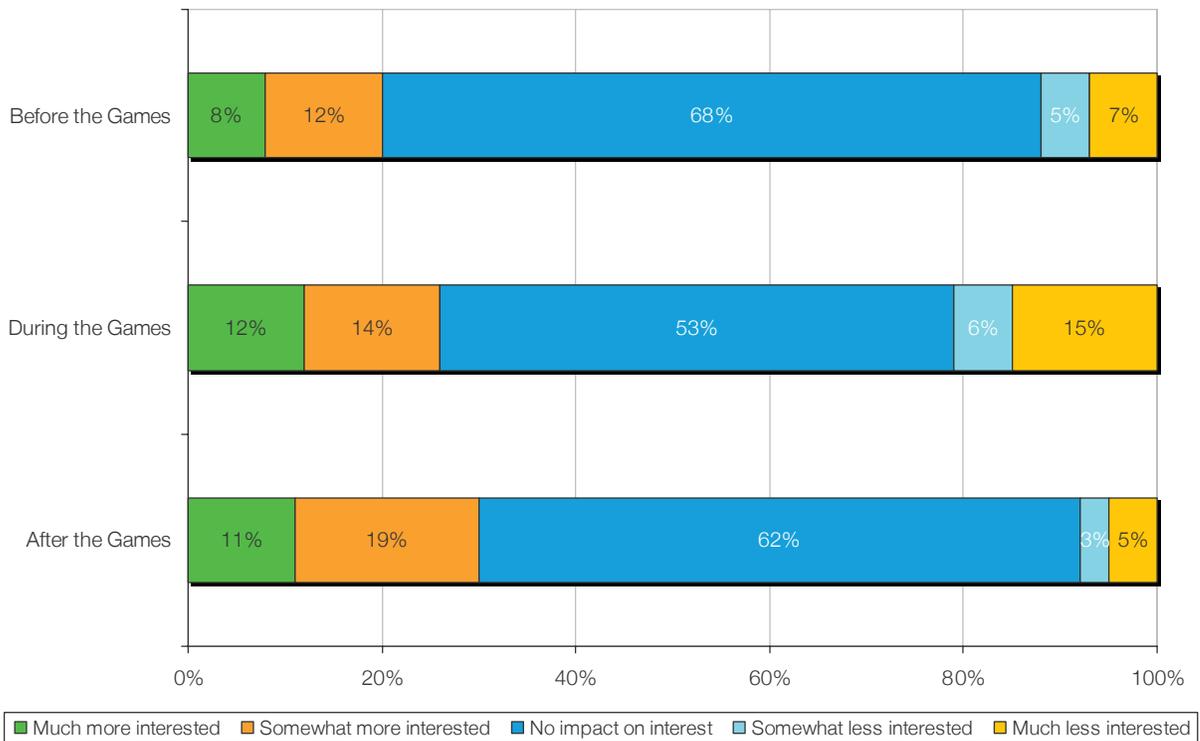
³ Results should be interpreted with caution due to the small sample size.

Impact of 2010 Winter Games on General Interest in British Columbia

While only 20% of out-of-region travellers say that hosting the 2010 Olympic Games increases their desire to visit British Columbia before the Games, this increases to 26% during the Games and 30% after the event (see [Exhibit 8](#)). However, the Games also have an avoidance effect, particularly during the event, when over 20% of travellers say they are less interested in visiting the province, resulting in a net gain of only +5 percentage points. The real impact of the Games will be felt after the event, when the net gain climbs to a respectable +22.

Interestingly, Alberta (28%) and Québec (29%) travellers are most likely to be swayed to visit British Columbia during the Games. However, Albertans (along with travellers from the Prairie provinces), are also the most likely to avoid travel to the province during the event (at 29%).

Exhibit 8 – Impact of 2010 Winter Games on General Interest in British Columbia



Base: Out-of-region pleasure travellers (n=3,373).

Note: Excludes British Columbia residents.

Canada's Product Strengths and Weaknesses

Exhibit 9 presents a product strengths and weaknesses map for Canada in the domestic market, which looks at impressions of Canada's product offerings vs. the importance of these products to Canadian travellers. The purpose is to identify important products where Canada is either favourably or unfavourably perceived.

Product Strengths

General product strengths for Canada are products that are both important in the minds of travellers in planning their pleasure trips and for which Canada is favourably viewed. At home, as abroad, Canada's product strengths tend to revolve around nature, including beautiful scenery, national parks, wildlife, nature close to cities and cities close to nature. Perhaps because of its natural beauty, self-touring by car or train is viewed as an ideal way to see the country, although further development is required to fortify its tenuous positioning as a product strength.

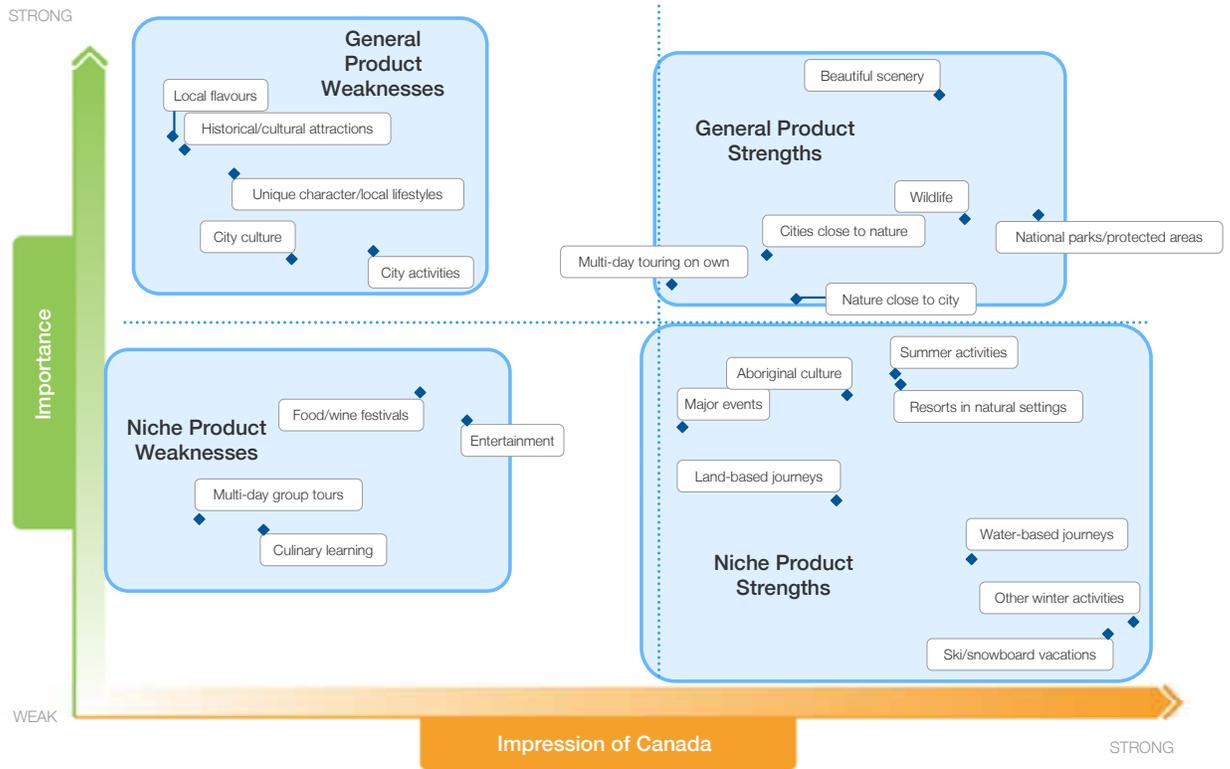
Niche product strengths appeal to smaller groups of travellers and represent potential niche markets to be developed or targeted. While Canada tends to have a limited number of niche strengths in its international markets, the picture in the domestic market is far brighter. Not only are the niche products that are common to many markets rated as strengths for Canada (i.e., ski/snowboard vacations, winter activities, water-based journeys, land-based journeys, resorts in natural settings), but more infrequently-represented products such as summer activities and major events are seen as strengths as well. The Canada study also marks the first time that a cultural product – aboriginal culture – has been positioned as a strength in any of the GTW markets.

Product Weaknesses

General product weaknesses are products that are important to travellers, but for which Canada is not favourably rated, pointing to possible issues (perceptual or actual) to be mitigated. With the exception of aboriginal culture, Canada doesn't tend to fare any better on cultural and city products in the domestic market than it does internationally, with historical/cultural attractions, local lifestyles, local flavours, city culture and city activities all emerging as weaknesses. Given the strong affinity of Overseas and US travellers for these products, Canada will need to shore up perceptions if it wants to win these segments over to domestic travel.

Niche marketing weaknesses are unfavourably rated activities that appeal to smaller groups of travellers. These include the two cuisine-related products, entertainment and group tours.

Exhibit 9 – Product Strengths and Weaknesses Map



Base: Out-of-region pleasure travellers (n=4,049).

Canadian Views on Environmentally-friendly Travel Products⁴

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.

Canadian travellers are generally on par with Americans in terms of their environmental awareness. While not the worst of the markets completed to date – that distinction belongs to UK and Australian travellers – Canadians and Americans tend to be more indifferent to green travel than travellers in many other GTW markets, particularly when it comes to paying a premium for environmentally-friendly travel products.

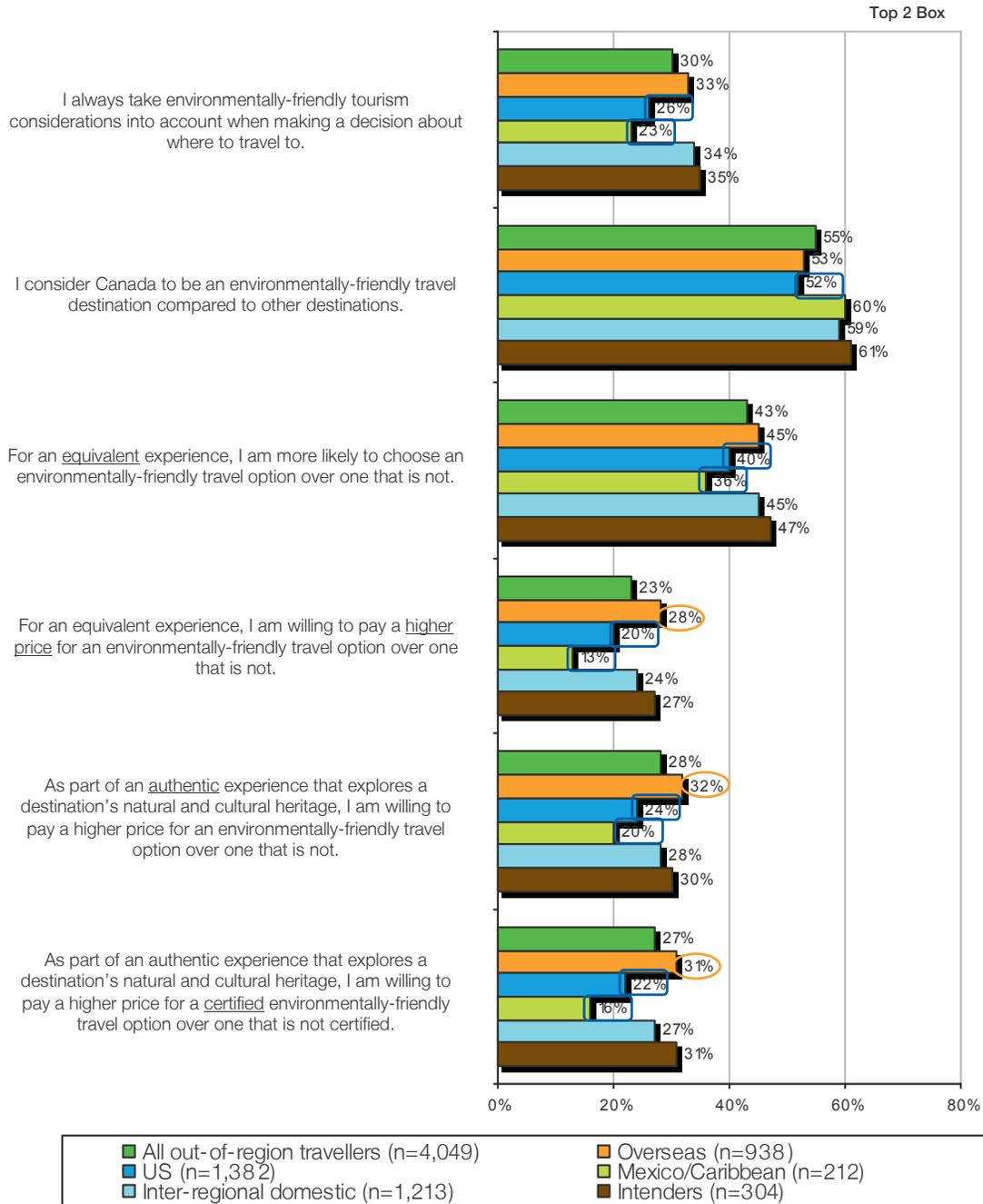
As shown in [Exhibit 10](#), only 30% of Canadian travellers say they take environmentally-friendly considerations into account when deciding on a vacation destination. While more will choose a green travel option over an equivalent one that is not (43%), less than a quarter are willing to pay more for this. When considering an authentic environmentally-friendly experience that provides insights into a destination's natural and cultural heritage (certified or otherwise), the proportion that is willing to pay a premium increases somewhat, but remains at under 30%.

The proportion of Canadian travellers who consider Canada to be an environmentally-friendly travel destination relative to other destinations is higher at 55%, but is still no where near the postings of French, Korean and Mexican travellers, which range between 70% and 80%.

US and Mexico/Caribbean traveller segments are generally the least environmentally-conscious. Overseas travellers are generally more willing to pay a surcharge for green travel products, however, this may be because they are more affluent rather than more environmentally aware.

⁴ Question changed in 2009, therefore results are not comparable to past years.

Exhibit 10 – Attitudes Toward Environmentally-Friendly Travel



Base: Out-of-region pleasure travellers.

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

Blue squares indicate a result that is significantly lower than at least three other groups; orange circles indicate a result that is significantly higher than at least three other groups.

How Canada is Perceived by Canadian Travellers

Unaided Brand Personality Perceptions

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

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

As shown in **Exhibit 11**, almost 60% of Canadian travellers mention at least one of the eight brand Canada personality traits on an unaided basis, indicating excellent alignment of market perceptions to the brand. In fact, the domestic market is on par with Mexico in terms of conformity to the CTC's desired brand traits, again underscoring the positive sentiments that Canadians have toward their country.

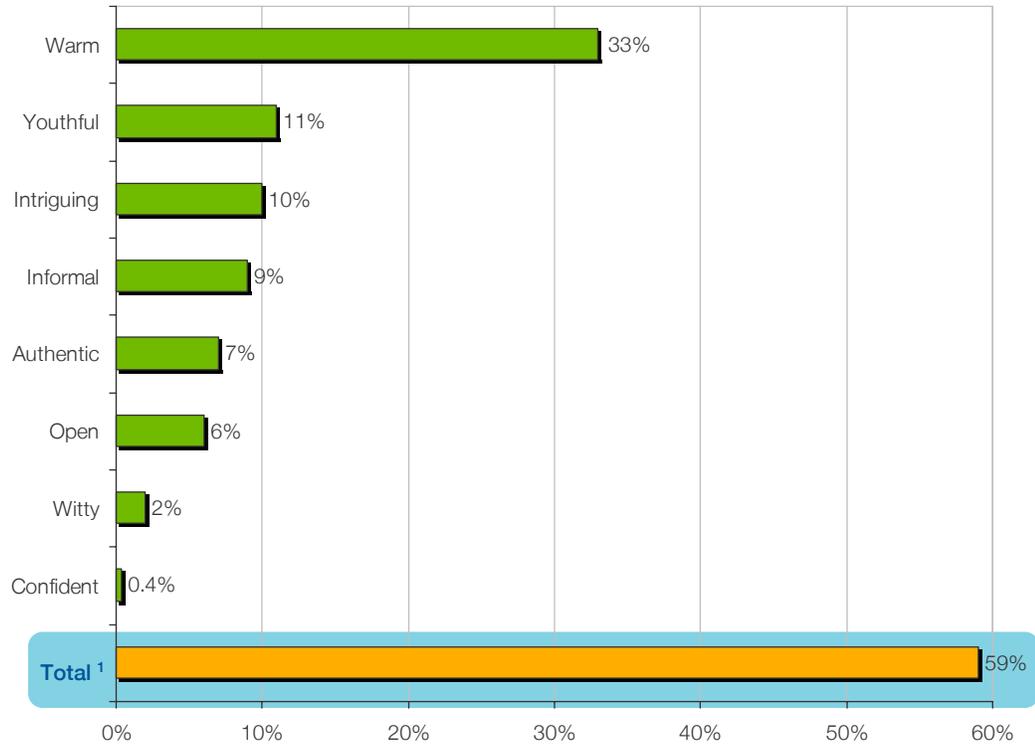
Characteristic of most GTW markets, the personality dimension that travellers associate most closely with Canada is Warm, with 33% of travellers who think of Canada in this way. This puts Canadians up there with the French, not only in terms of their absolute score on this attribute, but also in the degree to which this trait dominates all others. Clearly, Canada's image as a friendly and welcoming place to travel is as pre-eminent at home as it is around the world.

Youthful, Intriguing and Informal receive the next highest mentions (each at between 9% and 11%). Youthful is on the high side as far as other GTW markets go, indicating that Canadians are perhaps more likely to see their country as a fun and lively vacation spot than international travellers are. The same is true of Informal, pointing to domestic travel as a great opportunity to kick back, relax and be oneself. There is room for improvement on Intriguing, however, as the 10% score is not all that high compared with some other markets. Again, this shows a need to ratchet up impressions of Canada as an engaging and compelling vacation destination to help domestic travel compete with more alluring destinations in the US and overseas.

As in most other markets, relatively few travellers personify Canada as Witty or Confident, indicating that these are not top-of-mind impressions of the destination. More can obviously

be done to cultivate Canada’s image as an entertaining and enjoyable place that confidently leads all other destinations.

Exhibit 11 – Unaided Brand Personality Perceptions



Base: Out-of-region pleasure travellers (n=4,049).

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

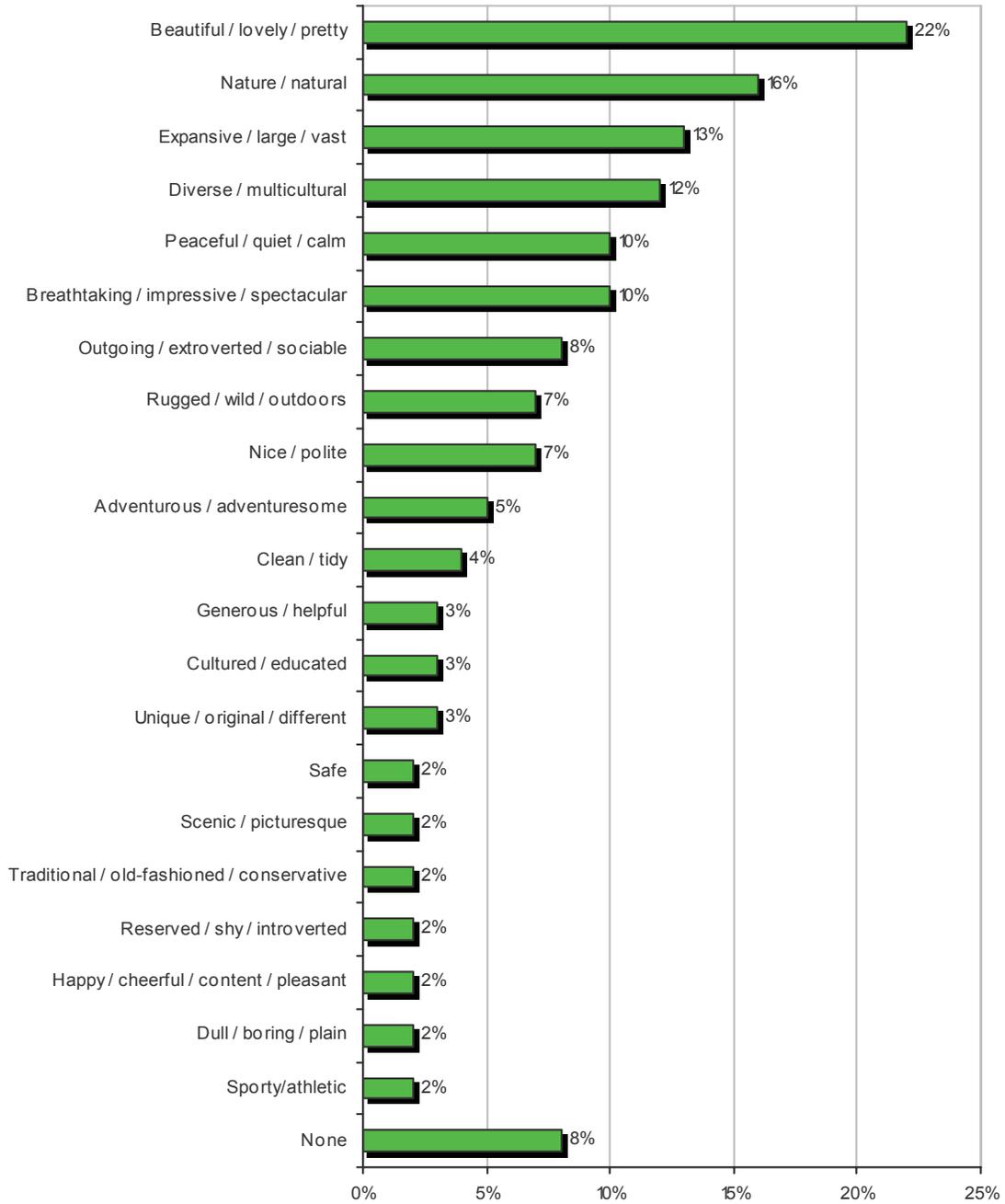
Exhibit 12 shows other personality traits that are associated with Canada in the domestic market. Most commonly, Canada is viewed in relation to majestic nature, as is evident in the widespread mentions of Canada as “beautiful/lovely/pretty” (22%), “nature/natural” (16%), “expansive/large/vast” (13%), “breath-taking/impressive/spectacular” (10%) and “scenic/picturesque” (2%). While many view nature as providing a tranquil environment in which to relax (e.g., “peaceful/quiet/calm” (10%)), others see it as an outdoor paradise beckoning the bold and adventurous (e.g., “rugged/wild/outdoors” (7%), “adventurous/adventuresome” (5%) and “sporty/ athletic” (2%)).

As in other markets, a dichotomy exists between those who are aligned with the more traditional view of Canada as dull and unexciting – as evidenced by mentions of “nice/polite” (7%), “clean/ tidy” (4%), “helpful” (3%), “safe” (2%), “traditional/old-fashioned/conservative” (2%), “reserved/ shy/introverted” (2%) and “dull/boring/plain” (2%) – and the more avant-garde image encapsulated by the new brand – as evidenced by references to “diverse/multicultural” (12%), “outgoing/extroverted” (8%), “cultured/educated” (3%) and “unique/original/different” (3%).

Interestingly, Canadian travellers are far more likely to allude to Canada’s multicultural nature than other GTW markets are. In most other markets, mentions of “diverse/multicultural” range from 2% to 4%, which is far below the 12% posted by Canadian travellers. Clearly, the CTC and its partners have a major head-start in the domestic market in terms of appealing to those who want to explore Canada’s cultural diversity.

Canadians also differ from international travellers in that Canada’s cold weather typically doesn’t dominate their world-view. While “cold” is invariably among the top six traits for other GTW markets, with scores of 5% or higher, Canadians view the cold weather more as a fact of life and less as a barrier to travel.

Exhibit 12 – Unaided Brand Personality Perceptions – Other Mentions



Base: Out-of-region pleasure travellers (n=4,049).

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 the domestic market, respondents were asked to rate Canada on four value-related statements that embody each of the above criteria.

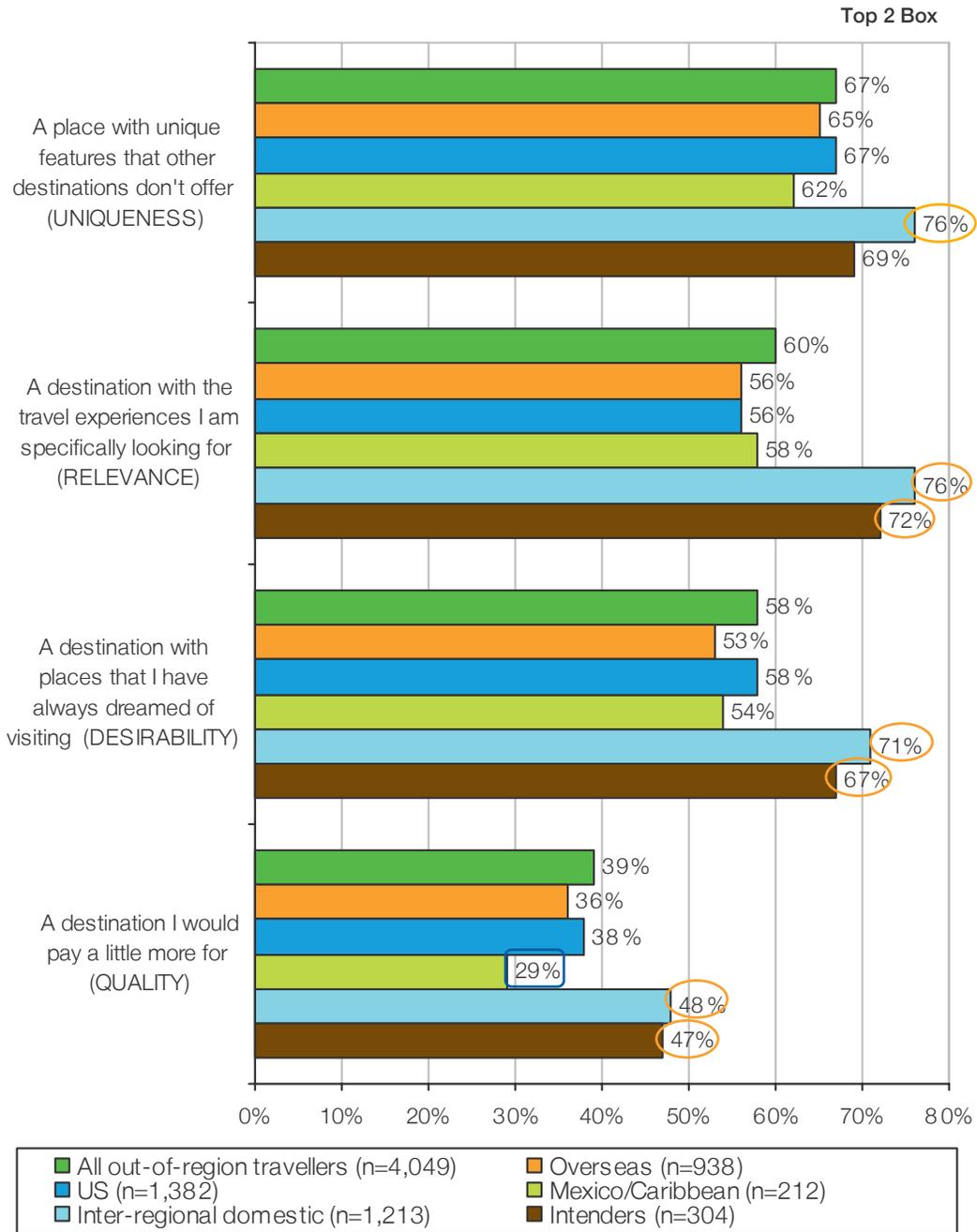
Although Canadians have relatively robust perceptions of Canada's brand image, their perceptions of the value of the domestic travel experience leave something to be desired.

Exhibit 13 shows that the value ratings range from about 40% to 70%.

At 39%, the Quality score is particularly mediocre, both in an absolute sense and compared with other markets. This suggests that Canadians view a home-grown experience as lacking in some way or as not measuring up to an international trip. Canada needs to rid itself of the "stigma" associated with domestic travel if it wants to compete head on with foreign destinations and encourage import substitution for high-yield trips. Promoting world-class experiences (e.g., Canada's 13 World Heritage sites), prestigious events (e.g., the Toronto International Film Festival) and one-of-a-kind offerings (e.g., polar-bear watching in Churchill, Manitoba) might help to convince more Canadians to take their vacations on home turf. The *Locals Know* campaign is certainly a step in the right direction, but the CTC needs to build on this success in order to make a long-term impact.

Inter-Regional Domestic travellers and Intenders again view Canada more favourably than other segments do in terms of value, while Overseas travellers view it in a less favourable light. Mexico/Caribbean travellers give particularly poor rating for Quality (only 29%).

Exhibit 13 – Value Perceptions



Base: Out-of-region pleasure travellers.

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

Blue squares indicate a result that is significantly lower than at least three other groups; orange circles indicate a result that is significantly higher than at least three other groups.

Price Perceptions

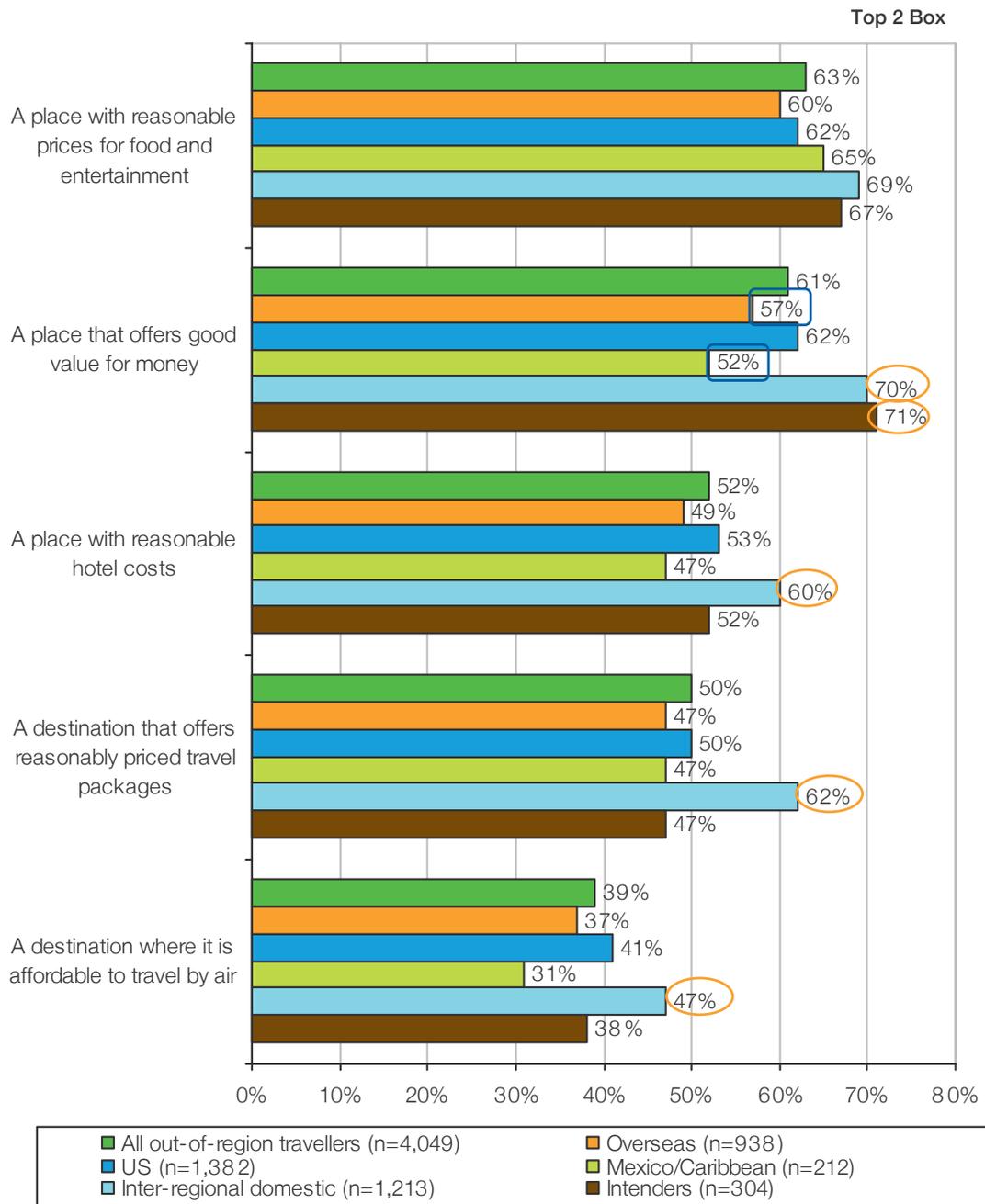
In addition to brand image and destination value, cost obviously plays a major role when it comes to destination decision-making. [Exhibit 14](#) shows how Canada is perceived in the domestic market on various travel cost components.

On the whole, Canadian travellers view Canada as being a reasonably affordable place to take a vacation. Canadians rank behind Mexicans and Americans, but ahead of most overseas markets, in terms of the perceived affordability of Canada as a travel destination. This suggests that domestic travel may be seen as reasonably economical, at least relative to travelling abroad. This is an important advantage at a time when economic and financial pressures are leading Canadians to think twice about taking expensive overseas trips. With the market becoming increasingly price-sensitive, it is an opportune time for the Canadian tourism industry to approach travellers with value-added offers (e.g., free nights, kids fly free, two for one deals). In fact, a recent survey by TD Bank suggests that Canadians could be very responsive to such offers, as 42% say they are willing to alter their vacation destination to get a good deal.

Canadian travellers are naturally more savvy about domestic travel costs than travellers in other markets are. While international travellers typically rate all travel components similarly, there is much greater variance in the ratings of Canadians. Canada is scored very well in terms of food and entertainment costs (the highest of any GTW market at 63%), but very poorly on airfare (39%), particularly among Mexico/Caribbean travellers who are used to getting deep discounts on flights. This suggests that deals on airfare could have the most impact in terms of persuading Canadians to travel in Canada.

Inter-Regional Domestic travellers have by far the strongest price perceptions. Overseas and Mexico/Caribbean travellers are at the opposite end of the scale. However, this is still fairly robust by GTW standards, and shows there is some recognition of domestic travel's ease on the pocketbook among outbound travellers.

Exhibit 14 – Price Perceptions



Base: Out-of-region pleasure travellers.

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

Blue squares indicate a result that is significantly lower than at least three other groups; orange circles indicate a result that is significantly higher than at least three other groups.

Motivation for Travelling in Canada and the Regions

Key Motivations for Travelling within Canada

While culture tends to dominate the general product interests of Canadian travellers, [Exhibit 15](#) shows that nature is the main catalyst for travel in Canada, with beautiful scenery, national parks and wildlife emerging as the top three motivators (all at 70% or higher). This trend was observed in the US market as well, and clearly reflects Canada's perceived strengths in both markets.

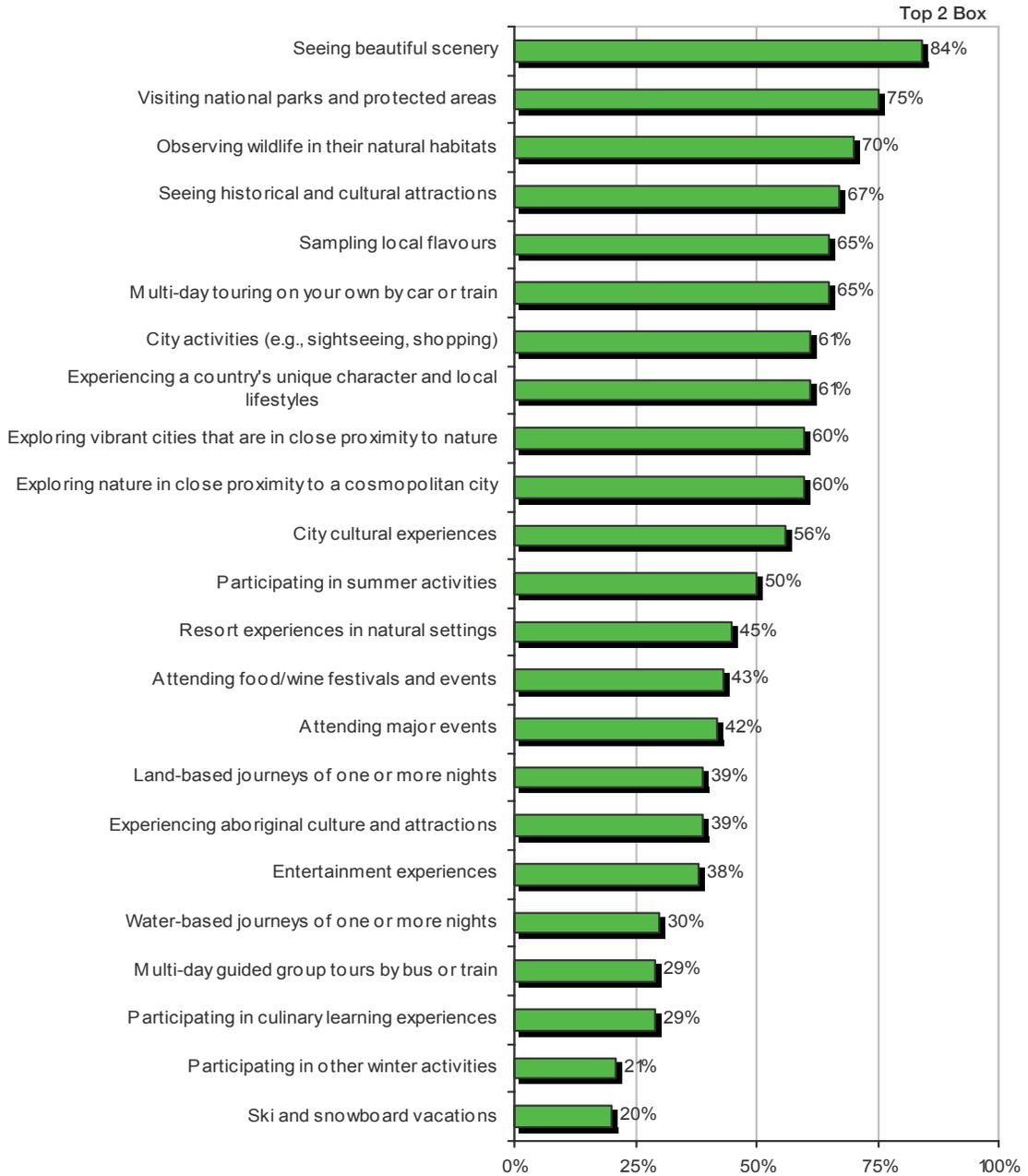
Exploring culture does emerge as a reason for travelling in Canada, but tends to be focused on visiting important historical sites and cultural attractions. The proportion of travellers interested in experiencing unique Canadian cultures and lifestyles is much weaker than what overall demand for this product among Canadians might suggest, indicating that travellers are more inclined to seek out these products in other destinations. Moreover, at just under 40%, aboriginal culture again emerges as a relatively weak motivation for domestic travel.

At 65%, self-touring is on par with local flavours in fifth place. This ranking is very high when benchmarked against other markets, as well as Canadians' general travel interests. This again confirms the strong leanings of Canadians to independent travel, particularly for trips within Canada, where they clearly feel at home. Not surprisingly then, less than 30% are motivated by guided group tours, which is far lower than any other market.

Sightseeing and shopping in the big city and exploring vibrant cities close to nature are an integral part of the domestic travel experience for around 60% of the market, with city cultural experiences appealing to slightly fewer at 56%. At 60%, exploring nature close to cities rounds out the top ten. Confirming earlier results, this is low relative to other GTW markets, again suggesting that domestic travellers who enjoy nature are more likely to use it as a complete escape from the city.

As in many of the international markets, summer activities, resorts in natural settings, food/wine festivals and major events are all mid-range motivations for travelling in Canada (ranging from 40% to 50%). At just under 40%, land-based journeys again emerge ahead of water-based journeys at 30%. Ski vacations and winter activities are triggers for an even more select proportion of the market at roughly 20%. This is lower than among international travellers, who tend to be far more intrigued by Canada's winter travel experiences than Canadians are.

Exhibit 15 – Key Motivations for Travelling within Canada



Base: Those likely to travel within Canada in the next year and/or those who are considering, have decided to visit or have booked a dream vacation experience here (n=3,602).

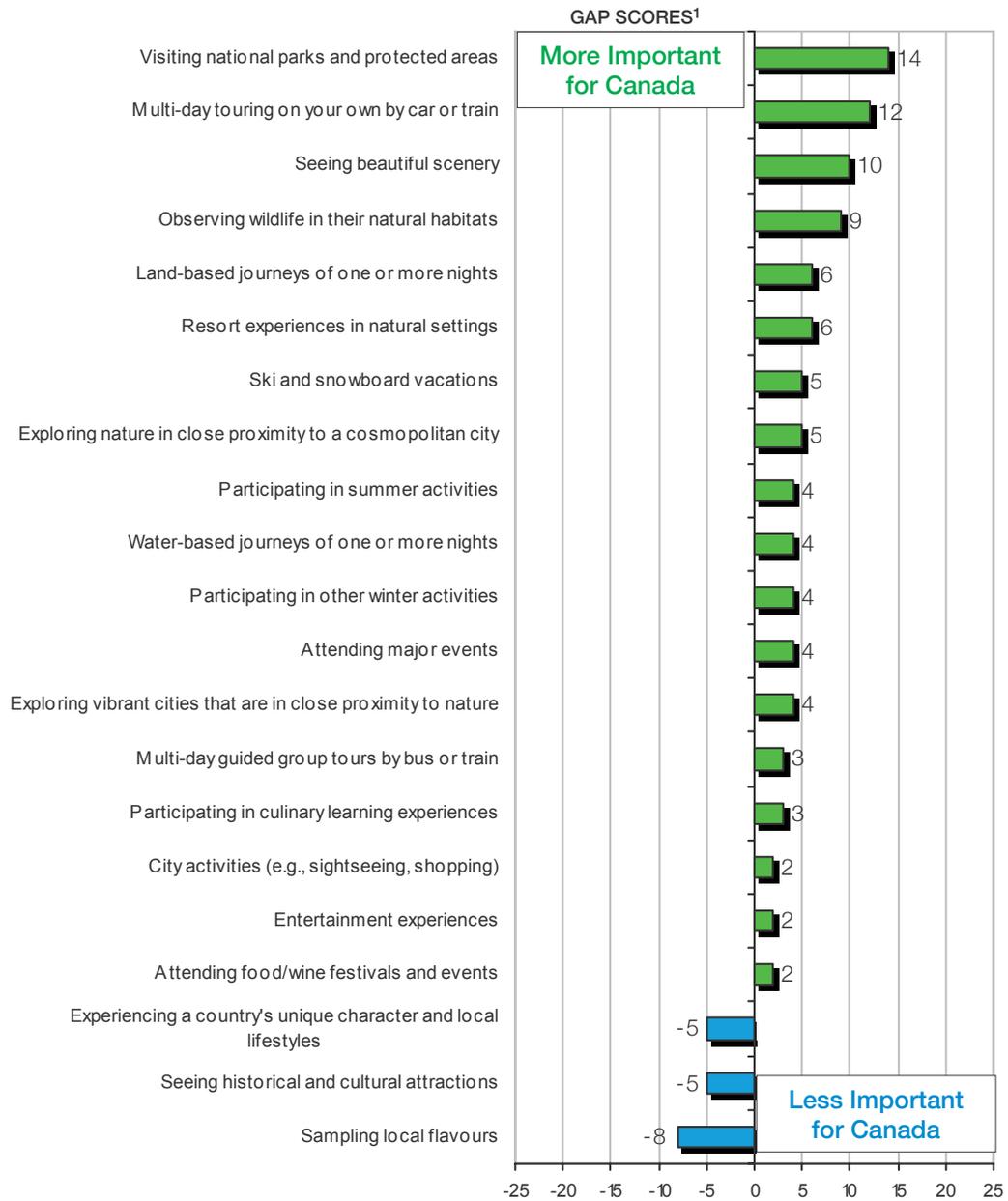
Note: Top 2 Box refers to a rating of 4 or 5 on a 5-point importance scale where 1 is "Very Unimportant" and 5 is "Very Important".

Differences in Motivations for Travel within Canada vs. Travel to Destinations in General

Exhibit 16 summarizes how the motivations for travelling within Canada differ from those for long-haul travel as a whole. Unsurprisingly, potential domestic travellers are more likely to be seeking nature and outdoor experiences. But touring (both self-touring and guided group tours), city activities (e.g., vibrant cities close to nature, shopping/sightseeing, major events and entertainment) and cuisine-related travel (e.g., culinary learning and food/wine festivals) are also stronger motivations for domestic trips.

On the other hand, culture is less pivotal in driving travel within Canada, which again aligns with Canada's perceived weaknesses.

Exhibit 16 – Differences in Motivations for Travel within Canada vs. Travel to Destinations in General



Base: Motivations for travel in general: Out-of-region pleasure travellers (n=4,023).

Base: Motivations for travel within Canada: Those likely to travel within Canada in the next year and/or those who are considering, have decided to visit or have booked a dream vacation experience here (n=3,602).

Notes: Only significant differences are shown.

¹ A positive gap score indicates a motivation that is stronger for Canada relative to destinations in general. A negative gap score indicates a motivation that is weaker for Canada relative to destinations in general.

Regional Motivations⁵

Exhibit 17 shows how travellers that are likely to visit each of the regions are differentiated from each other in their motivations for travelling in 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.

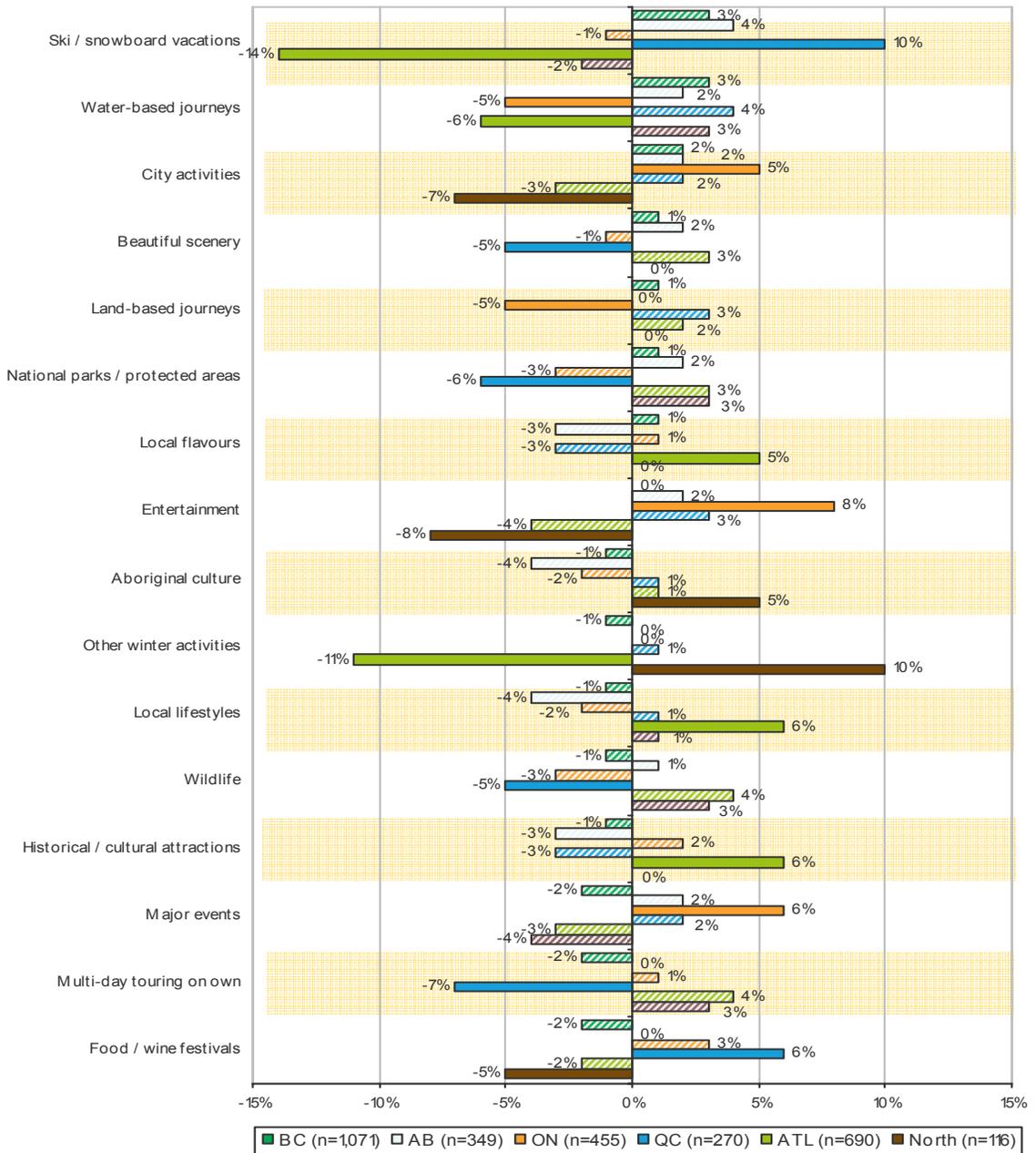
In the exhibit, high positive values indicate motivations that are of greater *relative* importance for a region, while high negative values represent motivations that are of lesser *relative* importance.

The exhibit shows that traveller perceptions are generally in line with regional strengths:

- Travellers that are most likely to visit **Ontario** tend to be drawn to its cities for sightseeing/shopping, entertainment experiences and major events.
- Those tempted by **Québec** are more apt to be interested in specific niche pursuits such as ski vacations and food/wine festivals.
- **Atlantic Canada's** appeal largely reflects its cultural strengths, with sampling local flavours, experiencing local lifestyles and seeing historical/cultural attractions high on the “to-do” list for potential travellers.
- Travellers likely to visit **Northern Canada** are typically drawn by aboriginal culture and winter activities.
- Those likely to visit **British Columbia** and **Alberta** also tend to be interested in ski vacations.

⁵ Motivations of GTW regional partners with sufficient sample size.

Exhibit 17 - Regional Motivations



Base: Travellers most likely to visit British Columbia, Alberta, Ontario, Quebec, Atlantic Canada and the North on vacation trips of 4+ nights in the next year.

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

Barriers in Attracting Canadians to travel in Canada

Barriers for Travel in Canada

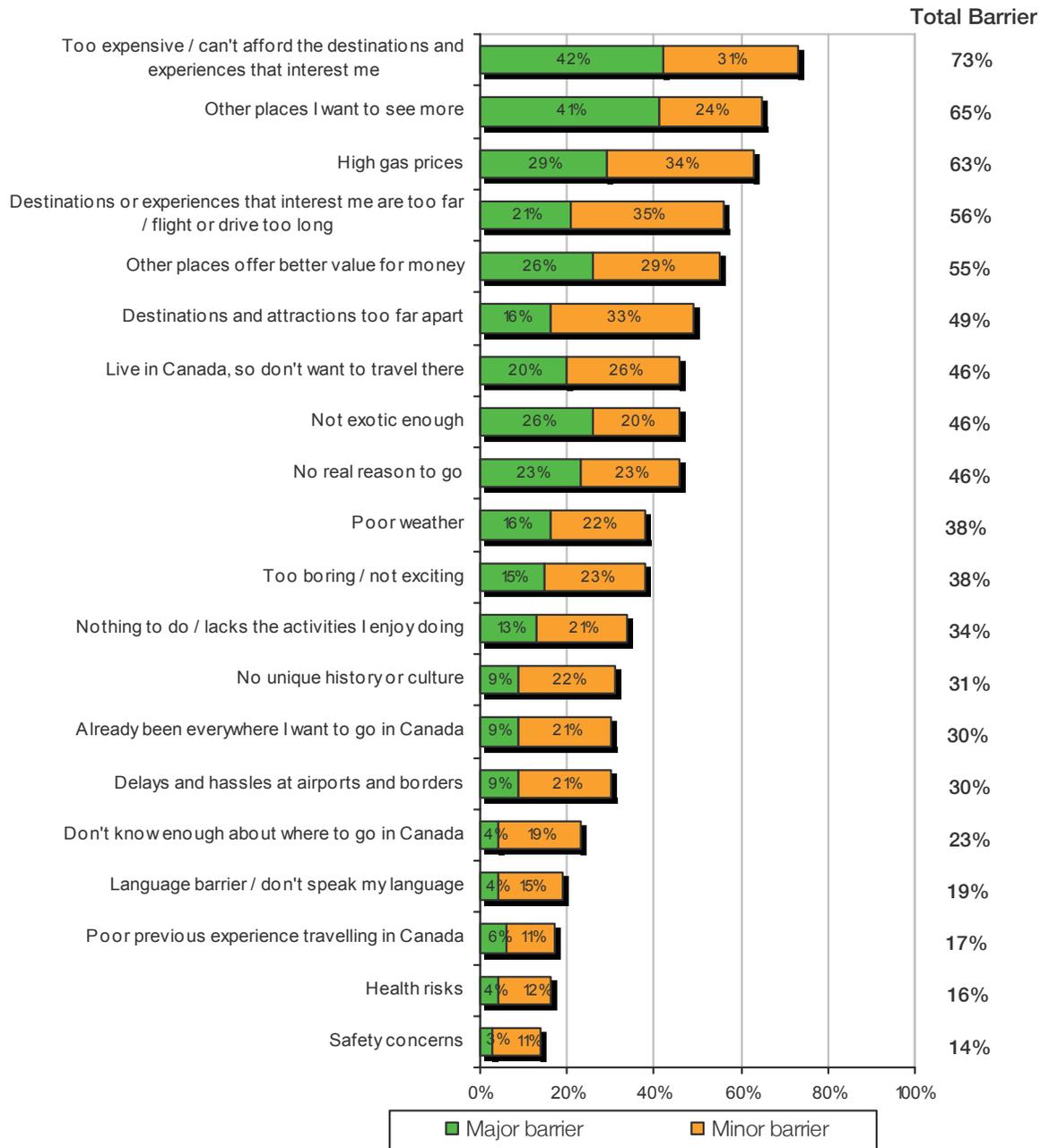
Exhibit 18 shows the key barriers for Canadian travellers who are unlikely to travel in Canada in the next year. As in most GTW markets, high costs (73%) and the desire to visit other destinations (65%) are the top roadblocks for travelling in Canada, with over 40% who cite these as *major* barriers. It is not surprising then, that 55% feel that other destinations offer better value for their money than Canada does, which may be linked to an expectation that domestic travel should be less expensive than a trip to another country. This again suggests that great deals and value-added offers may be one way to make domestic travel seem more attractive and keep travellers on home ground.

Geographical distances are also a barrier for many travellers, with preferred destinations and experiences felt to be too far away (56%) or too far apart from each other (49%). With British Columbia and Atlantic Canada being the top regions of choice, and the number one dream experience being to tour Canada from coast to coast, it is no wonder that distance is viewed as a deterrent.

Canada's staid and unexciting image also has a detrimental influence on many travellers, with almost half saying that there is no immediate reason to travel in Canada, that it is not exotic enough and that they don't want to travel in Canada because they live there. In the same vein, between 30% and 40% say that Canada is too boring, that there is nothing to do there and that there is no unique history/culture. Although a bland image tends to be less of an issue in the domestic market than in some of Canada's global markets where detailed knowledge of travel opportunities is lacking, there is still a need to stir up excitement and buzz around domestic travel. Travellers also need to be given a compelling reason to go now, whether this be a one-time event, a must-see attraction or a best-in-class experience.

At 38%, poor weather tends to be less of a barrier for Canadians than for travellers from other markets, including the US. As noted earlier, Canadians are accustomed to cold weather and are less likely to view it as a deterrent for travel. Canadians are also less likely than travellers in many markets to be put off by health risks and safety concerns, likely because they feel safe travelling in the country where they live. In addition, very few have had a bad experience while travelling in Canada (17%).

Exhibit 18 – Key Barriers for Travel in Canada



Base: Out-of-region pleasure travellers who are unlikely to travel in Canada in the next year (n=447).

Sources of Information for Canadian Travellers

Sources of Information on Canada

Over 80% of Canadian travellers report seeing or hearing information on travel in Canada in the past three months, which is very healthy by GTW standards and in line with the high advertising awareness levels in the domestic market. **Exhibit 19** shows that travel shows on television is by far the most predominant source at 67%, which is the case in most GTW markets. Television advertising is also very high at 43%, pointing to the efficacy of this popular, but expensive, medium as a means of reaching Canadian travellers.

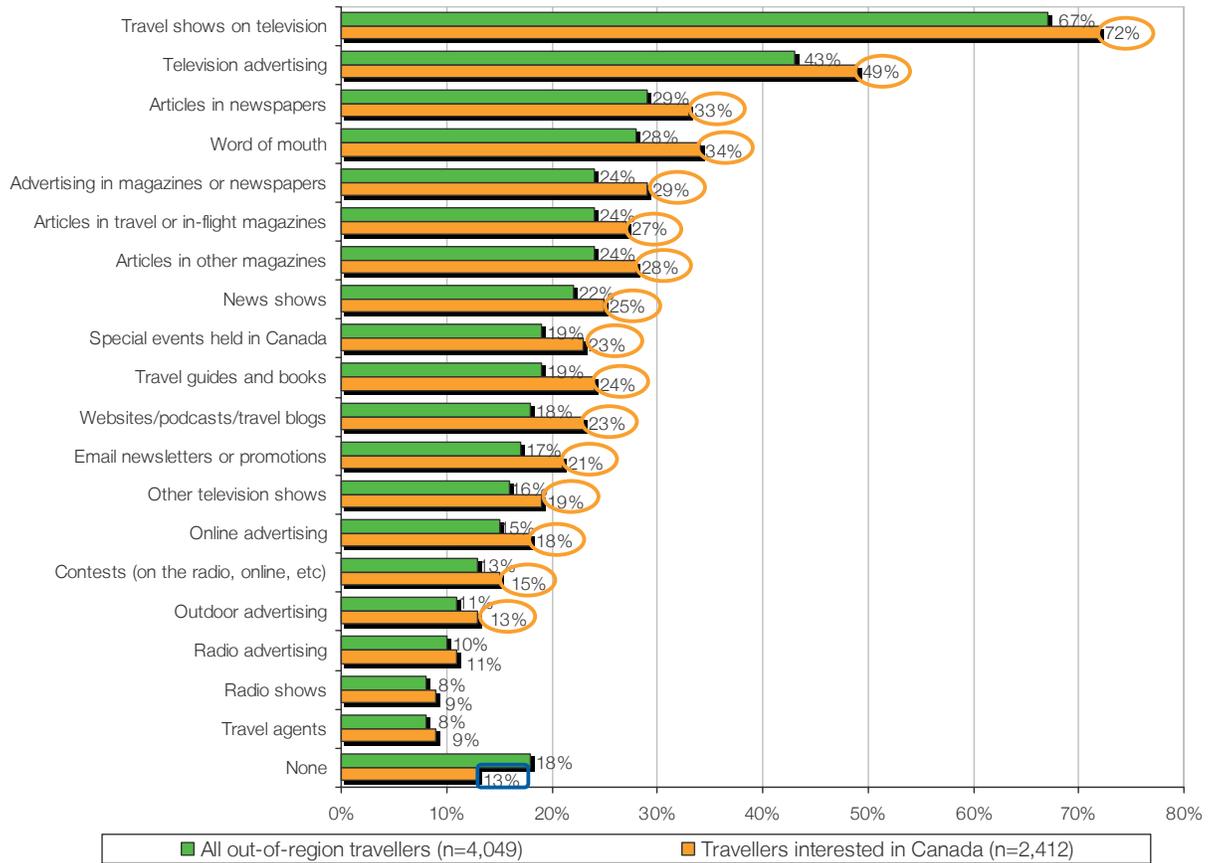
Print media could be a cost-effective alternative to television for reaching domestic travellers. At 29%, recall of newspaper articles on Canada is far higher than in other GTW markets, likely due to abundant coverage of Canadian destinations by the local papers. Magazine advertising and articles in both travel-related and non-travel magazines each achieved a 24% penetration level, which again is relatively strong.

News shows (22%) and special events (19%) are also higher than average information sources, which again is not surprising with the coverage that local events typically receive in the media.

Interestingly, online information sources such as websites/podcasts/travel blogs, email newsletters/promotions and online advertising are mentioned by only 15% to 18% of travellers. In fact, the fairly low rank of these online sources confirms that they are ideal for more targeted domestic campaigns, with traditional media still the best for reaching the masses.

As in other markets, the proportion who obtained information from a travel agent is fairly low at 8%. However, Canada is the only market where travel agents rank at the very bottom of the list, again underscoring the independence of Canadian travellers.

Exhibit 19 – Sources of Information on Canada (past 3 months)



Base: Out-of-region pleasure travellers.

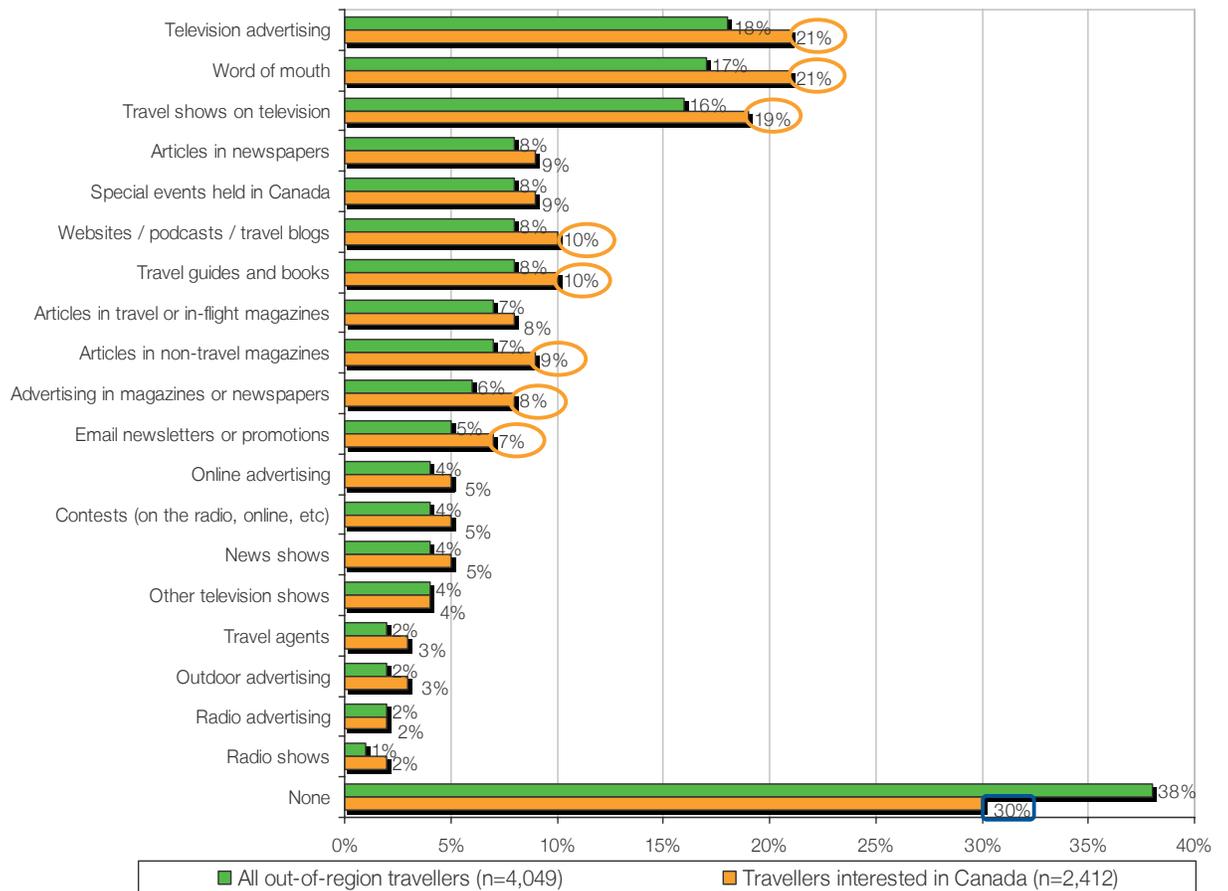
Notes: **Blue squares** indicate a result that is significantly lower than the total (all out-of-region travellers); **orange circles** indicate a result that is significantly higher than the total.

Travellers Interested in Canada: those who are very interested in travelling within Canada in the next year (pleasure trip, 2+ nights).

Top Information Sources for Increasing Canada's Appeal

The top sources that are best for increasing Canada's appeal are again television advertising, word of mouth and television travel shows, all mentioned by over 15% of travellers (see [Exhibit 20](#)). Articles in newspapers, promotional events, online media and travel guides/books are other key ways to stoke Canada's appeal in this market.

Exhibit 20 – Top Information Sources for Increasing Canada's Appeal



Base: Out-of-region pleasure travellers.

Notes: **Blue squares** indicate a result that is significantly lower than the total (all out-of-region travellers); **orange circles** indicate a result that is significantly higher than the total.

Travellers Interested in Canada: those who are very interested in travelling within Canada in the next year (pleasure trip, 2+ nights).

Images or Experiences that Inspire Interest in Canada

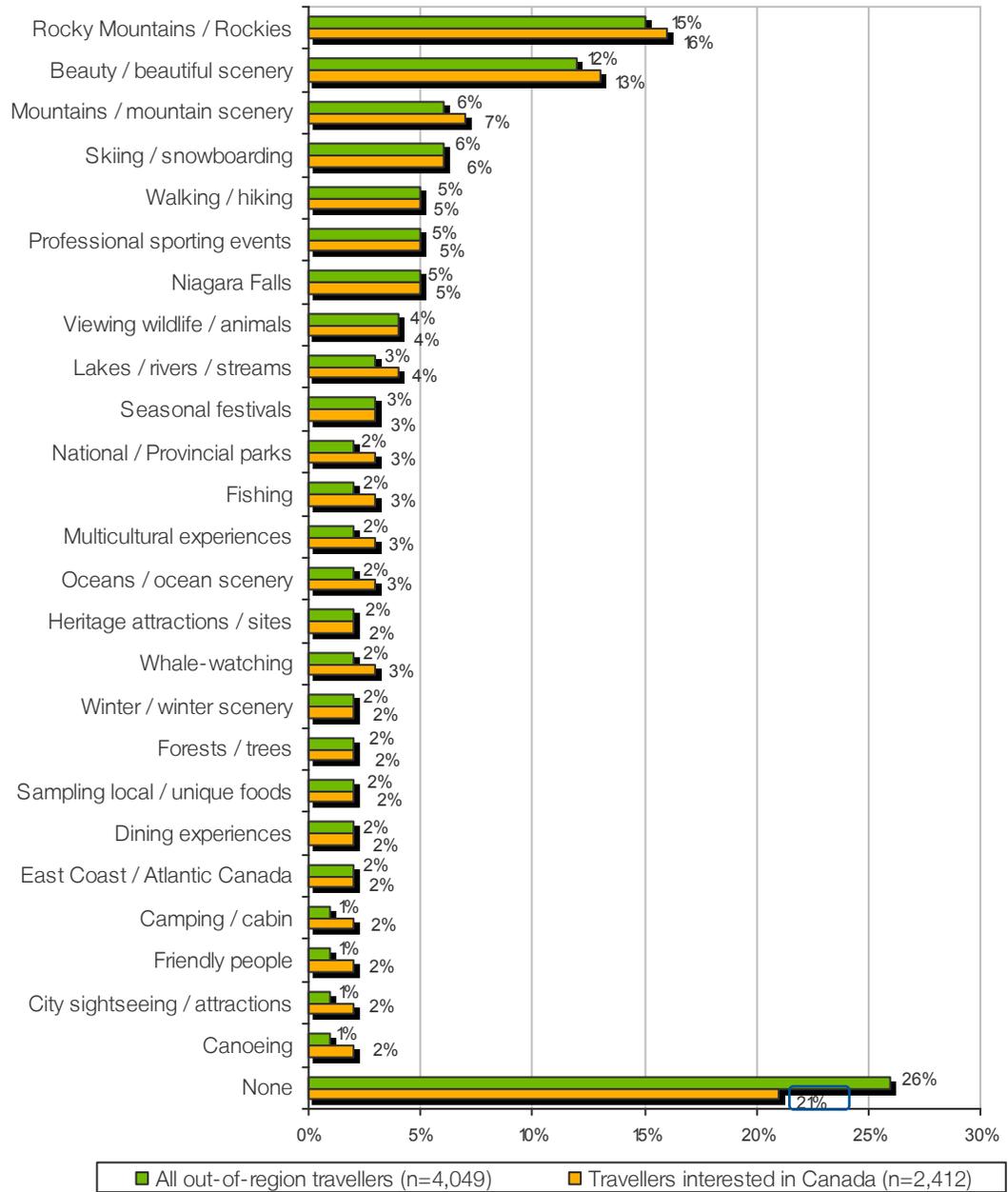
Exhibit 21 reveals that over a quarter of all out-of-region travellers say that no images or experiences inspire interest in Canada for them. While this is low compared with many of the international markets, it is still higher than desired, confirming an ongoing need to better engage Canadians in domestic travel experiences. Not surprisingly, Mexico/Caribbean travellers (34%) and Intenders (31%) were the most likely to come up empty when thinking about inspiring images/experiences in Canada.

Among those who do find domestic travel inspiring, the Rocky Mountains (15%) is Canada's greatest wow factor, no doubt contributing to western Canada's tremendous appeal for domestic dream vacations. Canada's other well-known icon – Niagara Falls – appears much further down the list (5%), having considerably less influence in the domestic market than abroad. This may be because many Canadians have already seen this attraction or have been inundated with endless pictures of it in the travel media. In addition, iconic images such as mounties, maple leaves and snow that are felt to be inspirational by so many international travellers are notably absent on the Canadian list.

Scenery (12%) still ranks among the most enticing images/experiences for Canadians, particularly mountain scenery, ocean scenery and winter scenery. Skiing/snowboarding (6%) is also a quintessential Canadian experience, with walking/hiking (5%), fishing (2%), camping (1%), and canoeing (1%) being other inspiring outdoor pursuits. Not surprisingly, nature also has its place on the list, with wildlife, lakes/rivers/streams, national parks, forests and whale-watching being the main images to stir the enthusiasm of Canadians.

While Canadians are no different from international travellers in their appreciation of Canada's scenery, nature and outdoor experiences, they do have a better grasp of the diversity of tourism experiences in the country. Professional sporting events, multicultural experiences, festivals, heritage sites, local foods, dining experiences and city sightseeing are all inspirational to a degree, suggesting that more imagery along these lines be incorporated into Canada's domestic campaigns.

Exhibit 21 – Images or Experiences that Inspire Interest in Canada



Base: Out-of-region pleasure travellers.

Notes: **Blue squares** indicate a result that is significantly lower than the total (all out-of-region travellers).

Travellers Interested in Canada: those who are very interested in travelling within Canada in the next year (pleasure trip, 2+ nights).

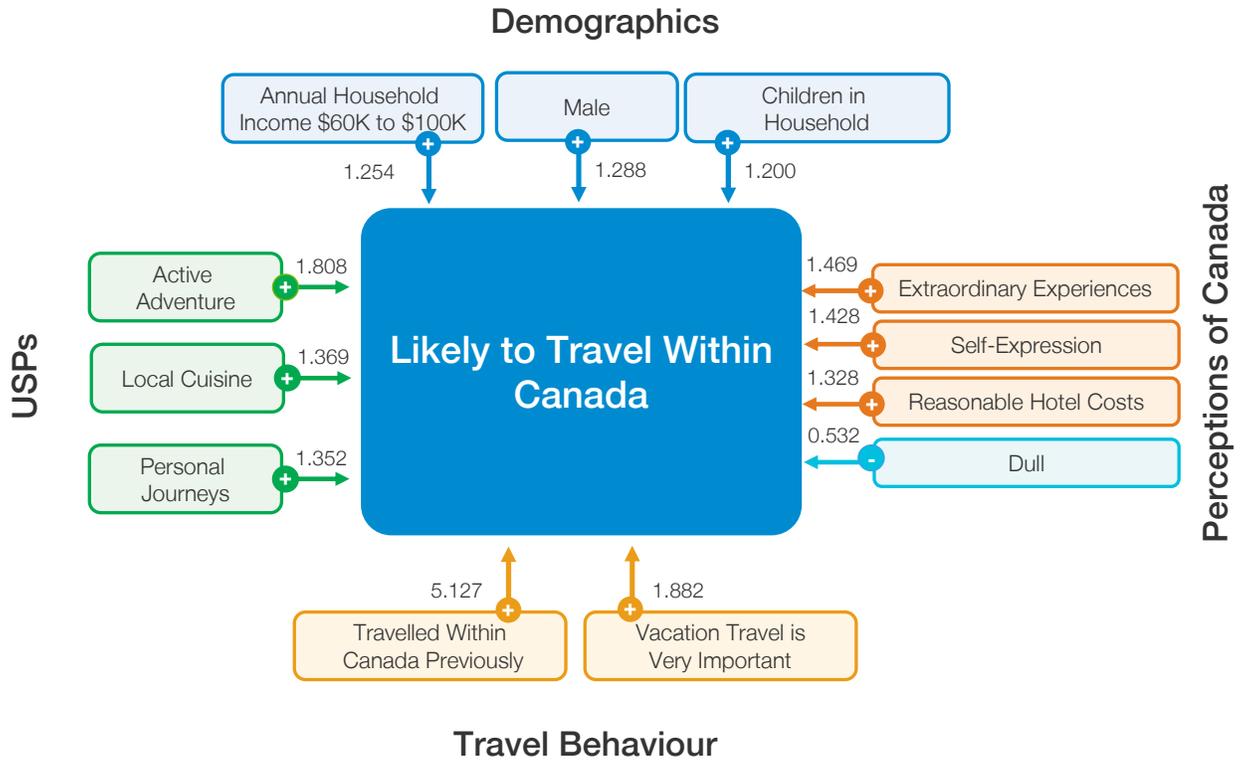
Key Drivers for Likelihood of Travelling within Canada

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 22 summarizes the results of the key drivers model:

- Past travel in Canada is unquestionably the strongest predictor of future travel intentions. In fact, everything else being equal, those who have taken a domestic trip in the past three years are more than five times as likely to say they will travel domestically in the next year than those who have not.
- Middle-income (i.e., \$60,000 to \$100,000) travellers and those with families are more likely to express positive travel intentions, which suggests that Canada is seen as a relatively affordable destination for a family vacation.
- In terms of other demographics, men are more likely than women to be candidates for a vacation in Canada, which is the case in the US and the UK as well.
- Active Adventure is the strongest product driver for domestic travel, which comes as no surprise. But Personal Journeys and Local Cuisine are also positive drivers of travel in Canada. While the world may not yet recognize Canada for its gastronomic delights, it is clear that Canadians certainly do.
- Perceptions of Canada also have a strong influence on the purchase decision. In particular, those who think of Canada as a place for self-expression and extraordinary travel experiences are more likely to travel within its borders, again pointing to the importance of engaging travellers emotionally in Canada's domestic marketing efforts.
- Those who feel that hotel costs in Canada are reasonable are also more likely to travel in the country, indicating that hotel offers such as free nights and room upgrades could help to encourage domestic travel.
- On the other hand, travellers who view Canada as dull are less inclined to vacation there, reinforcing the need to hasten Canada's image makeover as a vibrant and colourful destination, at home as well as abroad.
- Finally, those who are strongly committed to vacation travel are more likely to take a trip in Canada, which is true in most international markets as well.

Exhibit 22 – Key Drivers for Likelihood of Travelling within Canada



Base: Out-of-region pleasure travellers (n=4,049).

Note: Numbers are odds ratios. Odds ratio is the exponentiated value of B. If >1, the odds ratio is the factor by which the odds of being likely to travel within Canada increase as the independent variable increases; if <1, it is the factor by which the odds of being likely to travel within Canada decrease.

Conclusion and Considerations

Along with the rest of the industrialized world, Canada is emerging from one of the deepest recessions on record. Unlike other countries, however, Canada managed to escape the brunt of the global economic downturn, with its financial and housing markets being relatively healthy, and a resilient consumer market helping to prop up domestic demand. As a result, the Canadian recession was relatively short-lived. After just three quarters of declines, the GDP has returned to growth and most key economic indicators are on the upswing. But there are still risks ahead, with high unemployment and the strengthening loonie threatening to make the recovery a sluggish one.

On the whole, the GTW results for the domestic market reflect the more positive economic environment in Canada. Approximately 85% of travellers plan to take an out-of-region trip in the next year, while 36% plan to ramp up their vacation travel over the next three years. The upbeat mood in the marketplace augers well for domestic travel, and for the conversion of the **14 million** potential out-of-region travellers that are interested in travelling within Canada in the next year.

Canada is generally well-positioned as a travel destination in the domestic market, with healthy awareness and interest, strong brand alignment and a bevy of perceived product strengths. However, there are also some major challenges. Domestic travel continues to lack a clear value proposition, with other destinations seen as being more exciting, more exotic or having more to offer in the way of history and culture. These drawbacks dampen Canada's top-of-mind awareness in the marketplace, with destinations like the US being front and centre instead. Canada's value and image issues need to be addressed if the CTC hopes to persuade more Canadians to travel on home turf, particularly since the buoyant dollar will no doubt re-open the outbound floodgates once the economy picks up.

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

Key Performance Indicators

- **Get Canadian travellers to think of Canada first.** A key issue in the domestic market is that the US has a stronger presence than Canada itself, coming out ahead on both unaided destination awareness and future consideration by a wide margin. In addition, individual US brands like "Hawaii," "Florida," "Las Vegas" and "New York City" spring to mind before Canadian brands do. Even more disturbing is the fact that the incidence of travelling to the US in the past three years among out-of-region travellers (56%) is higher than the incidence of travelling to another region in Canada (48%). Enhancing the excitement value and inherent desirability of domestic travel will help to ensure that Canadians think of Canada first, and to convince those thinking of heading to the US to explore another region of Canada instead.

- **Encourage high-yield out-of-region domestic travel.** While almost 80% of Canadian out-of-region travellers took a trip in their own country in the last three years, just 48% took an out-of-region domestic trip. This points to a need to encourage domestic travel beyond provincial borders, particularly since these trips are likely to be higher yield. In addition to promoting extended getaway travel to neighbouring regions, British Columbia and Atlantic Canada could be touted for longer vacations. British Columbia is the region with the highest unaided awareness, the strongest consideration for future trips, and the best potential for longer vacations in all six Canadian markets. Atlantic Canada is an up and coming region, with solid top-of-mind awareness and the most robust potential for future vacation travel after British Columbia.
- **Build on the success of the Locals Know campaign.** Along with stand-alone provincial initiatives, the highly successful *Locals Know* campaign helped to drive solid advertising awareness levels in 2009. A remarkable 64% of all Canadian travellers reported seeing advertising for Canada or Canadian destinations, with 25% recalling these efforts on an unaided basis. Given that extraordinary personal travel experiences and self-expression are key drivers of domestic travel, and that word of mouth is one of the best ways to increase Canada's appeal as a destination, it is not surprising that *Locals Know* fared so well. The CTC and its partners may want to build on the success of this traveller-friendly campaign by implementing other efforts that combine a high emotive impact with the use of real Canadians as ambassadors of domestic travel.

Brand Performance

- **Re-invent the overall concept of domestic travel.** Compared with the international GTW markets, Canadians tend to have a more positive image of Canada as a travel destination and are better aligned with the brand's core elements and personality traits. Yet Canada needs to do so much more if it wants to compete with alluring destinations like the US and Europe. The very concept of domestic travel needs to be re-invented so that a trip to Calgary or Toronto doesn't sound any less exciting than one to Las Vegas or New York City. Delivering on dream vacation experiences, focusing on wow factors, building experiences that give domestic travellers bragging rights, revealing Canada's many hidden gems, and generally creating more buzz and intrigue around major destinations, would all help Canadians to view domestic travel in a new light.
- **Improve value perceptions of Canada.** Of the three brand health indicators, value perceptions are in most need of improvement as they are unexceptional by GTW standards. This will become even more pressing once the economy strengthens, and strong outbound flows threaten to return Canada to the high travel deficit levels seen before the downturn. The CTC and its partners could work to foster a better sense of the value of the Canadian travel experience, with the message of quality driven home through world-class experiences, prestigious events and one-of-a-kind offerings. Again, giving the whole concept of domestic travel a facelift through campaigns like *Locals Know* could go a long way to shoring up value perceptions.

- **Entice Canadians with great deals.** Canadians tend to be cautious financially, and the recession has seen them ramp up their savings levels. Although the economy is on the road to recovery, the cautious mindset will no doubt linger on, with value-conscious travellers continuing to seek out travel deals. This makes it an opportune time to ply them with bargains on domestic travel. The GTW results suggest that airfare deals, value-added travel packages and hotel offers (e.g., free nights, kids stay free, room upgrades) could have the most impact in coaxing Canadians out of their homes. More focus should also be placed on short-stay products to accommodate both the need for affordability and time constraints due to increasing workplace pressures.

Product Opportunities

- **Reinforce Canada's position on the Vibrant Cities USP⁶.** Although Canada ranks first in the competitive set for Vibrant Cities on the Edge of Nature, its positioning is somewhat unstable, with the US hot on its heels. While strong perceptions of Canada's hybrid city-nature products drive its number one position, its stand-alone city products are a definite shortcoming. Major events offer a particularly good opportunity for Canada to solidify its positioning on this USP, with professional sporting events the stuff of dream vacations and seasonal festivals one of the few experiences to inspire Canadians beyond nature. In addition, the Olympics offers an unprecedented opportunity to heighten Canada's cachet for world-class events, while simultaneously showcasing the vibrant city of Vancouver.
- **Enhance Canada's positioning on the Connecting with Canadians USP.** Culture is an integral part of the vacation experience for Canadians, but a distinct weakness for Canada. This makes it difficult for domestic travel to compete with foreign destinations, particularly among Overseas travellers who view Europe as a mecca for history and culture. While aboriginal culture is certainly a strength in the domestic market, Canadians are far less interested in Canada's indigenous peoples than international visitors are, preferring to absorb their culture through local lifestyles and cultural attractions. This suggests that Canada's regions could appeal to domestic travellers on the basis of their unique communities and ways of life, cultural festivals and exhibitions, and sites and attractions that relate to Canada's history.
- **Woo Canadian nature and outdoor aficionados with immersive experiences and enrichment products.** While wondrous nature in close proximity to cosmopolitan cities may be a compelling selling point in Canada's global markets, in the domestic market, many of those who seek out nature prefer a total escape from the big city. As such, immersive nature and outdoor experiences may resonate better with some Canadian nature lovers. In addition, the Canadian tourism industry should consider responding to the emerging demand for outdoor products that offer multi-generational family adventure and opportunities for personal growth (e.g., learning about winter survival on the Arctic tundra or voluntouring at a scientific field research facility).

⁶ USP: The CTC identified five Unique Selling Propositions (USPs) for Canada. They are 1) Vibrant cities on the edge of nature; 2) Personal journeys by land, water, and air; 3) Active adventure among awe-inspiring natural wonders 4) Award-winning Canadian local cuisine 5) Connecting with Canadians.

- **Bring Canadian dream vacations within reach.** Although the vast majority of Canadians are able to articulate a dream vacation experience in Canada, few have moved beyond the “someday” stage in realizing their dream. While 4% have made a firm purchase decision and 24% are hot prospects, the majority of Canadians are decidedly non-committal (56%). Tactical offers should be used to encourage immediate travel among hot prospects, particularly by destinations and tour operators in British Columbia and Atlantic Canada where many dream experiences are focused. Fence-sitters could also be pushed along the decision-making cycle by bringing their dream vacations into focus and making them feel “real” (e.g., making travellers aware of specific products that cater to their dream).

Strategic Marketing

- **Use traditional information sources to reach the potential market supported by online campaigns.** Traditional information sources still perform the best in reaching potential domestic travellers and enhancing Canada’s appeal. Television travel shows, television advertising, newspaper articles and print advertising remain the top information sources in this market, and are good choices for general awareness and brand building. Websites/podcasts, email promotions and online advertising generally reach only 15% to 18% of the market, making online media more appropriate for highly targeted campaigns and calls to action.
- **Use imagery that goes beyond traditional icons.** Iconic images such as Niagara Falls are not as effective in the domestic market as they are in the international arena. The same is true for traditional icons such as the maple leaf, Mounties and snowy landscapes. However, scenery, nature and outdoor imagery still have the power to thrill and inspire Canadians, particularly mountain and ocean vistas. City and cultural imagery should also be prominently featured in domestic marketing campaigns, e.g., impressive city skylines, exciting pro-sporting events, unique dining experiences, distinctive multi-cultural experiences, internationally acclaimed festivals/events, significant heritage attractions, and other images that play up Canada’s excitement value and pre-eminence as a highly sought-after, world-class destination.
- **Focus import substitution efforts on the US segment.** Of the three outbound travel segments, US travellers represent the best bet for conversion to domestic travel. With stronger unaided awareness, consideration, interest and intentions than the Overseas and Mexico/Caribbean groups, as well as significantly better brand, value and price perceptions, this segment is more well-primed and conversion ready. US travellers also view Canada’s products in a more positive light than the other two segments, and can be targeted with city products such as entertainment and one-time events.
- **Appeal to Overseas travellers with niche interests.** Canada’s performance among Overseas travellers is weak, with most of the key performance metrics the lowest of any segment. Moreover, Canada is seen as having a poor brand image, dubious value and run-of-the-mill products, contributing to a disinterest in domestic travel. However, the potential yield from this segment is fairly high if they can be won over. This will be challenging since culture is the main attraction for this group, and Overseas travellers view Canada as being relatively anaemic in this regard. At this point, Canada stands a better chance of targeting this segment on the basis of specific niche interests where it is seen

to excel, e.g., multi-day land-based journeys, ski vacations, winter activities and culinary learning.

- **Target Mexico/Caribbean travellers with summer getaways.** The Mexico/Caribbean group is likely a lost cause as far as longer trips go, with this segment completely focused on sun and sand for their main vacation trip. Not only do these travellers have the lowest incidence of past domestic travel and the weakest future intentions, but their knowledge of Canadian travel opportunities is scant and they will turn a blind eye to attempts to reach them through advertising. On top of this, Canada's brand health and competitive positioning among this group is fragile, with metrics as low as the Overseas group in many cases. The good news is that there are specific opportunities to target this segment with extended summer getaways that revolve around resort stays in a scenic environment, summer activities like golf and day hiking, and fine dining and wine tasting.
- **Woo Inter-Regional Domestic travellers with great deals.** This segment is loyal to domestic travel, and their 96% interest in Canada suggests they will remain that way. Although they are typically lower-income, their interest in Canada is not just because it is affordable, but because they enjoy the world-class nature and outdoor products that Canada has to offer. Unlike the outbound segments, they view Canada as having cultural strengths, with Canada ranked number one on Connecting with Locals. The challenge here is that travel tends to be a lower priority for this segment, and is more likely to be put on hold in the face of financial pressures. Canadian destinations that offer great deals and money-saving packages are most likely to win the attention of these travellers.
- **Target Intenders with inexpensive introductory travel products.** Not having ventured out of their own region in the past, Intenders are more likely to travel domestically when they do decide to take an out-of-region trip. Moreover, Canada is number one on their radar, and 70% are likely to take a domestic trip in the next year. However, this group also tends to have more limited incomes, which may play into their reluctance to travel. Intenders should be wooed with introductory travel products that focus on traditional pursuits such as scenery, cities and resorts at a budget price, as well as inexpensive outdoor products like hiking and cycling.