DESTINATION CANADA

Global Tourism Watch

2015 US Summary Report

Canada

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1. Introduction

Destination Canada (formerly the Canadian Tourism Commission) began conducting the annual Global Tourism Watch (GTW) program in 2007. The primary purpose of this research program is to expand the base of consumer-based intelligence in twelve core markets around the world[1].

The overall objectives of the GTW study are to:

1. Monitor awareness, travel intentions, and other key market indicators for Canada and the regions;
2. Assess perceptions of Canada and track brand performance against the competitive set over time;
3. Identify the general experiences sought by travellers, assess Canada's competitive positioning on key products and identify growth opportunities;
4. Identify motivators and barriers for travel to Canada; and,
5. Explore the role of advocacy in the tourism context.

In response to a rapidly changing travel marketplace, Destination Canada and TNS worked together to substantially revise and update the questionnaire prior to the 2014 fieldwork. This was done to better reflect current travel realities and to gather more in-depth information on Canada's competitors in each market. The new GTW data permits direct comparison of Canada to those competitor countries unique to each market. The revised 2014 survey was used as the basis for the 2015 survey with minor modifications.

This particular report focusses on the US market. Destination Canada has designated Australia, Italy, Germany, France, Mexico and the UK as the primary competitor destinations when it comes to attracting US travellers. These destinations will represent the primary points of comparison for Canada throughout this report.

Methodology

In 2015, a web-based panel survey was conducted by TNS. The target population for the online survey was residents aged eighteen years and older, who had taken an international pleasure trip where they had stayed at least one night in paid accommodation in the past three years, or intended to take such a trip in the next two years. Data were gathered from 3,000 respondents in the US, including 1,050 recent visitors to Canada, in July and August 2015.

1 Identified by Destination Canada as the international 'long-haul' markets of: Australia, Brazil, China, the UK, Germany, France, India, Japan, Mexico and South Korea, as well as the US and the domestic Canadian market.

2. Strategic Considerations

The key strategic considerations for Canada, arising from the 2015 results of the US long-haul travellers, can be summarised as:

1. With the US economy showing continued and steady growth, and future travel intentions continuing to grow, Canada can expect visitor numbers to increase, despite the long term decline in share of US outbound travel. The depreciation of the Canadian dollar should also stimulate demand for Canadian vacations, which are generally seen as more affordable than other international destinations. It is important however, for US travellers not to view Canada as a low cost destination as the weakened loonie is a temporary situation and such a perception would result in visitor declines when our currency eventually strengthens.

2. A strong US dollar and strong future travel intentions do not guarantee the US traveller chooses Canada. Immediate potential for visitors to Canada has decreased slightly in 2015 though it has not fallen below 2013 levels. US international travellers have always been very optimistic about their intentions to visit Canada, but conversion remains a challenge. It has often been noted that Americans need a call-to-action when it comes to following through on those intentions, and require a compelling reason to make good on their promise.

3. US travellers question the value of Canada's offer, especially in comparison to competitive destinations. Overall, US travellers rate their knowledge of what Canada has to offer as very good but this awareness is declining. Canada's offer is not highly regarded among the majority of international travellers in the US, with affordability and ease of access driving visitation, rather than the allure of the experiences that await them. In order to address this shortfall, Canada needs to be presented in a manner that is distinctive enough to compete with both domestic and international options.

4. Canada needs to engage the younger US traveller. Millennials are an untapped market – especially given their propensity to travel. They are less likely to have been to Canada and much less familiar with what it has to offer.

5. While US travellers consider Canada's strength to be its natural beauty and scenery, they predominately come to Canada to enjoy the rich urban experiences that Canada has to offer. They do this through city vacations that involve city tours, museums and city parks. Consequently it is important to market Canada's unique and outstanding natural attractions in conjunction with the rich urban experiences Canada has to offer.

6. US travellers consider Canada's allure to be its natural beauty and scenery, however this is predominantly driven by the perceptions of the older traveller. Canada can still use one of its biggest assets (nature) to engage the younger traveller however it must take a more active approach and market *the use* of Canada's natural beauty and scenery through activities such as kayaking, camping, fishing, etc.

7. Given the influence of advocacy in choosing a vacation destination and Canada's positive ranking among competitive international destinations when it comes to positive

word-of-mouth, Canada is well positioned to develop an advocacy based strategy using social media and other trusted sources such as traveller review sites.

8. Canada is well-placed to capitalize on the growing interest in wellness experiences, cycling and multi-generational vacations now sought by many US travellers. While they may be considered ‘niche’, they align well with Canada’s offer.

3. Key Observations

The following section summarises the key points of interest from the 2015 survey of US international pleasure travellers.

Key findings:

- US travellers are slightly more optimistic (+3%) about future travel in 2015 with 47 percent of US international travellers believing they will travel more in the next two to three years. Furthermore, slightly more than a quarter (28%) also believes they will spend a little more on travel outside the US. Early data on visits to Canada show an increase in US visitors(+7%) in the first half of 2015 however survey results indicate the immediate potential for Canada has fallen slightly(-6%) from 2014 results but not as low as 2013. This suggests a response to pragmatic market factors rather than a shift in attitude. As the Canadian dollar continues to depreciate against the US dollar, US travellers are likely to head north of the border to reap the benefits of their strong currency.

- Familiarity with travel opportunities available in Canada continues to be higher than all other destinations in the competitive set[2]. However, this sense of familiarity or knowledge may be eroding. The percentage of those rating their knowledge of Canada as either 'excellent' or 'very good' has declined slightly (-5%) this year.

- Interest in taking a trip to Canada remains high (82%) in 2015 and continues to be on par with Italy and ahead of the other competitive long-haul markets. Furthermore, the number of US travellers who are considering a trip to Canada (in the next two years) has been steady and is currently on par with Mexico – Canada's major competitor in the US market.

- Advertising recall for Canada is similar to recall of communication efforts for Mexico and better than recall for all other competing international destinations. US travellers who could recall advertising were significantly more likely to believe there are "many good reasons" to visit Canada (67% vs 49%) suggesting the advertising has the potential to move them further along the path to purchase by resonating well among those with pre-established interest in Canada or by actually increasing interest in Canada.

- Despite the fact that US travellers agree that Canada is by far the most affordable option compared to the international competitive set, only Mexico was rated lower when it came to offering value. Less than half (49%) of US travellers agree that Canada offers the travel experiences they are looking for, and those experiences are not perceived as being unique (50%). Viewed as the relatively cheap option compared to

[2] The competitive set includes: Italy, Australia, the UK, France, Germany and Mexico.

other international destinations[3], a vacation in Canada is not something they would be willing to pay a little more for. On a more positive note, those who have an attachment or proximity to Canada (such as those with friends or family in Canada, those who live on the border, those who have been or are planning on going to Canada) see more value suggesting the weak value perception can be addressed with increased awareness or information.

- Recent travellers to Canada went on city or touring vacations or came to see family and friends. While in Canada they enjoyed guided tours both in and around the city and wildlife viewing. The most popular places visited included historic sites or buildings, museums and city parks regardless of age, however younger visitors were more inclined to visit casinos, wineries and breweries and/or amusement parks.

- Among those considering a trip to Canada already, the most exciting or intriguing aspects of their potential trip are those associated with the scenery and natural beauty (24%), but notably more so among those aged fifty-five or over (32%). The desire to see beautiful scenery and landscapes is significantly higher among the older age group, compared to those under thirty-five. This is not to say the younger traveller doesn't appreciate the natural beauty of Canada, rather it speaks more to their interest in participating in the nature/natural beauty via kayaking, fishing, scuba diving, camping and golfing rather than just viewing it.

- There are no significant barriers to US travellers coming to Canada. Almost a third (29%) of US travellers could not cite a single barrier. While there were some mentions of the cost, or not being able to afford to go (17%) as well as gas prices (13%), for many US tourists the cost of coming to Canada is no more than many domestic options available to them. As might be expected, poor weather was mentioned by some (17%), but is not currently an over-riding concern. The challenges facing Canada, when it comes to the US market, are around perceptions of the offer and driving preference for Canada over competing destinations and domestic travel, as opposed to addressing any major factors that might be stopping them from coming.

- One-half of US travellers, who have visited Canada (ever), would recommend it to a friend or relative, which is a level of endorsement similar to that associated with France, Germany and the UK but lower than Italy and Australia. While these results have room for improvement in terms of promoting Canada through advocacy the situation in 2015 has improved over 2014.

- The Net Promoter Score is a measure of the level of satisfaction travellers had with their vacation experience. Understanding why some US visitors felt they could not recommend Canada, or were reluctant to endorse it, could provide greater understanding of their expectations and why they might feel they were not met. In 2015

[3] It is worth noting that Canada is being compared on price to long-haul destinations in Europe and Australasia.

the Net Promoter Score rose by 1 point which may seem insignificant however in the same year it fell for all competitive markets. Canada's biggest advocates are those over the age of fifty-five, those with children and those with friends and family in Canada.

- Among those travellers who have not yet visited Canada, the level of advocacy is understandably lower, but still quite positive - 33 percent would recommend going there; 40 percent would not. On the surface this may not look particularly positive, however looking at the results among competitive international destinations, Canada comes in second in this regard with Italy taking first place. While their views are not based on first-hand experience, they speak to perceptions of Canada, and underlying good will concerning what it potentially offers the visitor. Even advocacy among the ill-informed is still of influence to those around them.

- The importance of advocacy is highlighted by the fact that friends and family are the most influential source of information and advice when it comes to choosing a vacation destination. Travel agents, traveller-review websites and websites dedicated to visitors and tourists are also extremely influential in helping them to decide where to go. This is encouraging news for Canada's marketers whose marketing budgets are dwarfed by those of the major US cities / States and many international competitors, as these are relatively low cost options compared to more traditional advertising methods of television and print. It suggests that targeted advertising via select agents and digital media can be quite effective.

- The least effective, according to US travellers, are: online advertising, magazine or newspaper articles or advertising, email promotions, outdoor advertising and TV advertising. While we know that consumers do tend to under-rate the influence of paid-for advertising on their purchase decisions, we also know that, in this market especially, trusted sources[4] are indeed the most influential, and particularly those that are perceived to be independent[5]. As such, a strategy that involves generating positive word of mouth from trusted sources such as social media and online review sites is key.

[4] Trusted sources are those which the consumer *perceives* to be independent (i.e., not sponsored), and whose opinion is *valued*. This could be friends and family, or independent travel review websites, articles in newspapers or magazines, or TV travel shows, for example.
[5] Some sources that are *perceived* to be independent by consumers i.e., not sponsored or endorsed directly by an organization or corporation, may in fact be largely *content marketing*, but the consumer may perceive it as 'independent'.

4. Market Health and Outlook

Background

The US economy

Real gross domestic product (GDP) for the US increased 3.9 percent in the second quarter and 0.6 percent in the first quarter of 2015 (Bureau of Economic Analysis, 2015). Economic evidence suggests that the rebound in the US economy that took place in the second quarter should continue into the third. Accelerating wages and salaries, solid employment growth and low inflation, should provide a solid foundation for the American consumer in the third quarter (Heuther, 2015)

While moderate economic growth in the U.S. will continue in the second half of 2015, it won't match the strong boost seen in the second quarter given that was simply a rebound from the negative economic and productivity effects of particularly bad weather early in the year. GDP in the second half is expected to grow about 2.7%, resulting in an overall pickup of 2.5% for the full year, slightly ahead of 2014's pace (Payne, 2015).

Looking to the future, the International Monetary Fund (IMF) projects 2015 to show 2.5% growth in real GDP, with an improved forecast of 3.0% for 2016 (International Monetary Fund, 2015). That said, the Federal Reserve has significantly reduced its projections for economic growth to 2.1% for 2015 and 2.3% for 2016 (Lombardi, 2015).

Overall, the US economy is doing well especially compared to recent years. The improved economy and consistent, albeit modest, growth will bring increases in consumer confidence along with associated increases in consumer spending. This, in turn, means potential growth in leisure travel.

Travel trends

The following section is a review of the key trends related to the US tourism market identified through secondary research conducted for this report.

- In 2014, the US resident outbound market increased by 11%. The top-five destinations for US international travel in 2014 were: Mexico (25.9 million trips) and Canada (11.5 million) followed by the UK (2.8 million), Dominican Republic (2.7 million) and France (2.1 million). Compared to 2013, visits to Mexico, the UK and France increased by 4.9, 0.2 and 0.1 million visits respectively however visits to Canada fell by 0.5 million[6]. (International Trade Administration, 2015). The top origin regions or states from which

[6] Note: Visits to the Dominican Republic were not reported for 2013.

US residents travelled to overseas destinations are the Mid-Atlantic States[7] (24%), South Atlantic States[8] (20%), the Pacific States[9] (16%), West South Central States (mainly Texas) and East North Central States[10] (10%) (International Trade Administration, 2015).

- Canada continues to be the second most-visited destination by US international travellers, but numbers have declined since the peak of 2002 (16.2 million). Since then, US travel to Canada has declined in five of the last ten years (International Trade Administration, 2015). There is evidence of potential recovery, however, at least in a transitory sense -- data for the first half of 2015 indicate that 2015 is trending towards an increase in Canadian visits. During the first 7 months of 2015 US travellers have made 6.98 million visits to Canada representing a year-to-date increase of over nine percent (Office of Travel and Tourism Industries, 2015).

- Furthermore, the Canadian travel industry is finding itself on the winning end of the falling loonie as it encourages Americans to holiday in Canada where their US dollar goes further. Numbers compiled by Destination Canada, show that overnight trips to Canada from the United States rose by 6.5 per cent in the January-to-May period, compared with the same period a year earlier. More than 3.3 million Americans came to Canada in the first five months of 2015, the highest level for that period in several years, but still short of the peak in 2002[11] when there were well over four million U.S. visitors. That year, the Canadian dollar hit rock bottom, below 62 cents (U.S.) (Blackwell, 2015).

- According to the 2015 Portrait of American Travellers (POAT) survey, more Americans say they intend to travel in the next year and most leading travel indicators are positive (Shillinglaw, 2015). That said, a report published by the Canada Tourism Commission in 2008 identified one of the reasons for not realising the potential from the US market was a lack of a sense of urgency to visit, and a degree of procrastination around actually making a trip north of the border. The need for a strong call to action was identified as a priority for marketing efforts directed towards the US market (Insignia, 2008).

- Americans generally do not take all the vacation days that they are entitled to. The average American earns 21 days off a year but only uses 77% of them, so he or she forfeits nearly 5 days or a whole working week. According to US Travel Association

[7] New York, New Jersey and Pennsylvania)
[8] Primarily Florida, Georgia, Virginia, Washington, D.C., Maryland and North Carolina)
[9] California and Washington
[10] Primarily Illinois, Ohio and Michigan
[11] The relatively recent requirement of US visitors to have passports to enter Canada has reduced the pool of Americans who can travel to Canada and as such any comparisons to visitor numbers prior to 2007 should be done with this in mind.

estimates, if Americans took all the days off that they are entitled to, it could generate $118 billion in additional direct travel spending (ITB Berlin, 2014).

- New patterns of American leisure travel are continuing to emerge and consumers are more interested in individual and local experiences, authenticity, wellbeing, community and engagement as part of their travel. As a result, demand is rising for specialist and niche travel and tourism, such as wellness, sustainable trips and adventure/sports (ITB Berlin, 2014)

- There continues to be some debate about whether Millennials[12], Gen-X[13] or Boomers[14] are the most important target for marketers in the US. (Visit Britain, 2014). Regardless, each target has seen significant changes in generational travel patterns. The Millennial generation travels more – recently they have travelled more strongly both within the USA and abroad. In contrast, travel by Boomers has stabilised after declining during the 2000s but Gen X adults have significantly reduced their travel over the last decade (ITB Berlin, 2014).

- According to the 2015 POAT, Millennials are increasingly interested in "staycationing," with over half taking a vacation close to home in the past year as an alternative to traveling a greater distance. This figure is up 14 percent from 2014 and up 23 percent since 2013. Furthermore, Millennials with families are also fueling growth in demand for travel services as millennial families intend to take more vacations over the next year than millennial couples, and also intend to spend an average of more than $6,000 on vacations during the next 12 months – 19 percent more than the previous year (Shillinglaw, 2015)

- Millennial travellers intend to take more vacations, be more deal conscious and more spontaneous than their older counterparts in 2015. (Hotwire.com, 2015).

- More travel companies are catering to travellers wanting to experience a destination through the eyes of the people who live there by offering unique ways to connect with locals. Travel start-ups geared to local experiences are popping up, such as EatWith.com, which connects hosts who love to cook with travellers who want a taste of local cuisine, and OneFineStay.com, which provides travellers with homes abroad so they can truly live like a local while on vacation (The Travel Channel, 2015)

[12] Millennials (also known as the Millennial Generation or Generation Y) are the demographic cohort following Generation X. There are no precise dates when the generation starts and ends, but researchers use birth years ranging from the early 1980s to the early 2000s.
[13] Generation X, commonly abbreviated to Gen X, is the generation born after the Western Post–World War II baby boom. Demographers and historians generally define them as birth dates from the early 1960s to the early 1980s.
[14] Boomers is the shortened term for 'Baby Boomers' - people born during the demographic Post–World War II baby boom between the years 1946 and 1964.

- Interest in experiential travel is being driven by social media sharing and increasing desire for consumers to be world travellers rather than 'just' tourists. Add to that the desire of Millennials and Gen-X's to do more than just 'see the sights', travellers are focusing on experiencing a country or city by connecting to its history, people and culture. This has led to an increase in the number of travellers 'booking local[15]' (Visit Britain, 2014).

- The sharing economy[16] looks set to continue to impact the tourism industry with a diverse range of accommodation options, thanks to the growth of brands such as Airbnb[17], HouseTrip and HomeAway. TripAdvisor has embraced the concept by acquiring Flipkey, as well as listing HouseTrip and Airbnb as trusted partners for rentals (World Travel Market, 2014). US travellers looking to stretch their budget are increasingly turning to 'alternative' accommodation options as they search for value, and also an alternative vacation experience.

- The sharing economy is gaining popularity with all generational groups. While Millennials are leading the way when it comes to using non-traditional lodging and patronizing ride-sharing services like Uber, they are increasingly joined by Gen-Xers and Boomers (Shillinglaw, 2015).

- Multi-generational travel has increased in the US - nearly 21 million households in the US are actively looking to travel to meet up with their families (Visit Britain, 2014). This is also leading to more interest in vacation experiences which can be enjoyed by the entire travel party (Huffington Post, 2014)[18]. Families are forgoing the family vacations of the past, where quality time was spent parked at the beach, and instead are looking for transformative experiences that the whole family can share - trips that can bring siblings, parents and grandparents together (The Travel Channel, 2015).

- Americans are the least likely travellers to leave their technology behind while on vacation (Visit Britain, 2014). In particular, young Americans are intensive users of technology and social media – they see technology and social media as an enabler of positive travel experiences rather than an interruption (ITB Berlin, 2014).

- American women between the ages of 15 and 44 without children have been identified as a new lucrative market by Euromonitor International and DeVries Global. They have even been coined *PANKs* – 'Professional Aunts, No Kids' (Visit Britain, 2014).

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[15] Booking local involves booking accommodation and/or meals with locals rather than with businesses.
[16] Also sometimes referred to as the peer-to-peer (P2P) economy.
[17] Portland has approved measures to legalize Airbnb (with prerequisites), which may serve as a precedent for other cities across the country and somewhat legitimizes Airbnb further.
[18] Multigenerational aspiration trips are a recent trend that is forecasted to continue in 2015 with families seeking experiences and adventures that can be enjoyed by both the youngest and oldest members alike. Cruises and wildlife adventures are often cited as examples of these, but almost any experience can be positioned this way, if it has appeal across the age range, and is equally accessible to all members of the family (The Travel Channel, 2015).

- Forty-three percent of all demand at spa and wellness facilities worldwide is tourist-drive, with the US ranked second in the world for international wellness travel (Visit Britain, 2014).

- Cycling is fast becoming a major interest among middle-aged American men and cycling tourism is growing fast – cycling is now more popular than golf. The biggest opportunity rests with the Generation X and Boomers, and demand for cycling tours is on the rise (World Travel Market, 2014).

All of these trends and factors combined with the economic background of rising GDP and falling unemployment provide a positive environment for travel and Canada is well place to address many of these trends. In particular, Canada is well-placed to capitalize on the growing interest in adventure based vacations, wellness experiences, cycling and multi-generational vacations. Canada is also in a prime position to offer the “authentic” experience that the Millennial traveller so strongly desires through its rich Aboriginal, agricultural and northern experiences along with its vibrant urban culture.

5. Market Potential

The size of the overall target market of US international travellers remained stable compared to last year however the immediate potential has declined slightly.

Exhibit 5-1 provides an estimate of the size of the potential market for Canada in two ways – the macro target market and the immediate potential.

The target market is a broader estimate of the market size based on expressed interest among all US long-haul travellers (market size estimate derived from the 2010 omnibus study of the US adult population). The proportion of GTW respondents who are “definitely”, “very”, or “somewhat” interested in Canada in the next two years is applied to the broader traveller population to come up with a target market estimate of 66.3 million.

The immediate potential is a more conservative estimate based on GTW respondents who say they are “definitely” or “very likely” to visit Canada in the next two years. This translates into a market of 36.4 million travellers with more immediate potential for conversion – down by approximately six percent from 2014 (2.4 million travellers) but still up by approximately eight percent from 2013 (2.8 million travellers).[19]

The decline in the immediate potential for Canada is a curious finding given US visitor data show an increase in the number of visitors to Canada during the first half of 2015 (Blackwell, 2015). As previously mentioned, this could mean that some recent behavioural shifts are quite pragmatic and not necessarily tied to changes in perception. The decline may also be a function of survey timing, given that consumer confidence fell sharply in July (Nasr, 2015). This could have suppressed travel intentions at the time of survey. Consumer confidence has since rebounded and as such one might expect that travel intentions will also rebound especially given the strength of the US dollar.

[19] The 2014 US Summary report reported the ‘immediate potential’ from the US as 38,836,000 – a decrease of 2,427,000, or 6% compared to the 2015 estimate of 36,409,00 however still an increase of 2,809,000 or 8% from the 2013 estimate of 33,600,000.

Exhibit 5-1 Size of the potential market to Canada (next two years)

Measure	Size Of Potential Market To Canada
Total potential international pleasure travellers (aged 18 plus)	80,909,000
Target market for Canada:	
Definitely / very / somewhat interested in visiting Canada in the next two years	82%
Size of the target market	66,345,000
Immediate potential for Canada:	
Will definitely / very likely visit Canada in the next two years[20]	45%
Immediate potential	36,409,000

Base: International pleasure travellers (n = 3,000)
Notes: Interest and consideration numbers shown are from the 2015 GTW results. Potential market size is results from the random telephone omnibus survey undertaken in 2010, among the general population aged eighteen years or older.
Q5: How interested are you in taking a trip to Canada in the next two years?
Q14 / 15: Realistically, how likely are you to take a vacation trip of four or more nights to Canada in the next two years? And, how likely are you to take a vacation trip of one to three nights to Canada in the next two years?

[20] Includes respondents likely to visit Canada for a trip of one to three nights, or a trip of four nights or more.

6. Competitive Environment

The GTW tracks Key Performance Indicators (KPIs) for Canada in areas such as aided destination awareness, unaided and aided destination consideration, and market penetration. Exhibit 6-1 summarizes the 2015 KPIs for Canada.

Awareness of travel opportunities

American international pleasure travellers are more knowledgeable about Canadian travel opportunities compared to competing international destinations.

Close to half (47%) of US international pleasure travellers rate their knowledge of travel opportunities in Canada as either 'excellent' or 'very good', this is down slightly from last year (52%) but remains the same as 2013 and still represents a strong increase since 2010 (40%).

When it comes to knowledge of travel opportunities, Canada continues to be ahead of all competing international destinations (34-43%), including Italy (43%) and the UK (42%).

Not surprisingly, knowledge of Canadian travel opportunities increases for recent visitors and for those interested in visiting Canada. Furthermore self-reported knowledge of opportunities is also higher among those with incomes of $100K or more (53%), those who have friends or relatives living in Canada (64%) and those living on the border (58%).

Visitation to Canada

Interest in visiting Canada remains high. However, turning interest into action continues to be a challenge, especially among younger travellers.

Interest in visiting Canada in the future has remained stable in 2015 (82%) and continues to be on par with Italy[21] and ahead of all other international markets by as much as twenty-one percentage points. Interest is notably higher among those with children (87%) or those with friends or family in Canada (91%).

Unaided consideration has also been stable. The large gain in unaided consideration noted last year has been largely maintained, but momentum on this measure has not continued. Unaided consideration of Canada[22] currently sits at 14% (versus 15% last year), and is now directionally lower than consideration for Mexico (15%) – Canada's main competitor for the US international traveller.

[21] Q5: How interested are you in taking a vacation trip to Canada in the next two years?
[22] Q2: Which destinations are you seriously considering for your trips in the next two years?

Although interest in Canada is high, follow through is much lower. One-half (53%) of US travellers have already been to Canada, with the figure rising significantly for older US travellers, especially those aged 55+ (76%). While US travellers are more likely to have visited Canada compared to the other competitive international destinations, self-reported visitation to Canada has declined slightly compared to last year (-5%).

Exhibit 6-1 Key Performance Indicators (KPIs) for Canada – Summary

Key Performance Indicator	Definition	All International Travellers n = 3,000	Recent Visitors To Canada[23] n = 1,050	Interested In Canada[24] n = 898
Destination awareness:				
Aided awareness of travel opportunities in Canada	% with excellent / very good knowledge of travel opportunities in Canada	47%	69%	75%
Past visitation:				
Overall market penetration	% who have ever visited Canada for pleasure	53%	89%	58%
Intentions:				
Unaided destination consideration	% who mentioned Canada or a destination in Canada on their consideration list	14%	32%	31%
Competitive positioning on destination consideration	Rank on the consideration list relative to competitors (roll-up)	2nd	1st	1st

Base: International pleasure travellers (n = 3,000), Recent visitors to Canada (n = 1,050) and those interested in visiting Canada (n = 898)
Aided awareness (Q4) – "How would you rate your level of knowledge of vacation opportunities in each of the following destinations?" (Aided list of Canada plus six pre-defined long-haul competitors).
Market penetration (ever visited) (Q11b) – "Which of the following countries have you ever visited while on a vacation trip?" (Aided list of long-haul destinations).
Unaided destination consideration (Q2) – "Which destinations are you seriously considering for your trips in the next two years?" (Open-ended, coded responses).

[23] Visited Canada in the past three years for a pleasure trip of four or more nights with one or more nights in paid accommodations.
[24] Definitely interested in visiting Canada in the next two years.

Advertising recall

Advertising recall for Canada is better than recall for all other competing international destinations with, the exception of Mexico.

Twenty-three percent of US international pleasure travellers could recall an advertisement for Canada, similar to the awareness level achieved by Mexico (24%). Recall among those interested in going to Canada was significantly higher at 38 percent and ranked first among all other competitive destinations suggesting one of two scenarios: 1) the advertising resonates more among travellers that already have an interest Canada, thereby potentially furthering them along the path-to-purchase. or 2) the advertising increases interest in Canada, placing some individuals firmly on the path. We cannot determine causality either way, but the result is positive.

Exhibit 6-2 Advertising Awareness for Travel Destinations

	All International Travellers	Recent Visitors To Canada[25]	Interested In Canada[26]
Advertising Awareness	n = 3,000	n = 1,050	n = 898
Canada	23%	37%	38%
Italy	19%	23%	24%
Australia	20%	24%	24%
U.K.	15%	18%	22%
France	14%	17%	19%
Germany	10%	14%	13%
Mexico	24%	27%	28%
None of the above	40%	36%	31%
Don't know	9%	10%	7%

Base: International pleasure travellers (n = 3,000), Recent visitors to Canada (n = 1,050) and those interested in visiting Canada (n = 898)
QB4: For which of the following travel or holiday destinations have you seen or heard an advertisement and / or a promotional article in the last three months? (Select all that apply)

[25] Visited Canada in the past three years for a pleasure trip of one or more nights with one or more nights in paid accommodations.
[26] Definitely interested in visiting Canada in the next two years. Data represents destination of most recent trip, not all trips within the past 3 years. Thus, the percentage for Canada will not be 100%.

US international pleasure travellers with children (30%), men (27%) or those that have friends and family in Canada (29%) were significantly more likely to recall Canadian advertising compared to their counterparts suggesting the advertising resonates particularly well among men and families as well as those with friends or family in Canada.

Generally speaking US travellers that were aware of advertising for a particular country were significantly more likely to believe there were many good reasons to visit that particular country. More specifically, US travellers who could recall advertising for a Canadian destination were significantly more likely to think there are many good reasons to visit Canada compared to those who could not (67% vs 49%). This is a very positive finding in that it suggests beneficial interaction, in one form or another, between advertising exposure and positive disposition to Canada

7. Perceptions of Canada

To be successful, a destination must be perceived as offering value, relevant experiences, and unique tourism products. To assess value and price perceptions respondents were asked to evaluate Canada relative to competing destinations on a number of attributes.

Value perceptions

When it comes to US travellers' perceptions of value, Canada falls short and well behind its competition.

Exhibit 7-1 shows Canada's competitive position, based on US travellers' impressions of each of the competing international destinations on a number of value-related attributes. It reveals that Canada trails its competitors on value attributes, and there has been no change in this perception since last year.

Around half (49%) of US travellers agree that Canada is a destination with the travel experiences "I am specifically looking for", but this is some way behind their perceptions of what Italy, Australia or even the UK can offer.

On all other value attributes, only Mexico fairs worse. When compared with Australia and the European destinations, Canada is not as well perceived as being "unique in its offer", or "offering the specific experiences they are looking for". As a result, it is not as readily seen to be a "dream destination", or one they would "pay a little more for". These finding suggest that Canada is having difficulty generating excitement and enthusiasm among US international travellers. US travellers do not find Canada to be distinctive enough compared to domestic destinations and as a result, this lack of distinction and perceived inability to offer a unique experience undermines the advantage of proximity that Canada has to offer in relation to its competitors.

Interestingly, those who have better familiarity with Canada do not necessarily share this view. US international travellers living on the border, those with family or friends in Canada, those who have been to Canada in the last three years or those who are planning a trip in the next two years see more value in Canada. A finding that suggests the weak value perception can be modified by increasing awareness that focuses on the distinctive elements that Canada has to offer, ensuring of course these elements are desirable to the American traveller and offer competitive advantage.

Exhibit 7-1 Value perceptions

Value Perceptions	1#	2#	3#	4#	5#	6#	7#
A destination with the travel experiences I am specifically looking for	ITA 62%	AUS 58%	UK 55%	FRA 51%	CAN 49%	GER 46%	MEX 39%
A place with unique features that other destinations don't offer	AUS 73%	ITA 71%	FRA 63%	UK 60%	GER 56%	CAN 50%	MEX 44%
A dream destination that I would visit if money were no object	AUS 70%	ITA 68%	FRA 58%	UK 56%	GER 50%	CAN 45%	MEX 36%
A destination I would pay a little more for	ITA 59%	AUS 54%	UK 48%	FRA 47%	GER 42%	CAN 39%	MEX 30%

Base: International pleasure travellers (n = 3,000)
Q11: We are interested in your general impressions on [country] as a holiday destination, even if you have never been there. On a scale of 1 to 10, where 1 is 'strongly disagree' and 10 is 'strongly agree', how would you rate [country] on each of the following?
Note: Scores shown are the 'top-three-box scores' i.e., the percentage of respondents who provided the destination with a rating of 8, 9 or 10, and a 1 to 10 scales of agreement with each statement.

In 2015, average value perceptions for Canada decreased slightly (-0.1) moving Canada to rank second last compared to other competitive long-haul destinations when it comes to value. Among competitive destinations, value perceptions have also decreased slightly (-0.1) or remained the same.

Exhibit 7-2 Year-on-year change in average rating for value attributes

Value	2013	2014	2015	2014/2015 YOY change
Italy	7.8	7.8	7.8	-
Australia	7.8	7.8	7.7	-0.1
UK	7.1	7.3	7.3	-
France	7.2	7.2	7.2	-
Germany	6.7	6.9	7.0	-0.1
Canada	6.7	7.0	6.9	-0.1
Mexico	5.9	6.2	6.1	-0.1

Base: International pleasure travellers (n = 3,000)
Note: Average ratings for all *value* attributes, based on a ten-point scale on agreement with the statements presented to them.

Price perceptions

Where Canada does outrank all other international (long-haul) destinations, is on price – perhaps understandably given its relative proximity to the US market. Canada is far more affordable to get to by air compared to Australia and the main European competitors. Such perceptions will undoubtedly continue to strengthen as the currency exchange rate differential favouring the US dollar persists.

Interestingly, Canada no longer maintains a stronger reputation for affordability in relation to Mexico as it did in 2014. In 2015, Mexico is slightly more likely to be viewed as a destination that is affordable to get to by air, that has reasonable prices for food, entertainment and accommodation and that is good value for money. This change is due not only to a slight decrease in Canada's price perceptions but also to improvement on the part of Mexico, an interesting finding given the steady strengthening of the Mexican peso since late 2014.

Exhibit 7-1 Price perceptions

			Long-haul international markets →				
Price Perceptions	1#	2#	3#	4#	5#	6#	7#
A destination that is affordable to get to by air	MEX 62%	CAN 60%	UK 44%	ITA 39%	GER 37%	AUS 35%	FRA 34%
A destination with reasonable prices for food, entertainment and accommodation	MEX 58%	CAN 55%	ITA 45%	UK 42%	AUS 40%	GER 40%	FRA 35%
A place that offers good value for money	MEX 58%	CAN 55%	ITA 46%	AUS 42%	UK 41%	GER 40%	FRA 34%

Base: International pleasure travellers (n = 3,000)
Q11: We are interested in your general impressions on [country] as a holiday destination, even if you have never been there. On a scale of 1 to 10, where 1 is 'strongly disagree' and 10 is 'strongly agree', how would you rate [country] on each of the following?
Note: Scores shown are the 'top-three-box scores' i.e., the percentage of respondents who provided the destination with a rating of 8, 9 or 10, and a 1 to 10 scales of agreement with each statement.

8. Trip Profiles

Most recent destination visited

Among US international travellers, Canada is the most popular recent trip followed closely by the Caribbean.

One-in-five (20%) US travellers, who had taken an overnight trip in the past three years[27], visited Canada on their last trip, rising significantly to 26 percent for those with friends and family in Canada, 29 percent for those aged fifty-five years or older and to 33 percent for those living on the border.

Similar to last year, the Caribbean (18%) placed slightly ahead of Mexico's coastal resort areas (15%). However, visits to Italy (13%) were up from last year by five percentage points. This contrasts to a drop of four percentage points for the UK.

Type of vacation taken

City and touring vacations are among the five most common types of pleasure trips regardless of destination.

Based on their most recent qualifying *vacation*, the most popular type of trip continues to be a *touring vacation* (15%) and *a visit to see friends or family* (15%). City vacations (12%) have fallen to 5th place in 2015, while cruise (14%) or resort vacations (14%) have moved up to third and fourth place. While these changes are not dramatic, they should be monitored in that they could reflect a shift in sensibilities among some consumer segments toward a need for greater control or certainty about obtaining desired travel experiences.

Both touring and cruise vacations continue to be heavily skewed towards the older American traveller (55+), while *resort vacations* prove relatively more popular among the 18-34 year age group. Around one-in-five (19%) travellers over the age of 55 took a touring vacation and the same is also true for cruises (23%).

Similar to last year, among those whose last trip was to Canada, *city vacations* were the most popular type of holiday by nearly one-in-five (19%), followed by *touring vacations* (16%) and v*isits to see friends or family*. This finding suggests that American travellers come to Canada for its rich urban experiences slightly more than its "natural beauty" and as such should be of equal focus when marketing Canada to US travellers. In other words, Canada should continue to focus on presenting "vibrant cities on the edge of nature". This allows Canada to present

[27] Does not include survey respondents who qualified for the study based on their *intention to take long-haul travel in the future*.

both its unique and compelling natural environment as well as its compelling urban experiences both of which are highly desired by US travellers. And, it is quite likely that both the nature and urban experiences represent points of distinction relative to the US domestic offering.

Activities participated in

US travellers enjoy guided tours (both in and out of the city) and wildlife viewing

Exhibit 8-1 shows the ten most popular activities that US travellers enjoyed while on their last pleasure trip[28]. Similar to last year, the most popular activity enjoyed was a guided city tour (27%), followed by guided excursions beyond the city (21%) and wildlife viewing (17%). Among those who had recently been to Canada, hiking and fishing were also among the top-five activities enjoyed.

While popular among travellers of all ages, city tours and excursions beyond the city were significantly more popular among the older American traveller (55+).

Younger travellers and those with children were more likely to enjoy outdoor pursuits, such as: kayaking, fishing, cycling, scuba diving, camping and golfing, compared to the older pleasure traveller, although their top-five interests were in fact the same.

This finding further supports their decision to market Canada as a destination with “vibrant cities on the edge of nature”, especially to US travellers as these results indicate that potential US visitors have strong interest in both urban and nature based activities. It is also clear that the appeal to younger cohorts should embrace active engagement with environments that older travellers might prefer to experience more passively.

[28] The last pleasure trip they took, within the past three years.

Exhibit 8-1 Most recent trip: Activities participated in (Top-ten)

Activity Participated In	International Travellers in P3Y n = 2,438	Recent Visitors To Canada[29] n = 1,050
Guided city tour	26%	21%
Guided excursion beyond the city	21%	14%
Wildlife viewing	17%	19%
Hiking	14%	15%
Day cruise	14%	12%
Snorkeling	11%	3%
Marine life viewing (whale-watching or other sea life)	11%	9%
Fishing	10%	12%
Cycling or biking	8%	8%
Kayaking or canoeing	7%	5%

Base: Those who have taken an international pleasure trip in the past 3 years (n = 2,438)
QPT2: Did you participate in any of the following activities during your last vacation? Please select all that apply.

Attractions

The three most popular attractions visited on the last vacation include a historic site or building, a museum and/or a city park. While the top three attractions were the same for all US travellers and those who had been to Canada recently, recent visitors were more likely to visit a national or provincial park, a casino or a brewery and less likely to visit a historic site, museum or world heritage site compared to those who went somewhere else. In other words, for recent visitors, nature parks, casinos and breweries may be disproportionately aligned to Canada's offer.

Older American travellers (55+) were more likely to visit a historic site or building while younger travellers were more likely to visit a casino, winery, brewery and/or amusement park. From this perspective, knowledge seeking experiences seem to skew older, while participatory and entertainment experiences skew to youth.

Exhibit 8-2 Most recent trip: Places visited (Top-ten)

Places Visited on Vacation	International Travellers in P3Y	Recent Visitors To Canada[30]	Interested In Canada[31]

[29] Visited Canada in the past three years for a pleasure trip of one or more nights with one or more nights in paid accommodations.
[30] Visited Canada in the past three years for a pleasure trip of one or more nights with one or more nights in paid accommodations.
[31] Definitely interested in visiting Canada in the next two years. Data represents destination of most recent trip, not all trips within the past 3 years. Thus, the percentage for Canada will not be 100%.

	n = 2,438	n = 1,050	n = 747
Historic site or building	46%	41%	43%
Museum	38%	34%	39%
City park	32%	35%	37%
National or State park	26%	33%	32%
World heritage site	22%	15%	21%
Art gallery	19%	17%	21%
Botanical garden	19%	22%	21%
Casino	16%	20%	22%
Winery	14%	16%	17%
Brewery	11%	13%	13%

Base: Those who have taken an international pleasure trip in the past 3 years (n = 2,438)
QPT3: Did you visit any of the following types of places during your last holiday? Please select all that apply.
Note: New question added for 2014.

Vacation experiences

As previously indicated, vacation experiences vary based on one's age. Those over the age of fifty-five were more likely than their younger cohorts to gravitate to culinary experiences. But, younger people seem to have wider ranging interests. They have greater experience with live shows and music festivals, and exhibit greater curiosity about Aboriginal people, local history (museum tours) and rural culture (agro-tourism). The trend toward spas and wellness centres is more clearly evident among younger travellers. These individuals are also more adventurous when it comes to exploring the natural environment, being more inclined than older travellers to make an effort to see remote natural attractions such as the Northern Lights.

Exhibit 8-3 Most recent trip: Experiences

Experience	18-34 n = 600	35-54 n = 999	55+ n = 839
Tried local cuisine	48%	56%	68%
Dined at a highly-regarded restaurant	30%	35%	35%
Attended a live show (e.g., comedy, musical or theatre show)	25%	22%	19%
Rented a car	21%	23%	16%
Took a tour or visited a museum to learn about aboriginal people	20%	18%	14%
Visited a spa or wellness centre	19%	17%	6%
Attended a music festival	15%	13%	6%

Participated in a guided tour by train	15%	11%	8%
Tried Agri-tourism	12%	8%	5%
Northern(or Southern) lights	10%	8%	3%
None of the above	11%	14%	18%

Base: Those who have taken an international pleasure trip in the past 3 years
QPT4: Did you see or experience any of the following during your last holiday? Please select all that apply.
Note: New question added for 2014

Recent travellers to Canada were less likely to try local cuisine or attend a live show comparted to those who went somewhere else. This suggests that these types of experiences, though quite popular, are somewhat less likely to draw visitors to Canada – an unrealized opportunity, perhaps, given that Canada can definitely deliver on both.

Exhibit 8-4 Most recent trip: Experiences (Top-five)

Experience	All International Travellers n = 2,438	Recent Visitors To Canada n = 1,050	Interested In Canada n = 747
Tried local cuisine	58%	52%	55%
Dined at a highly-regarded restaurant	34%	33%	40%
Attended a live show (e.g., comedy, musical or theatre show)	22%	17%	24%
Rented a car	20%	21%	24%
Took a tour or visited a museum to learn about aboriginal people	17%	16%	22%

Base: Those who have taken an international pleasure trip in the past 3 years (n = 2,438)
QPT4: Did you see or experience any of the following during your last holiday? Please select all that apply.
Note: New question added for 2014

Type of accommodation

Accommodation choices by US travellers tend to reflect the accommodation options available in the particular destination.

Similar to last year, US travellers visiting Canada were most likely to have stayed in a mid-priced hotel (38%), followed by a luxury urban hotel (18%) and then a resort hotel (16%). Those who travelled to Canada were more likely to stay in budget or mid-priced hotel and less likely to stay in a rented house, hostel or a resort hotel compared to those who travelled somewhere else. These findings are consistent with the availability of such accommodation in Canada compared to other competing destinations. However, it also reflects the tendency of some US travellers to place price more squarely in the centre of their valuation of a trip to Canada than may be the case with respect to trips elsewhere.

It was also found that 15% percent of recent visitors to Canada stayed at the home of friends or relatives, in-line with the average for all US international travellers (17%). The actual number of travellers who stay with relatives or friends is undoubtedly higher, given that qualifying trips must have included at least one night in paid accommodation[32].

Travel party

US international travel is dominated by couples, with family travel placing a distant second. Two-thirds of US international travellers (65%) took a vacation with their spouse or partner, while less than one-quarter (24%) travelled with children under the age of 18. There is naturally an older age skew to the former and a younger skew to the latter. Given the logistics and cost involved, it is also likely that family travel is more inclined to skew to nearby domestic locations in the US.

Booking travel

Not only does the bricks and mortar travel agency no longer dominate booking activity, but also there is evidence that the decline has accelerated among older travellers. Less than a third (31%) of US travellers employed a travel agent to help them book their flight or accommodation, and older travellers (55+) were less likely to do so than their younger counterpart.

Among those who did not need the help of a travel agent, 43 percent booked their flight and 35 percent booked their accommodation on the internet through a travel agency or online retailer, while the majority booked directly with the airline (52%) or directly with the accommodation (40%).

[32] Trips to Canada in which travellers stayed with their friends or relatives for the entire duration of the trip would therefore not qualify them for this sub-group i.e., recent visitors to Canada.

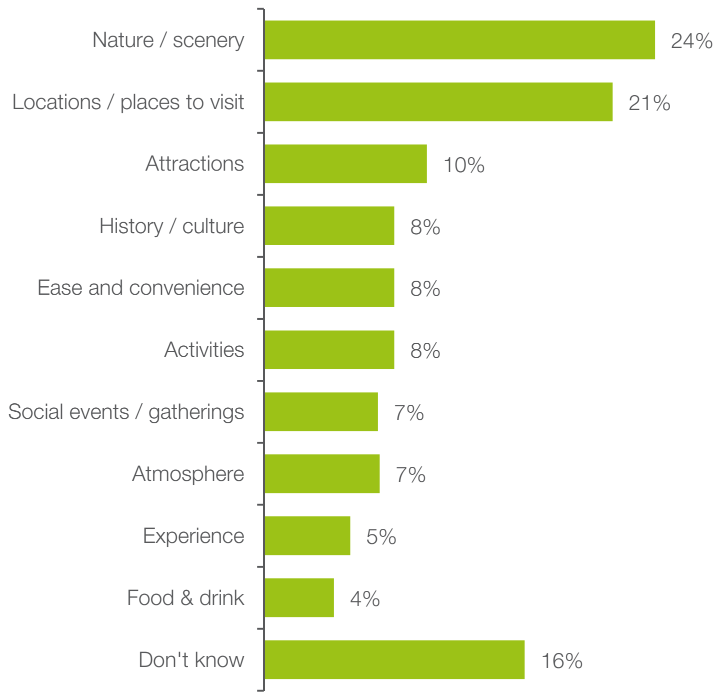
9. Attraction of Canada

Most appealing aspects of a trip to Canada

Canada's scenery and natural beauty are the most exciting or intriguing aspects of a trip to Canada followed closely by a specific location or place to visit.

US travellers considering a trip to Canada were asked what intrigued or excited them most about a potential visit to Canada[33]. Exhibit 9-1 outlines the top ten exciting or intriguing aspects of Canadian travel.

Exhibit 9-1 What intrigues or excites you most about a potential trip to Canada? – Top-ten mentions by US travellers



Base: Respondents considering a trip to Canada (n = 1,636)
QTI1: "What intrigues or excites you most about a potential visit to Canada?"
Note: New question for 2014
Note: Open-ended question – results shown are the coded (grouped) responses)

[33] Asked as an open-ended question, without prompt

The results are quite similar to 2014. A quarter of US travellers who are considering a trip to Canada, consider the scenery and natural beauty were the most intriguing and exciting aspects of the trip, especially by those over fifty-five (31%).

One-in-five (21%) are intrigued or excited about a specific place or location – most often a Province or Territory, which they were looking forward to visiting (usually in the east of Canada). Again, older travellers (55+) were more likely to find a particular location intriguing.

Niagara Falls (5%) continues to be the most intriguing or exciting attraction while, while Canada's history and culture appealed to one-in-ten.

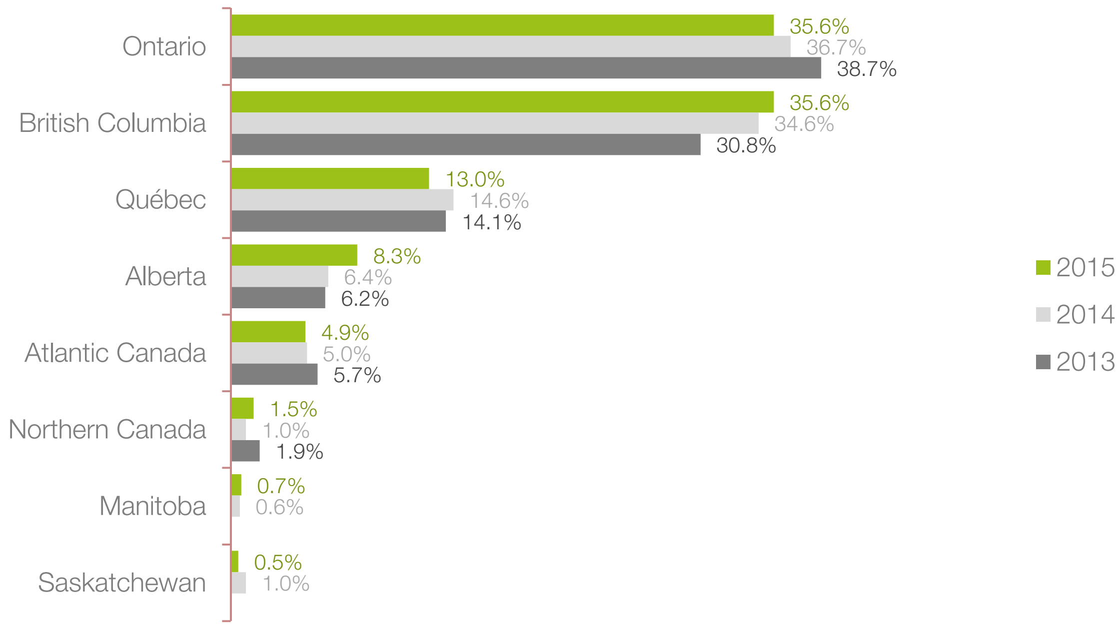
While the young traveller did not appear to be particularly clear on what interested them about coming to Canada (22% did not know), it is very clear that, while still the top-mention (17%), they are less enthused about the scenery and landscape than the older generation. Canada's offer needs to find a way to engage the younger US traveller without relying solely on its reputation for natural beauty. Recent travel behaviour suggests this can be done through a compliment of nature based activities as well as a compliment of urban forms of entertainment.

Canadian regions of interest

US travellers show a strong interest in visiting Ontario and BC and follow through when they travel to Canada.

Exhibit 9-2 shows the regions US travellers are most likely to visit, based on those considering a trip to Canada in the next two years. In 2015, British Columbia caught up to Ontario as the province US travellers are most likely to visit (35.6%), followed by Québec (13%) and Alberta (8.3%). Overall, the Western provinces have gained their shares of interest at the expense of Eastern Canada over the last three years. Among 18 to 34 year olds and those with children, British Columbia is the clear favourite (45% and 40% respectively).

Exhibit 9-2 Region likely to visit in Canada



Base: Q14/15 Those likely to visit Canada in the next 2 years and / or those who are considering, Q5 have decided to visit or have booked a trip there, Q16 Long-haul pleasure travellers with an interest in visiting Canada (n =2133)
Q17: "And, which region of Canada would you be most likely to visit?"

Among those who have recently been to Canada, the most popular destinations are Ontario (36%), BC (27%) and Quebec (13%). More specifically, in Ontario visitors went to Niagara Falls (18%) and Toronto (19%) while in BC they went to Vancouver (17%) and Victoria (13%) and while in Quebec they went to Montreal (8%) and Quebec City (9%).

10. Barriers to Visiting Canada

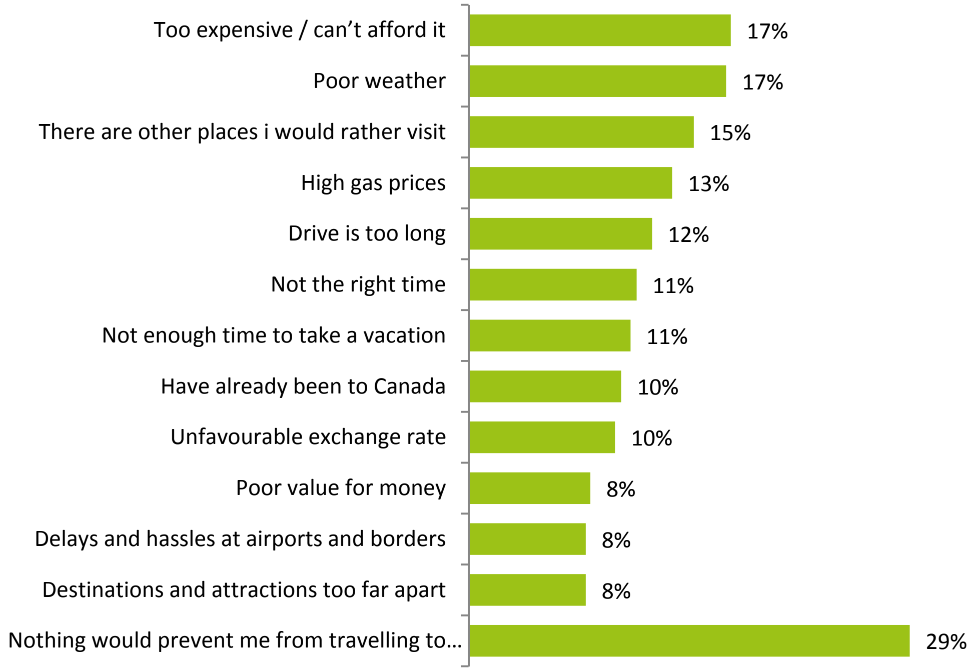
Similar to last year, the main barriers for US pleasure travellers who are considering a trip to Canada include the expense, poor weather and the desire to visit other destinations.

The issue of cost is more prevalent for those US travellers living in the South (20%) and Near Border (15%), compared to the Border States (12%)[34]. As well, those without children and those with larger incomes ($50K+) are more likely to be interested in visiting other destinations. This speaks, again, to the tendency for families with children to travel closer to home – a desire that Canada may be able to exploit more forcefully in juxtaposition with more distant international destinations and by highlighting costs and travel distances that are in line with domestic choices. On the other hand, more assertive definition of a unique and differentiating trip that includes both natural and sophisticated urban experience might help tap into the under-developed , higher-end market.

Compared to other international destinations, the cost of travel is not as significant an impediment to choosing Canada, and the barriers to travel are consequently more varied. This is consistent with the notion that the absolute price may be a somewhat greater draw in the case of Canada, while the value of the experience may have greater sway with respect to competitor destinations and is necessary to overcome higher perceived cost barriers.

[34] These are the three US regions defined by Destination Canada for the purposes of classifying the US markets.

Exhibit 10-1 Top-ten barriers to visiting Canada



Base: International pleasure travellers considering a trip to Canada (n = 1,636) QTI3: Which of the following factors might discourage you from visiting Canada?

11. Sources of Information on Canada

Source of awareness

In the past twelve months, US pleasure travellers have heard about Canadian destinations in a variety of ways, however friends and family (in person 20% or social media 12%) and television (advertising 15% or programming 14%) were by far the most common. Interestingly, one-third (36%) of US travellers have not heard about Canada through any of the twenty channels they were asked about suggesting some scope to promote Canada more widely in the future[35]. Older travellers (55+) were more likely to recall hearing about a Canadian destination that occurred in a TV program or magazine or newspaper while younger Canadians were more likely to recall hearing about a Canadian destination through TV advertising or friends and family on social media.

Hearing about other international vacation destinations occurs in a similar fashion with friends and family (in person 29% or social media 17%) and television (advertising 24% or programming 21%) being the most popular. With respect to other international destinations only 14% said they had not heard anything about destination opportunities outside of the US, in the past year. The breadth of competitive presence is clearly significant.

Most influential sources

Friends and family and travel agents are the most influential sources of information. The two most influential[36] channels for 2015 continue to be friends and family in-person (78%) and travel agents in-person (78%). The importance of friends and family increases when we factor in friends and family via social media (as opposed to in-person) (69%). The importance of travel agents in this regard seems to indicate that they play a significant role in information gathering, but in combination with other sources, and with the final booking arrangements increasingly made online.

The influence of sources varies based on one's age with magazines and television being more influential for those 55+ and social media and online sources such as websites, articles, blogs, etc. being more influential for those under 55.

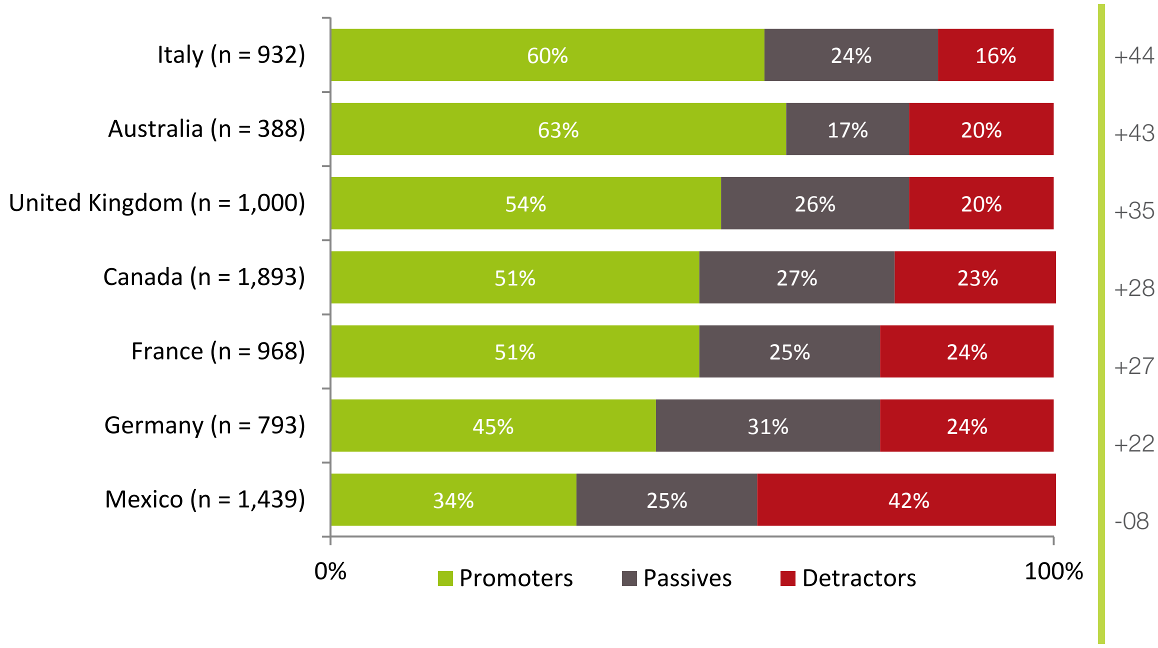
[35] Selected 'none of the above' when presented with twenty different means through which they may have heard about Canada.
[36] Respondents were asked to rate the *influence* from 1 to 10, where 10 was *very influential* and 1 was *not influential at all*.

12. Net Promoter Score (NPS)

The Net Promoter Score (NPS) is an established tool to measure a respondent's likelihood to recommend a product or service to friends and family. Data were gathered among all respondents, but results from past visitors to each destination are the most telling and are presented below.

Of the 1,893 US travellers who had actually visited Canada, 51% would recommend it to friends[37], family and colleagues, while 23% would not[38] – resulting in an NPS score of +28[39].

Exhibit 12-1 Net Promoter Score (NPS) results (Ever Visited)



Q3: Whether you have visited or not, how likely are you to recommend each of the following holiday destinations to a friend, family member or colleague?
Base for each country is filtered to only those respondents who had actually visited *that* country.
Note: Results ranked in descending order according to the overall NPS score.

[37] Rated the destination 9 or 10, on a ten-point scale, when asked how likely they were to recommend the destination to a friend, relative or colleague.
[38] Rated the destination with a score between 1 and 6, on the ten-point scale.
[39] That is 51% minus 23% = 28%, or +28 as we report it. Note that negative NPS scores are possible.

Canada's NPS score for 2015 (+28) is up on the previous year by one point. Compared to other countries Canada is doing very well, given all but France saw declines in their Net Promoter Score from 2014.

Furthermore, half of US travellers, who have visited Canada (ever), would recommend it to a friend or family member – a similar proportion to France, Germany and the UK, but lower than Italy and Australia. This finding not only acts as a barometer of their level of satisfaction with their trip north of the border, it also has implications for promoting Canada through advocacy, given that friends and family are the most influential sources when it comes to choosing where to go on vacation. Comparatively, Canada is doing well in this regard however it still has room for improvement.

Among all US travellers, whether they have been to Canada or not, our biggest advocates are those over the age of fifty-five, those with children, and those with relatives in Canada.

Past visitors to Canada are far more likely to recommend Canada than those who have never been, or have not been recently, but non-visitors' perceptions of Canada also have a role in terms of advocacy, or at least support – even if their opinion is not based on first-hand experience.

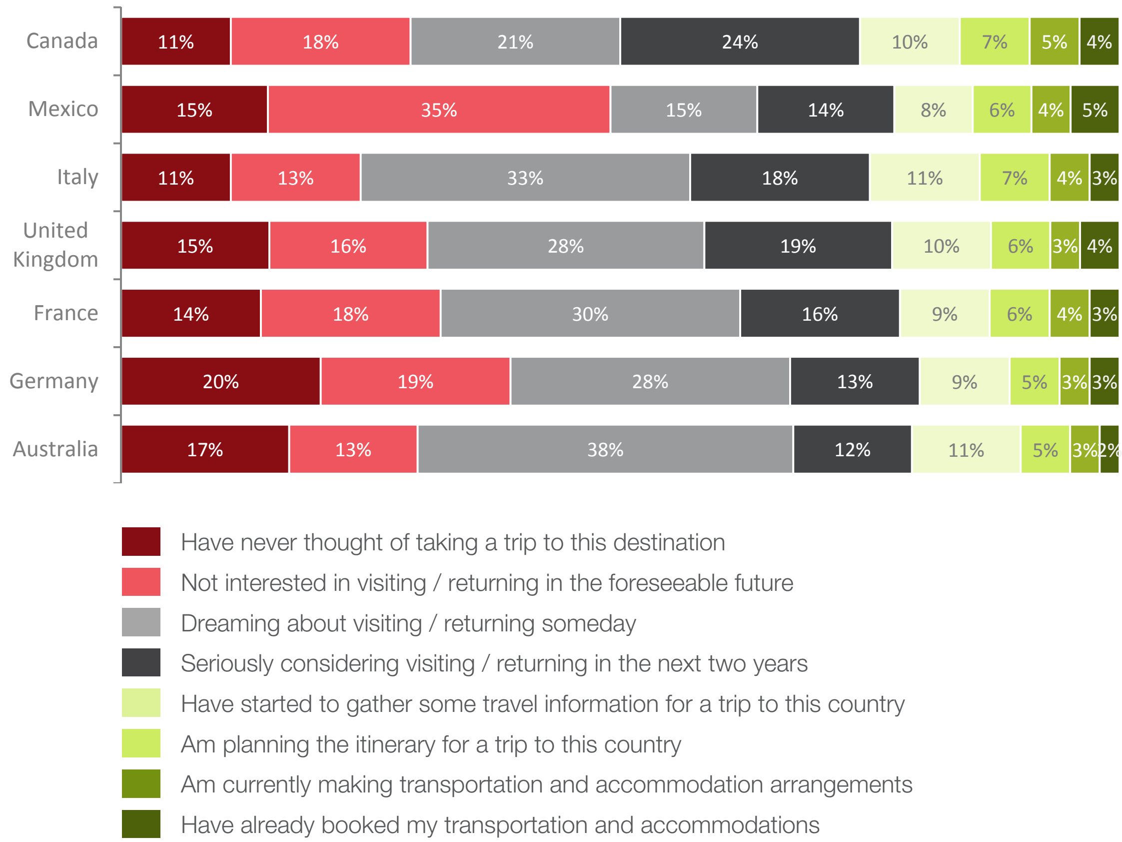
13. Path to purchase

Like any other expensive and discretionary consumer product, there is a purchasing or decision-making cycle associated with international travel: consumers move through various stages from not knowing anything about a destination to actually booking a trip.

Through additional research, Destination Canada has developed a Path to Purchase (P2P) model for long-haul travel and identified where the organization can have the greatest influence in converting those with potential interest in Canada to actual visitors.

These include the consideration, evaluation and purchase stages of the P2P cycle, starting with awareness of the opportunity and interest in a destination, through to booking their itinerary, travel and accommodations.

Exhibit 13-1 Stage in the path-to-purchase



Base: International pleasure travellers (n = 3,000).
Q6: Which of the following best describes your current situation when thinking about each of the following countries for a holiday trip?
Note: Additional stage on the 'path to purchase model' was added for 2014 – 'Have never thought of taking a trip to this destination'. Results not directly comparable to previous years.
Note: Results ranked in descending order according to the number of travellers who: *are planning the itinerary for their trip, making transportation and / or accommodation arrangements for their trip,* or *have already booked transportation and accommodations*.

Exhibit 13-1 shows the percentage of US travellers at each stage of the P2P, for both Canada and the competitive set of long-haul destinations.

Over a quarter (26%) of US international pleasure travellers have started gathering information, are planning an itinerary or have booked / are booking their travel and accommodation for a trip to Canada. This puts Canada ahead of all destinations in the competitive set. However, Italy (25%), Mexico (23%) and the UK (23%) are all following very closely behind.

Slightly more (29%) have either never considered taking a trip to Canada, or have no interest in visiting, or returning, in the foreseeable future[40], but a quarter (24%) are seriously considering visiting / returning in the next two.

In total, just less than half (45%) are considering visiting / returning to Canada, and converting these good intentions to actual visitation, by moving them to the next step on the path-to-purchase, should be a key priority for marketing communications – especially given US travellers' tendency to procrastinate when it comes to visiting Canada (Insignia, 2008). The trick, here, will be to create meaningful differentiation and excitement by stimulating more detailed awareness, targeting product and experiences appropriately to key segments and by offering opportunities to move quickly from exploration to booking.

[40] This includes those who have never been to Canada, and are not interested in doing so, or may have already been, but have no intention of returning in the foreseeable future.

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