

COVID-19 Impact and Recovery Report: Methodological Notes

This document provides an explanation of the methodologies and relevant sources used in Destination Canada's COVID-19 Impact and Recovery Reports for international markets.

I. COVID-19 Cases: The intention for this section is to provide context on impact and recovery analysis by providing a snapshot in time of the state of the pandemic and government restrictions. For the most current information on COVID-19 in that country, readers are encouraged to seek information from official government sources.

II. Estimated Impacts: The estimates are based on data from spending on credit and debit cards in Canada for January, February and March 2020, normalized against Statistics Canada data. For April 2020 onwards, forward-looking air booking and cancellation data for return tickets from IATA accredited travel agencies is used. Also used in the analysis is the forward-looking scheduled air capacity. These impacts are based on modelled estimates from 2018 spending data, adjusted for travel growth, and using payment card data from 2019 and 2020 wherever possible. The analysis should be taken as indicative only.

Based on in-market intelligence, we know that travel agents and operators have prioritized repatriation of clients in areas with outright travel bans (e.g. Middle East, India, Peru) and are not processing cancellations normally. Different airlines also use various systems to re-book travel, some of which are incenting late rebooking (i.e. closer to the original date of travel). As such, the forward booking data may over-represent the amount of travel that will happen and should be taken as an upper bound.

III. Recovery Signals: Destination Canada has developed a framework to understand the phases of recovery of the travel market.

These phases are as follows for the US market:

- I. **COVID-19 Response:** Governments are responding with measures such as shelter in place and quarantines. Movement is restricted and travel is either not possible, desirable or encouraged.
- II. **Intra-State Travel:** Some restrictions have been lifted and movement within local areas is possible. Governments will likely recommend that places ensure physical distancing while supporting local economies. Travel by vehicle within a state is possible and not discouraged. Residents are searching for trips within their state. Some travel may be taking place such as day trips or overnight with friends and family.
- III. **Inter-State Travel:** Residents are booking accommodations outside of their state of residency and travelling within the country, across state boundaries.
- IV. **Tentative International Travel:** Some international travel, likely only required travel such as family-related or urgent business. There may be some leisure travel as some less risk-averse travellers seek to capitalize on reduced prices or increased availability. Airlines may not have restored international routes beyond major hubs.
- V. **Regularized International Travel:** Regular international travel. Some business meetings and events are re-introduced, leisure travel is closer to pre-COVID-19 levels.

For overseas markets the phases are:

- I. **COVID-19 Response:** Governments are responding with measures such as shelter-in-place orders and mandatory quarantines. Movement is restricted and travel is either not possible, desirable or encouraged.
- II. **Domestic Travel:** Travel by multiple means (air, car, trains, etc.) within the country, across provincial/territorial/state boundaries.

- III. **Tentative International Travel:** Some international travel, likely only required travel such as family-related or urgent business. There may be some leisure travel as some less risk-averse travellers seek to capitalize on reduced prices or increased availability. Airlines may not have restored international routes beyond major hubs.
- IV. **Regularized International Travel:** Regular international travel. Some business meetings and events are re-introduced and attended, and leisure travel is closer to pre-COVID-19 levels.

Description of the Measures

- **Travel Intent Search Index:** Google search engine queries for travel-related keywords in 2020 compared to 2019 searches, broken down by week (i.e. week of April 19, 2020 vs week of April 19, 2019). Available for each market's domestic, international and Canada-specific travel search terms.
- **Rate of Accommodation Searches:** Weekly searches in 2020 for accommodation on a major online travel agency (OTA) against a rate of 2019 weekly searches, broken down by week. Available for each market's domestic, international and Canada-specific accommodation searches. This is provided as a rate rather than a volume of searches.
- **Rate of Accommodation Bookings:** Accommodation bookings in 2020 on a major OTA against a rate of 2019 bookings, broken down by week. Available for each market's domestic, international and Canada accommodation bookings. This is provided as a rate rather than a volume of bookings.
- **Rate of Air Travel:** The volume of forward-looking 2020 air bookings by month to Canada versus 2019 air bookings, broken down by week. By comparing against the 2019 average of when travel was booked for and when it was booked, this establishes the amount of impact against each month of travel. When appropriate, this assessment is supplemented by analysis of the forward-looking planned air seat capacity within a country and to other countries.
- **Attractions & Events Search Index:** Google searches for attraction and event-related keywords in 2020 compared to 2019 searches, broken down by week. Available for each market's domestic, international and Canada-specific attraction and event-related search terms. This is provided as an index rather than a volume of searches.
- **Weekly New COVID-19 Confirmed Cases:** The weekly total of new confirmed COVID-19 cases and the rate of new weekly cases per 100,000 population, as provided by the European Centre for Disease Prevention and Control. Number of cases in the market and within Canada will likely be a determining factor for both governments allowing phased return of travel, as well as consumer confidence in traveling to a market.