

Canada's Business Events Restart Recovery Framework

Research to guide business events recovery

December 2020



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Introduction

Our multi-tiered business events research approach provides valuable intelligence on the impacts of COVID-19, the global business events landscape, and our target audience to ensure we understand the market, our sectors, and our decision-maker needs to allow Canadian partners to rise above their competition to host meaningful events in Canada.

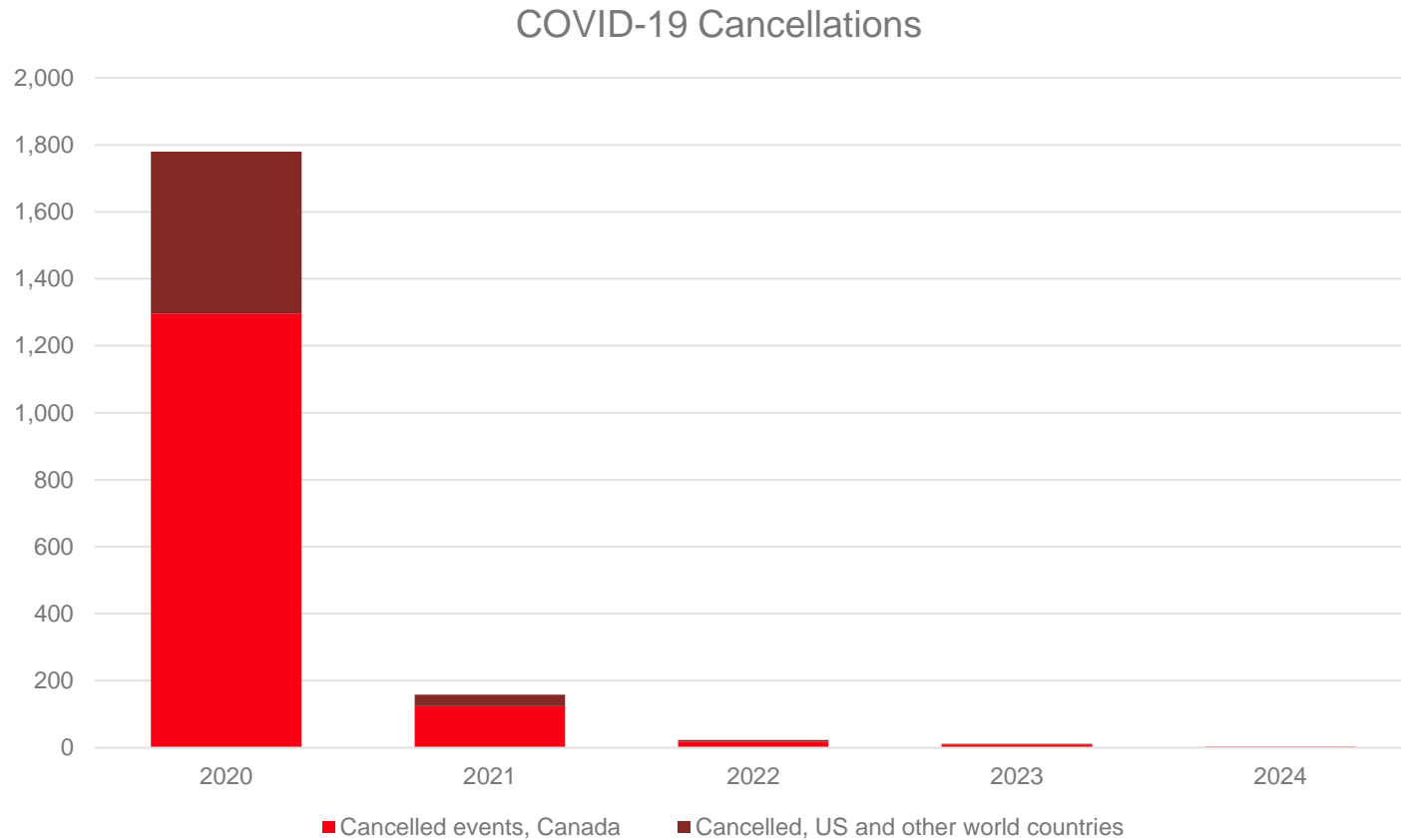
In this document you will find:

1. An update on the current state of business events and the impact of COVID-19
2. A Global Business Events Environmental Scan
3. Canada's Recovery Scenarios
4. Canada's Restart Framework & Recovery Signals

1. Business Events Current State

Almost all events since COVID-19 are cancelled

84% of 2020 events were cancelled



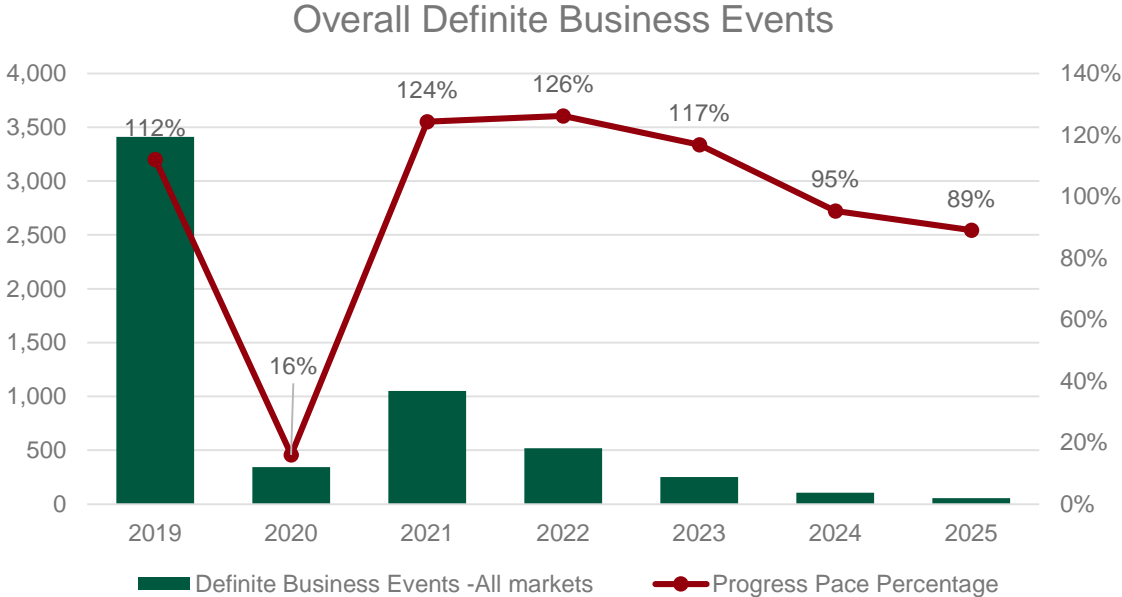
Canada had been experiencing an unprecedented growth in business events over the last decade, creating economic prosperity for many Canadian destinations.

Cancellations impacted almost all events in 2020 and some planned future events as far as 2024.

Global Future Pace – Canada’s Booked Business Events

The “COVID Shuffle”:

Despite the high pacing for 2021 (124%) – caution is warranted, as many 2021 are likely to be rebooked, especially in Q1 and Q2.



Definite = Booked Business Events

Source: Canada Business Events Pace Report data as of October 31, 2020



2. Global Business Events Environmental Scan

Research commissioned by Destination Canada, completed by FLOOR13

Environmental Scan: Executive Summary

The COVID-19 pandemic has resulted in unimaginable challenges for the business events industry. However, as with every crisis, opportunities exist not just for recovery, but for growth and renewal as well. After conducting extensive research within the business events community, it is apparent that the pandemic has dealt a serious blow to current and short-term prosperity for our customers, our partners, and our suppliers. What is also apparent from our discussions, is that every segment of our industry sees a way forward.....a path to recovery and an eventual return to successful outcomes.

The future of business events will not look and feel quite the same and adjustments will need to be made, innovation will flourish out of necessity, and the purpose and desired outcomes of conducting a meeting will be driven by some of the same, and some different, motivators. At the end of it all, the practical and emotional needs for gathering in person with one's peers to learn, to sell, to purchase, and to relate will resurface in a safer and more secure environment.

The Business Events Environmental Scan seeks to not only describe the current state, but more importantly to sift through the input, opinions and experiences in order to identify the means by which Canada can emerge as the leading international destination for a recovering business events industry.

The scan involved considerable research conducted through the use of focus groups, one-on-one interviews, online surveys, and industry studies. Association and corporate meeting planners, DMO and DMC executives, international national tourism organizations (NTO's) industry representatives willingly provided their experiences and perspectives regarding the effects of the pandemic on their businesses, and their thoughts with respect to what a recovery may look like in terms of timing and modelling.

Situation Analysis

Situation analysis: Impact of COVID-19 on the marketplace

The COVID-19 pandemic has reset the environment for both destinations and business events. While the business events industry has weathered cataclysmic events in the past, the COVID-19 pandemic has produced a set of conditions that have decimated the industry on an unprecedented basis, and confounded experts in terms of predicting the timing and characteristics of a recovery.

Key Issues:

National and regional governments have restricted border access, as well as group gatherings and activities in most jurisdictions. Until viable vaccines and/or therapeutic treatments are widely distributed, governments, organizations and most importantly delegates have little appetite to allow face-to-face (F2F) meetings to restart.

In the short-term, access to destinations will remain restricted to varying degrees and the business events market will remain soft.

Remedial measures:

Responsible destinations, hotels, airlines and convention centres have already integrated new sanitary procedures such as wearing masks, temperature taking, social distancing, daily deep cleaning, remote check-in and check-out to name a few.

New types of digital and hybrid meetings are being developed and made available (i.e.: zoom, teams, webb).

Technology continues to be introduced into this realm to expand the quality and options available so that meeting and conference imperatives can be at least partially met during the pre-recovery period.

As the situation remains very fluid and unpredictable, the findings, assumptions and recommendations in this report must be kept in context and are apt to change as the situation continues to unfold. This has certainly been the case in the last 6 months where April predictions fell short of a Fall recovery. These early assumptions have proven to be far from accurate and assumptions made today will most likely continue to mature as we approach 2021.

Eight words to describe the present situation

Four considerations:

Unprecedented

We heard this a lot, a new reality

Uncertainty

What will happen with COVID-19

Health & Safety

It's the new normal

Fluidity

Moving landscape
Ever evolving situation

Four ways to guide us in this environment:

Relationships

Alignment & confidence
You will be there for clients

Flexibility

Plans need to react to changing conditions

Patience

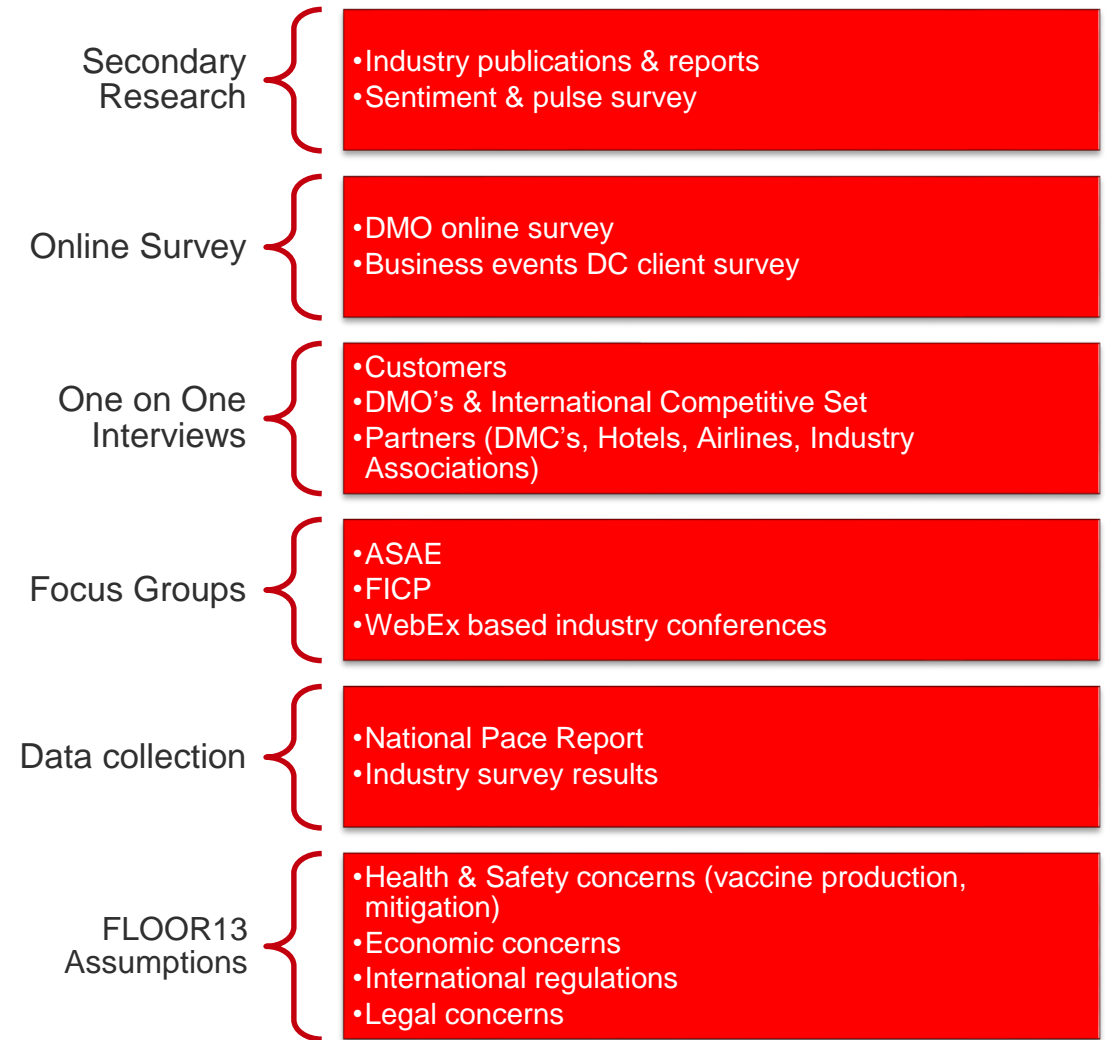
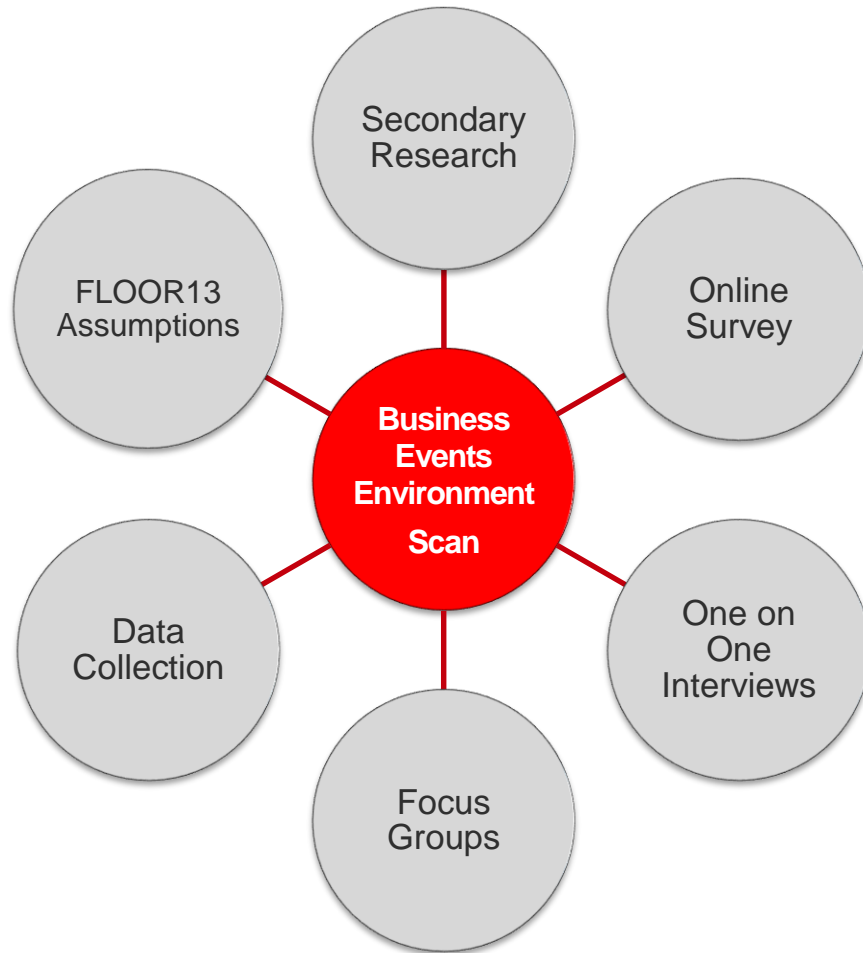
Pushing hard will not move the needle – nurture relationships

Innovation

What can be done to get ahead
Better processes, better ways of getting work done etc.

Research Methodology and Highlights

Research methodology



Research Highlights

Business events Definitions

Business events encompass a broad array of gatherings, from larger international conventions to small board meetings to local trade shows. For the purposes of this environmental scan the study will center on three main segments: associations, corporate meetings and incentive trips. These three segments represent approximately 80% of all business events in Canada.

Associations	<ul style="list-style-type: none">• Associations are not-for-profit organizations, industry associations, professional associations, lobbying• Association, scientific or medical association, technical association, educational association, guild and union.• Provincial, national and international bodies and usually conduct meetings, conferences and trade shows
Corporate	<ul style="list-style-type: none">• Corporate is a corporation, firm or for-profit incorporated entity. Corporations may hold meetings, product launches, trade shows, sales conferences and board meetings .
Incentive	<ul style="list-style-type: none">• Incentive trips are motivational and/or promotional trips for high performing individuals or groups usually within a corporation. These trips tend to be much more luxurious and can include spouses.

Source: Destination Canada National Pace Report

Research Highlights

Pestle scan

The PESTLE model is a comprehensive method to evaluate current conditions affecting the business events market, based on the 6 factors listed below.

P – Political (legislation and policy, political stability, global influence)

E- Economic (consumer confidence, growth, taxation, monetary policy, employment rates)

S – Social (lifestyle factor, cultural changes, demographic influences, income distribution)

T – Technological (information technology, digital transformation, new methods)

L – Legal (consumer laws, health & safety, international mobility, immigration)

E – Environmental (CSR, carbon footprints, waste management, sustainability, community)

This method was used to evaluate the business events domestic and international markets.

Pestle: Domestic Market

Political

Short term cross provincial travel restrictions
Gathering rules vary from province to province, no alignment
Internal Canadian policies may prohibit travel until mid 2021

Economic

Lack of relief funding for associations
Main revenue streams (meetings and trade shows) all but eliminated for the short to medium term (through 2021)
Potential for some associations to go bankrupt or close before being able to meet commitments to hold future conventions
Large meeting destinations will be extremely aggressive when restrictions are lifted
Corporate market may be quicker to recover in 2021.
New Hybrid meetings opening up a new revenue source

Social

Lack of delegate enthusiasm to participate in large gatherings until a COVID-19 vaccine or mitigation treatment is in place
Senior management reluctant to expose staff to potential travel risk
Overall consumer confidence remain low

Technological

Online conventions in the short to medium term (through 2021)
Hybrid meetings in the medium to long term (through 2023)
Longer term adaptation of incorporating hybrid participation in future conventions, opening to a new clientele
Convention centres investing in inhouse technology (studios, streaming services)
Hybrid technology still not fully developed to imitate F2F

Legal

Association asking for more leniency on contracting
Shorter booking windows
Broader definitions of force majeure
No more room block commitments
Need for cancellation insurance mandatory
Greater need for 3rd party escrow services to protect deposits
Buyers market in the medium and longer term 2023+
Stricter medical insurance requirements for travel

Environmental

Health and safety policies in place at all levels of the customer journey
Associations insisting on destination CSR policies

Pestle: International Markets

Political

Short term cross provincial travel restrictions
Gathering rules vary from province to province, no alignment
Internal Canadian policies may prohibit travel until mid 2021

Additional international considerations:

Borders closure to US and Int'l non-essential travel

- Nationalistic sentiments to keep events in own country
- 14 day quarantine period for inbound travellers is a deterrent to travel

Economic

Lack of relief funding for associations
Main revenue streams (meetings and trade shows) all but eliminated for the short to medium term (through 2021)
Potential for some associations to go bankrupt or close before being able to meet commitments to hold future conventions

Large meeting destinations will be extremely aggressive when restrictions are lifted

Corporate market may be quicker to recover in 2021.

New Hybrid meetings opening up a new revenue source

Additional international considerations

- Airline consolidation resulting in higher rates longer term
- Smaller destinations may benefit

Social

Lack of delegate enthusiasm to participate in large gatherings until a COVID-19 vaccine or mitigation treatment is in place
Senior management reluctant to expose staff to potential travel risk
Overall consumer confidence remain low

Additional international considerations:

- Nationalistic sentiment may dictate several conventions to stay within the US and within the European union based on the majority of delegate membership

Technological

Online conventions in the short to medium term (through 2021)
Hybrid meetings in the medium to long term (through 2023)
Longer term adaptation of incorporating hybrid participation in future conventions, opening to a new clientele
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Hybrid technology still not fully developed to imitate F2F

Legal

Association asking for more leniency on contracting
Shorter booking windows
Broader definitions of force majeure
Fewer or no more room block commitments
Need for cancellation insurance mandatory
Greater need for 3rd party escrow services to protect deposits
Buyers market in the medium and longer term 2023+
Stricter medical insurance requirements for travel

Environmental

Health and safety policies in place at all levels of the customer journey
Associations insisting on destination CSR policies

Additional research highlights

CONFIDENCE FACTORS - What is preoccupying the industry

- A vaccine and/or mitigation therapeutics
- Financial risks of booking meetings
- Economic recovery and stability
- Customer confidence in travel
- Survivability and solvency of their organization
- International border openings

MANAGING NEW LOGISTICS - What are the issues related to the 'new' norms in the industry

- Health and safety
- Virtual/Hybrid meetings (Engagement, costs/profitability, relevance). Not yet at par with replacing F2F
- Logistics
- Risk and liability related to employee travel

RECOVERY SCENARIOS - What are the assumptions based on these 'new' norms when looking ahead

- A 2023+ return to 2019 business volumes
- Face-to-face and hybrid meetings are here to stay (hybrid will help generate a new audience which may not have participated in the past)
- Not all organizations and supply chain elements will survive
- Pent-up demand to travel
- Travel may return to being a luxury or reward item

Research findings

Confidence factors

What is being reported

- Vaccine development and distribution timing is key to recovery and customer confidence
- Planners/clients have moved from an end of 2020 and Q1/Q2 2021 recovery, now shifting to late 2021 - 2022 for meetings recovery
- Younger planners/customers seem more willing to travel again. They are less concerned about restrictions
- European planners are more conservative and cautious than American planners about a return to normal
- Ability of facilities and services (airlines, hotels, conv centres, suppliers) to provide safe environments & products still a concern
- Duty of care issues are a major concern at all levels (planners, organizations and delegates)
- Recurring waves of COVID-19 outbreak still a concern
- Varying confidence levels in technology to deliver quality hybrid or digital meetings (continuous improvements but not a replacement for F2F)
- Uncertainty of global economy

What does this mean

Without a viable vaccine or therapeutic mitigation in place the current state of uncertainty and lack of confidence will continue, and more planners/organizations and industry suppliers will be at risk of insolvency

Rebooking canceled events has been more of a mitigation action; the true viability of large meetings being held in 2021 is very much at risk

European Associations may lag behind US Associations in restarting their meetings

Destinations must convey safety levels and duty of care protocols that are well defined.....standard and guaranteed by all within the customer journey

Economic challenges will slow meetings recovery as corporations focus on their bottom lines

Research findings

Managing new logistics

What is being reported

- Ability to successfully monetize meetings and conferences is a major concern and a survival issue for many
- Event design and ability to generate delegate participation with online programs is a concern (length, cost, depth of program)
- Ability to manage risks (financial, health, legal). Duty of care
- Challenge of budgeting new meeting models and associated costs
- Smaller, shorter and regional meetings may be the norm for the foreseeable future even with a degree of pent up demand for F2F meetings
- DMO's role remains strong as the go-to organization for updated destination information
- Tier 2 & 3 destinations as well as non-urban (resorts) and boutique hotels are being considered over downtown and large venues
- Logistics concerns over multiple levels of engagement

What does this mean

Lack of clarity around the best way to proceed for larger meetings. Can associations run financially viable virtual and hybrid meetings? Is the technology good enough to generate meaningful meetings and revenue. Online programs will need to be much more interactive, pertinent, gamified, and marketed more aggressively

Sponsors will need to evolve their touch points with potential customers in an online meeting world

Destinations easing the duty of care burden and financial risk for meeting planners will benefit from early recovery and good faith.

DMO's will need to maintain an ongoing sales/communications strategy with their client base

Smaller and shorter meetings may benefit smaller destinations that have ease of access from major centres and entry points. Within a 2-3 hour drive.

Research findings

Recovery scenarios

What is being reported

- Timing is still a moving target. ...dependent upon COVID-19 vaccine and mitigation (2021, 2022, 2023)
- Moderate pent-up demand for F2F meetings (14% PCMA Dashboard)
- Digital meetings are a stepping stone but also opens up the potential for a new and larger audience
- 3rd party planners may become a luxury item or a necessity (a cost or a savings to organizations reducing in-house planners)
- Hotel rates will remain low in 2021 but may rise sharply in 2022-23 based on demand
- Airlines are planning for a 3-5 year recovery period
- Return of corporate meetings potentially as soon as Q2 2021. Favored sectors, Healthcare, Financial, Telecom, Education and Technology
- Return of association conventions will most likely lag corporate. Favored sectors, Healthcare, Financial, Telecom,
- Return of trade shows and incentive meetings are less likely in the short term

What does this mean

Uncertainty rules the day

Both customers and suppliers will need to be flexible in their approach to one another

2021 and potentially into 2022 will be a buyer's market led by corporate meetings, and associations dependent on conference revenue streams
Hybrid meetings will become the preferred model due to potential of new additional revenue and delegates audience

Destinations will be unusually aggressive in their pursuit of business to fill the coffers of their members and communities. Tourism could be seen as a fast win for destinations in a post –COVID-19 world

New, morphed and/or consolidated suppliers and products will enter the market, while others will not survive the COVID-19 era. Hotel conversions or closures; venues may repurpose into new roles to build steadier revenue streams; airlines will consolidate

3rd party planners may take on a greater role as organizations look for savings from cutting in-house staff

New airport testing protocols may be the long term/permanent norm

Research findings

Industry specifics impact:

Industry changes

Most travel businesses have introduced stringent sanitary protocols within their organizations (deep cleaning, easy access to gel and wipes, temperature screening, social distancing, face masks and gloves, online/touchless registration and payments, upgraded ventilation systems, individual single-use meal boxes).

Airlines

- Have reduced flight volumes by 75% and more due to lack of consumer demand. Slow return to most destinations; Air Canada passenger volumes at 10% of pre-COVID-19 levels as of Oct 2020.
- Loss of revenue is estimated at 90-95% in 2020 compared to 2019.
- National Airlines Council of Canada predicts a return to 2019 volume will take 3 to 5 five years
- Eliminating change fees for domestic and short haul flights (American, Delta, United)
- Implemented deep clean sanitization between flights, touchless check-in
- Canadian airlines following International Civil Aviation Organization (ICAO) guidelines
- Airports have introduced touchless screening, facial recognition, rapid testing and other sanitary protocols
- COVID-19 Insurance (Emirates and Air Canada Vacations are offering, others may onboard soon)

Hotels

- Incorporating permanent video conferencing technology in meeting rooms
- Re-mapping of meeting capacities to respect social distancing
- Implemented 48-hour room shutdown between guests
- Eliminated all buffet service
- In some cases, hotels have repurposed to COVID-19 recovery and/or quarantine centres, long term care facilities
- Rethinking contracts for future bookings, reconsideration of force majeure clauses
- Will most likely see a round of closures and/or repurposing

Research findings

Industry specifics impact:

Convention Centres

- Rethinking space and clientele. Looking at alternative uses (movie sets, classrooms, exam rooms, voter registration centres, COVID-19 testing facilities, meal distribution centres)
- Incorporating permanent video conferencing technology in meeting rooms, broadcast studios. Significant investment which may take time to find a return on investment
- Social distancing protocols are redefining the space (more space for fewer delegates)
- Flexibility in contract terms

Destination Marketing Organizations (DMO's)/RTO's/PMO's

- Rethinking their value proposition. Greater involvement in whole of destination development. ...a trend that was already in motion now accelerated
- Possible change in funding sources (municipal funding, pay to play, relief funds)
- Assessing their efforts in geographic and non-traditional markets in the case of Tier 1 destinations.
 - More B2C marketing to internal provincial and Canadian markets. Longer term play on traditional B2B markets 2023+
- Marketing quality of life attributes of the destination (clean and safe)
- Destinations now offering flexible contracting and COVID-19 insurance
- Customer relationships now more important than ever
- Development of more online video content, site tours

Research findings

Industry specifics Impact:

Decision Maker Community & 3rd Parties

- Significant time spent scenario planning
- Rebooking future dates to mitigate cancellation clauses
- Offering smaller outdoor and local venue events
- Integrating meeting technology beyond zoom/team/etc. VR, Hybrid, WEBB, Accelevent, Aventri
- Working with clients to plan Q3-4 2021 and 2022+ events and site selection
- Working on bringing more value to clients
- Possible consolidation of the industry

Legal & Financial

- Many conventions did not have cancellation insurance as COVID-19 hit
- Insurance industry has now excluded pandemics as a reason to cancel
- Overall 'force majeure' clauses are being redefined
- Companies reluctant to send employees out on the road knowing possible contagion risks and related legal issues
- Company savings are possible from restricting travel expenses; may continue limited travel for some time post COVID-19
- Looking for significant financial risk mitigation from hotel and venue contracts

Research Highlights

Stakeholder interviews feedback – Clients (Planners/Agencies and C-Suite Decision Makers)

Recovery Conditions

- Duty of care expectations of destinations is now a minimum standard. All contact points from departure to return
- F2F timing dependent upon a return of public confidence which is directly related to a vaccine or therapeutic
- Financial risk associated with attrition, cancellation, deposit clauses must be addressed by destinations for 2021-2022
- Ability to monetize virtual/hybrid models is of paramount importance to financial survival

Recovery Timelines

- Virtual meetings in 2021
- Small corporate meetings, regional meetings, as early as Q3-4 2021
- Revenue imperative will drive association to book/rebook destinations as early as 2022, providing financial risk mitigated
- All dependent upon monetization of virtual models; and public confidence to travel and meet

Innovations

- Destinations subsidizing convention centre space costs
- Convention centres incorporating broadcast studios into their facilities
- Satellite conferences (smaller regional meetings)
- Develop a program for bringing small groups to Canada during the soft COVID-19 years (2021-22)
- Hybrid meeting option which is aimed at a new audience (how to monetize?)

Future Focused

- Collaborative approach with DMO's and suppliers to soften health and financial risk for planners
- Promote Canada's open culture, safe, visas, diversity, open spaces...all important in post-COVID-19 world
- Keep pushing industry and clients to be innovative
- Re-establish Canada's presence in the US

Research Highlights

Stakeholder interviews feedback – DMO Partners

Recovery Conditions

- Health & Safety front and centre (Vaccine, therapeutics, duty of care, control of COVID-19 factors)
- Economic stability and confidence to travel
- Survivability of customer organizations base
- Opening of international borders
- A common messaging to inbound customer base

Recovery Timelines

- A fluid situation wavering from month-to-month
- Q4 2021 soft recovery building up (local, national, some international) to a stronger 2022 recovery year. 2023+ back to normal levels
- Airline regular load factor recovery projected to be in 2024+
- Industry sector recovery early events (Pharmaceutical, financial services)

Innovations

- In-house broadcast studios
- Hybrid meetings (virtual meetings, trade show and networking, 3D tours, virtual sales tools) here to stay
- Flexible contracting (cancellation, attrition and force majeure clauses)
- Country alignment (Health & Safety rules and measures, contracting, customer messaging, playing the long game)
- COVID-19 destination insurance (health insurance as opposed to event insurance)
- Rapid testing measures at airports and eventually in hotels and venues

Future Focused

- Team Canada communications strategy to customer base (meaningful, health & safety rules and changes, new innovations, destination info)
- Being a partner not just a supplier
- Flexible short to medium term contracting options
- Possible lack of travel & expense budgets with corporate customers restricting travel and meetings

Research Highlights

Stakeholder interviews feedback – DMC's

Recovery Conditions

- Health & Safety (Vaccine, therapeutics). Duty of care is a minimum expectation of all destinations and venues.
- Economic stability and border access
- Traveller confidence
- Risk mitigation for planners

Recovery Timelines

- Small regional meetings by Q3-4 2021 – 2022.
- Large hybrid conferences not until successful vaccine deployment and traveller confidence restored
- 2020 incentive programs may be delivered in 2021 depending upon country access and pandemic management; rewards may shift from travel to merchandise in short term
- 2023 before incentive programming returns to pre-COVID-19 levels

Innovations

- Hybrid meetings are here to stay and will be part of regular F2F meetings going forward. Represents potential for new clientele for associations and trade shows
- Incentive reward programming will eventually shift from merchandise/monetary to enriching experiences

Future Focused

- Pandemic will shift many incentive programs to a strong emphasis on corporate wellness, creating a lasting impact on their employees and clients; innovation and creativity; outdoor experiences. Canada has the product and destinations to capitalize on this trend.....determine what the client's objectives are.

Research Highlights

Stakeholder interviews feedback – competitive set

Recovery Conditions

- Health & Safety (Vaccine, therapeutics)
- Economic stability and consumer confidence
- Opening of international borders
- Duty of Care

Recovery Timelines

- Soft local recovery for Q4 2021, 2022 transition year, 2023+ levels of business will grow to regain normal levels
- Industry sector recovery, early winners will be (Pharmaceutical, Financial services, Biotechnology, Education)

Innovations

- Country wide health & safety certification alignment for tourism industry (UK)
- Soft sell with customer base
- Hosting event and demonstrate safe environment (Dubai)
- Hybrid should only be an addition to meetings and not an alternative to F2F on the long term

Future Focused

- Corporate customer base may have major travel & expenses cutbacks
- Longer term major meetings demand and inquiries are now for 2025 & 2026
- Most business development funds are still in place and in some cases augmented

What to make of Virtual and Hybrid meetings

Use of virtual (fully online) meeting technology has increased dramatically during the COVID-19 pandemic. What was intended as a stop gap measure has now moved to the primary meeting model during 2020. Research tells us that face-to-face (F2F) meetings will return in a post-COVID-19 world but virtual technology will become an integral part of those meetings, resulting in widespread use of the hybrid meeting model. Virtual technology on its own cannot replace in-person exchanges, team building and business development opportunities of colleagues, clients and friends gathered together; however the hybrid model provides the opportunity for F2F conferences while adding multiples of additional delegates through virtual channels, resulting in greater attendance reach and the potential for growing the conference's revenue stream. This will become more practical as the technology continues to evolve and improve.

Opportunities

- Cost saving related to virtual meetings (travel, F&B, downtime)
- Virtual meetings quicker to setup and schedule than F2F meetings
- Virtual meetings less expensive than F2F meetings (venues, AV, F&B, etc.)
- Helps to offset some health and safety concerns
- The ability to incorporate a new audience into a hybrid meeting, that may not have previously participated in a F2F meeting
- The opportunity to monetize the participation of this new audience within a F2F meeting

Challenges

- Online meeting fatigue
- Virtual represents less revenue potential than holding a F2F paid event
- Inability to create true interaction and exchanges within virtual model
- Challenge of monetizing virtual sponsorship and trade show participation in both virtual and hybrid models
- The need to modify programming for virtual participants within a hybrid meeting, and still insure engagement
- Virtual technology has a high cost to implement

3. Canada's Recovery Scenarios

Canada's Recovery Scenarios

Destination Canada has developed recovery scenarios. These scenarios will help guide us in a path forward. The recovery path for tourism will depend on the epidemiological control of COVID-19 and on the economic recovery of Canada and the world.

Canada and other countries have recently experienced surges in positive COVID-19 cases, prompting authorities to re-introduce business restrictions and other measures. COVID-19 vaccines are not anticipated to be broadly available until the second or third quarter of 2021 in Canada and key source markets. The path forward is characterized by significant uncertainties. The present forecast is a 'middle of the road' scenario that assumes COVID-19 remains under control, border health requirements are gradually relaxed and the global economy rebounds.

Key tourism recovery scenarios

These scenarios are for travel overall and assume the following:

If the border is reopened, it will be opened to all of our key international markets, and all domestic travel restrictions are lifted.

If the border is closed, Canadians travelling domestically instead of abroad will be key to offset losses

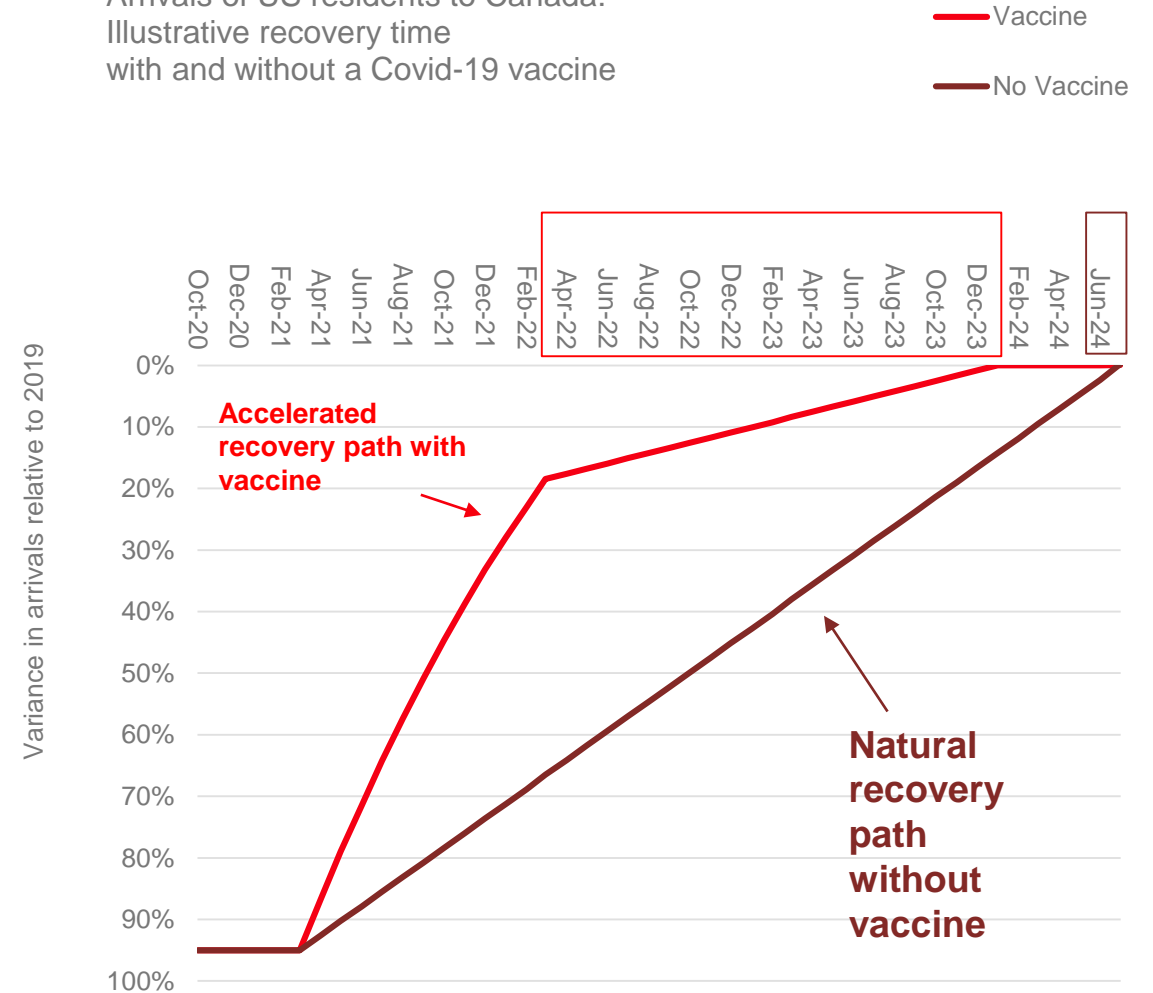
Border re-opening	Rev. in 2021 (\$B)	Loss in 2021 vs 2019	Return to 2019 level
Jan 2021	57	-46%	2024
Apr 2021	48	-54%	2025
Oct 2021	42	-60%	2026

Source: DC Research

Vaccines will accelerate the recovery

- Assuming a border reopening in April 2021 and a natural recovery path to 2019 levels for international travel by in June 2024
- A vaccine distributed to 70% of the target population over a period of 12 months could accelerate recovery time to 2019 levels by at least 6 months
- Border crossing requirements will likely include proof of negative COVID-19 testing or immunization against COVID-19, this will increase costs and effort required for international travel relative to pre-COVID period
- Resulting in reduced travel across borders

Arrivals of US residents to Canada:
Illustrative recovery time
with and without a Covid-19 vaccine



Source: DC Research

Immunization across markets and populations to regulate recovery momentum

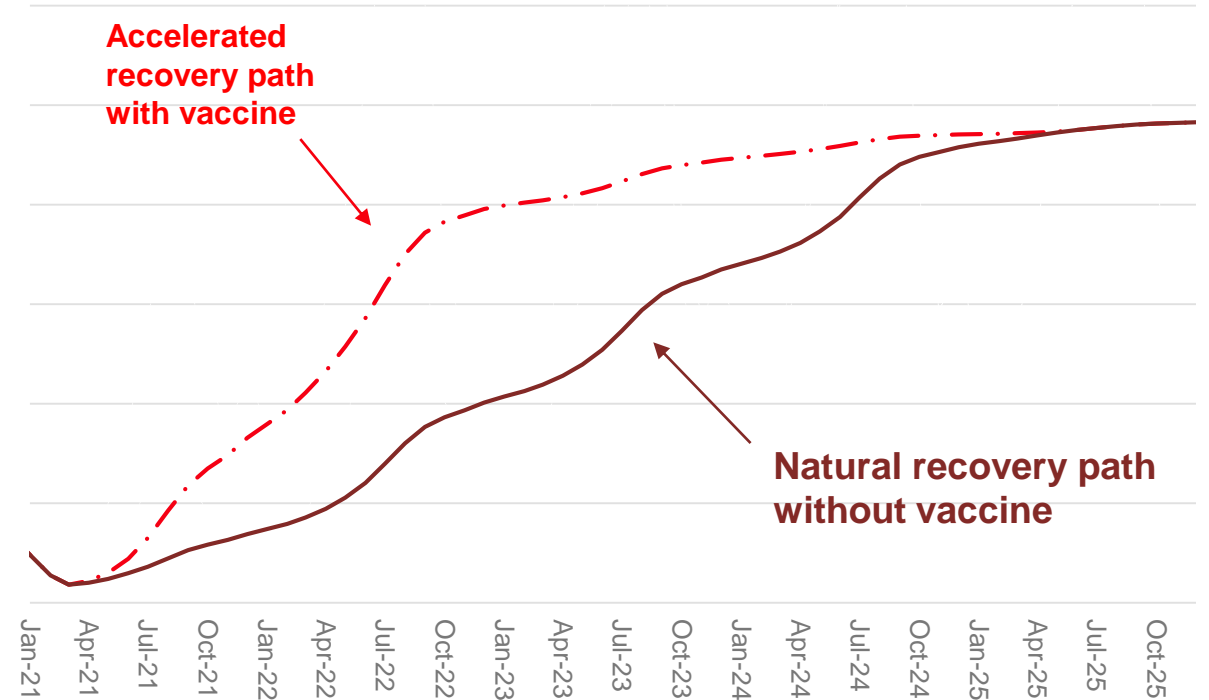
With border reopening in April 2021 and a vaccine deployed starting April 2021, tourism export revenues from the US and overseas sources would be expected to rise

- in 2021 from an estimated \$3 billion to \$7.4 billion and
- in 2022 from \$8.4 billion to \$17.9 billion.

For illustrative purposes:

Arrivals of US residents to Canada:

Likely recovery time with and without a vaccine



Source: DC Research

Business events recovery scenarios

Important to keep in mind this relates to all markets and is a fluid situation. These scenarios are based on global vaccine distribution

Best case scenario

2021	2022	2023	2024
<ul style="list-style-type: none"> Q1 vaccine discovery Q2 distribution Gradual border re-openings Q2/Q3 Smaller meetings allowed <500 as of Q2 2nd wave successfully managed in Q1 Strong economic recovery 	<ul style="list-style-type: none"> 75%+ of travellers vaccinated by Q3 Consumer confidence returning Meetings allowed Bookings ramp up 	<ul style="list-style-type: none"> Strong demand for dates and rates 2023 pressure on high season 	<ul style="list-style-type: none"> Return to pre-COVID-19 levels

Realistic scenario

2021	2022	2023	2024
<ul style="list-style-type: none"> 2nd wave still in place in Q1 Q2-Q3 vaccine discovery Q3-Q4 distribution No large meetings allowed Borders remain closed Marginal economic recovery 	<ul style="list-style-type: none"> 50% of travellers vaccinated by Q3 Borders remain heavily restricted for majority of year Customer confidence grows 	<ul style="list-style-type: none"> Q1 vaccinations in high gear Borders reopen Q1-Q2 Q2 - 75%+ of travellers vaccinated Meetings of <500 allowed as of Q3 	<ul style="list-style-type: none"> Consumer confidence regained Large meetings demand grows 2024 pressure on high season Travel and economy return to pre-COVID-19 levels by late 2024 or early 2025

Worst case scenario

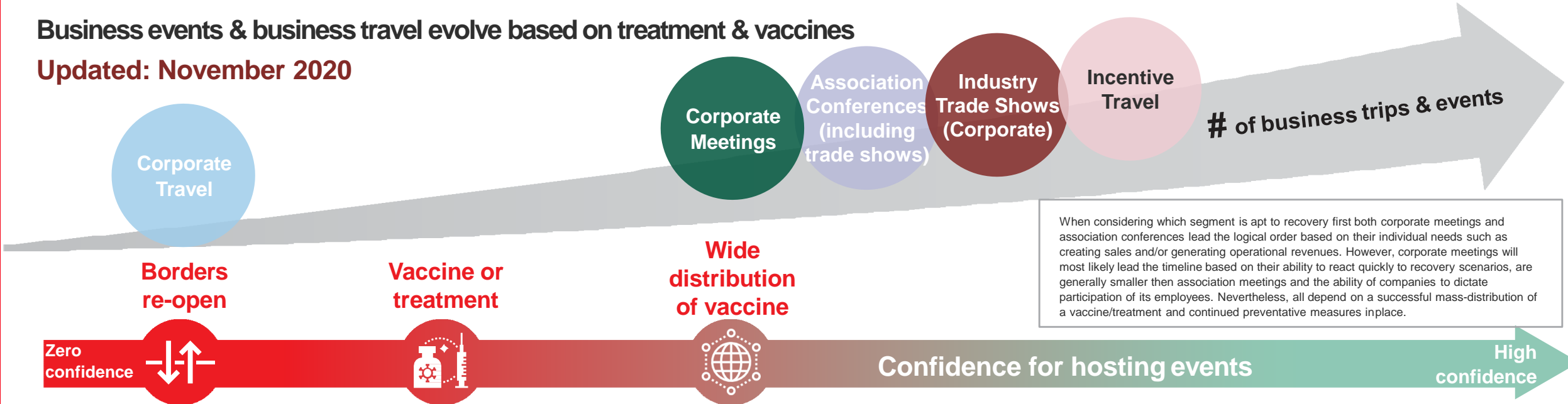
2021	2022	2023	2024
<ul style="list-style-type: none"> 2nd wave is maintained until Q2 No vaccine discovery Borders remain closed Low consumer confidence 	<ul style="list-style-type: none"> Vaccine discovery in Q2 Q3-Q4 distribution Continued travel restrictions and border closures throughout the year No large meetings allowed Slow economic recovery 	<ul style="list-style-type: none"> 75% of travellers vaccinated by Q4 Border opens in Q3 Meetings allowed as of Q4 <500 	<ul style="list-style-type: none"> Demand for meetings grows Consumer confidence regained Large meetings allowed Q1 Bookings ramp up for 2024 Return to pre-COVID-19 levels by mid to late 2025

4. Canada's Restart Framework & Recovery Signals

Canada Restart Framework:

Business events & business travel evolve based on treatment & vaccines

Updated: November 2020



When considering which segment is apt to recovery first both corporate meetings and association conferences lead the logical order based on their individual needs such as creating sales and/or generating operational revenues. However, corporate meetings will most likely lead the timeline based on their ability to react quickly to recovery scenarios, are generally smaller than association meetings and the ability of companies to dictate participation of its employees. Nevertheless, all depend on a successful mass-distribution of a vaccine/treatment and continued preventative measures in place.

Corporate Travel

Definition: In person business to business individual representative meetings

Considerations:

First to resume

- Trip deemed essential for operations
- Resume in 2-3 months domestic, 6-8 months more realistic
- 20-30% of pre-COVID-19 business travel going forward as this shifts virtually
- Resilient sectors: Manufacturing, pharmaceutical, construction

Corporate Meetings

Purpose: internal business meetings to reeducate staff on product/service launch, team building

Considerations:

- 1st to return to meeting when restrictions are lifted
- Some corporations still making money
- Meetings are an expense not revenue generation
- Can pivot quickly
- Timing is short-term 12-24 months
- Influenced by corporate travel policies and insurance - are liable for all employees
- Resilient sectors: pharma, healthcare researchers, financial services, technology, education, consumer

Association Conferences (including trade shows)

Associations are not-for-profit organizations

Purpose: Provide professional development, best practices/innovation sharing, networking with peers

Considerations:

- Strong demand for annual conferences and regional meetings
- Conferences are top source of revenue and member engagement
- Hybrid conferences will start next year, the smaller conferences "live hubs"
- Resilient sectors: Life Sciences (healthcare researchers), financial services, technology
- Influenced by: member policies
- They plan long-term sales and business development needs to continue to not miss the planning cycle
- 2021/2022 sales and marketing efforts needed for 2025+ business events

Industry Trade Shows (Corporate)

Purpose: to sell and launch their products, gain customers and networking.

Considerations:

- Businesses need face to face, can't be signing off on a large agreements if they cannot test the product
- Slower than conventions to recover
- Hybrid/virtual models for tradeshow exhibits needs to be refined, monetized

Incentive Travel

Purpose: by-product of the corporate market.

Team building, motivational and/or promotional reward trips for high performing individuals or groups.

Employees regard this reward highly – bucket list activities and "bragging rights"

Considerations:

- Requires companies to gain some economic footing, however those that are still making money need to reward those selling in 2020-2021
- Need business meetings to resume before incentives
- Virtual does not work for incentive travel since the reward is the bucket list/unique activities
- Factors influencing decision: corporate travel policy, insurance (risk), perception, resumption of economy, attendee willingness to travel
- Resilient sectors: Medium post-COVID-19 outlook (healthcare researchers, financial services, education, technology)

CAVEATS

Estimate as of November 2020. Industry is adapting their models and this is being monitored as it continues to evolve. Assumes curves remain flat.
 This slide can be adopted for regional and national business events.
 All business events segments will return at the local level, then regional, national, and international.

Our Recovery Signals Process

Our goal was to assess the performance measures for:

- 1: Decision makers are able to plan business events
- 2: Decision makers book their next event

As an industry we needed to agree upon results that provide a shared and focused way to measure the right time to resume business events activities post COVID-19.



COVID-19 hits

Step 1: Measure design team meetings with 23 participants from across the industry

Step 2: Measures gallery – review the measures with broader industry group

Step 3: Finalize measures and signal definitions

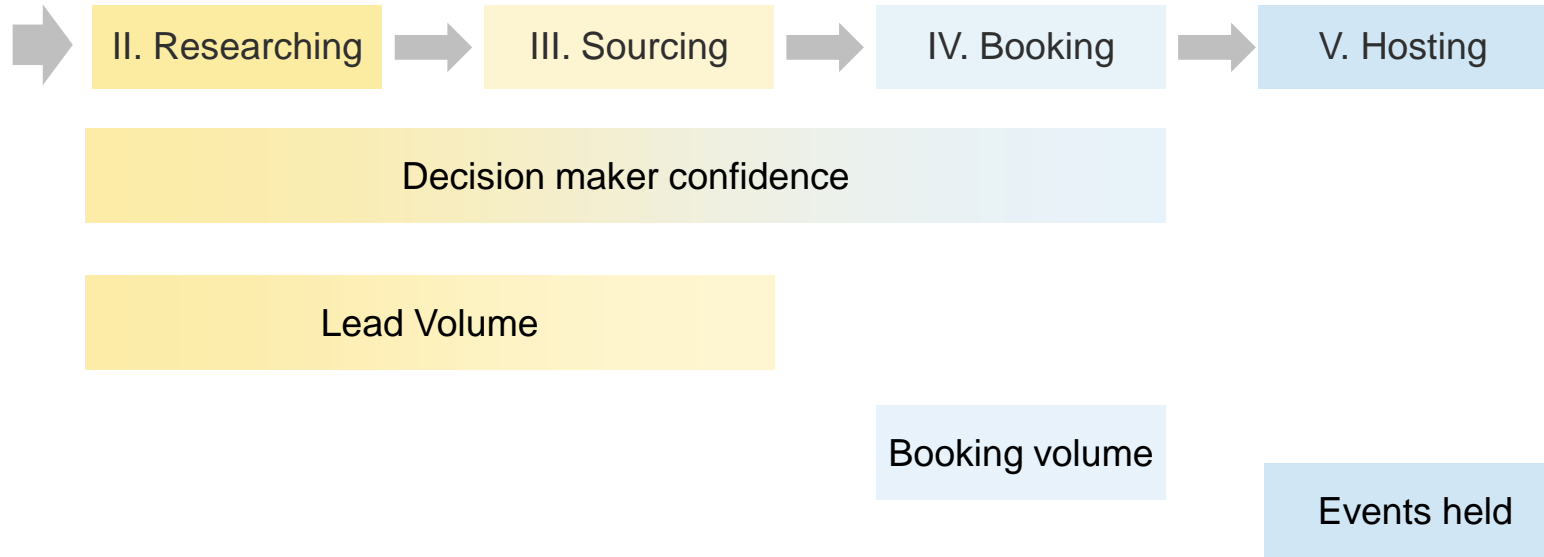
Step 4: Data collection and dashboard creation

Step 5: Monitor and provide results

Recovery Signals

Note: Framework based on assumption that meetings that will return to in-person

Primary Indicators

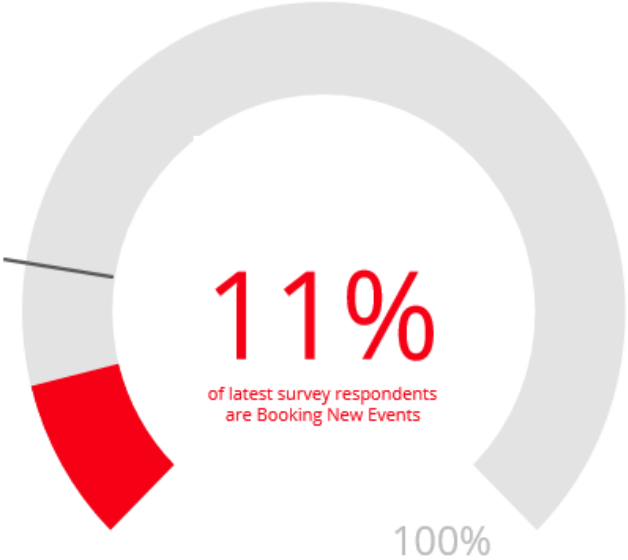
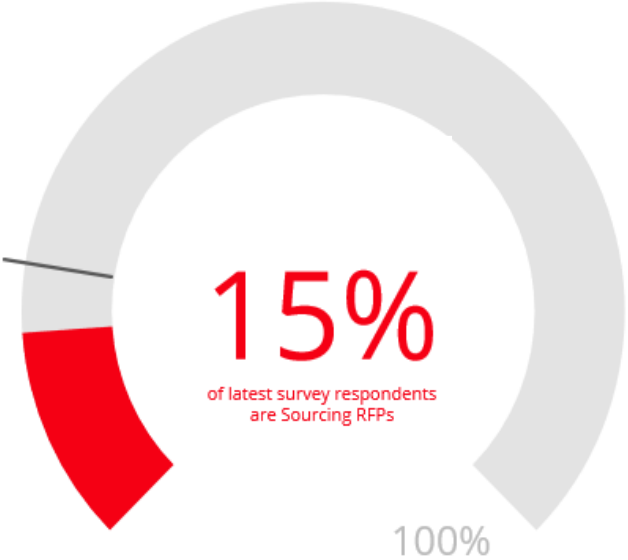
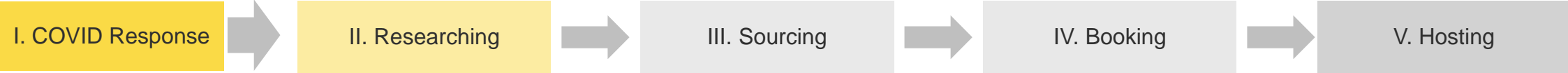


Leading Indicators



We have markers for each phase and key data we are monitoring from various sources (such as NorthStar Meetings Group, Simpleview and Cvent).

Overall, our current assessment is that we are in an overall researching phase



These gauges are part of one infographic as part of a recovery signals dashboard we have created to monitor data on the recovery signals.

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For more information, contact Destination Canada Research at research@destinationcanada.com.

