



Canadian Tourism
Commission

Commission canadienne
du tourisme

Global Tourism Watch 2010

US - Summary Report



Canada

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1. Research Objectives

Driven by the launch of a new global brand and ongoing challenges in Canada’s priority markets, the Canadian Tourism Commission initiated a Global Tourism Watch (GTW) program in 2007 to expand the consumer-based intelligence in its core markets. The overall objectives of the GTW study are:

- To monitor awareness, travel intentions and other key market indicators for Canada and the regions;
- To assess perceptions of Canada and track brand performance over time;
- To identify the general experiences sought by travellers, assess Canada’s competitive positioning on key products and identify growth opportunities;
- To identify motivators and barriers for travel to Canada, as well as media sources and images that lift Canada’s appeal.

2. Methodology:

The target population for the online survey was residents aged 18 and older, who had taken a pleasure trip to destinations outside of the US where they stayed at least one or more nights in paid accommodation in the past three years, or who plan to take such a trip in the next two years.

Pleasure trips included vacation or holiday trips, trips to visit friends and relatives, and combined business-pleasure trips. In the US, the target national sample was n=3,000 long-haul pleasure travellers, with a quota of 1,050 for recent travellers to Canada in the past three years. Quotas were also set for three regions – border states, mid-haul states, and southern / long haul states (as per the CTC’s standard definition).

3. Market Health & Outlook:

Based on the travel patterns in the past three years or plans to travel in the next two years, the incidence of US international pleasure travel from border (36%), mid-haul (35%) and Southern (35%) states is similar, with the size of the potential market being roughly proportional to the population of each area. Accordingly the largest market for international travellers in the US is the south (45 million) followed by mid-haul (22 million) and border (13 million). The immediate potential, those who will definitely or are very likely to visit Canada in the next 2 years, is 37% or 30 million travellers. **Exhibit 3.1** shows the regional preference, with strong immediate potential for British Columbia and Ontario.

Exhibit 3.1 Size of the immediate potential long-haul pleasure travel market

	CDA	BC	AB	SK	ON	ATL	YK	NT
Immediate Interest	37%	75%	42%	11%	69%	35%	13%	12%
Potential (M)	30.1	22.5	12.6	3.3	20.7	10.5	3.9	3.6

The importance placed on long-haul travel by Americans has remained fairly stable over the past four years. While this measure increasing to 87% in 2010 from 85% in 2009, but only just above the 2007 level of 86%.

4. Unaided Destination Awareness

To measure Canada's brand awareness, top-of-mind destinations for a long-haul vacation were requested. Canada boasted its first increase in four years, in part driven by the 2010 Winter Games.

Exhibit 4.1 Unaided Destination Awareness

	2007	2008	2009	2010
1. Italy	27%	29%	31%	29%
2. Australia	28%	25%	25%	26%
3. UK	27%	26%	24%	25%
4. France	22%	24%	24%	23%
5. Mexico	22%	28%	24%	21%
6. Canada	17%	17%	17%	18%

Q. In general what destinations come to mind for a long-haul holiday outside of [L-H definition]?

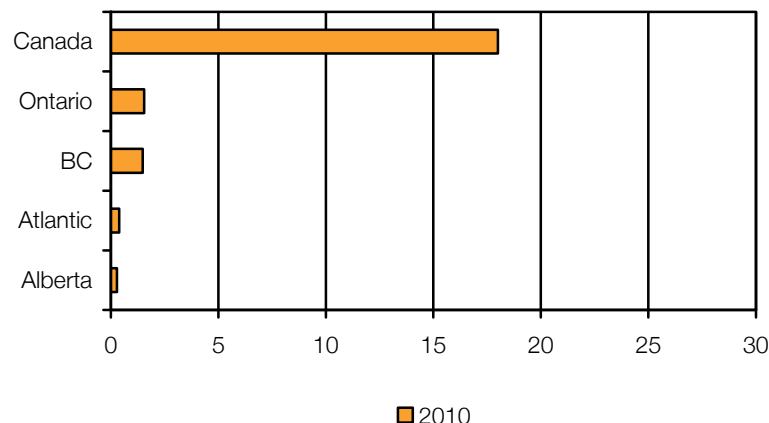
As illustrated in [Exhibit 4.2](#), as a general rule, Canada's regions do not have top-of-mind awareness in the US.

When asked about regional interest the US border markets posted a greater interest in Ontario destinations including major cities such as Toronto and Ottawa.

In 2010, mid-haul markets posted a stronger than average interest in regions in Atlantic Canada, destinations including Nova Scotia, Prince Edward Island, Newfoundland and New Brunswick.

As in past years, travellers in the south were more heavily focused on Western Canada, with a strong interest in British Columbia (particularly Vancouver and Victoria) and Alberta (specifically Calgary and Banff).

Exhibit 4.2 Unaided AWARENESS OF Canada's regions

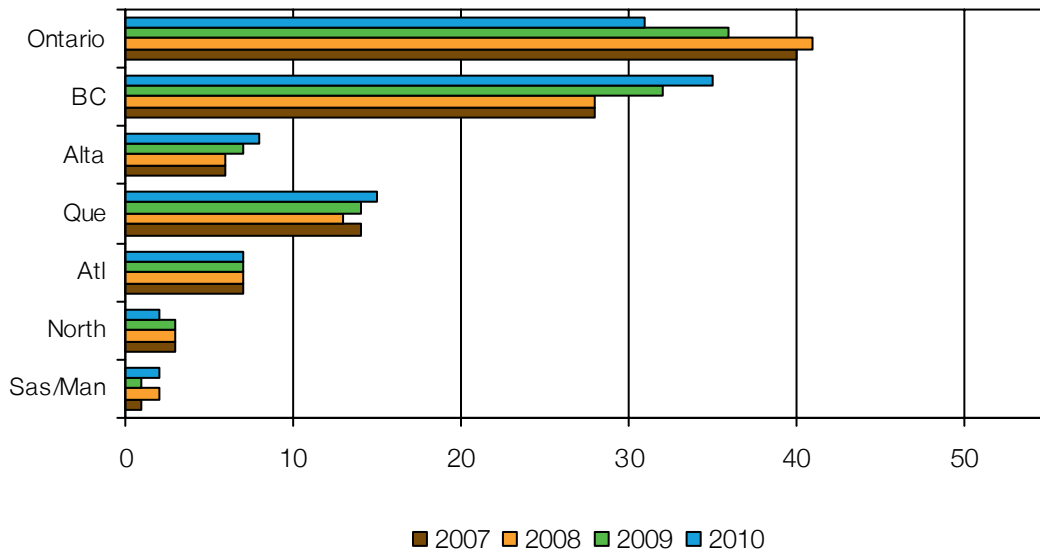


With the economic environment stabilizing in 2010, travel intentions appear to be improving. Overall, 37% of US pleasure travellers indicated that they are definitely or very likely to visit Canada in the next two years; this represents a three-point increase over 2009 (28%).

- Those travellers who intended to definitely or very likely take a trip of one to three nights, saw a two-point increase over 2009, while those intending to take a trip of four or more nights grew by three-points over 2009;
- These numbers reflect a growing percentage for both short-break and longer-break travel from this market.

While Ontario remains a popular Canadian travel destination, it has been overtaken by British Columbia as the top destination of choice in 2010. This increase in the desire to visit British Columbia could have been influenced by the 2010 Winter Games.

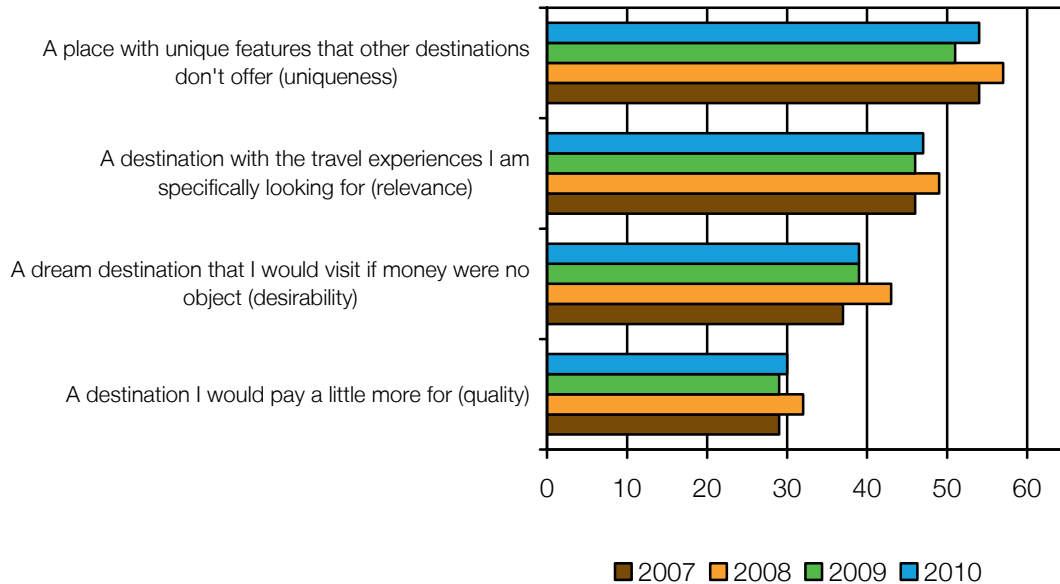
Exhibit 4.3 Canadian Destination Likely to Visit



5. Canada's Value & Price Perception

Canada's success as a travel destination cannot be measured only by the degree to which its brand has established itself. It is important for Brand Canada to be perceived as offering value at a good price.

Exhibit 5.1 Value Perceptions

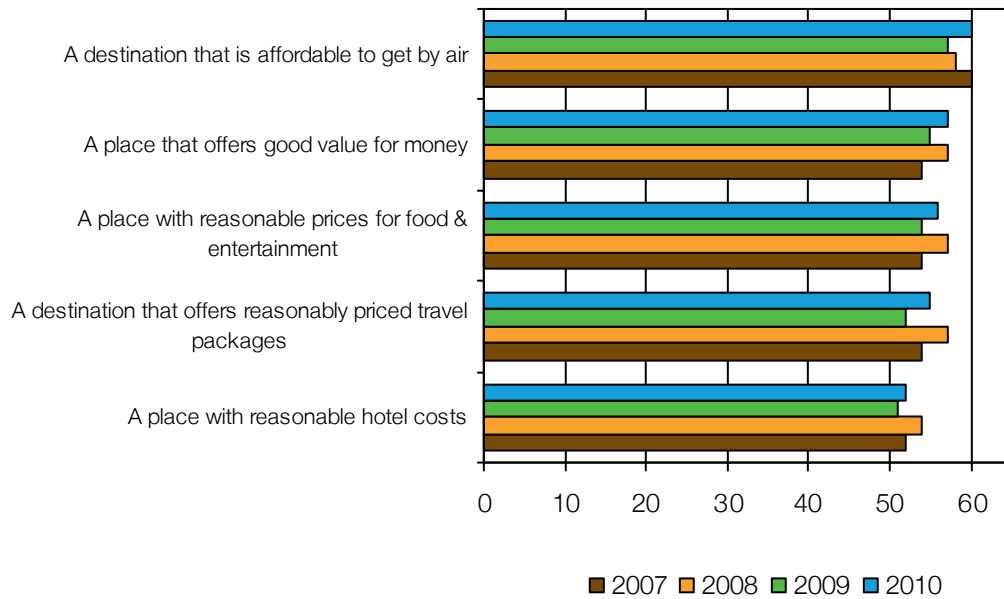


Improvements are required in the perception of Canada as a destination that US visitors would be willing to pay a little extra for and its desirability as a dream destination. Canada also performed poorly in both of these measures when compared against CTC's nine other international markets.

However, improvements were posted for both uniqueness and relevance with both of these measures returning to 2007 levels. This is an achievement, as US visitors are often over-familiar with Canadian travel products and experiences making it important to continually promote new and relevant travel offerings.

Cost also plays a major role when it comes to travel destination decision making. [Exhibit 5.2](#) shows how Canada is perceived by US travellers on various travel cost components.

Exhibit 5.2 Price Perceptions



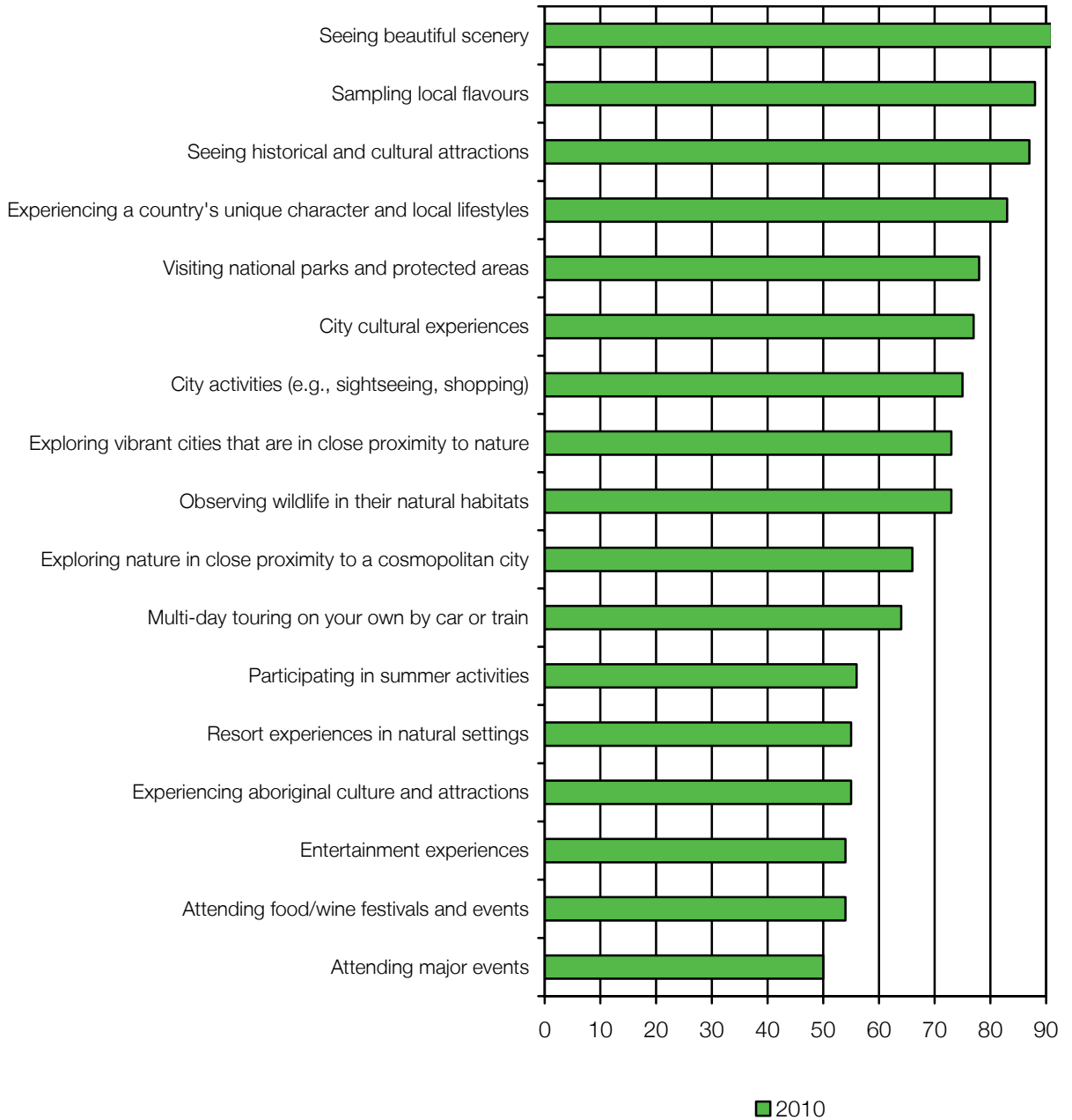
In 2010 there were gains seen across the board in price perceptions, despite a fluctuating economic environment and a weaker US dollar.

6. Product Interest

US travellers have a strong interest in experiencing nature and culture, while maintaining an affinity for city life. This is demonstrated in [Exhibit 6.1](#), with the top five vacation pursuits relating to either nature or culture (all between 78% and 91%). However, more than 70% of US long-haul travellers also highlight city experiences as an important aspect of their vacations. At 54%, entertainment experiences also receive a higher than average rating, which is consistent with the 2009 and 2008 results.

US travellers are generally less drawn to winter activities; ski/snowboard vacations and other winter pursuits interest only 20% of travellers respectively.

Exhibit 6.1 Product Interests



7. Competitive Product Positioning

As in almost every GTW market, Canada is seen as having incomparable outdoor activities (ski vacations, other winter activities and water-based activities). However, US visitors also see Canada as a travel destination leader for beautiful scenery and resort experiences in a natural setting.

Exhibit 7.1 Competitive Positioning

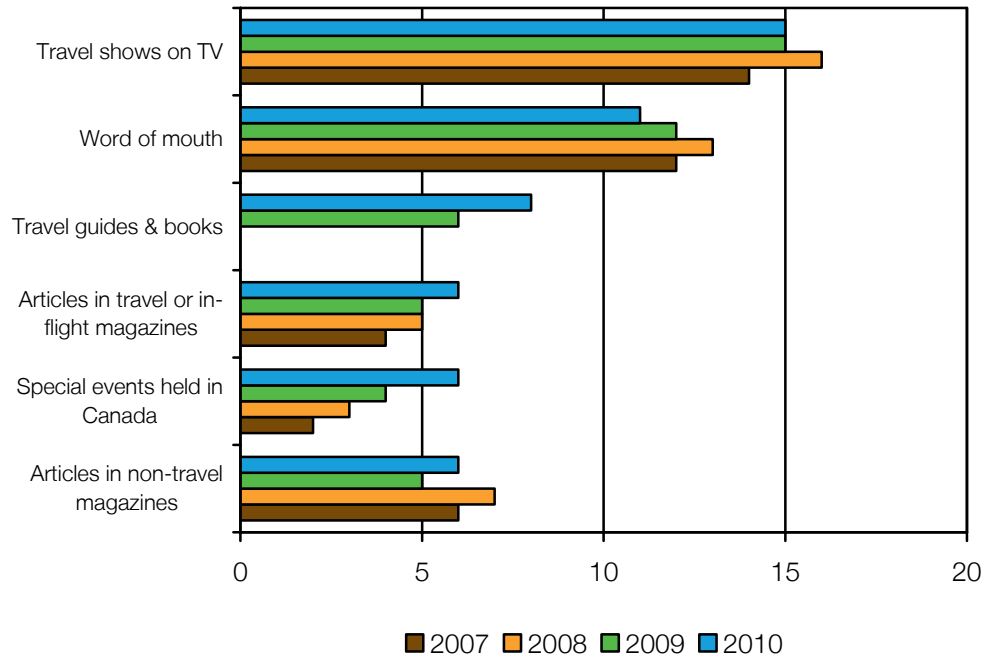
	1	2	3	4	5	6	7
Participating in other winter activities	CAN	GER	ITA	FRA	UK	AUS	MEX
Ski and snowboard vacations	CAN	GER	ITA	FRA	AUS	UK	MEX
Visiting national parks and protected areas	CAN	AUS	UK	ITA	MEX	GER	FRA
Seeing beautiful scenery	CAN	AUS	ITA	GER	MEX	FRA	UK
Water-based journeys of one or more nights	CAN	AUS	MEX	ITA	GER	FRA	UK
Resort experiences in natural settings	CAN	AUS	MEX	ITA	FRA	UK	GER
Observing wildlife in their natural habitats	AUS	CAN	MEX	GER	ITA	UK	FRA
Exploring nature in close proximity to a cosmopolitan city	AUS	CAN	ITA	MEX	FRA	GER	UK
Exploring vibrant cities that are in close proximity to nature	AUS	CAN	ITA	MEX	GER	FRA	UK
Land-based journeys of one or more nights	AUS	CAN	ITA	GER	FRA	UK	MEX
Participating in summer activities	AUS	CAN	MEX	ITA	FRA	UK	GER
Attending major events	UK	ITA	CAN	GER	FRA	AUS	MEX
Multi-day touring on your own by car or train	ITA	FRA	UK	CAN	GER	AUS	MEX
Entertainment experiences	FRA	UK	ITA	CAN	MEX	GER	AUS
Experiencing aboriginal culture and attractions	AUS	MEX	ITA	CAN	FRA	GER	UK
Attending food/wine festivals and events	ITA	FRA	GER	AUS	CAN	MEX	UK
City activities (e.g., sightseeing, shopping)	FRA	ITA	UK	GER	AUS	CAN	MEX
City cultural experiences	FRA	ITA	UK	GER	AUS	CAN	MEX
Experiencing a country's unique character and local lifestyles	ITA	AUS	FRA	GER	UK	MEX	CAN
Multi-day guided group tours by bus or train	ITA	FRA	GER	UK	AUS	MEX	CAN
Seeing historical and cultural attractions	ITA	FRA	UK	GER	MEX	AUS	CAN
Sampling local flavours	ITA	FRA	GER	MEX	AUS	UK	CAN
Participating in culinary learning experiences	ITA	FRA	GER	MEX	AUS	UK	CAN

Australia is seen as a strong competitor in terms of wildlife and nature/outdoors as well as hybrid nature city products. However, Australia is often viewed as less of a direct competitor due to opposing peak travel seasons.

8. Sources of Information for Increasing Canada's Appeal

Aside from word of mouth, traditional media proved to be a leading source of information to increase Canada's appeal for travellers in the US. In addition, special events held in Canada saw a notable increase, in part driven by the 2010 Olympic Winter Games.

Exhibit 8.1 Top sources of information

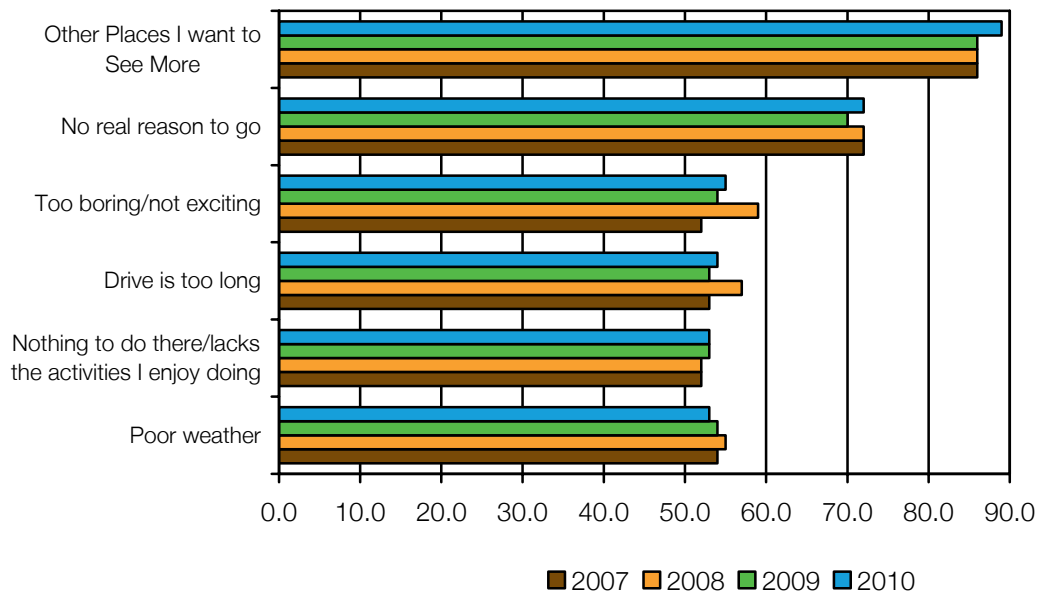


9. Key Barriers for Travel to Canada

Barriers to travel to Canada are important, as these concerns of those interested in visiting Canada could lead them to select alternative destinations. Competition is by far the most notable barrier for travel to Canada (89%). A lack of awareness of tourism/travel relating activities is the second most frequently mentioned barrier.

By US market, Canada continues to face more severe roadblocks in the south than in other parts of the US. Travel costs are a significant barrier to US travellers from southern states (57%), while less of a concern to both border (43%) and mid-haul states (44%). Poor weather is seen as less of a barrier to closer states, with 44% of border states noting this as a barrier compared with 55% for southern states.

Exhibit 9.1 Key Barriers for Visiting Canada



10. Conclusions: Key Take-Aways

Despite a challenging year, the US continues to be Canada's strongest long-haul travel market, showing signs of improvements and increased visitation in the latter half of 2010:

- With a fluctuating economic environment and growing unemployment, the US has seen a 13% decline in total potential outbound international pleasure travel compared with 2007. Despite this downturn, travel intentions to Canada have remained steady, with this market still representing a potential of 30 million long-haul travellers with an immediate interest to visit Canada in the next two years;
- Canada faces some strong competition in the area of unaided awareness, ranking sixth in comparison to competitive destinations. However, Canada boasted its first increase in four years, in part driven by hosting the 2010 Olympic Winter Games;
- Southern states represent a larger and relatively untapped market, but also represent a greater challenge of weaker awareness and interest. As a result, we could make headway in this market with a stronger investment to boost overall awareness of Canada and improve specific knowledge of tourism attractions and travel experiences;
- The US travel market reported stronger than expected price perceptions of Canada as a travel destination, despite a weakening US dollar. There was a notable improvement in the perception of Canada as an affordable destination to get to by air;
- US travellers are generally less of a drawn to winter activities - ski/snowboard vacations and other winter pursuits interest only 20% of travellers respectively;
- In 2010, British Columbia overtook Ontario as the top Canadian destination that US travellers were likely to visit in the near future;
- Canada faces stiff competition from Australia and European destinations for many of its products. Australia is seen as a close competitor for products under the category "Journeys by Land, Water & Air." While Italy and other key European markets leads for "Vibrant Cities on the Edge of Nature," "Award-Winning Local Cuisine and Connecting with Locals;"
- Sampling local flavours and historical/cultural attractions are keen interests of US travellers, but perceived as lacking in Canada which makes it difficult to compete with European destinations such as Italy, France, Germany and the UK;
- Canada should fortify and differentiate its products so that it is seen as the definitive destination for "active adventure among awe-inspiring natural wonders;"
- Canada should address top barriers for travel by highlighting unique and distinctly Canadian experiences that are easy to get to.