Canadian Tourism Commission
Commission canadienne du tourisme

Global Tourism Watch

2012 Brazil Summary Report

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1. Introduction

The Canadian Tourism Commission (CTC) 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 12 key markets.

The study approach has changed slightly for 2012 and 2013, the sixth and seventh years of the program, with the GTW being conducted in approximately one half of the markets in one year and the other half in the next. This new cycle will allow the CTC and its partners to maintain an up to date pulse on all key markets, while, at the same time, focusing on fewer individual countries in any given year creating some cost efficiencies. Eight markets were included for 2012: Canada, the US, the UK, Germany, Australia, China, South Korea, and Brazil. In 2013, the study will be conducted in six countries - Japan, France, Mexico and India in addition to Canada and the US.

The overall objectives of the GTW study are to:

- Monitor awareness, travel intentions, and other key market indicators for Canada and the regions;
- Assess perceptions of Canada and track brand performance against the competitive set over time;
- Identify the general experiences sought by travellers, assess Canada's competitive positioning on key products and identify growth opportunities;
- Identify motivators and barriers for travel to Canada; and,
- New for 2012: Explore the role of social media and advocacy in the tourism context.

In response to a rapidly changing travel marketplace, the CTC and TNS worked together to substantially revise and update the questionnaire prior to the 2012 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 CTC has designated the US, Australia, Mexico, the UK, Italy and France as the competitive set for Canada in the Brazilian market.

Methodology

In 2012, a web-based panel survey was conducted by TNS. The target population for the survey consisted of residents aged 18 and older who had taken a long-haul pleasure trip outside of South America where they stayed at least 4 nights with a minimum of 1 night in paid accommodation in the past 3 years or plan to take such a trip in the next 2 years.

Data was gathered from 1,529 respondents in Brazil, including 200 recent visitors to Canada. Data was collected in July 2012. The sample was evenly split between the 9 largest metropolitan areas: Brasilia/Distrito Federal, Belo Horizonte, Curitiba, Fortaleza, Porto Alegre, Recife, Rio de Janeiro, Salvador, and Sao Paulo. This was the 2nd year Brazil was included in the GTW study.

2. Key Take-Aways

The Brazilian outbound travel market grew from 2.2 million trips in 2002 to an estimated 7.5 million trips in 2011. Despite lower than anticipated economic growth, the Brazilian tourism market is predicted to continue to expand and top 8.3 million trips in 2012. Continued market expansion has resulted in many destinations pursuing the Brazilian market. The 2012 GTW results reveal opportunities for Canada, but also show the destination faces challenges in this market.

- Slightly less than half of survey participants had actually taken a long-haul trip in the past 3 years, with the remaining 53% aspiring to travel long-haul in the next 2 years.

- Brazilians are optimistic about future long-haul travel with 66% believing they will travel more in the coming 2-3 years than they have in the recent past.

- 65% of current outbound travel is long-haul (4.9 million trips in 2011). The US is by far the most popular destination, attracting 1.5 million Brazilian travellers annually. The GTW survey results show 39% of all most recent trips were to the US. This trend is expected to continue with the US topping the list for most aided and unaided destination awareness and consideration measures.

- There is also considerable interest in European destinations, particularly Italy and France, likely due to historical ties and the perception that these destinations best deliver the tourism experiences Brazilians are seeking. It may also be a function of word of mouth recommendations (both countries performed very well on the Net Promoter measure).

- Canada placed 4th on aided awareness and consideration measures, but 7th on the unaided measures. Canada's performance is likely a result of limited knowledge of the destination, lack of presence in the market, and minimal past visitation (just 7% of respondents have ever visited Canada). While visitation to Canada has doubled over the last decade (from 35,000 in 2002 to an estimated 80,000 in 2012), the country's share of this market is still small.

- GTW survey results suggest Brazil is a price sensitive market and recent currency devaluations have made affordability is a major consideration for Brazilian travellers. Just 43% of Brazilian travellers feel Canada offers good value for money (versus 54% for the top-ranked US) and the expense of a Canadian vacation was the most cited barrier that could prevent a trip while unfavourable exchange rates ranked 3rd, identifying a key issue for the Canadian industry to address. Offering competitively priced options and emphasizing value may help to shifts perceptions. Additionally, dual country itineraries may help given the US' strong performance in this area and the greater availability of direct air service to US cities.

- Brazilians have different product interests than other GTW markets. Their preferences lean towards cultural/historical offerings and urban experiences, which they do not currently associate Canada with, explaining why the 2nd most cited reason was not considering Canada was a preference for other destinations. In general, Brazilian travellers appear to have limited knowledge of Canadian tourism experiences, which is typical in an emerging market. The tourism industry needs to continue to educate Brazilians and the travel trade, which is an important channel in this market, on the diversity of experiences available.

- Canada is competitive on two top ranking activities – beautiful scenery and nature experiences close to cities. The depth of experiences Canada has to offer in these categories needs to emphasized in marketing materials in conjunction with awareness building for lesser known products which will appeal to Brazilians (e.g., urban experiences, historical and cultural activities, opportunities to experience uniquely Canadian products, etc.).

- Canada currently draws a relatively homogenous market – the majority of visitors are over 35, well-educated, from high income households, and belonging to the A1 and A2 social class. Those expressing future interest in Canada are younger than current visitors. Should the Canadian industry opt to pursue the younger market, different strategies may be required.

- Travel agents play a pivotal role in the Brazilian market, with almost three-quarters of respondents seeking an agent's input and one half actually booking a recent trip this way. Staying engaged with the Brazilian travel trade is key to future success.

- Almost all respondents said they could recall information on travel opportunities in Canada within the past year, suggesting that marketing efforts are having an impact in a crowded marketplace. The top sources recalled were traditional off-line sources (TV programs, print articles, travel guides). However, online information sources are growing in importance (social networking, online retailers, online review sites etc.). This suggests Canada must engage Brazilian travellers using the tools they prefer. Over 90% of Brazilians report social network use in the past 3 months with Facebook, YouTube, Twitter, and Orkut (a Brazilian site) being most popular. Blogs are also important in this market.

- The Net Promoter Score results were mixed in Brazil. Canada is virtually tied with the US on this measure, but lags considerably behind Australia, Italy and France. There is some advocacy potential among past visitors to Canada, but further investigation to understand what is driving the scores for top-ranking destinations may prove insightful.

- The majority of recent visitors to Canada shared their experiences both during and after their trip. Social networking (via computer and mobile devices) dominated during the trip and in-person interactions were most popular post-trip (although more than half shared via social networks).

3. Market Health and Outlook

Brazil Market Conditions & 2013 Outlook

Brazil has experienced tremendous economic growth in recent years and is now the world's 7th largest economy. With strong economic growth comes rapid social transformation including the expansion of the middle and upper classes. Rising incomes have allowed many Brazilians to travel internationally (or least dream about it) in recent years. In 2011, Brazilians took 7.5 million trips, up from 2.2 million in 2002. By 2015, Brazilians are projected to take over 11 million trips.

Despite rosy long-term predictions for the Brazilian economy, GDP growth slowed unexpectedly to 1% in 2012 due to lower demand for Brazilian goods in Europe and the US. Coupled with slower growth, the Brazilian real depreciated against all major currencies in 2012 and is expected to fall further relative to the US dollar, which impacts trip affordability. In addition, inflation is forecast to remain above 5% for the foreseeable future.

While 2012 was not a good year for the Brazilian economy, the longer term economic forecast remains optimistic. Brazil is projected to become the world's 5th largest economy by 2025.

Approximately two-thirds of current Brazilian travel volume is to long-haul destinations (roughly 4.9 million trips in 2011). Top destinations for Brazilian travellers are the US, Argentina, France, Uruguay, and Spain.

Canada has had considerable success in the Brazilian market with visitation doubling over the past decade. Canada attracted 74,000 Brazilians (2011)and further growth is expected in 2012 (9%) and 2013 (6%).

Some key trends related to economic uncertainty are evident in the 2012 GTW results. This year's result show a moderate decline in long-haul travel incidence with 53% of respondents reporting a long-haul trip in the past 3 years, down from 60% in 2011. The proportion of frequent travellers (3+ long-haul trips in the past 3 years) dropped slightly to 11% this year (down from 14% in 2011).

Brazilians' optimism about the country's economic future is reflected in the market outlook results (difference between those who say they will travel more in the next 2-3 years versus the past 2-3 years and those who say they will travel less). This indicator rose to +66 in 2012, up from +63 last year.

In 2012, all respondents were asked what factors they could foresee curtailing future long-haul travel. Close to one-third of respondents believe unfavourable exchange rates could curtail long-haul travel in the next 2 years, which is a direct reflection of the depreciation of the Brazilian real in 2012. Related to the exchange rate issue is the worry about lack of good deals, cited by 26% of respondents. This is tied to the 4th ("can't afford it") and 5th ("poor economy") issues, underscoring the fragility of the Brazilian long-haul market. The only top reason not tied to economic concerns was the worry about being too busy to travel. This is despite the fact Brazilians get an average of 22 days of paid vacation per year on top of 13 national holidays. As is typical in emerging markets undergoing rapid change, Brazilians place great importance on career progression and may forego vacations in favour in working.

4. Market Potential

Exhibit 4.1 provides an estimate of the size of the potential market for Canada in two ways – the macro target market and immediate potential.

The target market is a broader estimate of the market size based on expressed interest among all Brazilian long-haul travellers (market size estimate derived from the 2010 omnibus study of the Brazilian adult population in the 9 cities under study). The proportion of GTW respondents who are definitely, very interested, or somewhat interested in Canada in the next 2 years is applied to broader traveller population to come up with an target market estimate of 2.8 million.

The immediate potential is a more conservative estimate based on GTW respondents who indicated they had started gathering information for a trip to Canada or were planning or booking a trip to Canada. This translates into a market of approximately 1 million travellers with more immediate potential for conversion. Note: This year's immediate potential calculation for Brazil differs from last year. The path to purchase data provides better alignment with the CTC's marketing initiatives and also addresses the overstatement of travellers who said they were likely to visit Canada in the next two years.

Exhibit 4.1 – Size Of The Potential Market To Canada (Next 2 Years)

	Size of Potential Market to Canada
Total potential long-haul pleasure travellers (aged 18 plus)	3,397,000
Target Market for Canada	
Definitely / very / somewhat interested in visiting Canada in the next 2 years	83%
Size of the target market	2,820,000
Immediate Potential for Canada	
Actively considering or planning a trip to Canada[1]	28%
Immediate potential	951,000

Base: Long-haul pleasure travellers (n=1,529)
[1]Based on respondents who indicated they were at the latter stages of the path to purchase for Canada

Exhibit 4.2 show the immediate potential for the regional partners of the GTW study based on stated levels of interest expressed by those intending to visit Canada in the next 2 years. The immediate potential for the most popular regions (British Columbia, Ontario, and Quebec) is obviously considerable, with each region of interest to over 750,000 travellers.

In terms of destination preferences, Brazilian travellers intending to visit Canada are most inclined to visit Vancouver, Montreal, and Toronto. Montreal has surpassed Toronto this year to take the #2 spot behind Vancouver.

Exhibit 4.2 – Market Potential For The Regions

	BC	ON	QC	AB	ATL CAN	YK	NWT	MB	SK	NU
Immediate potential for Canada	951,000									
Likely to visit region	86%	83%	79%	50%	47%	17%	16%	16%	13%	11%
Immediate potential for the regions (000s)	818	789	751	476	447	162	152	152	124	105

Base for percentages is those likely to visit Canada on a trip of 1-3 nights or 4+ nights in the next 2 years trip there (n=1,218).

5. Competitive Environment

The GTW tracks Key Performance Indicators (KPIs) for Canada in areas such as unaided and aided destination awareness, unaided and aided destination consideration, and market penetration.

Exhibit 5-1 summarizes the 2012 KPIs for Canada. On an unaided basis, nearly one-quarter of respondents mentioned Canada as a long-haul travel destination, behind the US and 5 European countries (France, Italy, Spain, UK, and Portugal). On an aided basis, 59% of Brazilian travellers claim to be knowledgeable about holiday opportunities in the US, followed by Italy (56%) and France (52%). Canada is well back in 4th spot at 44%.

From a trending perspective, unaided awareness of Canada is up 1% this year. Aided awareness is significantly up over 2011 (44%, up from 37% last year). Despite the increase, Canada remains in 4th spot on this measure.

Canada comes 8th on past visitation, but is far behind the US which more than one-third of Brazilian travellers have visited at least once in their lifetime.

In terms of destinations under consideration for long-haul trips in the next 2 years, Canada again ranks 7th on an unaided basis far behind the US, but within striking distance of the same European countries noted above. On the aided measure, Canada places 4th behind Italy, France and the US, marginally ahead of Australia.

From a trending perspective, unaided consideration of Canada is up 1% this year, but remains well behind the frontrunner, the US. Aided consideration is significantly up in 2012, but some of the gains may be attributable to a change in question wording.

Exhibit 5.1 – Key Performance Indicators For Canada – Summary

Indicator	Definition	All L-H Travellers (n=1,529)
Destination Awareness		
Unaided awareness of Canada (roll-up)	% who said Canada or a destination in Canada	16% (7th)
Aided awareness of travel opportunities in Canada	% with excellent / very good knowledge of travel opportunities in Canada	44% (4th)
Past Visitation		
Overall market penetration	% who have ever visited Canada for pleasure	7% (8th)
Intentions		
Unaided destination consideration	% who mentioned Canada or a destination in Canada on their consideration list (for trips in next 2 yrs)	9% (7th)
Competitive positioning on destination consideration	Rank on the consideration list relative to competitors (roll-up)	7

Base: Long-haul pleasure travellers

One of the key objectives of the GTW study is to measure traveller response to Brand Canada across all key global markets. For 2012, the study focus changed somewhat to measure personality, value, brand, and price perceptions against key competitors rather than Canada in isolation as was done previously.

In terms of personality trait association, Canada's top results was a 3rd place finish for "Friendly" (behind Italy and Mexico). Canada was awarded 4th place finishes for "Confident", "Beautiful", "Liberal", "Intriguing", and "Energetic", falling behind a combination of Australia, the US, Italy, the UK, France, and Mexico. Notably, Canada came 6th on two key traits "Authentic" and "Inspirational" suggesting Brazilian travellers may not have a clear picture of the experiences Canada can offer.

Exhibit 5.2 – Aided Brand Personality Perceptions

	1#	2#	3#	4#	5#	6#	7#	8#
Friendly[1]	ITA 45%	MEX 32%	CAN 28%	FRA 28%	AUS 28%	USA 20%	UK 15%	NONE 3%
Confident	USA 43%	UK 33%	FRA 32%	CAN 31%	ITA 28%	AUS 18%	MEX 6%	NONE 6%
Beautiful	ITA 50%	FRA 49%	AUS 31%	CAN 30%	UK 22%	USA 21%	MEX 13%	NONE 1%
Liberal[1]	USA 41%	FRA 27%	AUS 25%	CAN 24%	MEX 24%	ITA 19%	UK 18%	NONE 7%
Intriguing	AUS 33%	MEX 29%	UK 28%	CAN 23%	ITA 22%	FRA 21%	USA 17%	NONE 8%
Energetic[1]	USA 49%	UK 29%	AUS 24%	CAN 21%	FRA 20%	ITA 20%	MEX 20%	NONE 7%
Informal	MEX 42%	USA 33%	AUS 30%	ITA 23%	CAN 17%	FRA 13%	UK 12%	NONE 9%
Authentic	ITA 40%	FRA 38%	UK 30%	USA 23%	AUS 22%	CAN 21%	MEX 20%	NONE 4%
Inspirational[1]	FRA 55%	ITA 51%	UK 22%	USA 19%	AUS 18%	CAN 17%	MEX 14%	NONE 3%
Witty	ITA 42%	MEX 31%	FRA 27%	AUS 25%	USA 20%	UK 19%	CAN 16%	NONE 7%

Base: Long-haul pleasure travellers (2012 n=1,529)
Q10: We would like you to use your imagination for a moment. Consider the following words and pick up to 3 countries you associate with each word
Red text indicates CTC strategic priorities.
[1] New attributes added in 2012.

To be successful, a destination must be perceived as offering value, relevant experiences, and unique tourism products to travellers. To assess brand, value, and price perceptions, respondents were asked to evaluate Canada relative to competing destinations on four brand-, four value-, and three price-related statements.

In the minds of Brazilian travellers, Italy and to a lesser extent, France, dominate in the brand and value realms while the US is the leader on price. Canada places well back on all measures. The country's best result is a 3rd place result (tied with Australia) on inspiring geography. In general terms, Canada ranks middle of the pack, typically behind Italy, France, the US, and Australia. The results illustrate a number of challenges for Canada in the Brazilian marketplace, suggesting that the tourism industry needs to continue to educate travellers about Canada's range of tourism experiences.

Exhibit 5.3 – Brand, Value, Price Perceptions

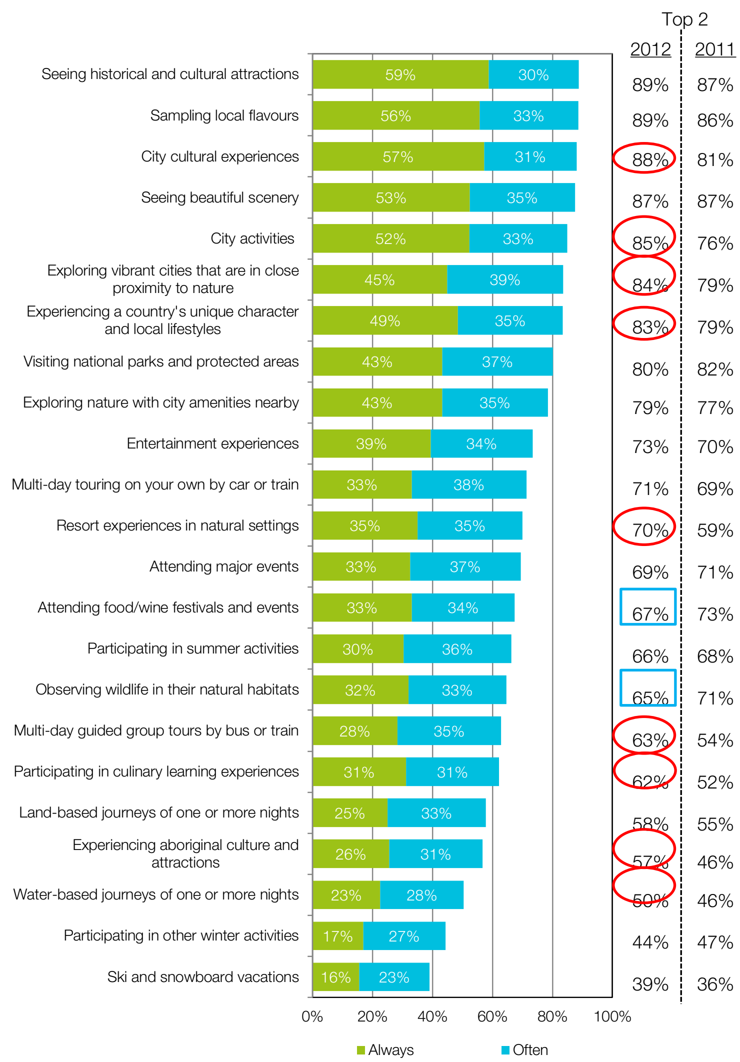
Top-3 Box	Canada	United States	United Kingdom	Mexico	Italy	France	Australia
Brand Perceptions							
A place that inspires me to explore its geography	61%	52%	54%	54%	71%	61%	64%
A place that inspires me to explore its culture	59%	51%	60%	58%	79%	78%	60%
A place that inspires me to meet and engage with its people	57%	46%	55%	56%	75%	65%	61%
A place that offers an authentic experience	61%	56%	60%	60%	79%	71%	65%
Value Perceptions							
A destination I would pay a little more for	45%	46%	46%	35%	62%	59%	42%
A destination with the travel experiences I am specifically looking for	49%	57%	46%	42%	66%	60%	51%
A place with unique features that other destinations don't offer	56%	56%	56%	54%	73%	68%	65%
A dream destination that I would visit if money were no object	55%	61%	59%	43%	69%	65%	61%
Price Perceptions							
A destination that is affordable to get to by air	39%	52%	38%	49%	47%	44%	39%
A destination with reasonable prices for food, entertainment and hotels	42%	50%	34%	52%	52%	43%	36%
A place that offers good value for money	43%	54%	30%	48%	53%	50%	42%

Base: Long-haul pleasure travellers (n=1,529)
Q11: We are interested in your general impressions of <Insert country>, as a holiday destination<If country=Canada hide ", 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 <Insert country> on each of the following?
Note: Blue shading shows top performer

Exhibit 5.4 tracks the product interests of Brazilian travellers. It is important to note that the question changed in 2012 to ask about the importance of experiences when choosing a destination rather than when planning a trip. Some of the shifts evident in the 2012 results are attributable to this change and thus, results are not comparable to previous years.

The top vacation interests of Brazilian travellers revolve around cultural and urban activities in addition to some accessible nature experiences. Brazilian travellers are also keen to interact with locals and to immerse themselves in a country's character. This is the only GTW market where beautiful scenery falls out of the top-3 vacation experiences sought.

Exhibit 5.4 – Product Interests



Base: Long-haul pleasure travellers (2012 n=1,529; 2011 n=1,448)
Q7: We are interested in knowing the types of activities and experiences you are looking for on your long-haul holidays. Please indicate how important each of the following activities is to you when choosing long-haul destinations.
Note: Results not comparable to previous years due to changes in the question wording and to the product list in 2011.
Blue squares indicate a result that is significantly lower than 2011. Red circles indicate a result that is significantly higher than 2011

Exhibit 5.5 shows how Brazilians rank Canada against the competition on each product. Canada remains strongly associated with winter activities, which only appeal to a small portion of the market. Canada scores the lowest of any competitors on the top experiences sought by

Brazilian travellers – historical and cultural attractions and sampling local flavours – both of which are strongly associated with Italy and France. Canada's best results are 2nd place finishes on beautiful scenery and nature accessible to cities, both of which hold considerable appeal for Brazilian travellers. Australia is the primary competition for these experiences. The challenge is convincing Brazilian travellers that Canada offers the depth of cultural and urban experiences they seek within proximity to spectacular nature, which is of secondary importance. Emphasizing the opportunities for uniquely Canadian experiences (e.g., the Signature Experiences collection) may also prove effective in this market.

Exhibit 5.5 – Product Interest Associations By Country

	1#	2#	3#	4#	5#	6#	7#	8#
Participating in other winter activities	CAN 44%	USA 37%	ITA 19%	FRA 19%	UK 16%	AUS 14%	NONE 11%	MEX 7%
Ski and snowboard	CAN 44%	USA 36%	FRA 17%	AUS 14%	ITA 13%	UK 13%	NONE 13%	MEX 9%
Seeing beautiful scenery	AUS 36%	CAN 34%	ITA 30%	USA 28%	FRA 26%	MEX 21%	UK 15%	NONE 5%
Exploring nature with city amenities nearby	AUS 37%	CAN 28%	USA 27%	ITA 26%	FRA 23%	MEX 20%	UK 15%	NONE 8%
Observing wildlife in their natural habitats	AUS 49%	CAN 27%	USA 22%	MEX 20%	ITA 15%	FRA 15%	NONE 11%	UK 9%
Visiting national parks and protected areas	AUS 40%	USA 39%	CAN 32%	ITA 20%	FRA 20%	MEX 18%	UK 15%	NONE 6%
Exploring vibrant cities that are in close proximity to nature	AUS 38%	ITA 29%	CAN 28%	FRA 27%	USA 26%	MEX 18%	UK 15%	NONE 7%
Experiencing aboriginal culture and attractions	AUS 44%	MEX 26%	USA 18%	CAN 16%	ITA 15%	NONE 14%	FRA 13%	UK 9%
Land-based journeys of one or more nights	ITA 30%	FRA 30%	AUS 28%	USA 27%	CAN 23%	MEX 17%	UK 16%	NONE 11%
Resort experiences in natural settings	USA 33%	AUS 28%	ITA 27%	FRA 26%	CAN 23%	MEX 20%	UK 16%	NONE 10%
Multi-day guided tours by bus or train	ITA 37%	FRA 36%	USA 26%	UK 26%	CAN 21%	AUS 19%	MEX 16%	NONE 9%
Water-based journeys of one or more nights	AUS 33%	USA 28%	ITA 22%	MEX 21%	CAN 21%	FRA 19%	NONE 15%	UK 12%
City activities	USA 52%	FRA 39%	ITA 33%	UK 24%	CAN 19%	AUS 16%	MEX 13%	NONE 5%
Attending major events	USA 49%	ITA 30%	FRA 26%	UK 25%	CAN 18%	AUS 14%	MEX 13%	NONE 10%
Multi-day touring on your own by car or train	ITA 40%	FRA 37%	USA 35%	UK 22%	CAN 17%	AUS 17%	MEX 16%	NONE 9%
City cultural experiences	FRA 52%	ITA 49%	UK 31%	USA 29%	CAN 16%	MEX 14%	AUS 13%	NONE 3%
Entertainment experiences	USA 58%	FRA 28%	ITA 26%	UK 22%	CAN 15%	MEX 15%	AUS 12%	NONE 7%
Experiencing a country's unique character and local lifestyles	ITA 39%	FRA 32%	USA 27%	MEX 27%	AUS 25%	CAN 22%	UK 22%	NONE 5%
Participating in summer activities	AUS 33%	USA 30%	ITA 28%	FRA 25%	MEX 22%	CAN 18%	UK 14%	NONE 10%
Seeing historical and cultural attractions	ITA 54%	FRA 52%	UK 34%	USA 26%	MEX 18%	AUS 13%	CAN 13%	NONE 3%
Sampling local flavours	ITA 60%	FRA 49%	MEX 34%	USA 18%	AUS 16%	UK 14%	CAN 13%	NONE 3%
Attending food / wine festivals and events	ITA 59%	FRA 53%	USA 17%	UK 15%	MEX 14%	AUS 14%	CAN 11%	NONE 6%
Participating in culinary learning experiences	ITA 58%	FRA 52%	MEX 22%	USA 17%	UK 14%	AUS 12%	CAN 11%	NONE 7%

Base: Always, often and sometimes important in destination selection (Q7)
Q8: Thinking about the following destinations, please select up to three destinations that you personally feel would be the best places to go for each of the following. Your choices can be based on your impressions, or anything that you have seen, heard or read. Select one to three destinations ONLY that you feel are best for each item.

6. Strategic Marketing

Exhibit 6.1 shows the dominance of the US in the Brazilian market, which captured nearly 40% of the recent trip market. European countries make up the rest of the top-five. Canada does not even make the top 10, residing in 24th spot. This result confirms that Canada is currently a minor player in a highly competitive market. Given the dominance of the US in this market (1.5 million Brazilian visits in 2011) and better air access via the US, there is considerable opportunity to promote dual country itineraries to capture a portion of the US-bound market.

Brazilian travellers' trip planning is spread out over an extended period due to the large number of intenders in the market (8.4 months on average). The booking cycle is shorter (5.5 months). Given the lengthy planning cycle and seasonality issues, it is important for Canada to be active in the market year-round. Travel agents are an important channel with close to three-quarters of Brazilian travellers consulting an agent (and half booking this way). Tours are also important, with close to one-third participating in a guided experience.

Exhibit 6.1 – Most Recent Pleasure Trip Profile By Destination

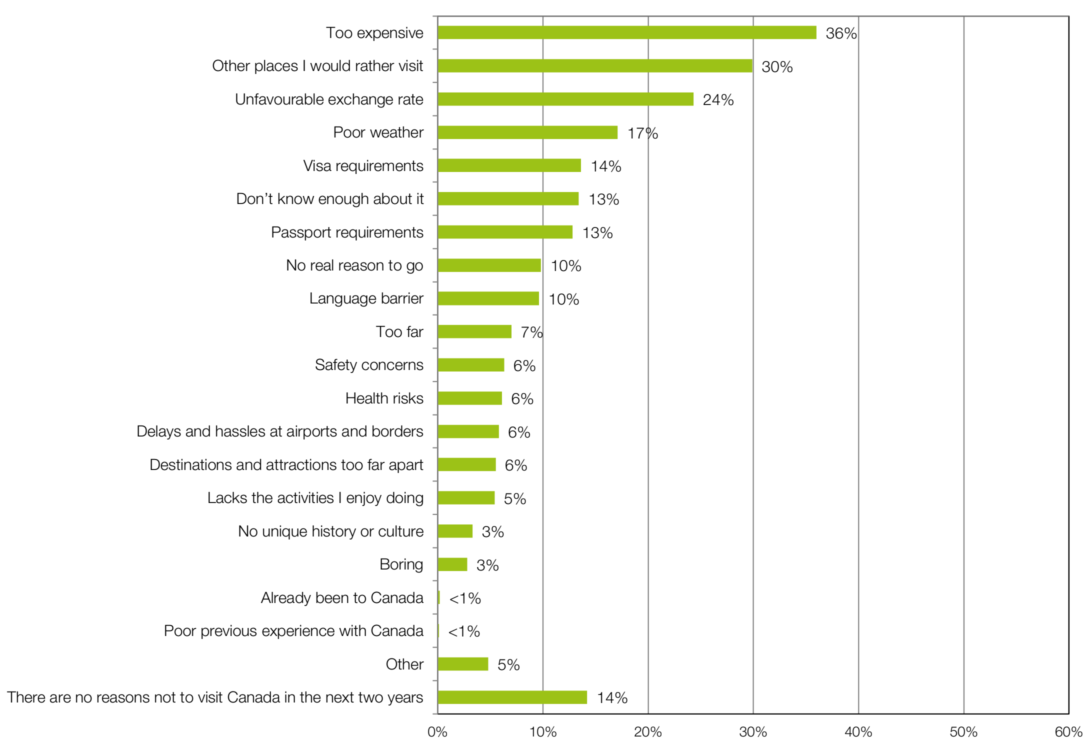
	All L-H Travellers (n=878)
Destination(s) Visited	
United States (excluding Hawaii)	39%
France	13%
Italy	11%
Spain	10%
Portugal	10%
Mexico	8%
Caribbean e.g., Bahamas, British Virgin Islands, Cuba, Dominican Republic, Jamaica, Netherlands Antilles, Puerto Rico, Us Virgin Islands, etc.	6%
United Kingdom	6%
Central America e.g., Costa Rica, El Salvador, Guatemala, Nicaragua, Panama, etc.	5%
Germany	5%
Australia	4%
Other Europe	2%
Switzerland	2%
South Africa	2%
Hawaii	2%
Japan	2%
Russia	2%
Middle East e.g., Bahrain, Cyprus, Dubai, Israel, Jordan, Iran, Lebanon, Qatar, UAE, etc.	1%
Northern Africa e.g., Algeria, Egypt, Libya, Morocco, Tunisia	1%
Turkey	1%
New Zealand	1%
Other South Asia e.g., Bangladesh, Bhutan, Maldives, Nepal, Pakistan, Sri Lanka	1%
Other East Asia e.g., Macau, Mongolia, Taiwan, Tibet	1%
Canada	1%
Amount of Time Before Departure When Trip Planning was Started	
Average months	8.4
Amount of Time Before Departure When Trip was Booked	
Average months	5.5
Trip Type	
Travel independently	55%
Combine independent travel with some guided tours for parts of the trip	18%
A fully escorted or guided tour	12%
All inclusive or semi-inclusive resort stay	11%
A cruise	5%
Trip Purpose	
Holiday	67%
Visited friends or relatives	15%
Business	5%
Study	6%
Travel agent involvement	71%

Base: Those who have taken a long-haul pleasure trip in the past three years

Two-in-five of recent visitors to Canada came from the middle age group (35-54 yrs) with the rest of the visitors equally split between the 18-34 and the 55 plus groups. The “interested in Canada” respondents fall out quite differently: over half come from the younger demographic with the older group dropping off considerably. This perhaps is a harbinger of things to come and has marketing implications should Canada opt to pursue the younger traveller group. Visitors to Canada fall into the middle and upper income groups, with more than half belong to the upper class (A1 and A2). Having friends and relatives in Canada is obviously a big draw both for recent visitors and those considering Canada, which the tourism industry is encouraged to leverage.

All respondents were asked what factors may prevent them from visiting Canada in the short-term. The top reason was the perception that a trip to Canada was cost prohibitive. Related to this is the concern about unfavourable exchange rates, which one-quarter of respondents mentioned. These factors suggest Canada must do more to convince Brazilian travellers of the value of a Canadian vacation. Emphasizing the value of the real against the Canadian dollar rather than the US dollar may help as the real is not forecast to decline again Canadian currency to the same degree. Almost one-third of responses related to a preference for other destinations, 17% mentioned weather, and 13% indicated they lacked knowledge of Canada, which suggests the industry must continue its efforts to educate Brazilians on the types of experiences available and the best time to visit weather-wise.

Exhibit 6.2 – Key Barriers For Visiting Canada



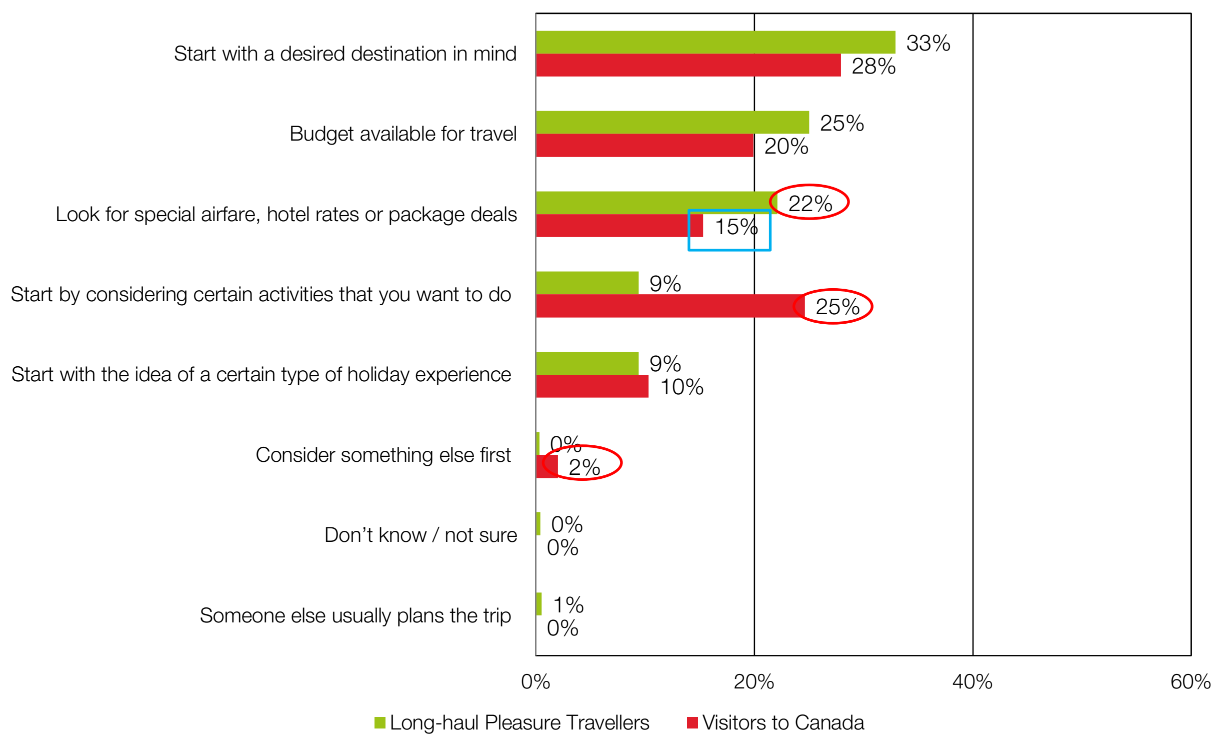
Base: Long-haul pleasure travellers (n= 1,529)

Q18: Please indicate which of the following reasons could prevent you from visiting Canada in the next two years.

While other data suggests the Brazilian market is price sensitive, a new question asked travellers what one factor is the first consideration in trip planning. Results show that Brazilian travellers see the destination as paramount, but budgetary concerns (budget available and the presence of good deals) are also very important. Interestingly, the pattern is different for those who visited Canada recently. For this group, the destination was the primary factor, but activities available in Canada were almost as important, while cost was less of a concern. Further research to understand what activities are driving the propensity to choose Canada may be warranted.

Emphasizing key activities Brazilians seek and offering attractively priced trips (both guided and unguided) should compel more Brazilians to consider Canada.

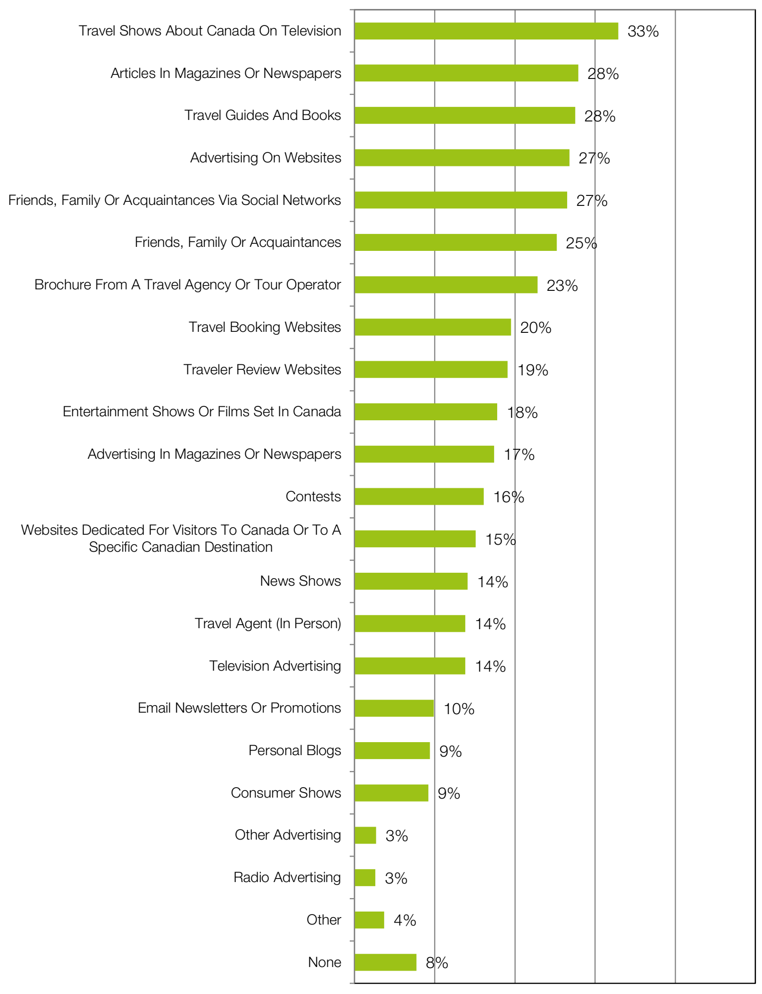
Exhibit 6.3 – One Factor Typically Considered First When Planning A Trip



Base: Long-haul pleasure travellers (n=1,529). Long-haul pleasure travellers who visited Canada in the past three years (n=200)
QS9: What one factor do you typically consider first when planning a long-haul trip?

Almost all Brazilian travellers can recall information on travel opportunities in Canada within the past year, suggesting the destination is making an impression in a crowded marketplace. Travel shows about Canada on TV was the primary information source recalled, followed by other traditional off-line sources such as print articles and travel guides. Information obtained via social networks is currently the 5th most cited source just ahead of in-person recommendations from friends and family. Other online channels, most recording between 15% - 20% recall, are growing in importance, but still have a ways to go to become top influencers. Canada needs to capitalize on the growing popularity of online channels, particularly Facebook (94% of respondents have used it in the past 3 months), along with YouTube (72%), Twitter (46%), and Orkut, a Brazilian networking site. Instagram, a photo-sharing service owned by Facebook, was used by over 21% of respondents, a healthy share of the social networking space.

Exhibit 6.4 – Sources Of Information On Canada In The Past Year



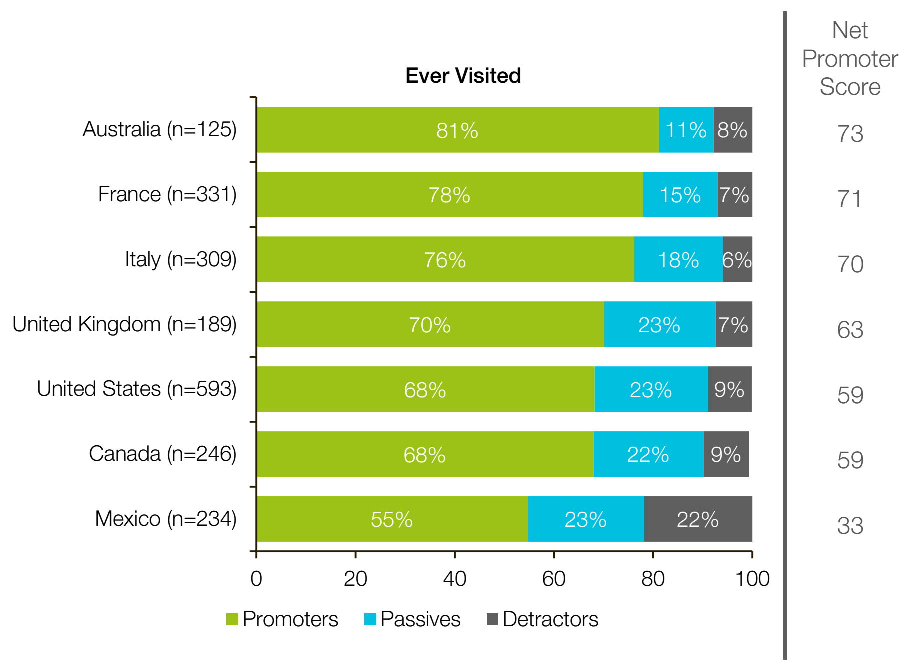
Base: Long-haul pleasure travellers (2012 n= 1,529)
Q20: In which of the following sources, if any, did you see or hear information about travelling to Canada during the past year?
Note: Results not comparable to previous years due to changes to the statement list in 2012.

A series of questions on advocacy and social media usage were added in 2012 to understand the evolving role these channels are playing in the tourism sphere and uncover ways the CTC and partners can effectively have influence.

The Net Promoter Score is an established tool to measure a respondent's likelihood to recommend a product or service to friends and family. Data was gathered among all respondents, but results from past visitors to each destination are the most telling and are presented below. Canada came 6th on this measure, narrowly behind the #1 destination of Brazilian travellers, the US, but well behind the market leaders, Australia, France and Italy.

These results suggest Canada has some advocacy potential in Brazil, but needs to better understand what drives the high scores earned by Australia, France, and Italy.

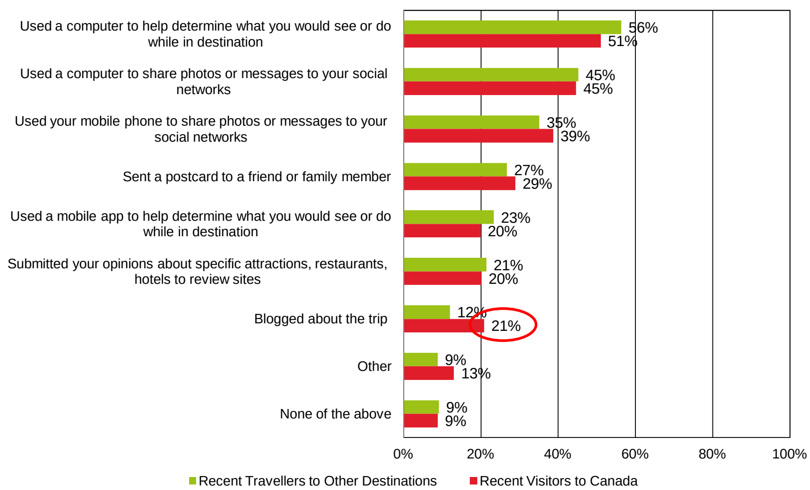
Exhibit 6.5 – Net Promoter Results



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?

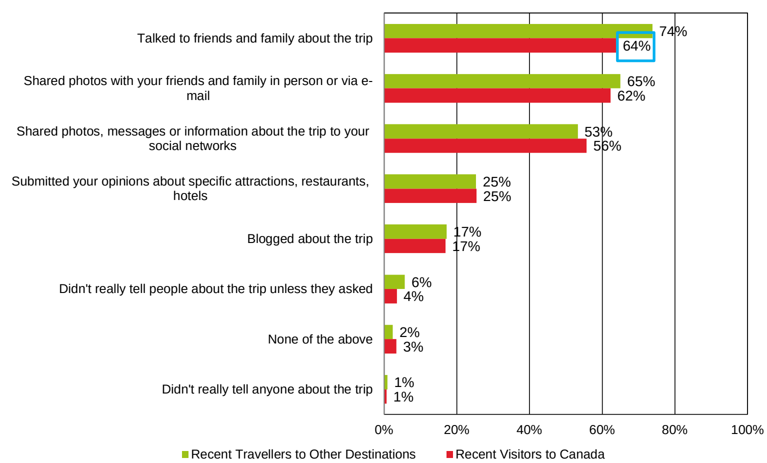
Two new questions asked Brazilian travellers about sharing behaviour during and after their trip. During the trip, the most popular activity for more than half of Brazilian travellers was online trip-planning research. Almost as many took to social networks to share photos and messages while more than one-third used their mobile phone to share information. Visitors to Canada also blogged at a higher than average frequency.

Exhibit 6.6 – During The Trip: Sharing Experiences / Seeking Advice



Post-trip sharing of stories and photos is heavily focused on in-person interactions with e-mail sharing popular, as well. More than one-half shared via social networking and one-quarter submitted opinions to traveller review sites.

Exhibit 6.7 – After The Trip: Sharing Experiences



Base: Recent travellers to other destinations in the past 3 years (n=678). Recent travellers to Canada in the past three years (n=200)
Q31: During your recent trip to <country>, did you share your trip experiences with anyone or seek advice? (Select all that apply)
Q32: After coming back from your trip, did you share experiences with anyone?
Note: Blue squares indicate a result that is significantly lower than the other group; Red circles indicate a result that is significantly higher than the other group.