Global Tourism Watch

2016 China Summary Report

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1. Introduction

Destination Canada began conducting the annual Global Tourism Watch (GTW) program in 2007. The primary purpose of this research program is to provide consumer-based intelligence in 12 core markets around the world: Australia, Brazil, China, France, Germany, India, Japan, Mexico, South Korea, the United Kingdom, the United States, and the domestic Canadian market.

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 competitors over time;

- Identify the general experiences sought by travellers and identify growth opportunities;

- Identify motivators and barriers for travel to Canada; and,

- Determine the influence of various information sources on destination selection.

The GTW permits direct comparison of Canada to competing destinations in each market. Destination Canada has designated the following destinations as competitors in the Chinese market: the US, France, Germany, Switzerland, Russia, Australia, Spain, Netherlands, New Zealand, Italy, Sweden, UK, Belgium, and India.

Methodology

Data was collected via an online survey and has been weighted to represent the China long-haul travel population. The target population in China was residents aged 18 years and older, who have taken a long-haul pleasure trip outside of East Asia (including China, Hong Kong, Macau, Japan, South Korea, and Taiwan) where they had 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. The regions of Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu, Shenyang, Hangzhou, Suzhou, Xian, Qingdao and Nanjing were included in this survey and data has been weighted to represent the long-haul travel population within these regions.

Data was gathered from 2,204 respondents in China, including 327 recent visitors to Canada, in December 2016. In the past, data has been gathered earlier in the year (April through July), which is prime planning season for summer travel to destinations such as Canada. It is believed the timing of data collection impacts results and the later field window this wave may be responsible for some shifts in Key Performance Indicators (KPIs).

Figure 1.1: Study Overview: China Market

The target population are residents aged 18 years and older, who have taken a long-haul pleasure trip, where they had 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.

Timing of Fieldwork

NOV | DEC
2016

Geographical Definition for Qualified Trips

Outside of: East Asia (e.g., China, Hong Kong, Macau, Japan, South Korea and Taiwan)

GTW Sample Distribution

Sample distribution: **Beijing, Shanghai, Guangzhou, Shenzhen, Chengdu, Shenyang, Hangzhou, Suzhou, Xian, Qingdao, Nanjing**

Recent visitors to Canada:	327
Other travellers:	1,877
Total sample size:	2,204

Background

China is the world's 2nd largest economy according to the IMF GDP Nominal ranking, with 15% share of global GDP *(International Monetary Fund, October 2016)*.

The country's GDP growth remains high by international standards, at 6.7% year-over-year in 2016, supported in part by property investment and infrastructure projects. However, this was the slowest recorded GDP growth in China since 1990. Economic growth is gradually slowing down with forecasted growth rates of 6.5% in 2017 and 6.3% in 2018 *(OECD, March 2017).* This is resulting from an aging population and the transition from an investment-based economy to a consumption-based one. In addition, trade has also declined and the uncertainty around US-China trade relations under the new US administration could have a negative impact on the economic outlook.

Consumption continues to grow, fueled by job creation, steady income growth, and rising living standards. Per capita disposable income increased by 6.3% in 2016. Furthermore, the Chinese government aims to double per capita income by 2020, from 2010 levels *(China Daily, January 2017)*, which will have a positive impact in various economic sectors, including the tourism industry.

China's unemployment rate was 4.1% at the end of 2016 *(International Monetary Fund, October 2016)*, and is expected to remain stable in 2017. Approximately 13 million new jobs were added to the Chinese economy in 2016, and the government plans to add over 11 million more in 2017 *(Trading Economics, 2017)*.

Higher raw material prices will moderately increase inflationary pressure, but consumer price inflation will remain low. Inflation increased slightly from 1.4% in 2015 to 2.1% in 2016, and is projected to reach 2.3% in 2017 *(International Monetary Fund, October 2016)*.

Consumer confidence decreased slightly from an index of 107 in 2015 to 106 in 2016, but is expected to rise above 110 in 2017, which will bode well for the travel industry *(Nielsen, March 2017)*.

China leads international outbound tourism with $261 billion spent in 2016, a 12% increase in spending from 2015. Outbound travellers totaled 135 million, growing by 6% year-over-year in 2016 *(United Nations World Tourism Organization, April 2017)*.

2. Market Potential

GTW data is used to estimate the size of the potential market for Canada. The table below provides an estimate of the size of the potential China market for Canada in two ways – the macro target market and the immediate potential market.

The long-haul travel market size is derived from a 2014 omnibus study of the China adult population. The proportion of GTW respondents who are in the dream to purchase stages for Canada (82%) is then used to calculate a target market estimate of 16.6 million.

The immediate potential is a more conservative estimate based on GTW respondents who say they are definitely or very likely to visit Canada in the next two years. This translates into a market of 10.3 million travellers with more immediate potential for conversion.

Among Destination Canada's eleven international markets, China is ranked 2nd in immediate potential market size (behind the US). Actual visitation from China was ranked 3rd among Destination Canada's international markets in 2016[1]. Canada is continuing to do well at converting potential travellers to actual travellers in the Chinese market – it is one of the markets with the highest growth in arrivals in 2016[1].

For context, Canada attracted 610,000 visitors from China in 2016, an increase of 24% over 2015[1]. The 610,000 arrivals represents 6% of the immediate potential market.

Figure 2.1: Size of Potential Market to Canada (Next 2 Years)

Measure	Size of Potential Market to Canada
Long-haul pleasure travel market	20.12 million
Target market for Canada (dream to purchase stage)	82%
Size of the target market	16.54 million
Immediate potential for Canada (definitely/very likely to visit in next 2 years)	62%
Immediate potential	10.3 million

Base: Target market for Canada = long-haul pleasure travellers (past 3 years or next 2 years) (n=2,204); Immediate potential for Canada = dream to purchase stages for P2P for Canada (n=1,827)
QMP1. Which of the following best describes your current situation when thinking about each of the following destinations for a holiday trip?
QMP6. Realistically, how likely are you to take a holiday trip to Canada in the next 2 years?

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[1] *Destination Canada, Tourism Snapshot, December 2016.*

Also of interest is the demonstrated interest in Canada's regions among the Immediate Potential market (10.3 million). BC holds the greatest appeal (62% or just over 6.3 million potential visitors), followed closely by Ontario (60%, or 6.2 million potential visitors). The Prairies holds greater appeal among China's travellers (44%) than does Quebec (40%), Atlantic Canada (36%), or Alberta (31%). There is modest (15%) interest in visiting the North.

*Figure 2.2: Potential Market Size for the Regions*
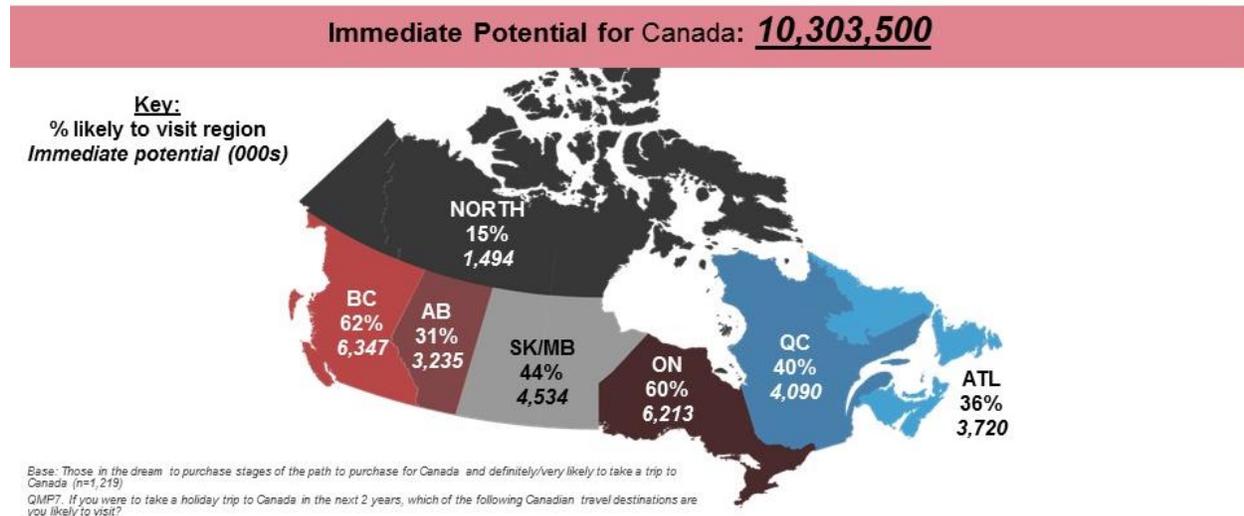
The proportion of Chinese travellers saying they will spend more on long-haul travel is higher than those saying they will spend less, resulting in a positive long-haul outlook of +17. However, the outlook for travel within East Asia is similar (+16) and even stronger within China (+36).

Figure 2.3: Spending Intentions (in the Next 12 Months)
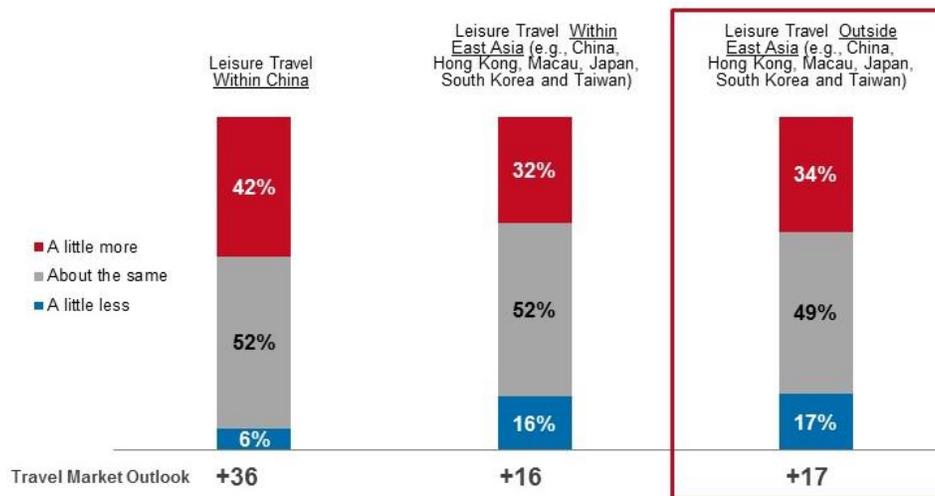
3. Competitive Environment – Key Performance Indicators Summary

The outlook for Canada in China is favourable. Out of 15 competitive destinations that respondents were asked to evaluate, Canada is not among the top ranked, but the size of the potential market and growth in visitor traffic to Canada in recent years warrants continued efforts to cater to the needs of this market.

The GTW tracks the following Key Performance Indicators (KPIs) for Canada: unaided and aided destination consideration, aided destination knowledge, and past visitation. Canada's performance is tracked against key competitors for the long-haul travel market. The competitive set was updated for 2016 to reflect actual travel patterns from each market. The countries included represent 95% of the outbound travel volume to long-haul destinations which are considered direct competitors to Canada (e.g. non-beach destinations). For China, these destinations are the US, France, UK, Germany, Spain, Switzerland, Italy, Sweden, Netherlands, Belgium, Russia, Australia, New Zealand, and India. It is also important to note that 2016 data was collected in December versus earlier in the year (April to July) in previous years. Seasonality may have impacted KPI results this year, although it is impossible to know how much the results might have been affected.

Consideration

Unaided consideration represents top-of-mind presence of destinations in the consumer mindset and requires travellers to think of destinations without being prompted. Unaided consideration indicates that a strong impression has rooted in the mind of a traveller for a destination. From a marketing perspective, travellers who have Canada on their unaided consideration list may be easier to attract since they are actively thinking of Canada as a travel destination. On an unaided basis, 4% of Chinese travellers mentioned Canada as a destination under serious consideration in the next 2 years, trailing the US (14%), Australia (12%), and France (9%), but in line with the UK (5%) and New Zealand (4%). Travellers aged 35-54 were more likely to mention Canada (8%) as were residents of Shanghai (9%) and those who have visited Canada recently (14%). No specific places in Canada were mentioned by Chinese long-haul travellers, an indication that knowledge of specific Canadian destinations is low.

It is important to note that even though respondents are asked to list out long-haul destinations they would consider visiting on an unaided basis, many respondents still mention China and other short-haul destinations. This could speak to the fact that many Chinese travellers are very domestic and short-haul focused when thinking of travel destinations, and could represent a challenge for convincing Chinese travellers to go further abroad.

Aided consideration represents the proportion of travellers who say they would seriously consider visiting a destination, but only after they are prompted with a list of competitive destinations. Travellers who have aided consideration for Canada may not be thinking of Canada top-of-mind, but they are considering a visit. Continued prompts and cues through marketing efforts could help move these considerers down the Path to Purchase. Canada fares better on an aided basis with 36% saying they are seriously considering Canada for leisure trip in the next 2 years, placing first just ahead of Australia (33%), the US (32%) and France (30%). Of note, travellers aged 35+ express stronger interest in Canada as well as in Australia. Recent visitors to Canada also express stronger consideration (57%). Knowing that past visitors are more interested in returning, it is important to attract new visitors.

Knowledge

The aided destination knowledge KPI (previously called aided awareness, but changed for clarity purposes) measures knowledge of travel opportunities in each destination. Nineteen percent of all Chinese long-haul travellers rate their knowledge of travel opportunities in Canada as either excellent or very good. Among those considering Canada, destination knowledge stands at 28%, which puts Canada in eleventh spot only ahead of Belgium (27%), Sweden (24%), Netherlands (24%), and India (22%). Efforts to boost knowledge of Canadian travel opportunities could help to move potential visitors along the path-to-purchase. Those who are under age 55 claim higher than average knowledge of Canada.

Visitation

In terms of past visitation, 46% of Chinese long-haul travellers indicate that they have visited Canada on a leisure trip at some point in their lifetime. Adults with children (54%) and younger travellers 18-34 (59%) are more likely to have visited Canada in the past.

Figure 3.1: Key Performance Indicators

Key Performance Indicators (KPIs) for Canada – Summary

Indicator	Definition	All Long-Haul Travellers (n=2,204)	Recent Visitors to Canada[1] (n=327)	Considering Canada[2] (n=1,349)
Intentions:				
Unaided destination consideration	% who mentioned Canada or a destination in Canada on their consideration list[3]	4%	14%	7%
Competitive positioning on aided destination consideration	Rank on the consideration list among 15 destinations	1	1	1
Destination knowledge:				
Aided awareness of travel opportunities in Canada	% with excellent/very good knowledge of travel opportunities in Canada	19%	53%	24%
Past visitation:				
Past visitation	% who have ever visited Canada for pleasure	46%	98%	54%

[1] Visited Canada in the past 3 years (pleasure trip of 4 or more nights, with at least 1 night in paid accommodations).
[2] Those in the consider to purchase stages of the path to purchase for Canada.
[3] For trips in the next 2 years.

Base: Long-haul pleasure travellers (past 3 years or next 2 years)

QS8. You mentioned that you are likely to take a long-haul holiday trip outside of East Asia (e.g., China, Hong Kong, Macau, Japan, South Korea and Taiwan) in the next 2 years. Which destinations are you seriously considering? (Please list up to 3 destinations.)
QBVC1. You may have already mentioned this before, but which destinations would you seriously consider visiting in the next 2 years?
QMP3. How would you rate your level of knowledge of holiday opportunities in each of the following destinations (asked only for destinations in consideration set)?
QRT14a. Approximately, how many times have you been to Canada?

4. Path-to-Purchase

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

Through additional research, Destination Canada has developed a nine stage Path to Purchase (P2P) model for long-haul travel, starting with awareness of the opportunity and interest in a destination, through to planning an itinerary, and booking travel and accommodations. The final stage, advocacy, happens during and after the actual visit.

Destination Canada wants to understand where the organization can have the greatest influence in converting those with interest in Canada to actual visitors.

Figure 4.1: DC's Path-to-Purchase Model
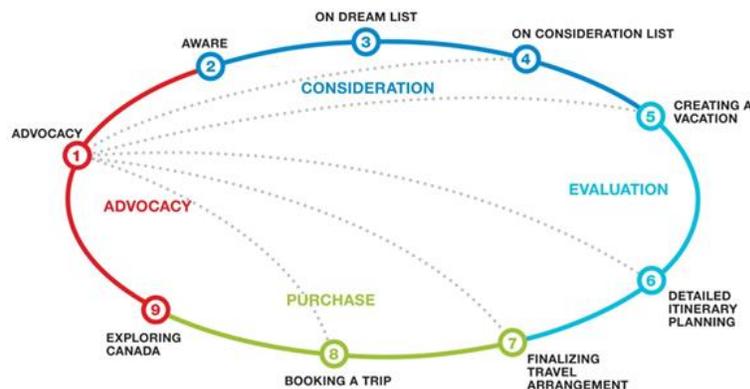
In addition to looking at individual stages of the P2P, Destination Canada has identified phases travellers move through in the purchase cycle. Key phases are defined below and are referenced throughout this report.

Figure 4.2: DC's Path-to-Purchase Model

Unaware	Have never thought of taking a trip to this destination
Aware	Not interested in visiting/returning in the foreseeable future
On Dream List	Dreaming about visiting/returning someday
On Consideration List	Seriously considering visiting/returning in the next 2 years
Creating a Vacation Movie	Have started to gather some travel information for a trip to this country
Detailed Itinerary Planning	Am planning the itinerary for a trip to this country
Finalizing Travel Arrangements	Am currently making transportation and accommodation arrangements
Booking a Trip	Have already booked my transportation and accommodations

In looking at results for China, the US leads with 37% of Chinese long-haul travellers actively engaged in planning a visit to the country and an additional 34% seriously considering a trip. China's neighbours to the south, Australia (32%) and New Zealand (32%) are tied in second place. Three European destinations are ahead of Canada: the UK (32%), Switzerland (32%), and France (31%). This suggests Chinese long-haul travellers may be have several destinations under consideration for upcoming trips. With 29%, Canada ranks seventh in terms of travellers actively planning a visit. Once again, results may be impacted by the timing of data collection in 2016 (respondents may be thinking of winter trips). For this reason, 2016 results should not be compared with previous years.

Slightly more encouraging for Canada is an additional 30% are seriously considering a visit, surpassed only by the US and Australia (33%). Those seriously considering a trip to Canada are most likely to come from Beijing.

Of note, Russia, Italy, and Germany are not far behind with 26% of long-haul travellers actively planning a visit to these countries. This again suggests that the competition is strong to attract Chinese travellers, and underscores the importance of marketing to encourage them to book and actually visit Canada.

Figure 4.3: Stage in the Purchase Cycle by Country
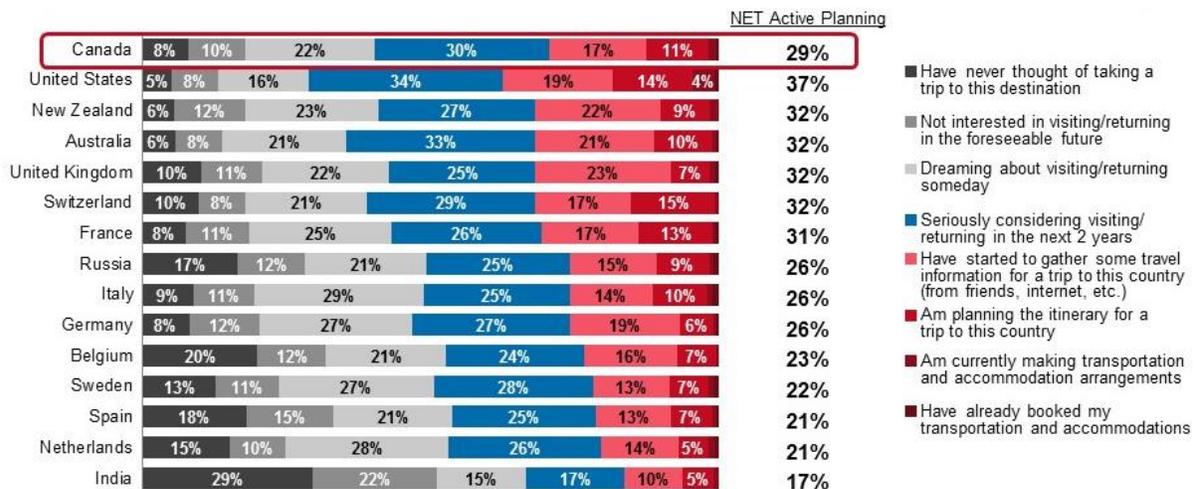
Base: Long-haul pleasure travellers (past 3 years or next 2 years) – note all respondents evaluated Canada plus 2 randomly selected countries from the competitive set (n=varies)
QMP1. Which of the following best describes your current situation when thinking about each of the following countries for a holiday trip?

Getting travellers to move through the purchase cycle to booking a trip is critical. The charts below show Canada's progress converting travellers at crucial steps in the purchase cycle relative to top competitors (determined by past 3-year visitation) and other destinations in the competitive set. For reference, also shown is the average across the entire competitive set. 'Strong' and 'weak' conversion ratios were derived through statistical analysis, specifically if a conversion ratio is greater than one standard deviation from the average, then it is considered 'strong' and if a conversion ratio is lower than one standard deviation from the average, then it is marked as 'weak'.

At the dreaming stage, Canada's performance is average as are all the other top competitors with the exception of the US, which is the strongest performer.

Canada's performance continues to be average at the creating a vacation movie stage (where the UK excels). Since this stage is focused on information gathering, ensuring prospective visitors can find the information they seek is paramount. The key to helping prospective visitors move further along in the purchase cycle is to provide information which presents a full picture of what a trip to Canada could look like e.g., a focal point to anchor a trip or itinerary suggestions.

At the final stage, booking a trip, Canada has converted 2% of Chinese travellers into actual visitors, on par with New Zealand and the UK. The US is ahead of all destinations with above average performance at the detailed planning and booking phases, converting 5% of prospective visitors to actual visitors.

For context, the US recorded 2.9 million arrivals from China in 2016, France welcomed 2.2 million (2015), Australia recorded 1.2 million, Canada welcomed 610,000, New Zealand logged 400,000, and the UK recorded 260,000.[2]

Figure 4.4: Path-to-Purchase Conversion – Top Competitors
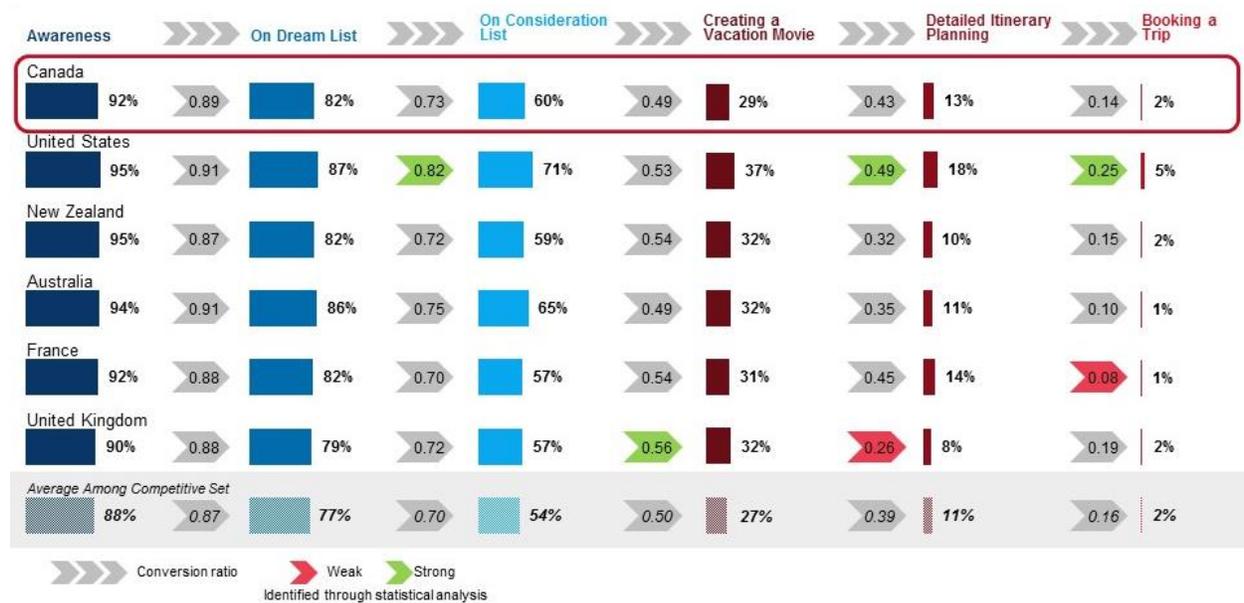
Examining purchase cycle results for destinations visited less frequently by Chinese travellers is also illuminating. Most notable, Netherlands is a strong performer at the final stage, seeing an above average conversion ratio between detailed itinerary planning and actual booking, outperforming even the US at this stage.

While examining what Netherlands is doing to convince Chinese travellers to move from planning to booking is worthwhile, it is important to keep in mind the relative size of the market with Netherlands attracting 330,000 visitors in 2015. [3]

Figure 4.5: Path-to-Purchase Conversion – Rest of Competitors

Awareness		On Dream List		On Consideration List		Creating a Vacation Movie		Detailed Itinerary Planning		Booking a Trip
Canada										
92.1%	0.89	82%	0.73	60%	0.49	29%	0.43	13%	0.14	2%
Germany										
91.9%	0.87	80%	0.67	53%	0.48	26%	0.26	7%	0.13	1%
Italy										
91.1%	0.88	81%	0.63	51%	0.51	26%	0.44	12%	0.17	2%
Switzerland										
90.3%	0.91	82%	0.74	61%	0.52	32%	0.48	15%	0.04	1%
Sweden										
87.4%	0.88	77%	0.65	50%	0.44	22%	0.39	9%	0.21	2%
Netherlands										
84.7%	0.89	75%	0.62	47%	0.44	21%	0.34	7%	0.28	2%
Russia										
83.4%	0.86	72%	0.71	51%	0.51	26%	0.42	11%	0.14	2%
Spain										
82.1%	0.82	67%	0.69	46%	0.46	21%	0.39	8%	0.14	1%
Belgium										
80.0%	0.85	68%	0.69	47%	0.49	23%	0.31	7%	0.07	1%
India										
70.4%	0.69	49%	0.68	33%	0.49	16%	0.38	6%	0.13	1%
Average Among Competitive Set										
88.1%	0.87	77%	0.70	54%	0.50	27%	0.39	11%	0.16	2%

Conversion ratio   Weak   Strong
Identified through statistical analysis

Destinations

Chinese travellers in the dream-to-purchase stages and indicating they are definitely/very likely to visit Canada in the next 2 years were asked which parts of the country they would likely visit. BC is the most popular province (cited by 62%), with Vancouver (55%) and Victoria (46%) vying for top destination. Ontario is close behind (60%), with Niagara Falls (51%), Toronto (48%) and Ottawa (44%) being the top draws. Next in terms of appeal are Saskatchewan and Manitoba (44%), ahead of Quebec (40%), Atlantic Canada (36%), and Alberta (31%).

There is also clear interest in visiting the Rocky Mountains, with 44% of probable visitors heading to BC for this experience and 25% saying they would go to Alberta for this. The relatively high level of interest in ski destinations (Whistler, Banff, Jasper and Mont Tremblant) may be in part linked to the timing of data collection, which occurred in December 2016.

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[3]   *NBTC Holland Marketing.*

Figure 4.6: Canadian Destinations Likely to Visit (Among those definitely/very likely to visit)

15% NORTH
8% – Whitehorse
8% – Iqaluit
7% – Dawson City
7% – Inuvik
6% – Yellowknife
7% – Other North

62% BC
55% – Vancouver
46% – Victoria
44% – Rocky Mtns.
16% – Okanagan
15% – Whistler
5% – Other BC

31% AB
25% – Rocky Mtns.
17% – Edmonton
17% – Calgary
15% – Jasper
13% – Banff
5% – Other AB

44% SK/MB
27% – Saskatoon
25% – Churchill
25% – Winnipeg
18% – Regina
21% – Other SK
8% – Other MB

60% ON
51% – Niagara Falls
48% – Toronto
44% – Ottawa
10% – Other ON

40% QC
31% – Québec City
31% – Montréal
18% – Mont Tremblant
9% – Other QC

36% ATL
18% – Saint John
16% – Halifax
16% – St. John's
14% – Cape Breton
13% – Charlottetown
12% – Fredericton
19% – Other PEI
13% – Other NFLD
10% – Other NB
7% – Other NS

Base: Those in the dream to purchase stages of the path to purchase for Canada and definitely/very likely to take a trip to Canada (n=1,219)
QMP7. If you were to take a holiday trip to Canada in the next 2 years, which of the following Canadian travel destinations are you likely to visit?
QMP7a-g. Within [province/region], which travel destinations are you likely to visit?

An additional question asked potential visitors to identify the one Canadian destination holding the greatest appeal. Niagara Falls outshines all other destinations, with 31% naming it as the most appealing destination. Vancouver (11%) and the Rocky Mountains (10%) are in a virtual tie for second place. This would suggest Canada's landscape-based icons (Niagara Falls and Rocky Mountains) hold greater appeal for Chinese travellers than Canada's city destinations and is consistent with the low level of knowledge travellers from China generally have of Canadian vacation opportunities. There is an opportunity to use well known natural landscapes as anchors and highlight their proximity to cities and lesser known/desirable destinations to attract Chinese travellers.

Figure 4.7: Most Appealing Canadian Destination – Top 10 Mentions

2% Churchill
11% Vancouver
10% Rocky Mountains
4% Victoria
2% Banff
3% Mont Tremblant
2% Québec City
Ottawa 5%
5% Toronto
31% Niagara Falls

Montréal	2.0%	Other North	2.1%
Saint John	1.7%	Other SK	1.8%
Saskatoon	1.7%	Other NFLD	1.5%
Winnipeg	1.3%	Other PEI	1.4%
Charlottetown	1.3%	Other BC	0.3%
Edmonton	1.1%	Other NB	0.3%
Calgary	1.0%	Other ON	0.3%
Halifax	0.9%	Other MB	0.2%
Cape Breton	0.9%	Other NS	0.2%
Fredericton	0.9%	Other QC	0.2%
Jasper	0.8%	Other AB	0.1%
Okanagan	0.8%		
Regina	0.6%		
Iqaluit	0.6%		
St. John's	0.3%		
Dawson City	0.3%		
Inuvik	0.1%		
Whitehorse	0.1%		

Base: Those in the dream to purchase stages of the path to purchase for Canada and definitely/very likely to take a trip to Canada (n=1,219)
QMP8. And, which place in Canada most appeals to you?

5. Vacation Activities

Chinese travellers were asked about which activities and experiences they generally seek while on holidays regardless of the destination. The chance to see natural attractions like mountains and waterfalls ties in first place with the opportunity to sample local cuisine and drink. This aligns with the appeal of Niagara Falls, Rocky Mountains, and major cities, such as Vancouver. Visiting nature parks, historical, archaeological or heritage sites, and viewing wildlife/marine life all tie for second place.

Broadly, travellers aged 35+ are more likely to be interested in the top activities, namely natural attractions (e.g., waterfalls, mountains), local food, nature parks, historical, archaeological or heritage sites, and wildlife. In addition, travellers aged 35-54 are also more likely to be interested in amusement/theme parks. Among the top activities, younger travelers aged 18-34 are more likely to enjoy outdoor activities such as camping and snowshoeing or cross country skiing.

These results bode well for Canada, which can offer the full range of varied experiences most Chinese travellers say they are interested in while on holiday.

Figure 5.1: General Activities/Places Interested In – Top 10
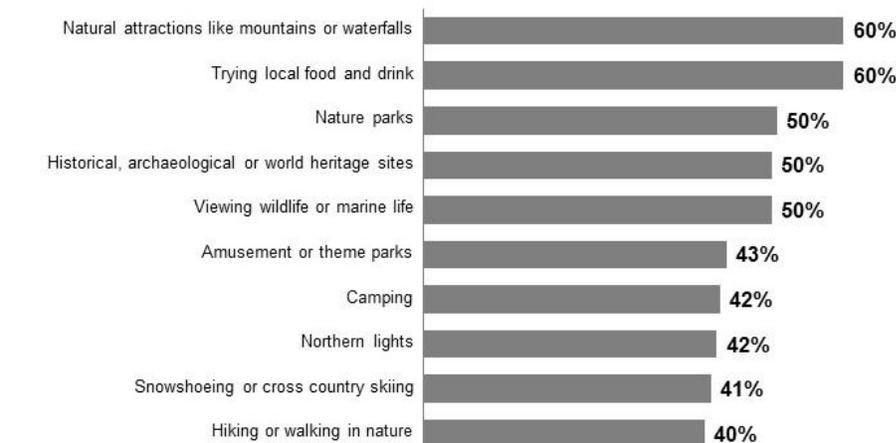
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=2,204)
QMP10. In general, what activities or places are you interested in while on holiday?

In terms of things to see and do, Chinese travellers are most interested in natural attractions like mountains or waterfalls (60%). They also show a high interest in nature parks (50%), historical, archaeological or world heritage sites (50%), and viewing wildlife or marine life (50%). Generally, younger travellers aged 18-34 are least interested in many of the things to see and do, including natural attractions, nature parks, historical/archaeological/world heritage sites, wildlife/marine life, guided nature tours, but they are the most attracted to renting a RV.

Figure 5.2: General Activities/Places Interested In – Things to See & Do
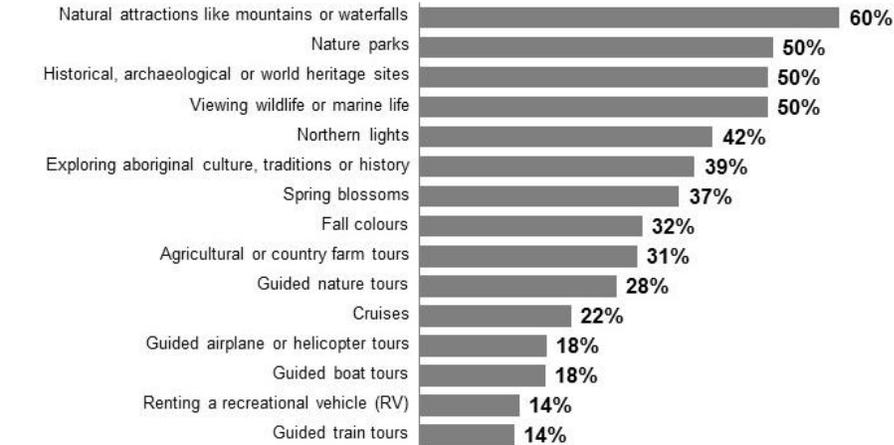
Activity	Percentage
Natural attractions like mountains or waterfalls	60%
Nature parks	50%
Historical, archaeological or world heritage sites	50%
Viewing wildlife or marine life	50%
Northern lights	42%
Exploring aboriginal culture, traditions or history	39%
Spring blossoms	37%
Fall colours	32%
Agricultural or country farm tours	31%
Guided nature tours	28%
Cruises	22%
Guided airplane or helicopter tours	18%
Guided boat tours	18%
Renting a recreational vehicle (RV)	14%
Guided train tours	14%

Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=2,204)
QMP10. In general, what activities or places are you interested in while on holiday?

Among city activities specifically, cuisine holds the greatest appeal for Chinese travellers, with four of the top six most frequently selected city activities pertaining to food or drink - trying local food and drink (60%), fine dining (37%), food and drink festivals or events (34%), and culinary tours or cooking classes (34%). Also in the top six are amusement or theme parks (43%) and city green spaces like parks or gardens (36%). Apart from trying local food and drink (which is more appealing to travellers aged 35+ compared to younger travellers aged 18-34), all the other cuisine related activities are of similar interest across all ages.

Figure 5.3: General Activities/Places Interested In – City Activities
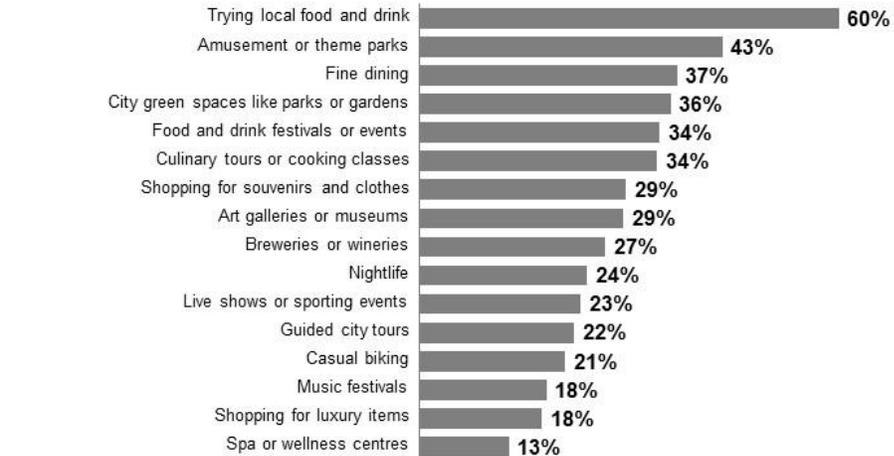
Activity	Percentage
Trying local food and drink	60%
Amusement or theme parks	43%
Fine dining	37%
City green spaces like parks or gardens	36%
Food and drink festivals or events	34%
Culinary tours or cooking classes	34%
Shopping for souvenirs and clothes	29%
Art galleries or museums	29%
Breweries or wineries	27%
Nightlife	24%
Live shows or sporting events	23%
Guided city tours	22%
Casual biking	21%
Music festivals	18%
Shopping for luxury items	18%
Spa or wellness centres	13%

Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=2,204)
QMP10. In general, what activities or places are you interested in while on holiday?

In terms of outdoor activities, a mix of summer and winter activities appeal to Chinese travellers. Camping (42%) is almost on par with snowshoeing or cross country skiing (41%) and hiking or walking in nature (40%) as the most popular outdoor activities. Younger travellers aged 18-34 are most interested in many of the outdoor activities, including camping, snowshoeing/cross country skiing, kayaking/canoeing/paddle boarding, downhill skiing/snowboarding, ziplining, mountain biking, and road cycling.

Figure 5.4: General Activities/Places Interested In – Outdoor Activities
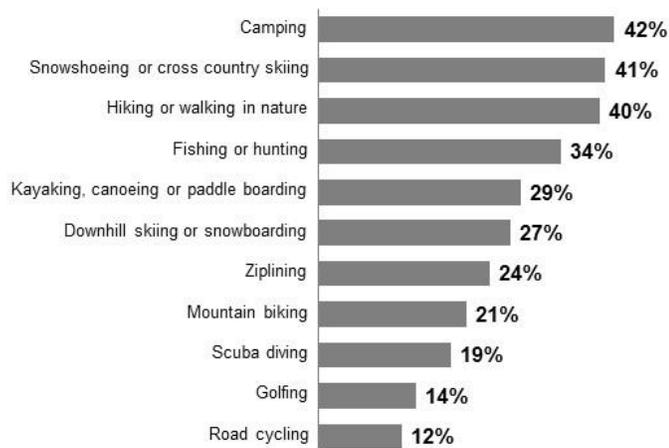
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=2,204)
QMP10. In general, what activities or places are you interested in while on holiday?

6. Barriers

All Chinese long-haul travellers were asked what could prevent them from visiting Canada. Poor weather is the primary deterrent, followed by safety concerns, and not enough time to take a vacation. While those interested in the Northern parts of Canada are the most likely to cite safety concerns and inclement weather, younger travellers aged 18-34 are the most likely to say they do not have enough time to take a vacation. They are also most likely to mention delays and hassles at airports and borders.

Poor weather and safety barriers can be dispelled through messaging and advertising emphasizing a safe Canadian vacation experience that highlights the variety of outdoor activities available throughout all four seasons. Concerns surrounding time constraints might be alleviated by countering the notion that Canadian destinations are too far apart – messaging can focus on the ability to anchor a trip to specific regions/experiences rather than having to see the whole country. These lines of messaging might also help address some of the secondary barriers such as cost concerns and health risks. Other peripheral reasons such as visa requirements and hassles at borders and airports are issues for the Canadian government to address, but highlighting the greater number of processing centres available in order to facilitate visa requirements may help address the perceived inconveniences of visiting Canada. Emphasizing the increasing availability of direct flights between China and Canada (up 28% over 2015[4]) may also improve perceptions of flights being too long.

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[4] *Destination Canada, Tourism Snapshot, December 2016.*

Older travellers aged 55+ may represent the best immediate opportunity as they are least concerned with any of the main barriers and have the strongest desire to visit Canada. However, they are the most likely to mention that there is no reason to visit anytime soon, so it may take some effort to create a sense of urgency to visit Canada. However, from a lifetime value standpoint, younger travellers may provide a greater pay-off as past visitors to Canada demonstrate greater interest in returning. Attracting younger travellers will also take effort since perceptions about hassles relating to travel and the time required for a vacation will need to be dispelled. Emphasizing the ability to anchor a trip to specific regions/experiences rather than having to see the whole country, or that you don't have to see the whole country all at once, could help counter the notion that a Canadian holiday would require a lengthy amount of time. From a strategic marketing viewpoint, Destination Canada could collaborate with partners to split tactical efforts on younger and older travellers in order to attract as many Chinese travellers as possible.

Figure 6.1: Key Barriers for Visiting Canada

Barrier	%
Poor weather	36%
Safety concerns	29%
Not enough time to take a vacation	25%
Health risks	20%
Cost	20%
Language barrier/don't speak my language	19%
Too far/flight too long	18%
Delays and hassles at airports and borders	17%
Poor value for money	16%
Visa requirements	12%
Destinations and attractions too far apart	12%
Don't know enough about it	10%
There are other places I would rather visit	9%
There is no reason to visit anytime soon	9%
Unfavourable exchange rate	6%
Have been to all the places I wanted to go in Canada	5%
Nothing would prevent me from travelling to/within Canada	9%

Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=2,204)
QMP9. Which of the following factors might discourage you from visiting Canada?

Examining barriers at key path-to-purchase stages provides additional insight. Poor weather, safety concerns, and time required for a vacation remain the top three barriers for those both seriously considering a visit and those at the evaluation stage (gathering information or planning a visit). However, health concerns increase as Chinese travellers move from considering a trip to evaluating a trip to Canada. Emphasizing the health and safety components of the country is paramount to alleviating these concerns.

Figure 6.2: Key Barriers for Visiting Canada – by Path-to-Purchase Segments

	Consider (n=673)	Evaluation (n=635)	Change between Evaluation and Consider
Poor weather	37%	37%	–
Safety concerns	31%	31%	–
Not enough time to take a vacation	26%	24%	-2
Language barrier/don't speak my language	19%	16%	-3
Health risks	18%	23%	+5
Cost	18%	18%	–
Too far/flight too long	16%	15%	-1
Delays and hassles at airports and borders	15%	15%	–
Visa requirements	13%	11%	-2
Poor value for money	13%	12%	-1
Destinations and attractions too far apart	12%	10%	-2
There is no reason to visit anytime soon	7%	6%	-1
Don't know enough about it	7%	7%	–
Unfavourable exchange rate	6%	4%	-2
There are other places I would rather visit	6%	7%	+1
Have been to all the places I wanted to go in Canada	4%	6%	+2
Nothing would prevent me from travelling to/within Canada	11%	13%	+2

Base: Long-haul pleasure travellers in specific path-to-purchase segments
QMP9. Which of the following factors might discourage you from visiting Canada?

7. Recent Trip Profile

The following section provides details on the most recent long-haul trip taken by Chinese travellers to competitive set destinations in the past 3 years (78% took such a trip). If the most recent trip encompassed more than one destination, the data reflects where the most time was spent.

Trip Purpose

The primary reason for travelling among all of China's long-haul travellers was for holiday purposes (cited by 64% of all travellers). Few travelled for combined business and pleasure (12%), personal engagements such as a wedding or funeral (10%), or to visit family and/or friends (10%).

Reasons for visiting Canada closely parallel overall reasons for travel to all destinations combined. In Canada's case, 69% visited to enjoy a holiday, and few travelled for combined business and pleasure (10%), personal engagements such as a wedding or funeral (10%), or to visit family and/or friends (9%). Clearly travel to Canada is predominantly for leisure purposes.

Motivators

Those travelling for holiday purposes were asked about factors which influenced their choice of destination.

Overall, an opportunity to relax and unwind was the primary reason for choosing a particular travel destination (45%). Cultural (37%), culinary (36%), and city experiences (35%) were the next most important stated factors, followed by outdoor experiences (33%), being a great family destination (33%), and seeing a great trip itinerary that they were interested in (32%).

Again, top motivators for deciding to travel to Canada closely parallel those for long-haul travel overall. Canada is differentiated, or has a potential opportunity to attract travellers on niche activities. Travellers who visited Canada were more highly motivated by a specific travel activity (e.g., cruise) and by specific sports and outdoor activities (e.g., ski and golf). They were also more motivated by seeing or hearing something specific that made them want to visit Canada and by having visited before and wanting to return. Alternately, Canada was less likely to attract travellers with a great promotional deal, an indication that attractions were more appealing than price.

Travellers aged 35-54 are more likely to say that the desire to relax, decompress and unwind was a factor in their destination choice, but also that seeing a deal was a factor. Older travellers aged 55+ are least likely to indicate that they chose their destination because it was somewhere they had always wanted to visit.

Figure 7.1: Factors Influencing Destination Selection
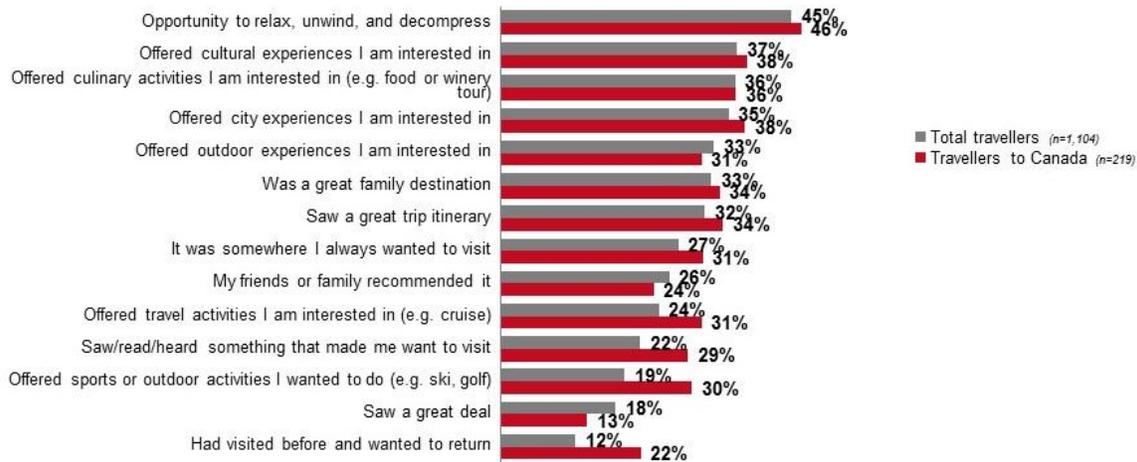
Base: Long-haul pleasure travellers (past 3 years) travelling for holiday
QRT3. Which of the following factored into your choice of destination for this trip?

Travel Party

Regardless of destination, Chinese travellers are most likely to travel with their spouse or partner (67%). This is particularly common among travellers aged 35-54. Twenty-one percent of Chinese travel parties contained children under the age of 18 (again most common among those 35-54 years), which suggests there is some potential in the family market. Younger travellers aged 18-34 were the most likely group to have travelled with their parents or friends, while older travellers aged 55+ were most likely to have travelled alone, with children over 18 years, or with other family members.

Booking

Chinese long-haul travellers mainly booked their flight using an online travel agency (54%), while 38% booked their flight with a travel agency, and 24% booked directly with the airline. Similarly, those who visited Canada recently were equally likely to book their flight using an online travel agency (58%), while 40% booked their flight with a travel agency, and 26% booked directly with the airline. Younger travellers aged 18-34 are more likely to book through an online travel agency while travellers aged 35-54 are more likely to book directly with a travel agent.

For accommodation, there is the same prevalence of service providers, with online travel agencies being most popular (54%), followed by booking directly with the travel agent (35%), and booking directly with the accommodation provider (17%). Those who travelled to Canada recently use the same booking methods in the same priority: online travel agencies (60%), booking directly with the travel agent (36%), and booking directly with the accommodation provider (21%). The same patterns by age are apparent for accommodation booking as for flight bookings.

Type of Accommodation

Regardless of destination, Chinese travellers show a preference for mid-priced hotels (39%) followed by budget (35%), luxury (22%), and Bed & Breakfast (21%) accommodation. Visitors to Canada also favour the same accommodations, but are more likely to frequent luxury accommodation than are overall travellers. Mid-priced hotels (38%) and budget accommodation (38%) are most popular, followed by luxury (30%), and Bed & Breakfast (24%) accommodation. Travellers 18-34 are more likely to stay at bed and breakfasts and rented accommodation, while travellers 55+ are more likely to stay with friends or relatives. Finally, travellers with kids in the household are more likely to stay at mid-priced hotels.

8. Marketing Tactics

Sources Used to Look for Information

China's long-haul travellers rely heavily on travel booking sites (45%), travel review sites (41%), and general search engines (39%) for finding information on potential vacation destinations. The top information sources used by Chinese travellers are almost exclusively online sources, apart from travel guidebooks (36%) and friends and family (32%). Travellers aged 35-54 are more likely to use travel booking sites, while younger travellers aged 18-34 are less likely to rely on the travel destination's official website.

The most frequently used sources are also the most influential sources. Similar to usage, more travellers aged 35-54 indicate that travel booking sites are influential. Older travellers aged 55+ are more likely to say friends and family are influential.

Figure 8.1: General Source of Destination Information / Most Influential Source

		Most Influential			Most Influential
Travel booking sites	45%	34%	TV programs	17%	9%
Travel review sites	41%	30%	Films featuring the destination	15%	7%
General search engines	39%	24%	Travel agents, in person	14%	7%
Travel guidebooks	36%	20%	Online articles	13%	5%
Official destination websites	36%	23%	Magazine or newspaper articles	12%	4%
Friends and family, in person	32%	24%	Blogs	10%	4%
Social media sites	32%	19%	YouTube	6%	2%
Travel guide websites	29%	17%	Consumer tradeshow	6%	3%
Brochure from a travel agency or tour operator	28%	14%	E-newsletters	4%	2%
Friends and family, online	25%	13%	Other	0%	
Travel provider websites	23%	11%	None of the above	1%	

Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=2,204)
QMT1. When you research possible vacation destinations for your next trip, what sources do you use to look for information?
Base: Long-haul pleasure travellers (past 3 years or next 2 years) who mentioned an information source (n=2,194)
QMT2. Please select the 3 most influential information sources.

Resources, Devices Used to Plan Recent Trip

As noted above, Chinese long-haul travellers rely heavily on information sources that are available online. For travel to Canada, travellers accessed online resources using multiple devices, with mobile phones (77%), laptops (59%) and desktop (55%) computers being most prevalent. Younger travellers aged 18-34 are more likely than other age groups to use a tablet while older travellers aged 55+ are least likely to use a mobile phone.

Travel agents are also a key resource (54%) for travel planning to Canada. Although not as prevalent, friends and family (44%) and guidebooks or magazines (46%) are widely used for planning.

Figure 8.2: Resources and Devices Used to Plan Trip

Resources Used to Plan Trip
- Total travellers (n=1,716)
- Travellers to Canada (n=327)

	Total	Canada
Online	54%	60%
Travel agent	50%	54%
Friends or relatives	44%	44%
Guide books or magazines	40%	46%
Other	1%	1%

Devices Used During Online Resource Search
- Total travellers (n=963)
- Travellers to Canada (n=190)

Mobile phone — Total – 72% / Canada – 77%
Laptop — Total – 58% / Canada – 59%
Desktop computer — Total – 50% / Canada – 55%
Tablet — Total – 35% / Canada – 40%
Other — Total – 0% / Canada – 0%

Base: Long-haul pleasure travellers (past 3 years)
QRT9. Which of the following resources did you use to plan this trip?
Base: Used online resources
QRT9a. Which of the following devices did you use to plan this trip?

9. Destination Canada's Chinese Target

Destination Canada has identified a more defined target for marketing efforts in China. Analysis and findings on this target are available to Destination Canada's marketing partners; for more information, please contact Destination Canada to become a marketing partner.