Canadian Tourism Commission
Commission canadienne du tourisme

Global Tourism Watch Year 2

Australia - Key Findings

Canadian Tourism Commission (CTC)

Canada

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Introduction

Background

The shocks of 2001 and 2003 were strong reminders for the tourism industry regarding the speed of which consumer perceptions and decision-making processes can change based on a single event.

While there has not been a major shock to the tourism industry since 2004, a myriad of technological, social, environmental, and policy changes have occurred, affecting consumer perceptions, attitudes, motivations and travel intentions. Such changes include:

- The escalation of social media websites and their popularity across many age groups;
- The desire for healthier and more sustainable lifestyles;
- Climate change and related advocacy efforts by high-profile personalities; and
- The global financial/economic crisis

To stay on top of and to adjust to the changes that are occurring, an annual research monitor was initiated to keep a pulse on consumer changes in CTC key markets.

Objectives

In 2008, the second year of the GTW program was implemented in nine global markets – the US, Mexico, the UK, France, Germany, Australia, Japan, China and South Korea. The Year 2 research was co-funded by a partnership group including British Columbia, Alberta, Saskatchewan, Ontario, Yukon and the Northwest Territories.

The research objectives are to collect market intelligence (across all markets in a consistent way) related to four over-arching themes:

- Monitoring key performance indicators;
- Tracking response to Brand Canada;
- Identifying and tracking product opportunities; and
- Providing input into strategic market plans.

The primary focus of the 2008 reports is on identifying shifts in each market since 2007. The ultimate goal of the GTW is to continue to track the key indicators on an annual basis in order to develop trend lines, assess Canada's market performance and examine market shifts over time.

Methodology

The target population for the survey consisted of residents, aged 18 and older, who have taken a long-haul pleasure trip where they stayed at least one night in paid accommodations in the past three years or who plan to take such a trip in the next two years.

A total of 1,531 Australian respondents completed the online survey. A quota was set to reach n=300 past travellers to Canada. Fieldwork was conducted in September 2008 to align with the CTC's campaign timing.

The online survey sample was weighted by region, age and gender to align it with the long-haul traveller population in each market based on data collected through a random telephone Omnibus (2007).

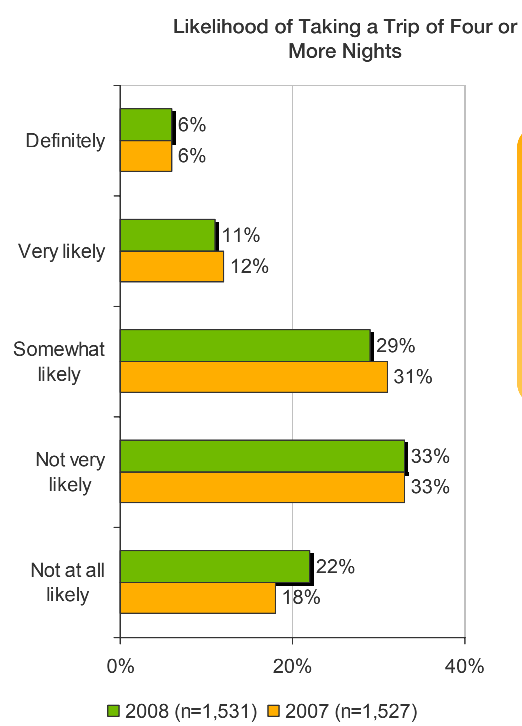
Given the quota of recent travellers to Canada, the survey sample was also weighted to reflect the actual distribution of travellers to Canada vs. travellers to other long-haul destinations, based on the Omunibus survey. Because the sub-set of recent travellers to Canada in the Omnibus was too small to generate accurate age by gender weighting data, interntional Travel Survey (ITS) counts from Statistics Canada were used to weight this group.

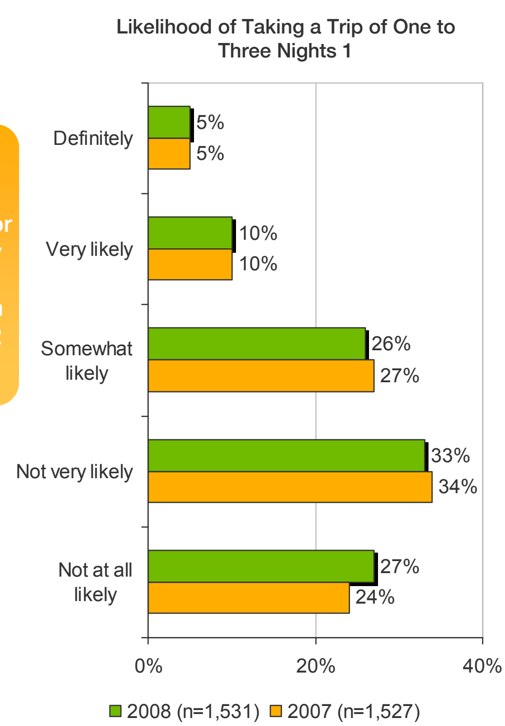
Outlook on Travel to Canada and the Regions in the Next 2 Years

Likelihood of Visiting Canada

Exhibit 1 shows that the likelihood of visiting Canada in the next two years is holding steady at around a fifth of the market, with no change for either short breaks or longer trips. Notably, those saying they are "not at all likely" to visit Canada has climbed significantly (from 18% to 22%) for trips of four or more nights, and is trending upwards (from 24% to 27%) for trips of one to three nights. The increase in negatively committed travellers is no doubt due to the increasingly unfavourable environment for long-haul travel and the current preference for more inexpensive vacation choices that is steering many travellers to Asia.

Exhibit 1 - Likelihood of Visiting Canada in the next 2 years





Base: Long-haul pleasure travellers.

Note: [1]Including trips to other countries (e.g., the US) that involve a stay of one to three nights in Canada.

Size of the Potential Market to Canada

Exhibit 2 provides an estimate of the size of the potential market for Canada in two ways. The target market is a broader estimate of the market size based on expressed interest among Australian travellers, more specifically those very or somewhat interested in visiting Canada in the next two years. With interest at 71%, this translates into a potential market of almost 5 million potential travellers.

The immediate potential is a more conservative estimate based on those who say they will definitely or are very likely to visit Canada in the next two years. This is just 19% of the market, and translates into about 1.3 million travellers with more immediate potential for conversion.

Like last year, Australia ranks 7th among the GTW markets in terms of the target market size. However, it finishes last in terms of immediate potential due to the combination of a small long-haul traveller population and a relatively low likelihood of visiting Canada.

Exhibit 2 – 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)	6,798,000
Target Market for Canada	
Very/somewhat interested in visiting Canada in the next 2 years	71%
Size of the target market	4,827,000
Immediate Potential for Canada	
Will definitely/very likely visit Canada in the next 2 years	19%
Immediate potential	1,292,000

Base: Long-haul pleasure travellers (n=1,531)

Canadian Destinations[1] Likely to Visit

British Columbia and Ontario remain the two regions of greatest appeal to Australians, with each of interest to nearly 90% of the market (see **Exhibit 3**). Québec again places third, with around two-thirds of travellers saying they would like to visit la belle province, and Alberta's appeal is also very strong at almost 60%.

Looking at individual destinations among the GTW partner regions, Vancouver (77%) and Niagara Falls (73%) are the leading points of interest in Canada, followed at a distance by Toronto (60%) and Calgary (42%). Interest in Victoria, Whistler, Ottawa and Banff all hover around the 30% mark.

Exhibit 3 - Destination Interest and Market Potential for the Regions

	BC	AB	SK	ON	North
Immediate potential for Canada	1,292,000				
Likely to visit province	89%	59%	22%	88%	36%
Immediate potential for the provinces	1,150,000	762,000	284,000	1,137,000	465,000
Most popular destinations within province	Vancouver (77%) Victoria (31%) Whistler (31%)	Calgary (42%) Banff (29%) Jasper (21%)	n/a	Niagara (73%) Toronto (60%) Ottawa (29%)	Yukon (29%) NWT (20%) Nunavut (11%)

Base: Those likely to visit Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a trip there (n=804).

Note: Provincial estimates are not additive since travellers may visit more than one region on a single trip.

[1] Of CTC partner regions. (British Columbia, Alberta, Saskatchewan, Ontario, the North)

Awareness Levels of Canada

Unaided Performance Indicators

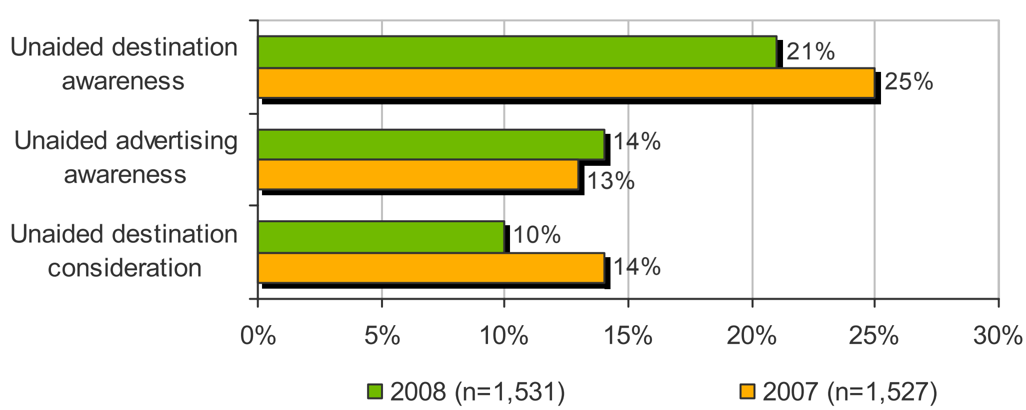
The Global Tourism Watch measured three unaided (or top-of-mind) indicators[2] – unaided awareness of Canada, unaided awareness of Canadian travel advertising, and unaided destination consideration.

To measure brand awareness, respondents were asked to name destinations that come to mind for a long-haul vacation. Awareness of Canada has seen a significant drop falling from 25% to 21% in 2008, along with the U.K. dropping by 5% to 32%. However, neither decline is steep enough to cause a shift in the competitor rankings, with the UK and Canada remaining in 2nd and 3rd spots, respectively, trailing behind the U.S. The only destination to enjoy a significant gain in awareness this year is Thailand, with a three percentage point increase to 15% enabling it to overtake both France and Italy.

Canada continues to perform strongly with respect to unaided advertising recall, with "Canada" remaining the single destination brand with the strongest advertising recall in Australia, and holding the number two position behind the US. However, at 14%, awareness of its advertising is about the same as last year. In fact, the only destination with increased advertising recall is China, which at 14%, is double that of last year, no doubt due to Olympics-related marketing initiatives.

Much the same as the unaided awareness results, is that both the UK and Canada have lost ground on the consideration list this year. The UK declined from 22% to 18%, but was able to maintain its 2nd place ranking. Canada was less fortunate, with a fall from 14% to 10% causing it to slip from 3rd to 5th place. The U.S. remains at the top of the list while China and Thailand are now ranked ahead of Canada.

Exhibit 4 - Unaided Performance Indicators



Base: Long-haul pleasure travellers.

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2 Accumulative results are mentions of Canada and sub-destinations within Canada.

Recent and Potential Visitors from Australia

Target Market for Canada

Exhibit 5 provides demographic profiles of Australian long-haul travellers as a whole, recent travellers to Canada and travellers interested in visiting Canada.

For the most part, overall market demographics have remained stable since 2007. The most notable exception is an increase in the affluence of long-haul travellers in 2008 (30% now earn more than $100,000 AUD per year, compared with just 25% in 2007). This could reflect the impact of both economic and inflationary pressures, with lower income travellers switching to short-haul or domestic travel, resulting in a more affluent long-haul market profile. The trend to a wealthier travelling population has been noted in several GTW markets in 2008, including France, Germany and South Korea.

A similar shift can be seen for recent visitors to Canada, with significantly fewer travellers in the lowest income category this year (i.e., only 10% earn less than $30,000 AUD per year, down from 17% last year). Compared with the long-haul market as a whole, Canada continues to attract a distinctive segment of Australian travellers – one that is older, better educated and more affluent – which is not surprising in view of the relatively steep airfare to Canada. VFR remains a key driver of travel to Canada in 2008, with 55% of all recent visitors who have close friends or relatives there (more than double that in the market at large).

Potential travellers to Canada are more similar to the market overall, although they too are more likely to know people in Canada.

Exhibit 5 – Target market demographics

Gender	All L-H Travellers (n=1,531)	Recent Travellers to Canada (n=310)	Interested in Canada (n=539)
Female	50%	55%	54%
Age			
18 to 24	16%	8%	10%
25 to 34	22%	17%	22%
35 to 44	16%	15%	17%
45 to 54	18%	14%	20%
55 or older	28%	46%	31%
Close Friends or Relatives Living in Canada			
Yes	25%	55%	30%
Have Children in Household Under 18			
Yes	32%	33%	33%
Marital Status			
Married / partnered	66%	74%	69%
Single / never married	23%	19%	19%
Other (e.g. separated, divorced, widowed)	11%	8%	12%
Education			
High school or less	29%	20%	31%
Technical / vocational	7%	3%	7%
Completed college / university	58%	72%	57%
Employment Status			
Employed full-time/part-time	64%	57%	66%
Housewife / homemaker	6%	6%	7%
Retired	16%	27%	18%
Unemployed	2%	2%	2%
Student	8%	5%	3%
Occupation			
White-collar Worker	20%	20%	20%
Blue-collar Worker	8%	5%	7%
Manager	13%	15%	10%
Professional	25%	27%	27%
Skilled Workers	10%	7%	11%
Unskilled / Semi-skilled	3%	1%	2%
Self-Employed / farm owner	11%	13%	13%
Average Annual Household Income ($AUD)			
Less than $29,999	12%	10%	13%
$30,000 to $39,999	9%	8%	8%
$40,000 to $69,999	28%	24%	25%
$70,000 to $99,999	22%	28%	26%
$100,000 or over	30%	29%	29%

*Note: **Blue squares** indicate a result that is significantly lower than the total (all long-haul travellers); **orange circles** indicate a result that is significantly higher than the total.*

Target Market for Canadian Regions[3]

Exhibit 6 shows the demographic profile of travellers who are likely to visit Canada (or are considering a trip there) in the near-term, as well as those who plan to visit each of the regions (only GTW regional partners are included). The profiles for British Columbia, Ontario and Alberta are based on those who say they are *most* likely to visit the region, while the profiles for Saskatchewan and the North are based on those who express an interest in visiting these regions, given the relatively low proportion of travellers who say they are most likely to do so.

Across the regions, there are very few meaningful significant differences. Most notably, those interested in Alberta are more likely to be women, while those interested in Ontario tend to be notably younger.

[3] Of CTC partner regions. (British Columbia, Alberta, Saskatchewan, Ontario, the North)

Exhibit 6 – Target market for Canada's regions

Gender	TOTAL (n=804)[1]	BC[3] (n=272)	AB[3] (n=92)[4]	SK[2] (n=189)	ON[3] (n=285)	North[2] (n=287)
Female	49%	44%	57%	45%	51%	44%
Age						
18 to 24	11%	10%	9%	4%	14%	7%
25 to 34	19%	18%	13%	12%	24%	10%
35 to 44	17%	19%	15%	19%	14%	16%
45 to 54	20%	16%	26%	25%	21%	24%
55 or older	32%	37%	38%	40%	27%	43%
Close Friends or Relatives Living in Canada						
Yes	34%	37%	33%	29%	31%	27%
Have Children in Household Under 18						
Yes	30%	25%	23%	31%	34%	29%
Marital Status						
Married / partnered	66%	64%	67%	67%	66%	67%
Single / never married	20%	24%	17%	19%	20%	16%
Other	13%	13%	17%	14%	13%	17%
Education						
High school or less	26%	27%	34%	25%	28%	26%
Technical / vocational	8%	7%	4%	8%	8%	10%
Completed college / university	60%	61%	52%	58%	59%	57%
Employment Status						
Employed full-time/part-time	65%	65%	57%	61%	68%	59%
Housewife / homemaker	5%	6%	8%	2%	5%	3%
Retired	19%	21%	24%	26%	15%	28%
Unemployed	2%	2%	3%	2%	2%	2%
Student	6%	3%	5%	4%	8%	4%
Occupation						
White-Collar Worker	17%	15%	16%	11%	20%	13%
Blue-Collar Worker	6%	5%	6%	7%	8%	6%
Manager	15%	14%	17%	21%	14%	17%
Professional	26%	28%	27%	26%	23%	26%
Skilled Workers	10%	9%	12%	9%	11%	10%
Unskilled / Semi-skilled	2%	2%	0%	0%	2%	1%
Self-Employed / farm owner	13%	14%	11%	13%	15%	12%
Average Annual Household Income ($AUD)						
Less than $29,999	12%	12%	12%	12%	11%	13%
$30,000 to $39,999	10%	9%	4%	13%	12%	13%
$40,000 to $69,999	24%	23%	24%	23%	27%	23%
$70,000 to $99,999	23%	25%	23%	24%	21%	20%
$100,000 or over	31%	31%	37%	28%	28%	31%

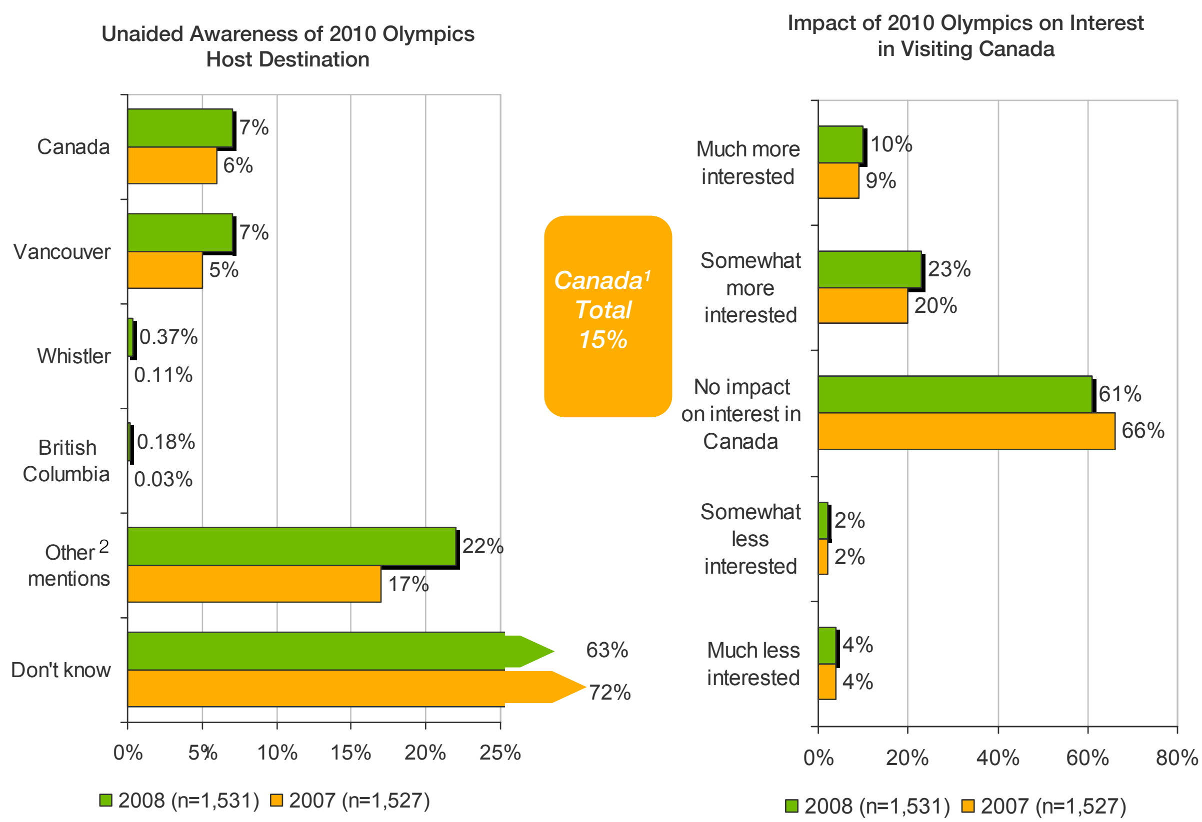
Notes:
[1] Those likely to visit Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a trip there.
[2] Those likely to visit the region.
[3] Those most likely to visit the region.
[4] Results should be interpreted with caution due to the small sample size.

The Impact of the 2010 Winter Games on Travel to Canada

Exhibit 7 shows that approximately 15% of Australian travellers correctly identify Canada as the host of the 2010 Vancouver Olympic and Paralympic Winter Games, up significantly from 11% in 2007. This makes Australia the only GTW market to see an upswing in this measure in 2008, no doubt benefitting from the fact that the 2008 Summer Olympics were ongoing in Beijing at the time of the survey. In addition, the Games have enhanced Canada's desirability as a vacation destination for about a third of the market, up significantly from 29% in 2007.

Even so, Australians remain among the least aware of any GTW market about Canada's role in the 2010 Games. In addition, Australia is well behind the Asian and North American markets in terms of the degree to which hosting the Olympics engages the interest of travellers, indicating more limited potential for Games-related travel.

Exhibit 7 – Impact of 2010 Winter Games on General Interest in Canada



Base: Long-haul pleasure travellers.

Note: [1] Includes all mentions of Canada, British Columbia, Vancouver and Whistler, Montreal and Toronto.

[2] Includes all mentions of China, Beijing, Europe, London, Russia for 2007 plus U.K., England and U.S. for 2008.

Canada's Product Strengths and Weaknesses

Canada's Product Strengths and Weaknesses

Exhibit 8 presents a map showing product strengths and weaknesses for Canada in Australia. This looks at impressions of Canada's product offerings vs. the importance of these products to Australian travellers on their long-haul trips. The purpose is to identify products of importance to the Australian market where Canada is either favourably or unfavourably perceived.

Product Strengths

General product strengths for Canada are products that are important in the minds of travellers in planning their long-haul trips and for which Canada is favourably viewed. As was the case last year, all of the nature products emerge as strengths for Canada. However, a key change is that water scenery has now overtaken landscapes as Canada's foremost nature product (likely due to the addition of glaciers to the product description this year). Encouragingly, cities close to nature emerges as a general strength, although a key objective for 2009 could be to enhance the positioning of this product. While self-touring remains a general strength for Canada in 2008, it is the weakest of the bunch.

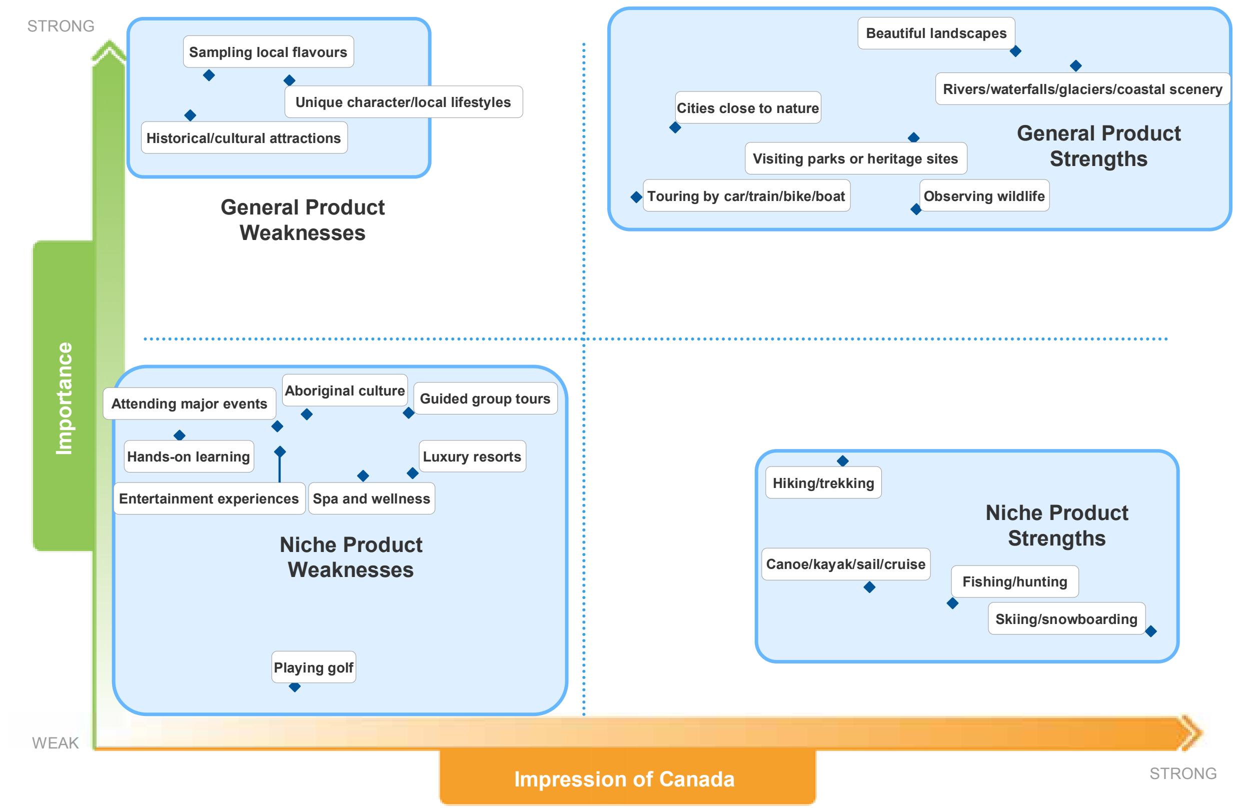
Niche product strengths appeal to smaller groups of travellers and represent potential niche markets to be developed or targeted. Nothing has changed since last year, with most outdoor pursuits represented here and skiing being Canada's strongest niche product.

Product Weaknesses

General product weaknesses are products that are important to travellers, but for which Canada is not favourably rated, pointing to possible issues (perceptual or actual) to be mitigated. Not surprisingly, culture continues to be a vulnerability for Canada in Australia. Canada is not generally seen as a destination with a unique character or as a place with interesting lifestyles, customs and flavours. As in all of its markets, the CTC would likely benefit substantially from altering this engrained view of Canada.

Niche marketing weaknesses are unfavourably rated activities that appeal to smaller groups of travellers, and as such, a considerable investment may be required to improve product perceptions for a lower return. Canada's niche weaknesses in Australia continue to be diverse, ranging from luxury/pampering (e.g., entertainment, resorts, spas, golf) to event travel, hands-on learning, guided tours and aboriginal culture.

Exhibit 8 – Product Strengths and Weaknesses Map



Base: Long-haul pleasure travellers (n=1,531).

Australian Views on Environmentally-friendly Travel Products

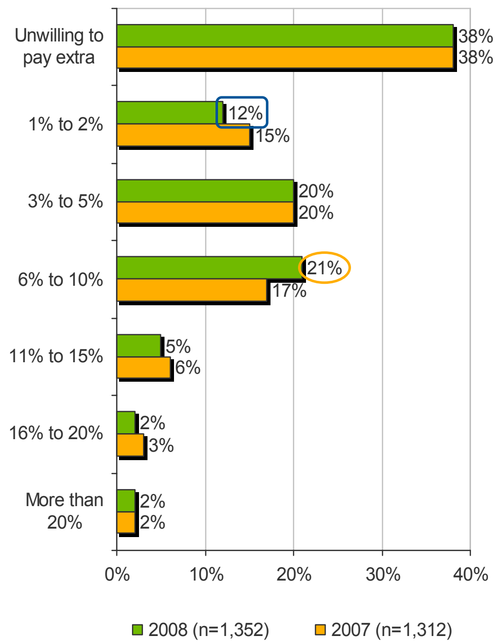
Prompted by growing public awareness of the environmental impact of travel and an increasing focus on responsible tourism in many countries, the GTW survey examined the attitudes of travellers towards eco-friendly tourism and travel products.

As per **Exhibit 9**, there have been no material shifts in Australian travellers' attitudes toward environmentally friendly travel since 2007. At just over 70%, Australians are well below average in their concern about the impact of tourism on the environment, and at just over 40%, they are one of the least likely GTW markets to take environmental considerations into account when making destination choices.

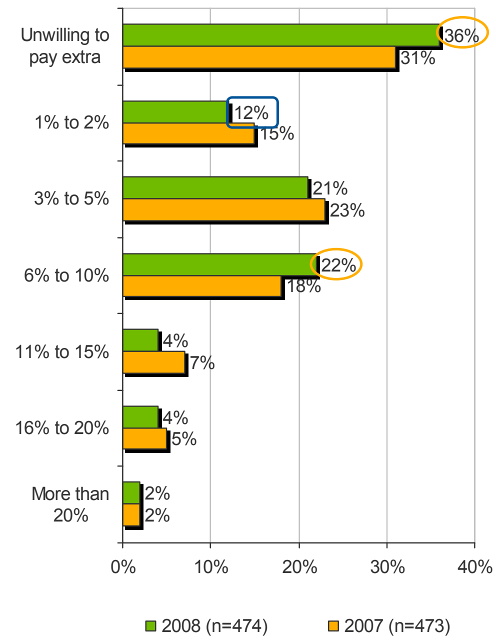
On the positive side, some travellers are now willing to pay a higher premium for eco-friendly travel products than in 2007 (i.e., more people in the 6% to 10% range and fewer in the 1% to 2% range).

The same trend is seen for those travellers interested in Canada, however 36% of those travellers are now unwilling to pay extra, up significantly from 31% in 2007.

Exhibit 9 – Willingness to Pay a Premium for Environmentally-Friendly Travel Products



Base: Long-haul pleasure travellers



Base: Travellers interested in Canada.

Notes: Blue squares indicate a result that is significantly lower than 2007; orange circles indicate a result that is significantly higher than 2007.

How Canada is Perceived by Australian Travellers

Unaided Brand Personality Perceptions

Brand personality often serves as a good metaphor for understanding travellers' perceptions of a destination. As such, respondents were asked to indicate three personality traits or characteristics that come to mind when they think of Canada as a person. The responses were coded into a number of personality dimensions, each comprised of a group of related personality traits. These included the eight dimensions encompassed by Brand Canada, as defined by the CTC:

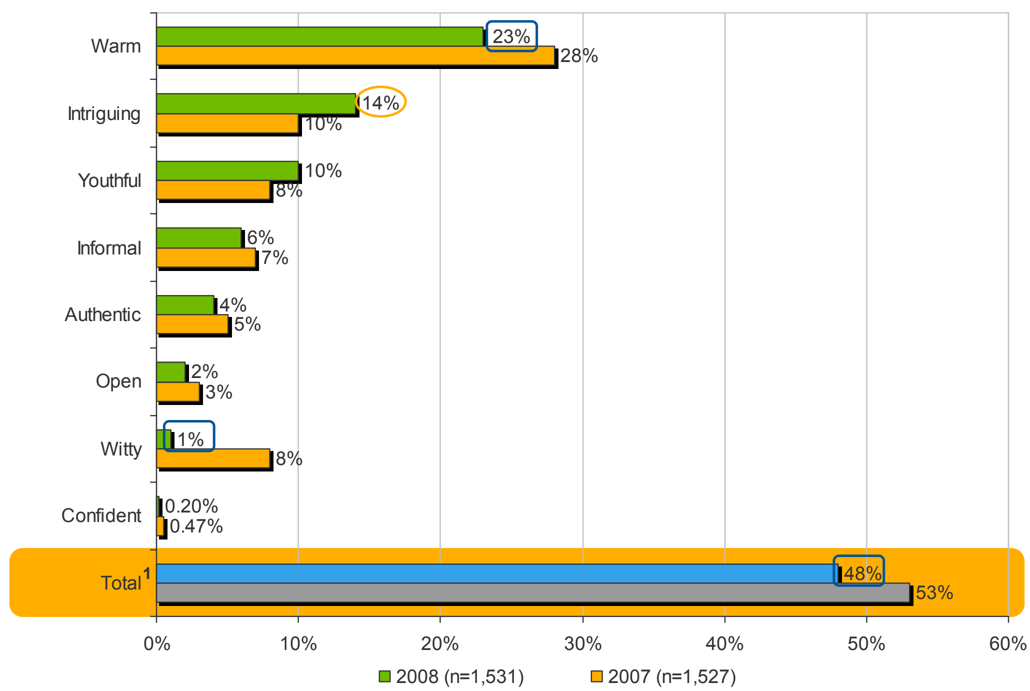
- **Warm** (e.g., friendly, hospitable, welcoming, warm-hearted, kind);
- **Intriguing** (e.g., fascinating, interesting, exciting, appealing, engaging);
- **Informal** (e.g., casual, relaxed, easy-going, laid-back, approachable);
- **Open** (e.g., accepting, liberal, open-minded, flexible, accessible);
- **Authentic** (e.g., genuine, sincere, honest, down-to-earth, trustworthy);
- **Youthful** (e.g., energetic, lively, young at heart, vigorous, fun, vibrant, peppy);
- **Confident** (e.g., self-assured, sure, secure, poised, positive); and
- **Witty** (e.g., humourous, quick, entertaining, clever, bright, intelligent).

As **Exhibit 10** shows, the proportion of travellers who view Canada as Warm is down this year, a trend that has been observed in virtually every GTW market, perhaps reflecting the CTC's globalized efforts to take Canada's image beyond warm and friendly. Despite this, a substantial segment of the market (almost a quarter) still views Canada as congenial and hospitable, suggesting that this aspect of Canada's brand personality is likely well-entrenched.

In 2008, more travellers view Canada as Intriguing (14%), which is reassuring as an element of intrigue tends to be a pre-requisite for vacation travel. The proportion of those mentioning Youthful is also solid (at 10% and rising), again a key trait in the evolution of Canada's brand toward one that is more effervescent. On the other hand, only 1% now see Canada as Witty, a dramatic drop from the 8% observed in 2007.

The bottom line is that the Australian market is generally less aligned with the brand Canada personality traits in 2008, with only 48% of travellers mentioning at least one trait this year on an unaided basis (down from 53% last year). This pushes Australia towards the bottom of the pack (i.e., seventh among the nine GTW markets) in terms of brand personality alignment.

Exhibit 10 – Unaided Brand Personality Perceptions



Base: Long-haul pleasure travellers

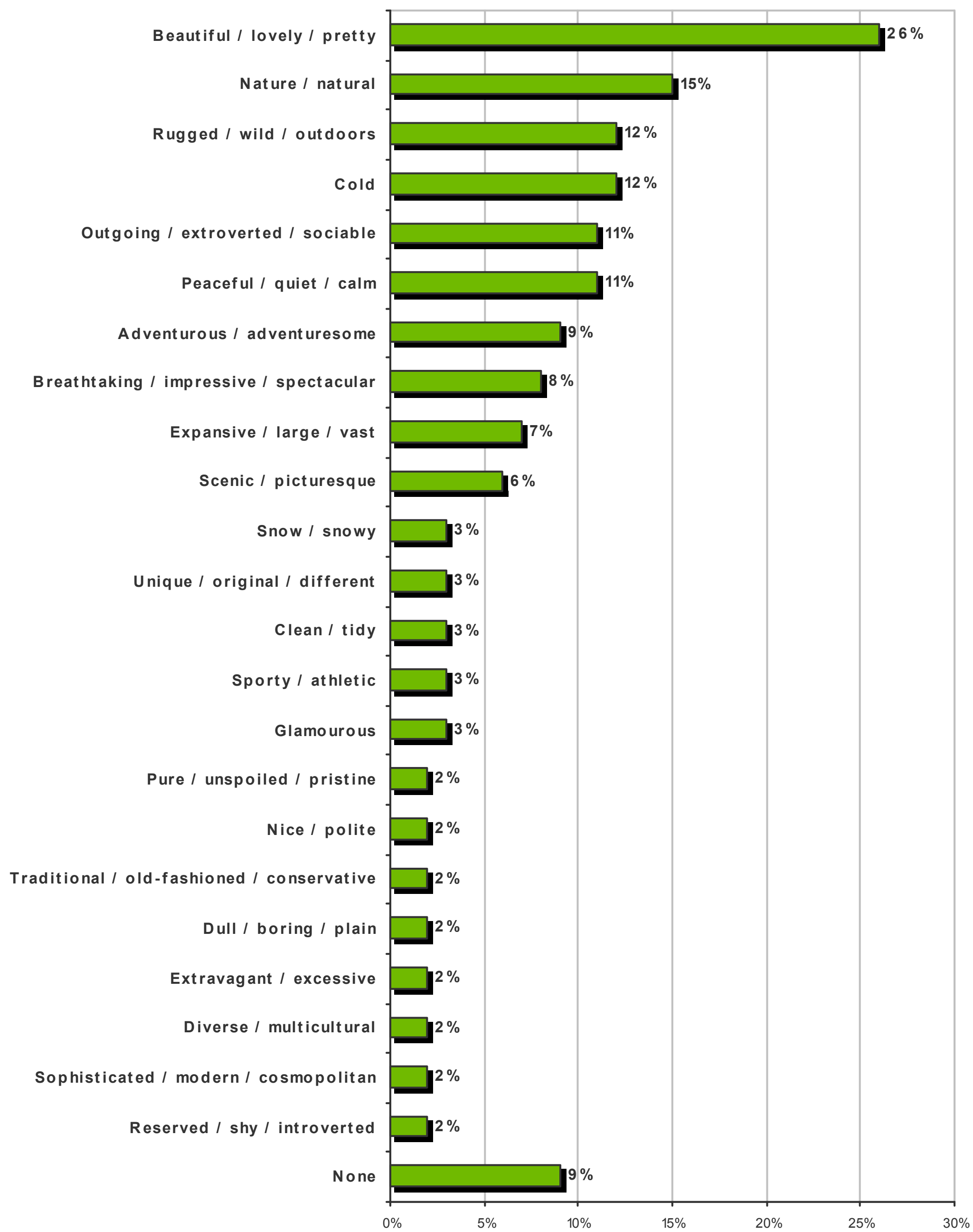
Note: ¹ Percent who mentioned any of the 8 Brand Canada personality traits (or synonyms thereof).

***Blue squares** indicate a result that is significantly lower than 2007; **orange circles** indicate a result that is significantly higher than 2007.*

Exhibit 11 shows other personality traits that are associated with Canada by Australian travellers. "Beautiful/lovely/pretty" is by far the top mention, at 26%, alluding to Canada's wondrous scenery and nature. Many people also mention "breathtaking/impressive/spectacular" (8%), indicating that Canada's nature is perceived as being truly extraordinary, despite the fact that Australians already live in a country with strong natural attributes.

Australians are also notable in the degree to which the active outdoors is associated with Canada, with relatively high mentions of "rugged/wild/outdoors" (12%) and "adventurous/ adventuresome" (9%). This indicates good opportunities for Canada to appeal to Australians on the basis of its outdoor pursuits, which are clearly top-of-mind in this market.

Exhibit 11 – Unaided Brand Personality Perceptions – Other Mentions



Base: Long-haul pleasure travellers (n=1,531).

Value Perceptions

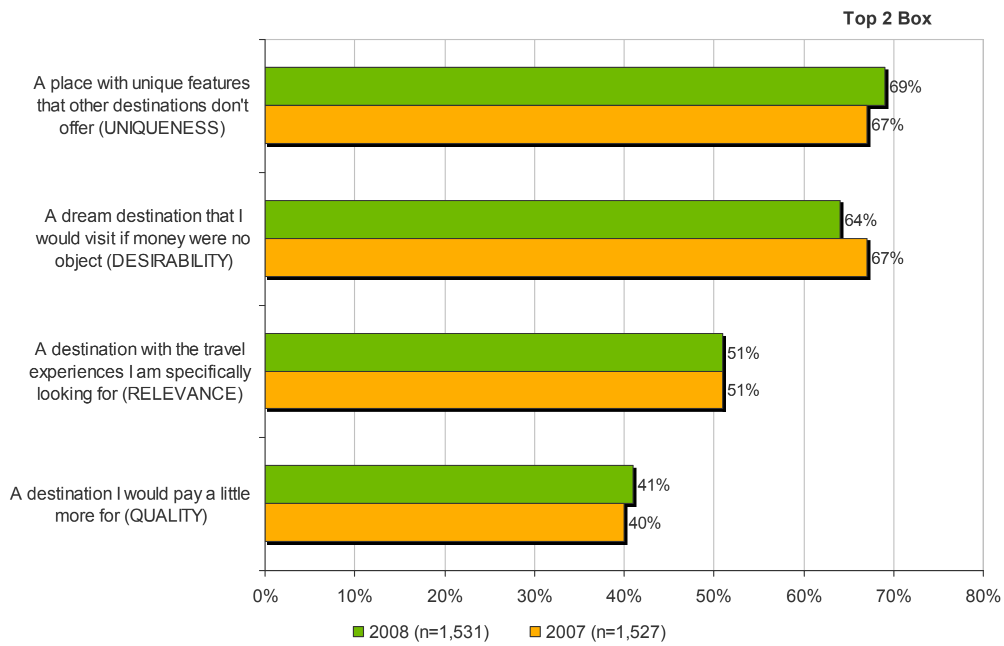
Destination success cannot be measured only by the degree to which the brand has established itself in the marketplace. Even if brand awareness is high, it is important for a destination or brand to be perceived as offering value to travellers. For a destination to have value, it should:

- Have an inherent desirability or appeal;
- Offer high quality experiences and travel products;
- Be relevant to travellers, with the experiences they are specifically looking for; and
- Offer a unique product relative to other destinations.

To assess value perceptions of Canada in Australia, respondents were asked to rate Canada on four value-related statements that embody each of the above criteria.

While none of the individual ratings are exceptional, Quality stands out as being particularly poor (at 41%), indicating a continued need to promote Canadian products of distinction to Australians. (see **Exhibit 12**) With rising competition from nearby Asian destinations, conveying the quality and the value of the Canadian travel experience are all the more important, as Australians need a compelling reason to justify a trip to Canada when there are closer and more inexpensive options available.

Exhibit 12 – Value Perceptions



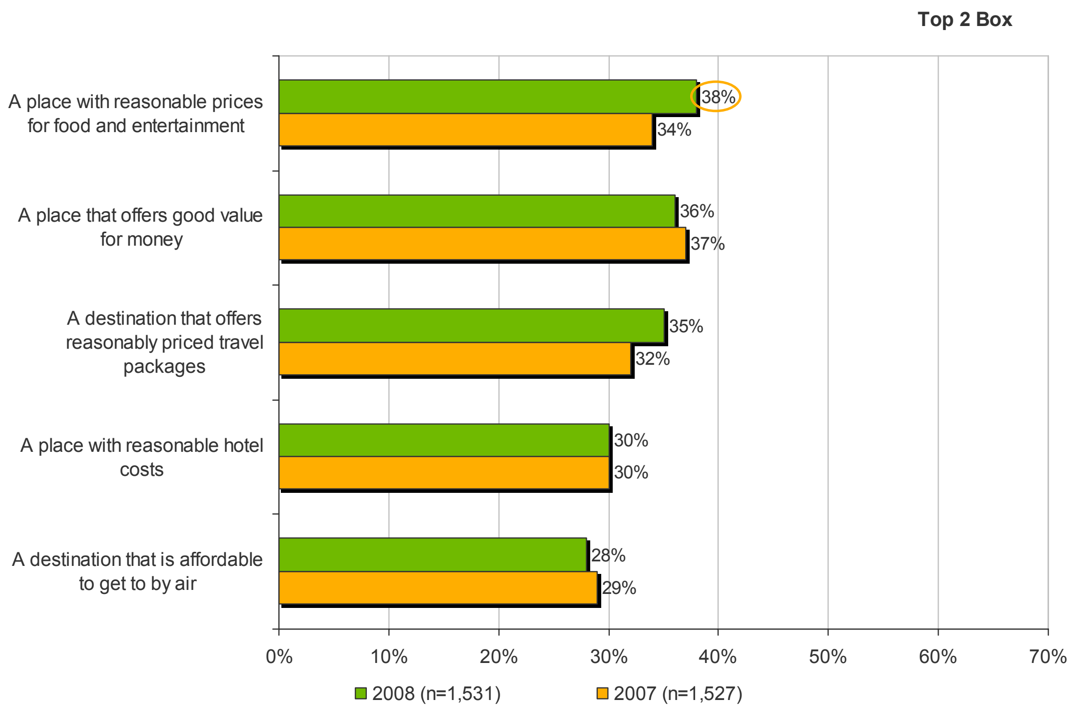
Base: Long-haul pleasure travellers.
Notes: Top 2 Box refers to a rating of 4 or 5 with 1 being "strongly disagree" and 5 being "strongly agree" on a 5-point scale. ***Blue squares*** *indicate a result that is significantly lower than 2007;* ***orange circles*** *indicate a result that is significantly higher than 2007.*

Price Perceptions

In addition to brand image and destination value, cost obviously plays a major role when it comes to destination decision-making. **Exhibit 13** shows how Canada is perceived by Australian travellers on various travel cost components.

All of the ratings are very low, however on the bright side, perceptions of food and entertainment prices in Canada have improved significantly this year, while impressions of package prices are edging upward.

Exhibit 13 – Price Perceptions



Base: Long-haul pleasure travellers.
*Notes: Top 2 Box refers to a rating of 4 or 5 with 1 being "strongly disagree" and 5 being "strongly agree" on a 5-point scale. **Blue squares** indicate a result that is significantly lower than 2007; **orange circles** indicate a result that is significantly higher than 2007.*

Motivation for Visiting Canada and the Regions

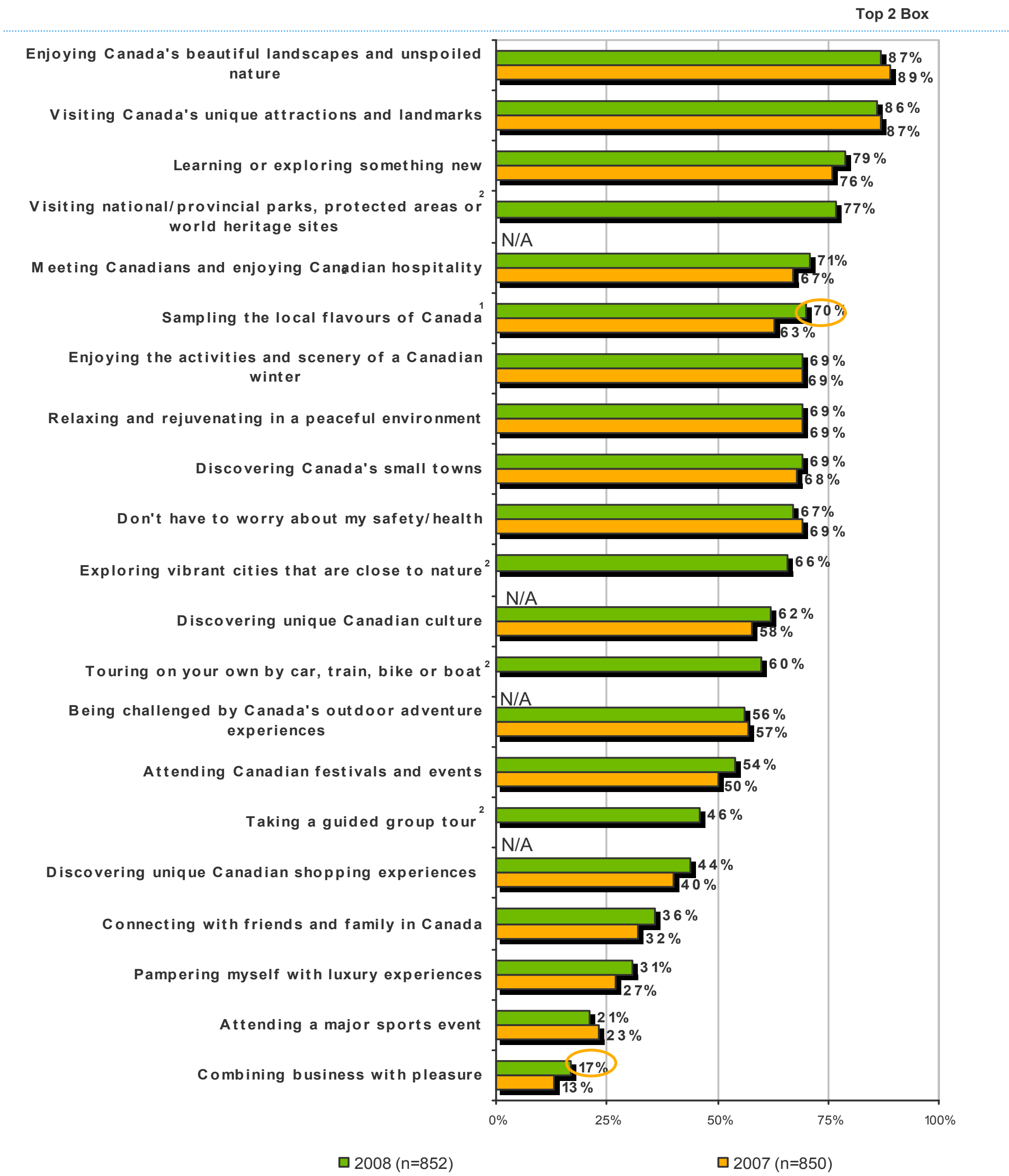
Key Motivations for Visiting Canada

As **Exhibit 14** shows, the key motivations for visiting Canada are generally unchanged from last year. Nature is still the main driver for Australian travel to Canada, with landscapes/nature, unique attractions/landmarks (e.g., Rocky Mountains) and national parks/heritage sites all in the top five. Providing a change from endless nature, learning/exploring ranks third, with Australia being the only GTW market where discovery and exploration play such a key role in driving travel to Canada. Clearly, Canada's brand and the *Keep Exploring* slogan are a good fit for this market.

Perhaps the most positive finding relating to the exhibit is that culture and people are growing motivators for visiting Canada. Sampling local flavours has increased significantly since last year (from 63% to 70%), while meeting Canadians, discovering unique Canadian culture and festivals/events are all trending upward. Moreover, both meeting Canadians and local flavours have moved up considerably in the ranks to become the fifth and sixth most important reasons for visiting Canada.

Rounding out the top ten motivators are enjoying winter, relaxing, small towns and a worry-free environment. At 66%, vibrant cities close to nature – a new item this year – narrowly misses making the top ten. In fact, Australia is one of the few GTW markets where small towns currently out-rank big cities as a pull factor.

Exhibit 14 – Key Motivations for Visiting Canada



Base: Those likely to visit Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a trip there.
Note: Top 2 Box refers to a rating of always or often important on a 5-point scale. ***Blue squares*** *indicate a result that is significantly lower than 2007;* ***orange circles*** *indicate a result that is significantly higher than 2007. 1 Item changed slightly in 2008. 2 Not asked in 2007.*

Regional Motivations[4]

Exhibit 15 shows how travellers that are likely to visit each of the GTW partner regions are differentiated from each other in their motivations for visiting Canada. Note that motivational scores have been re-calibrated to remove "group and attribute" effects to better emphasize the differences between the regions. In essence, this involves a two-way normalization of scores across both regions and attributes to pull out the differentiating motivations for travellers likely to visit each of the regions.

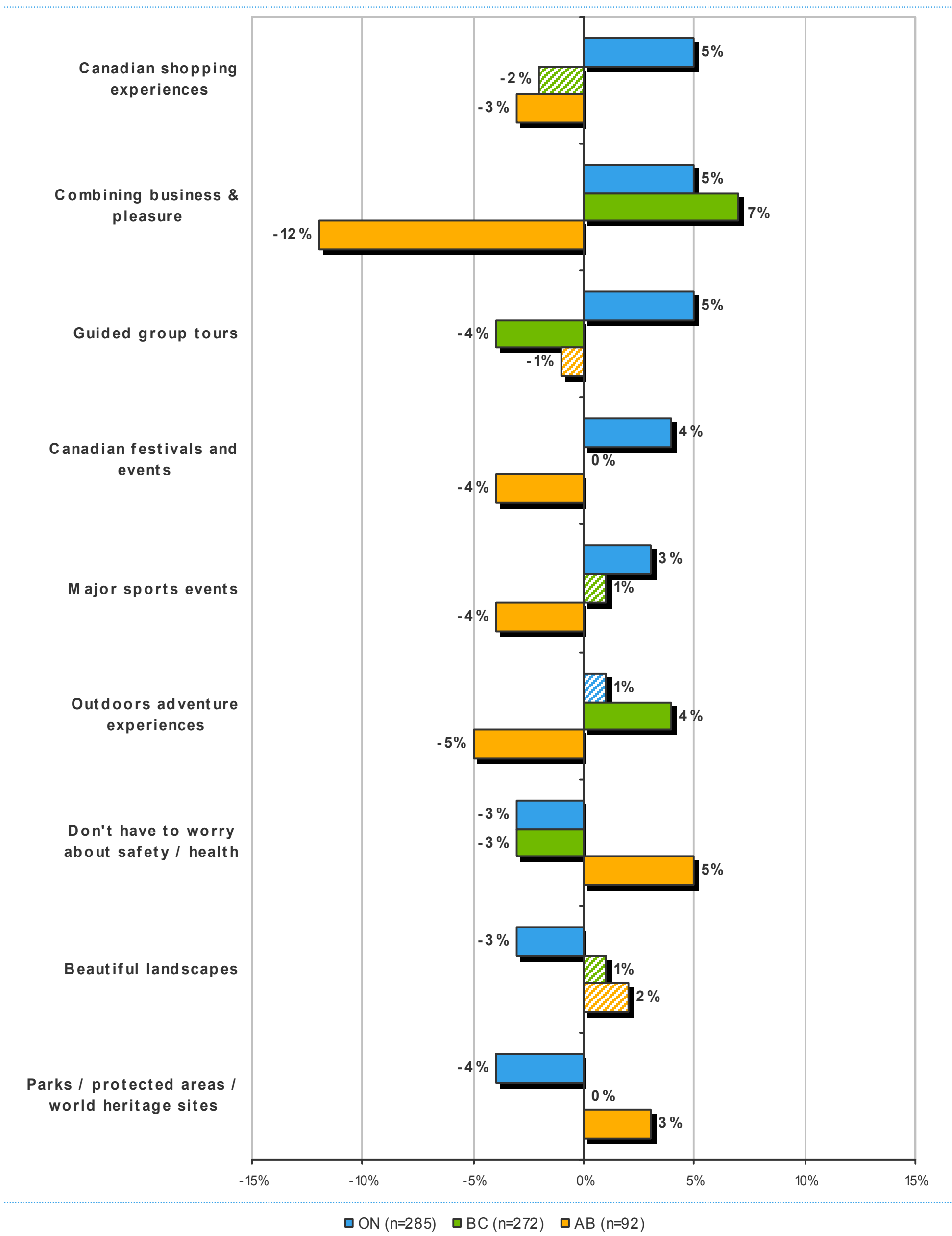
As indicated, high positive values indicate motivations that are of greater *relative* importance for a region, while high negative values represent motivations that are of lesser *relative* importance.

The exhibit shows that:

- Travellers interested in visiting **Ontario** are more likely to be motivated by urban experiences, including shopping, major sports events, cultural events/festivals and opportunities to combine business with pleasure. As in many of the GTW markets, potential travellers to Ontario are more inclined to take a guided group tour.
- Those interested in **British Columbia** are more likely to be motivated by outdoor adventure experiences and opportunities to combine business with pleasure (recognizing Vancouver's importance as a Canadian business centre and a link to the Asia-Pacific region).
- Those tempted by **Alberta** are more likely to be interested in national parks/heritage sites, which is in line with this region's key offerings. These travellers also tend to seek out destinations where they don't have to worry about their health or safety.
- The other GTW partners did not have a sufficiently large sample (of those most likely to visit) to be included in this analysis.

[4] Motivations of GTW regional partners with sufficient sample size.

Exhibit 15 - Regional Motivations



Base: Travellers most likely to visit British Columbia, Alberta or Ontario. Sample sizes for other regions were too small to be included.

Note: Solid bars with high positive values represent motivations that are of greater relative importance for a region, while solid bars with high negative values represent motivations that are of lesser relative importance for a region. Hatched bars represent low values that are not differentiating motivations.

Barriers in Attracting Visitors from Australia

Barriers for Travel to Canada

Exhibit 16 shows why long-haul travellers from Australia are unlikely to visit Canada in the near-term. These results are important because, more likely than not, travellers that *are* likely to visit may have similar concerns that could ultimately lead them to select alternate destinations.

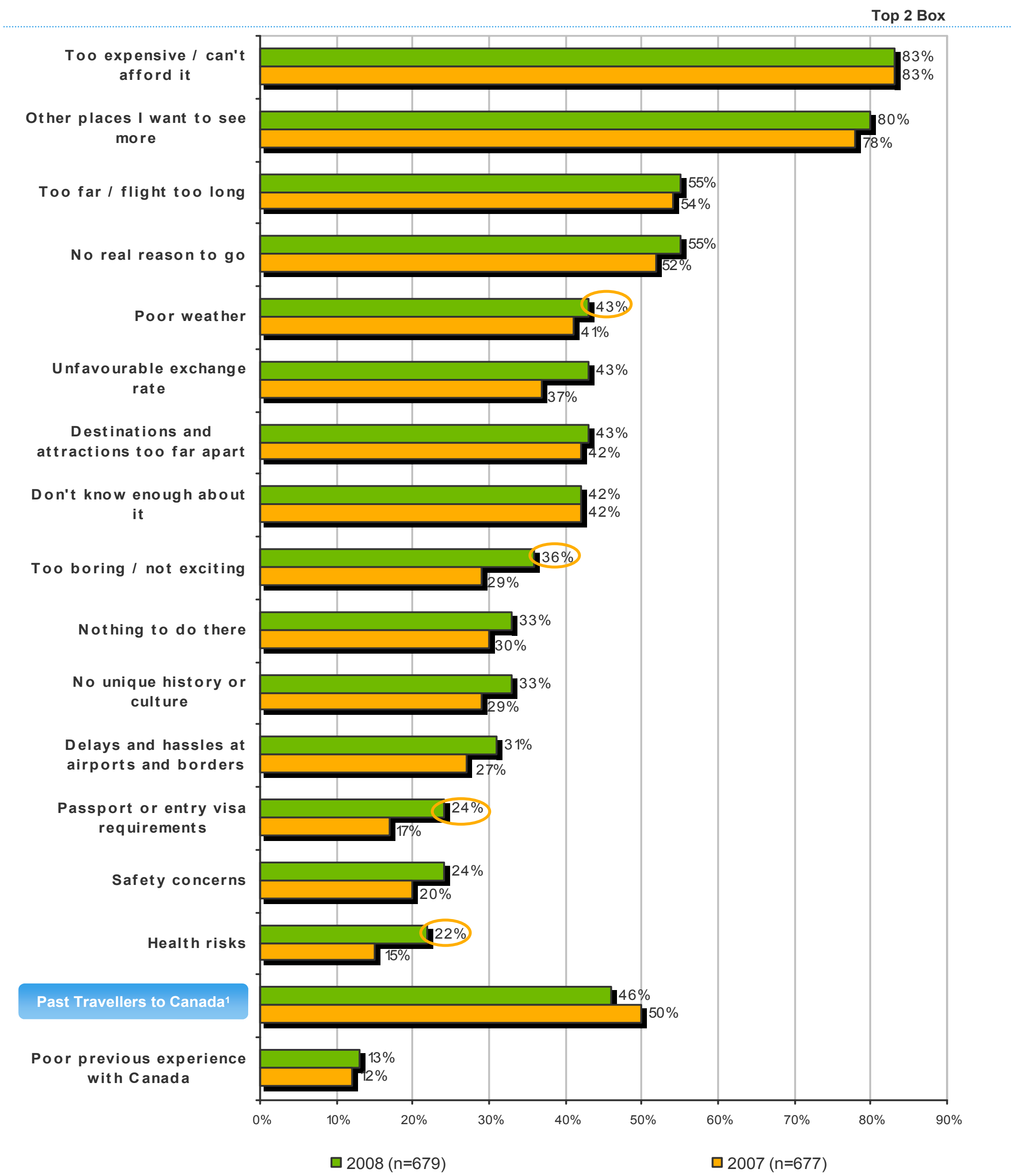
The top barriers for travel to Canada have remained the same as last year, with affordability and competition from other destinations being the leading deterrents, followed by the distance and lack of a concrete reason to go.

All other barriers are mentioned by less than half of those unlikely to visit Canada, although several of these are greater roadblocks now than they were last year. Most notably, unfavourable exchange rates have risen significantly as a barrier (to 43%, up from 37% in 2007). This is interesting as the Australian dollar actually appreciated 2.5% against the Canadian dollar between the two surveys. However, it weakened by almost 10% against the US dollar and the Euro in the same time period, which suggests that travellers may have generalized the poor performance of their dollar against other currencies to Canada.

The proportion of travellers who don't want to visit Canada because they feel it is boring has also increased substantially (from 29% to 36%), which is consistent with the rising number of travellers who characterize Canada as Ordinary and Dull. Possibly, the more challenging travel climate has made Australian consumers more demanding in assessing destination choices. Regardless of the reason, the CTC may want to play up Canada's excitement value in its 2009 marketing campaigns.

The fact that most of the remaining barriers to Canada are up by at least a point or two, with passport/entry visa requirements and increased health risks cited significantly more often, points to greater challenges in converting Australian travellers in the year ahead.

Exhibit 16 – Key Barriers for Visiting Canada



Base: Long-haul pleasure travellers who are unlikely to visit Canada in the near future .

Notes: Percentage is the sum of major barrier and minor barrier responses. ***Blue squares*** *indicate a result that is significantly lower than 2007;* ***orange circles*** *indicate a result that is significantly higher than 2007.*

[1] Base is long-haul pleasure travellers who have previously visited Canada and are unlikely to re-visit in the near future (n=130).

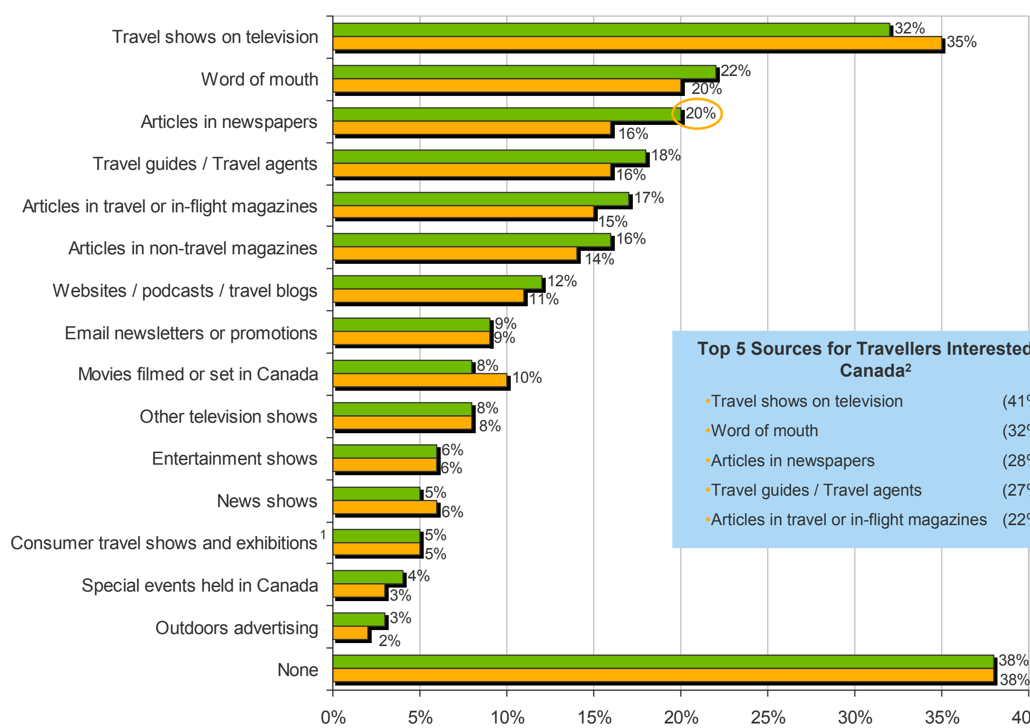
Sources of Information for Australian Travellers

Sources of Information on Canada

As **Exhibit 17** shows, the key sources in which Australian travellers saw information on Canada in 2008 are much the same as in 2007. Travel shows on television remain the dominant source by far (seen by around a third of all travellers), followed by word of mouth, newspaper articles, travel guides/agents, travel magazines and non-travel magazines. Of these, only newspaper articles have increased substantially as an information source in 2008.

These same channels remain the best bets for the CTC to reach potential travellers to Canada, and here too, newspaper articles had more of a presence in 2008 than in 2007 (28% vs. 20%).

Exhibit 17 – Sources of Information on Canada (past 3 months)



Top 5 Sources for Travellers Interested in Canada[2]	
Travel shows on television	(41%)
Word of mouth	(32%)
Articles in newspapers	(28%)
Travel guides / Travel agents	(27%)
Articles in travel or in-flight magazines	(22%)

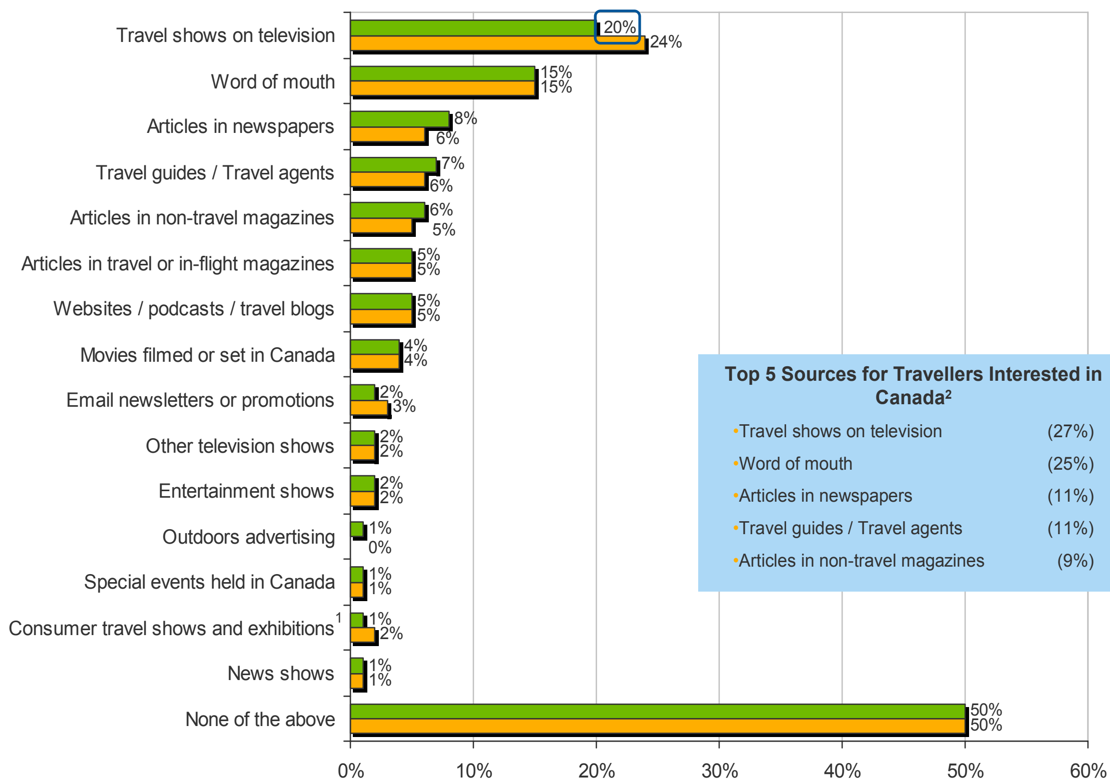
Base: Long-haul pleasure travellers.

*Notes: **Blue squares** indicate a result that is significantly lower than 2007; **orange circles** indicate a result that is significantly higher than 2007.*
[1] Item changed slightly in 2008. 2 Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years.

Top Information Sources for Increasing Canada's Appeal

As **Exhibit 18** shows, the same marketing channels as mentioned in as "sources of information" are appropriate for increasing Canada's appeal, both among long-haul travellers in general as well as Canada's specific target market.

Exhibit 18 – Top Information Sources for Increasing Canada's Appeal



Base: Long-haul pleasure travellers.

*Notes: **Blue squares** indicate a result that is significantly lower than 2007; **orange circles** indicate a result that is significantly higher than 2007.*
[1] Item changed slightly in 2008. [2] Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years.

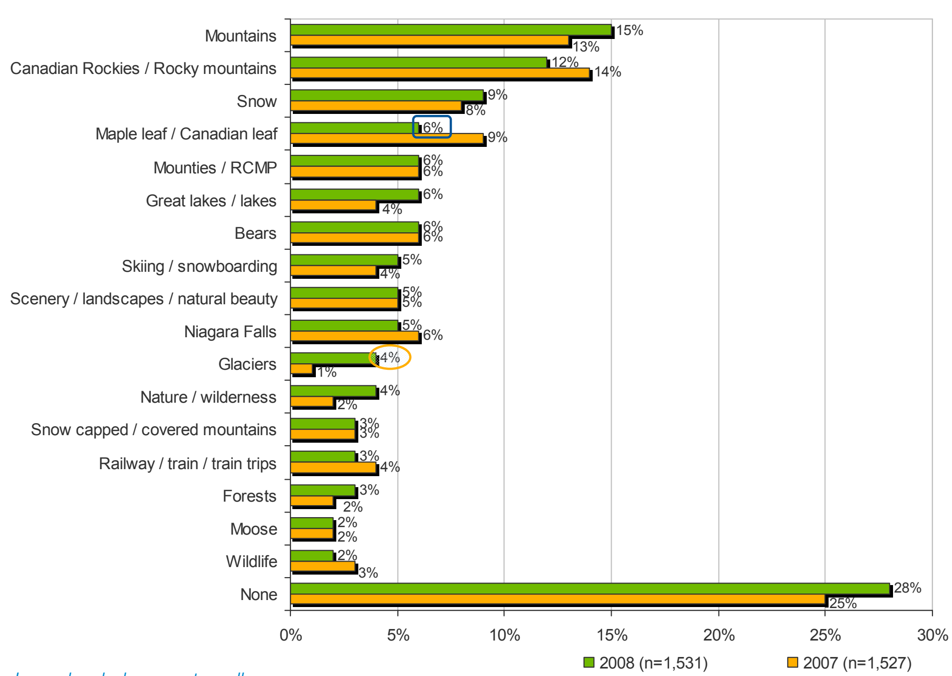
Icons or Images that Inspire Interest in Canada

The imagery that inspires interest in Canada is generally in line with 2007 (see **Exhibit 19**), with mountains in general, and the Rockies in particular, topping the list. In fact, the prominence of mountain imagery is unique to Australian and UK travellers, likely because they don't have such impressive mountain ranges at home. This may be one reason Alberta has a higher than average appeal in this market. Australia is also distinctive in that Niagara Falls, a top Canadian icon in almost every other market, places fairly low in the list.

Winter imagery continues to have a strong role to play in inspiring interest in Canada, with Australia second only to France in this regard. At 9%, snow is the third most frequently mentioned image, while mentions of skiing, snow-capped mountains and glaciers are all notably above average. While the proportion of travellers citing glaciers has quadrupled in 2008, this is likely prompted by the addition of glaciers to the water scenery item in the product list this year.

As was true in 2007, wildlife imagery such as bear and moose carry a lot of weight when it comes to galvanizing Australians, which indicates that these images could figure prominently alongside mountains and winter images in the creative for this market, particularly given the enhanced interest in wildlife products this year.

Exhibit 19 – Icons or Images that Inspire Interest in Canada



Base: Long-haul pleasure travellers.
*Notes: **Blue squares** indicate a result that is significantly lower than 2007; **orange circles** indicate a result that is significantly higher than 2007.*

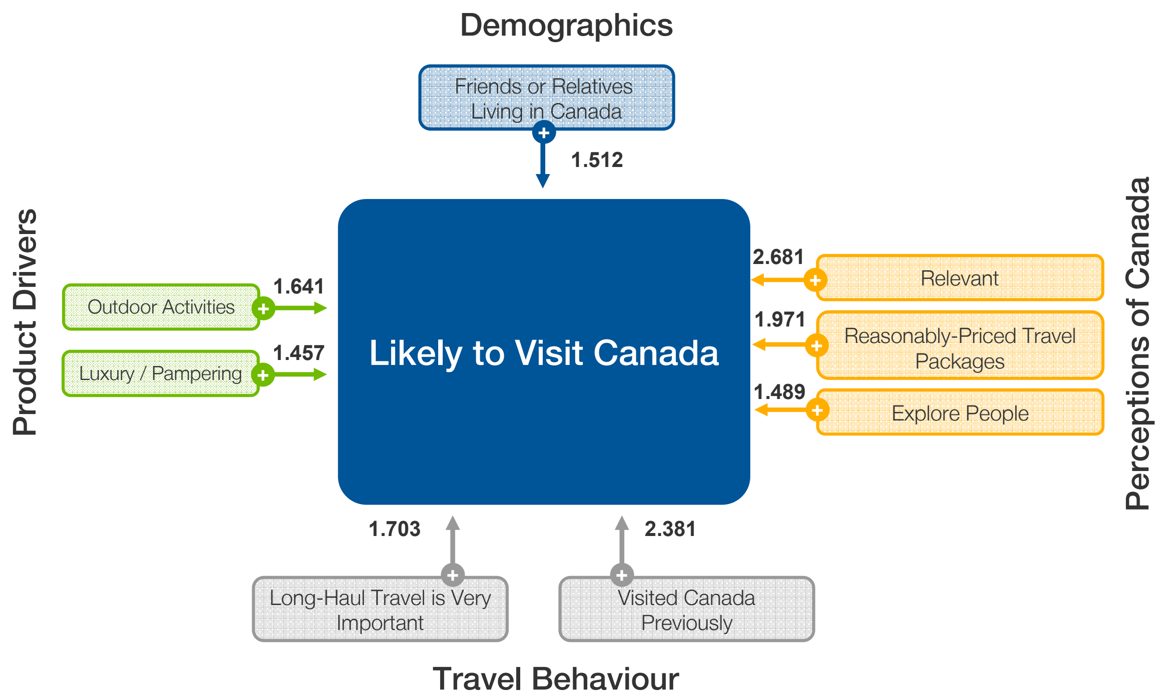
The Key Drivers for Visiting Canada

A key drivers model was developed with the dependent variable being whether or not travellers are likely to take a pleasure trip of four or more nights to Canada in the next two years. The independent variables that were modelled against likelihood of visiting included demographics, travel attitudes and motivations, perceptions of Canada, product interests and travel behaviour (previous visitation of Canada, importance of long-haul travel, etc).

Exhibit 20 summarizes the results of the key drivers model, which are very similar to last year:

- Previous travel to Canada continues to be one of the strongest predictors of future travel intentions, with past visitors more than twice as likely as potential first-time visitors to say they will visit Canada in the next two years, all else being equal.
- As in most GTW markets, those who have made long-haul travel a priority in their lives and who have friends and relatives in Canada are more likely to visit.
- Not surprisingly, the great outdoors is a major drawing card for Canada, but luxury/pampering also registers strongly as a product driver, re-emphasizing the need to develop product and image strengths in Australia beyond nature/outdoors.
- Perceptions of Canada obviously exert a strong influence on the purchase decision, with those who view Canada as offering travel experiences that are directly relevant to them being more than two and a half times as likely to visit as those who do not. Reasonably-priced travel packages is a new entrant to the model this year, which is not surprising in view of the tougher economic climate and increased competition from less costly Asian destinations. Finally, travellers who see Canada as an inspirational place to explore people are more apt to visit, again underscoring the need to round out Canada's image.

Exhibit 20 – Key Drivers for Likelihood to visit Canada



Base: Long-haul pleasure travellers.(n=1,531)

Notes: Numbers are odds ratios. Odds ratio is the exponentiated value of B. If >1, the odds ratio is the factor by which the odds of being likely to visit Canada increase as the independent variable increases; if <1, it is the factor by which the odds of being likely to visit Canada decrease.

Conclusion and Considerations

Most long-haul destinations, including Canada, have witnessed strong growth in their Australian visitation in recent years, driven by a solid economy, increased air capacity to long-haul markets and a soaring Australian dollar that has largely compensated for high inflation and fuel prices. While the 2008 GTW points to a solid long-haul travel outlook for Australia, there are indications that the prospects are less optimistic than last year due to a slowing Australian economy. Still, the prevailing opinion is that Australia will weather the global economic slowdown better than other Asia-Pacific markets, and the GTW results concur, pointing to a more resilient long-haul market than in Korea or Japan. In fact, compared with other GTW markets, concerns about the economy among Australian travellers are only moderate, and relatively few are currently worried about losing their jobs.

Possibly the most imminent threat to the long-haul travel market in Australia is the weakening Australian dollar, which dropped 10% against both the US dollar and the Euro between the 2007 and 2008 surveys. As a result, unfavourable exchange rates quadrupled as a travel barrier this year, and at 15%, Australians express greater concern about the purchasing power of their currency abroad than travellers from most other GTW markets. Further declines are anticipated in the Aussie dollar in 2009, a trend that will likely exert negative pressure on the long-haul market in the year ahead.

While the long-haul market is generally holding up, the 2008 GTW results suggest that the destination choices of Australians could shift as the environment gets tougher, with traditionally pricey destinations such as Canada, the UK and Europe losing out to closer and more inexpensive Asian destinations. Already, the key performance indicators (KPIs[5]) show that top-of-mind awareness and consideration of Canada has eroded, with a similar trend materializing for the UK and Europe. On the other hand, the awareness, consideration and interest metrics for destinations like Thailand, China, Vietnam and Indonesia are on the rise.

The good news is that only top-of-mind indicators have been affected to date, with aided awareness and interest in Canada remaining stable. And although the number of negatively committed travellers (i.e., not at all likely to visit Canada) is up from last year, the proportion of positively committed travellers (i.e., have made a firm purchase decision) is holding strong. The CTC's advertising campaigns may well be helping to maintain Canada's presence and buoy travel intentions despite the current downward pressures. Certainly, the Australian campaign was one of Canada's top-performing overseas initiatives in 2008, reaching one out of every three long-haul travellers, and establishing "Canada" as the single destination brand with the highest unaided recall.

In terms of brand perceptions, the 2008 GTW results are, in a word, stable. However, the GTW results reveal an ongoing need to enhance value perceptions, in view of their potent influence on the purchase decision, and to shore up price perceptions. As market conditions worsen and competition from Asian destinations heats up, Australian travellers will likely become increasingly critical about value and more demanding on price.

[5] KPI: destination awareness, advertising awareness, visitation and market penetration, travel interests and intentions.

In terms of products, a general downward trend was evident in the ratings for Canada in 2008, but the same was true for competitors like the US. Among the products seeing significant drops were wildlife, hiking, resorts, golf, aboriginal culture and major events. Canada may want to put some effort into reversing these declines in 2009, as many of these are currently growth markets in Australia. Despite these setbacks, Canada continues to outshine its competitors when it comes to nature and outdoor products, being the destination of choice in almost every case. As a result, Canada retains its Unchallenged leadership position on the Nature dimension, while edging out in front of the US to lead in the Outdoor arena as well.

However, Canada is still undistinguished when it comes to Luxury and Culture. With exploring people emerging as a key driver of travel to Canada in 2008, and culture an increasingly important trip motivator, the CTC may want to focus on enhancing Canada's positioning on Culture in 2009 and beyond. The *Vibrant Cities on the Edge of Nature,* Unique Selling Propositions (USP[6]) may be a good way to push the cultural aspects of Canada (e.g., cultural festivals/events, unique communities and lifestyles, interesting local cuisine), while leveraging its undisputed natural strengths.

A key perception that the CTC may want to address is the mounting impression that Canada is ordinary, dull and somewhat boring. Again, these perceptions may be surfacing as a result of the current market conditions, with travellers more critical in their destination assessments and choices. To play up Canada's excitement value, the CTC should continue to promote the new brand, especially the cultural and people aspects, but also the potential for extraordinary personal travel experiences. Canada could also appeal to Australians' sense of adventure by highlighting opportunities to explore unique and lesser known destinations such as Alberta and the North.

[6] USP: The CTC identified five Unique Selling Propositions (USPs) for Canada. They are 1) Vibrant cities on the edge of nature; 2) Personal journeys by land, water, and air; 3) Active adventure among awe-inspiring natural wonders 4) Award-winning Canadian local cuisine 5) Connecting with Canadians.