Canadian Tourism Commission

Commission canadienne du tourisme

Global Tourism Watch Year 2

Summary Report

Canadian Tourism Commission (CTC)

Canada

www.canada.travel

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Introduction

Background

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

In 2008 (Year 2), the research program was implemented in nine global markets – the US, Mexico, the UK, France, Germany, Japan, South Korea, Australia and China.

The Year 2 research was conducted in conjunction with a partnership group that included British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Yukon and the Northwest Territories.

Objectives

The overall objectives of the GTW study are:

- Monitor key performance indicators;
- Track response to Brand Canada;
- Identify and track product opportunities; and
- Provide input into strategic marketing plans.

The individual market reports provide detailed results for each of the nine markets, including an in-depth discussion of the key shifts between 2007 and 2008. The primary focus of this Summary Report is a comparison of the nine markets to identify broad differences and similarities among markets.

Methodology

A web-based panel survey was conducted with approximately 1,500 long-haul pleasure travellers in each of the eight overseas markets. In China, this methodology was modified to an in-person recruit with online completion to ensure a more representative sample of long-haul travellers.

The target population in each market was residents aged 18 and older who have taken a long-haul pleasure trip of four or more nights 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.

The sample distribution was national in all markets except Mexico (where the sample was limited to three major cities – Mexico City, Guadalajara and Monterrey) and China (where the focus was on the four ADS cities – Beijing, Shanghai, Guangzhou and Shenzhen).

There was a quota of 200 to 300 recent visitors to Canada (past three years) in each market.

In the US, the sample size was n=3,000 travellers who have taken a pleasure trip of one or more nights outside of the US (where at least one night was spent in paid accommodations) in the past three years or who are planning such a trip in the next two years. The sample was split evenly across three regions – Border, Mid-Haul and Long-Haul/South, with quotas of 450, 350 and 250 travellers to Canada, respectively.

Limitations

In comparing results across markets, there are a number of limitations that should be noted:

- The definition of long-haul travel is different for each market, and was established by the CTC based on geography, travel time, market maturity, comparability with past studies and other considerations relevant for each market. As a result, definitions for some markets may be less stringent than others. In particular, the US definition includes trips outside the US, which for border residents travelling to Canada or Mexico, would encompass short-haul trips. Similarly, the Mexico definition includes cross-border trips to the US.
- To assess Canada's positioning in each market, respondents were asked to rate Canada against a competitive set of six key long-haul destinations identified by the CTC. Because the destination set was different for each market, it may not offer the same degree of competitiveness across all markets.
- In Year 2, the GTW fieldwork was not conducted simultaneously, but was launched following the peak marketing period in each of the nine markets. The difference in timing should be taken into account when assessing the market outlook, as external factors such as the global economic downturn and financial crisis would have more impact on markets conducted later in the year.

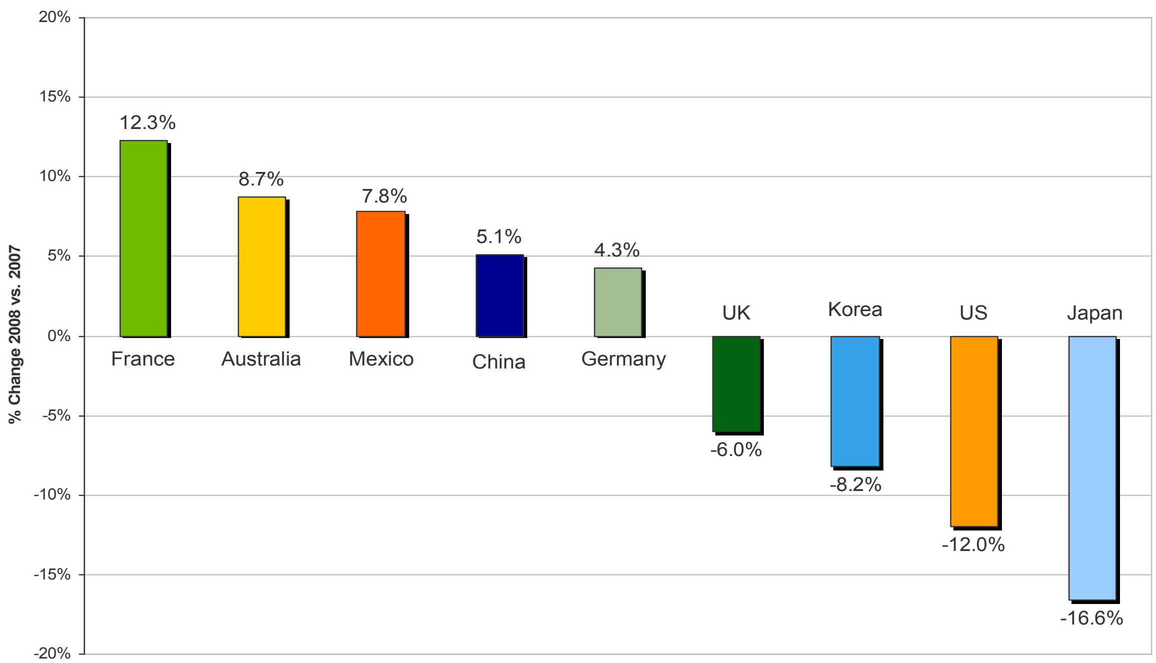
Month	Market
March 2008	Germany, South Korea
April 2008	Mexico
May 2008	UK
June 2008	US, France
September 2008	Australia, Japan
October 2008	China

- Due to language differences and translation nuances in each market, some results may not be directly comparable across markets. Moreover, there may be cultural differences in the way people from different markets respond to surveys, for example, the number of open-ended responses volunteered, or the extent to which extreme scores are awarded.

- In particular, caution should be used in comparing the results for China to the other GTW markets. Chinese survey respondents have a well-known tendency to provide overly positive or socially desirable responses in surveys, which can result in over-stated results when compared with other markets. This is particularly true of the aided indicators.
- Throughout the report, orange and blue circles have been used to denote results that are significantly higher or lower than other markets, while orange and blue arrows denote results that are significantly higher or lower than in 2007. These are meant to be guidelines only, as an Internet panel cannot be treated as a pure probability sample.

Growth in Overnight Trips to Canada

Growth in Overnight Trips to Canada (2008 vs. 2007)

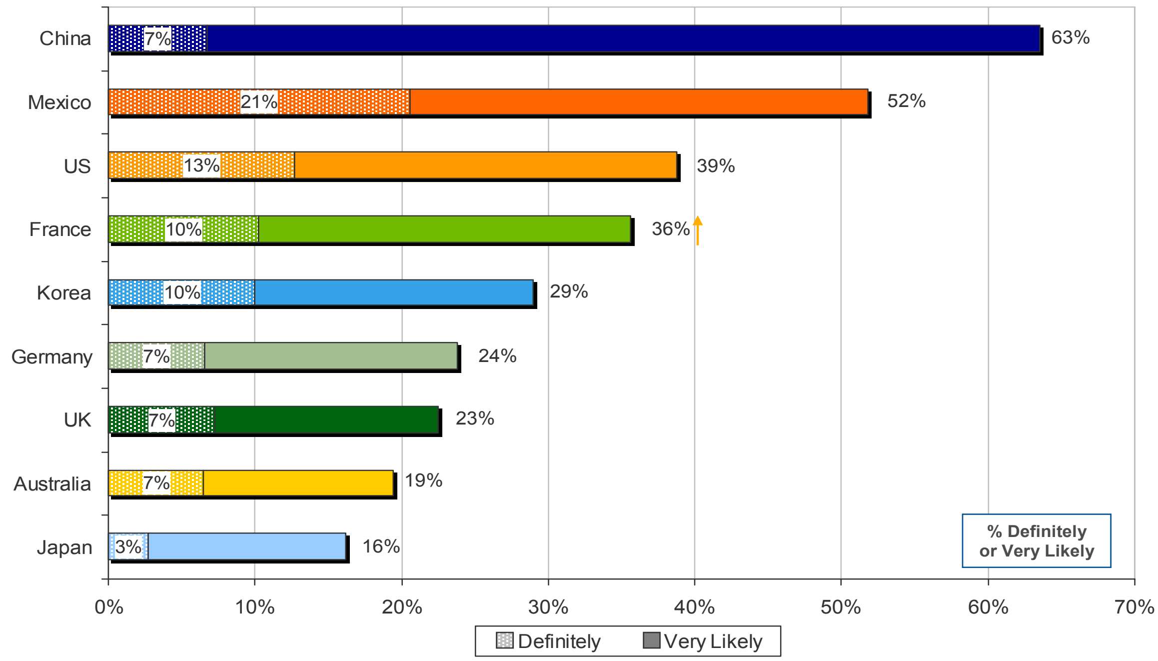


Source: Statistics Canada

- In 2008, France was the fastest growing GTW market for Canada, enjoying a 12% increase in overnight trips relative to the previous year. The strength of the Euro has helped to drive a mini travel boom in this market, with many long-haul destinations reporting double-digit increases in their French visitation in 2008.
- Canada's top-performing markets in 2007 – Australia and Mexico – continued to shine in 2008, although at 8%, growth in travel from Mexico was not nearly as robust as it was in 2007 (17%).
- Overnight trips from China and Germany both saw modest gains in 2008. Aside from France, Germany was the only market where travel to Canada actually accelerated in 2008, again likely driven by the buoyant Euro.
- Overnight trips from the UK and Korea suffered moderate losses in 2008, while the US and Japan posted sharper double-digit declines. All four markets suffered from weak currencies and ailing economies in 2008, with Japan, the US and the UK all falling into recession toward the end of the year. High gas prices were also instrumental in the declines from the US.

Outlook on Travel to Canada

Likelihood of Visiting Canada in the Next 2 Years



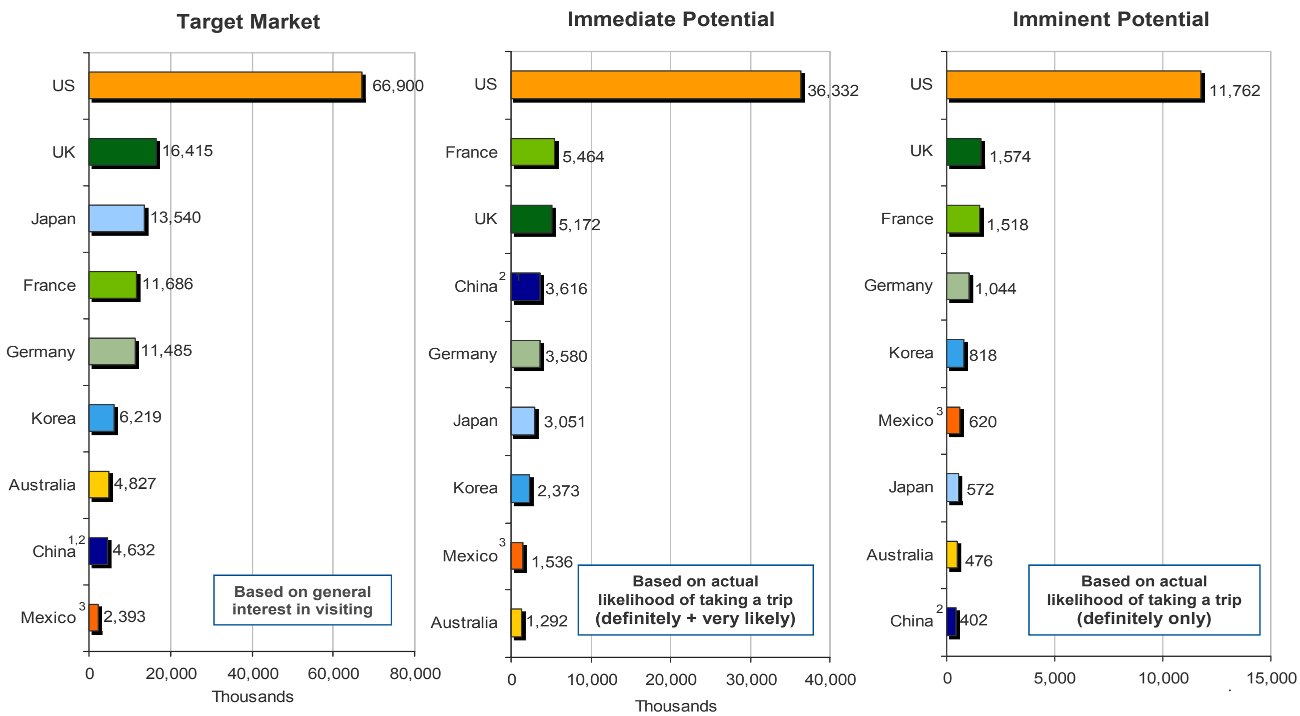
Base: Long-haul pleasure travellers.
Notes: Includes both longer vacations (of 4 or more nights) and shorter trips/add on travel (of 1 to 3 nights).
Up arrow indicates a result that is significantly higher than 2007; Down arrow indicates a result that is significantly lower than 2007.

- Generally, long-term travel intentions remain quite positive despite the increasingly unfavourable economic and travel climate, with no significant weakening in the number of positively committed travellers in any GTW market. However, the survey fieldwork for most markets was conducted prior to the fallout from the global financial crisis in late 2008. In reality, visitation to Canada in 2009 is bound to slow in many markets, although the longer term outlook remains healthy.
- While China emerges at the top of the list for travel intentions (63%), this is likely heavily inflated as a result of the social desirability bias in this market. More revealing is the fact that only 7% of Chinese travellers say they will definitely visit Canada in the next two years (for short add-on trips and/or longer vacations), placing China toward the bottom of the pack for travel intentions across the nine markets.
- Consistent with the results for both awareness and interest, Mexico offers excellent potential for Canada, with over half of all travellers saying they are likely to visit Canada in the next two years. Despite only lukewarm interest, travel intentions are also fairly high in the US at almost 4 in 10, indicating strong conversion potential due to Canada's distance and cost advantages.

- Among the European markets, travel intentions are considerably more robust in France, which is in line with Canada's stronger competitive positioning in this market. France is, in fact, the only GTW market where this indicator has strengthened in 2008, a trend that is consistent with the enhanced aided awareness of Canada in this market, as well as the more optimistic outlook for long-haul travel in general.
- Mirroring the interest results is Australia and Japan's placement at the bottom of the list, with under a fifth of travellers who are likely to visit. In fact, both of these markets show an increase in the number of negatively committed travellers (i.e., those *not at all likely* to visit) in 2008, suggesting that Canada's natural disadvantages in these markets (e.g., high cost, distance) are being intensified by the eroding market conditions. More likely than not, 2009 will see a dampening in Canada's buoyant Australian visitor numbers and continued losses in the already downtrodden Japanese market.
- Outside of the Asia-Pacific markets, Ontario tends to be the leading region of interest, with French travellers being an exception in their preference for Québec (95%). In Japan, Korea and Australia, British Columbia is on equal footing with Ontario in terms of overall appeal – not surprising given the province's business and familial ties to the Asia-Pacific region. When forced to choose, however, Ontario wins out over British Columbia as the destination of choice across the board.
- Indicative of their general enthusiasm for Canada, Mexican travellers express above average interest in visiting all regions of the country.
- Looking at the destination most likely to visit, France and Mexico are obviously the key markets for Québec. The US also offers good potential for this region, no doubt the combined result of proximity and familiarity among those in the eastern border states. In 2008, Korea emerges as a market to watch in the wake of a significant increase in the proportion who name Québec as their destination of choice.
- China may well offer stronger potential for the Atlantic region than any other GTW market. At 15%, the proportion of travellers who choose the Atlantic region as their preferred Canadian destination is more than twice as high any other market.
- Australians are particularly keen about Alberta, with Japan and the UK also offering good potential for this region.
- When it comes to destinations off the beaten path (e.g., Northern Canada, the Prairies), Germany is the market that stands out from the crowd, with solid potential for the North in Australia as well.

Size of the Potential Market to Canada

Size of the Potential Market to Canada (Next 2 Years)



Base: Long-haul pleasure travellers.
Notes: Target market is based on those very/somewhat interested in visiting Canada in the next 2 years; Immediate potential is based on those who will definitely/are very likely to visit Canada in the next 2 years; Imminent potential is based on those who will definitely visit Canada in the next 2 years.
[1] In assessing interest, respondents were asked to assume that they had an entry visa for Canada.
[2] Market estimate is based on 4 cities: Beijing, Shanghai, Guangzhou and Shenzhen.

- Because interest in visiting Canada is broadly similar across markets, the size of the target market for Canada generally aligns with the size of the potential long-haul pleasure travel market as a whole, with all markets in the same rank-order. The US is obviously the largest target market for Canada, followed by the UK, Japan, France and Germany. With traveller estimates based on only a few key cities, China and Mexico emerge as the smallest target markets.
- There are a number of shifts when looking at the more immediate potential for Canada. Most notably, Japan drops from 3rd to 6th spot, reflecting potentially poor realization due to the severe economic downturn, an anemic yen and pessimistic traveller sentiments, as well as barriers such as cost, distance and poor awareness/knowledge of Canada. Japan drops even further when assessing potential based on those who say they will *definitely* visit Canada in the next two years (i.e., imminent potential), again pointing to a lack of confidence in the travel marketplace.

- With the likelihood of visiting Canada up this year among French travellers, the immediate market has grown dramatically, placing France ahead of the UK as the overseas market with the greatest potential for Canada. However, when looking at the imminent potential, the two markets are closer in size.
- Although Mexico ranks as the smallest target market for Canada (at less than half the size of Australia), the immediate potential is actually larger than that of Australia due to practical advantages like proximity, as well as highly favourable perceptions of Canada.
- With travel intentions likely overstated by Chinese travellers, the immediate potential is artificially high, particularly in view of the lack of ADS for Canada. The imminent potential more realistically places China at the bottom of the pack, but is likely still somewhat inflated.

Destination Preferences

Canadian Destinations Likely to Visit

Destination	UK (n=748)	Germany (n=845)	France (n=1,136)	Japan (n=713)	China (n=1,085)	Korea (n=1,135)	Australia (n=804)	Mexico (n=1,240)	US (n=2,306)
Destinations Likely to Visit									
Ontario	81%	84%	87%	75%	69%	85%	88%	96%	79%
British Columbia	74%	75%	73%	76%	53%	87%	89%	91%	67%
Québec	51%	69%	95%	50%	21%	73%	66%	93%	59%
Alberta	46%	43%	32%	40%	13%	36%	59%	67%	40%
Atlantic	31%	48%	55%	24%	42%	40%	43%	55%	42%
North	22%	43%	36%	11%	7%	17%	36%	46%	25%
Manitoba / Saskatchewan	19%	34%	21%	2%	4%	10%	29%	46%	21%
Destination Most Likely to Visit									
Ontario	48%	49%	33%	48%	44%	52%	39%	51%	41%
British Columbia	28%	20%	6%	29%	30%	28%	31%	20%	28%
Alberta	8%	3%	1%	8%	4%	3%	11%	5%	6%
Québec	6%	10%	53%	7%	4%	13%	7%	21%	13%
Atlantic Canada	5%	6%	4%	5%	15%	2%	4%	1%	7%
Northern Canada	4%	8%	3%	3%	3%	1%	6%	1%	3%
Manitoba / Saskatchewan	1%	3%	0%	0%	1%	1%	1%	1%	2%

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: Orange circles indicate a result that is significantly higher than 6+ groups.

- Outside of the Asia-Pacific markets, Ontario tends to be the leading region of interest, with French travellers being an exception in their preference for Québec (95%). In Japan, Korea and Australia, British Columbia is on equal footing with Ontario in terms of overall appeal – not surprising given the province's business and familial ties to the Asia-Pacific region. When forced to choose, however, Ontario wins out over British Columbia as the destination of choice across the board.
- Indicative of their general enthusiasm for Canada, Mexican travellers express above average interest in visiting all regions of the country.
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- China may well offer stronger potential for the Atlantic region than any other GTW market. At 15%, the proportion of travellers who choose the Atlantic region as their preferred Canadian destination is more than twice as high any other market.
- Australians are particularly keen about Alberta, with Japan and the UK also offering good potential for this region.
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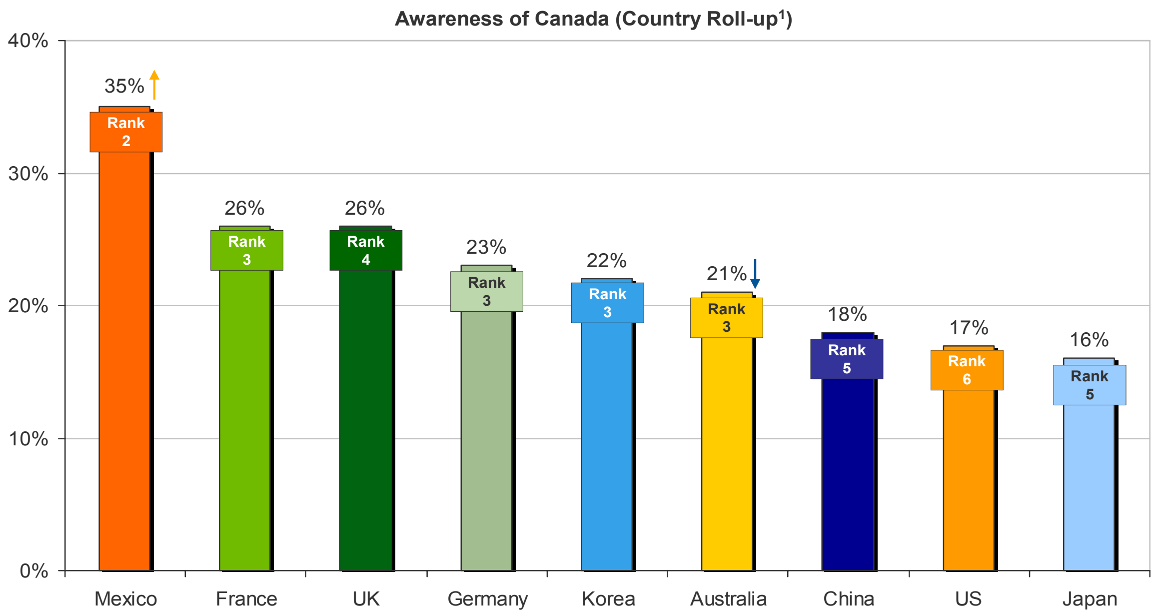
Awareness Levels of Canada

Unaided Destination Awareness



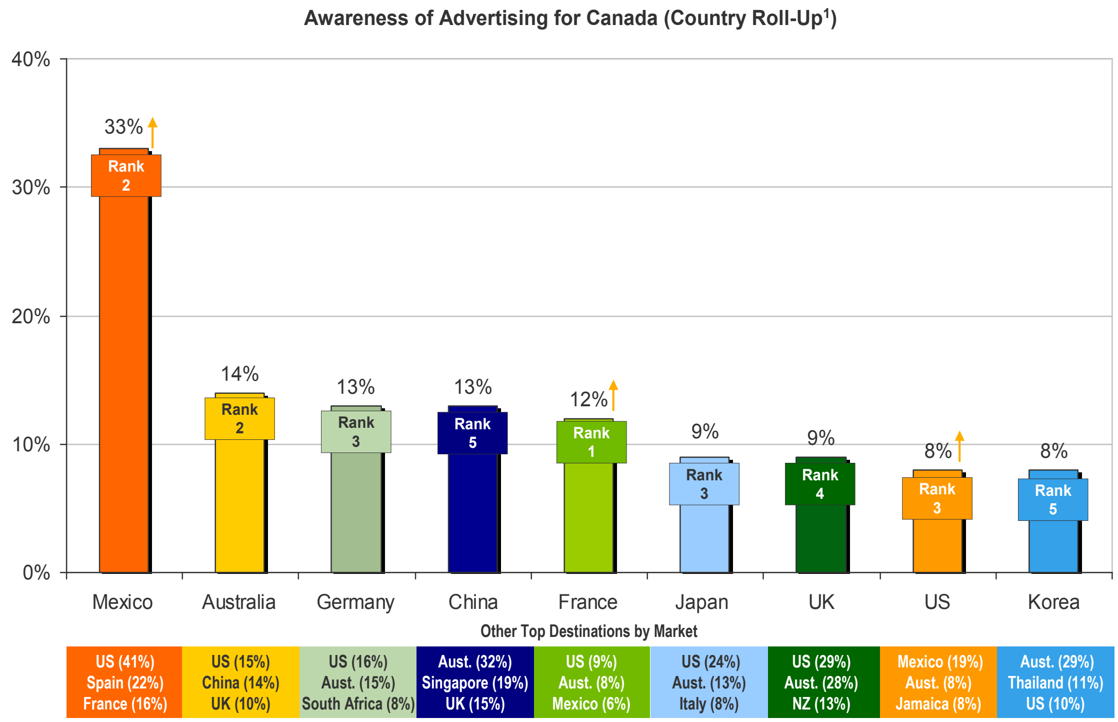
Other Top Destinations by Market

Mexico	France	UK	Germany	Korea	Australia	China	US	Japan
US (37%)	US (32%)	US (56%)	US (42%)	Aust. (38%)	US (43%)	Aust. (31%)	Italy (29%)	US (57%)
France (29%)	Aust. (31%)	Aust. (52%)	Aust. (34%)	US (37%)	UK (32%)	US (29%)	Mexico (28%)	Aust. (30%)
Spain (27%)	Mexico (18%)	NZ (31%)	NZ (18%)	France (22%)	China (17%)	France (27%)	UK (26%)	Italy (21%)

Base: Long-haul pleasure travellers.
Notes: Up arrow indicates a result that is significantly higher than 2007; Down arrow indicates a result that is significantly lower than 2007.
[1] Roll-up of brand mentions by country, e.g., percentage who said Canada or any destination in Canada.

- As Canada's fastest growing market (12.6%, averaged over the last two years), it comes as no surprise that Mexico is the best performer when it comes to unaided awareness of Canada. In fact, awareness has increased four percentage points since last year, with Mexico being the only market to see significant positive movement on this measure in 2008.
- Canada also has a strong presence in the three European markets, with France now on par with the UK as Canada's top European performers in terms of awareness (26%). However, Canada continues to have a better competitive position in France than in the UK.
- At 21%, Canada's top-of-mind awareness has dropped significantly in Australia since 2007, however, its third place competitive ranking remains secure.
- Both unaided awareness of Canada and its ranking against competitors are lowest in Japan and the US, the two worst performing markets for Canada in terms of market growth. Awareness is also very low in China, which is not surprising in view of the current constraints on travel to Canada.

Unaided Advertising Awareness (Past 3 Months)

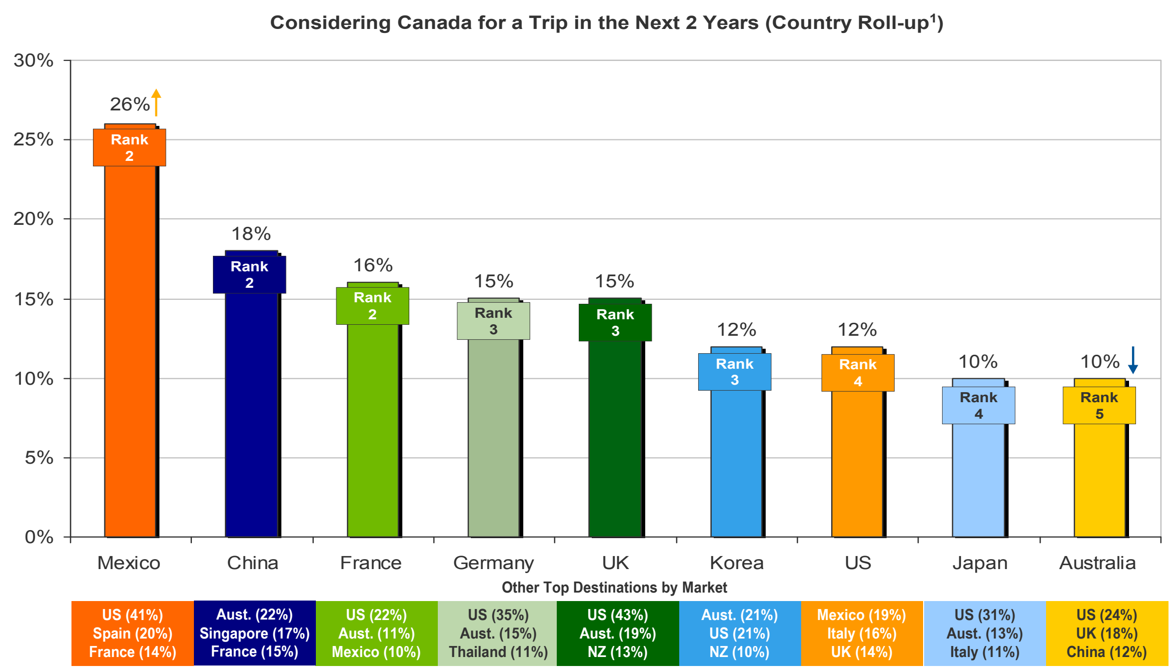


Base: Long-haul pleasure travellers.
Notes: Up arrow indicates a result that is significantly higher than 2007; Down arrow indicates a result that is significantly lower than 2007.
[1] Roll-up of brand mentions by country, e.g., percentage who said Canada or any destination in Canada.

- With the shift of the GTW fieldwork to immediately after the peak marketing period in each market, improvements in unaided awareness of advertising for Canada are evident in several markets in 2008. Mexico, France and the US all posted significant increases in recall, pointing to exceptionally strong campaigns in these markets.
- In the case of France and the US, these gains have helped to nudge Canada up a notch in the competitor rankings. In fact, Canada has now surpassed the US as the tourism destination whose advertising is most widely recalled in France. Canada's competitive standing has also improved in Japan, although here, the gain is primarily due to Canada's success in sustaining its recall levels in the wake of competitor losses.
- Comparing across markets, Canada enjoys the highest unaided awareness in Mexico, by far, with a remarkable one in three travellers aware of its advertising. However, the high scores for the US and other competitors indicate that Mexican travellers tend to be more highly attuned to travel-related advertising in general.
- On the other hand, Korea, the US, the UK and Japan remain fairly weak in terms of awareness levels, indicating that Canada could still do more to get itself noticed.

- While an unaided recall level of 13% for China seems fairly high, Canada actually ranks fifth on a competitive basis, placing China alongside Korea as the two markets where Canada's marketing efforts are most poorly positioned. This is not surprising in view of the fact that Canada is not permitted to formally advertise to consumers in China. However, travellers are being exposed to Canada through non-directed sources (e.g., Olympics-related publicity, Internet websites, magazine/newspaper articles, news media, etc). In addition, CTC-China was running a promotional campaign on a popular entertainment website (Sohu.com) the month before the survey was launched, which likely contributed to the positive results.

Unaided Destination Consideration (Next 2 Years)



Base: Those who are planning to take a long-haul trip in the next two years.
Notes: Up arrow indicates a result that is significantly higher than 2007; Down arrow indicates a result that is significantly lower than 2007.
[1] Roll-up of brand mentions by country, e.g., percentage who said Canada or any destination in Canada.

- Canada is generally well-positioned on the destination consideration list of long-haul travellers, ranking among the top three vacation spots being considered in six out of the nine GTW markets.
- Mexico again emerges as Canada's best performing market, with more than 1 in 4 travellers who are considering Canada for travel in the next two years. In concert with awareness, consideration levels have risen significantly since 2007, with Canada bumping Spain out of the number two spot.
- China also has a relatively high consideration score of 18%. Coupled with a second place ranking, this indicates that Canada has strong inherent appeal in China, with solid potential once the market opens up.

- While 15% to 16% of travellers are considering Canada for an upcoming trip in each of the three European markets, Canada's competitive position is again strongest in France, where it is second only to the US as a considered destination.
- Korea, the US and Japan again fall towards the bottom of the pack, providing little hope that these markets will turn around for Canada in 2009.
- Mirroring the unaided awareness trend, Canada has lost ground on the consideration list of Australians this year, with a four percentage point decline making Australia the market where Canada has the lowest consideration levels (10%) and the poorest competitive footing (5th place). Although the relatively strong Australian economy has sustained healthy visitor numbers to Canada to date, these results, coupled with the weakening market outlook indicator, suggest that growth could slow in 2009 in response to the more unfavourable travel climate.

Demographics of Long-haul Travellers and Canad Travellers

Demographics of Long-Haul Travellers

	UK (n=1,520)	Germany (n=1,593)	France (n=1,693)	Japan (n=1,535)	China (n=1,520)	Korea (n=1,704)	Australia (n=1,531)	Mexico (n=1,535)	US (n=3,082)
Gender									
Men	48%	55%	53%	51%	52%	53%	50%	58%	52%
Women	52%	45%	47%	49%	48%	47%	50%	42%	48%
Age									
18-34	31%	29%	39%	31%	47%	45%	38%	46%	34%
35-54	39%	37%	33%	30%	37%	38%	34%	38%	39%
55+	30%	34%	27%	39%	17%	18%	28%	16%	27%
Friends and relatives in Canada									
% Yes	28%	15%	20%	10%	14%	22%	25%	38%	21%
Children in household									
% Yes	29%	26%	34%	24%	44%	40%	32%	48%	38%
Marital status									
Married / partnered	70%	66%	67%	68%	68%	59%	66%	50%	66%
Single / never married	20%	23%	24%	26%	27%	38%	23%	40%	21%
Other	10%	11%	9%	6%	5%	3%	11%	10%	14%
Education									
High school or less	40%	33%	28%	21%	32%	35%	29%	28%	42%
Technical / vocational	11%	15%	13%	20%	7%	-	7%	6%	11%
Completed college / university	47%	51%	57%	58%	61%	65%	58%	66%	47%

Base: Long-haul pleasure travellers.
Notes: Orange circles indicate a result that is significantly higher than 6+ groups.
Education may not be 100% comparable across markets.

In all markets except the UK and Australia, there is a slight gender skew in favour of male travellers, which is particularly notable in Mexico (58%). This may be related to slightly more men taking combined business/pleasure trips.

Reflecting general population trends, Mexico, Korea and China are the youngest travel markets, by far, with 45% to 50% of travellers who are in the 18-34 age group. Germany, Japan and the UK are the oldest markets, with 30% to 40% over 55.

Largely reflecting their youth, Mexican and Korean travellers are the most likely to be single. Although Chinese travellers share a similar age profile, they are more apt to be married, which is undoubtedly due to cultural differences. Despite the high propensity for being single, Mexican travellers rank alongside the Chinese as the most likely to have a family at home (48% and 44%, respectively).

While education levels may not be directly comparable across markets, travellers from Mexico and Korea are more likely to have completed college/university.

Mexico has by far the highest proportion of travellers with friends or family in Canada (38%), while Japan has the lowest proportion, at just 10%.

With slowing economies and rampant inflation being the hallmarks of 2008, a notable trend to emerge in many markets is a more affluent long-haul traveller population. This is largely a result of lower income earners switching to short-haul destinations or postponing travel altogether. A markedly wealthier group of travellers is evident in France, Germany, Korea and Australia, with a directional trend also noted in the UK and Japan (see individual reports for details).

Demographics of Recent Travellers to Canada

	UK (n=300)	Germany (n=306)	France (n=299)	Japan (n=205)	China (n=213)	Korea (n=213)	Australia (n=310)	Mexico (n=184)	US (n=1,057)
Gender									
Men	46%	54%	52%	37%	55%	49%	45%	44%	49%
Women	54%	46%	48%	63%	45%	51%	55%	56%	51%
Age									
18-34	21%	29%	29%	41%	29%	37%	25%	35%	16%
35-54	34%	42%	41%	26%	41%	46%	29%	42%	37%
55+	44%	29%	31%	32%	29%	17%	46%	23%	48%
Friends and relatives in Canada									
% Yes	54%	42%	38%	33%	27%	41%	55%	54%	33%
Children in household									
% Yes	25%	29%	37%	24%	55%	53%	33%	50%	32%
Marital status									
Married / partnered	71%	73%	68%	69%	82%	57%	74%	60%	69%
Single / never married	17%	18%	18%	27%	15%	41%	19%	30%	14%
Other	12%	8%	13%	4%	3%	2%	8%	10%	17%
Education									
High school or less	33%	28%	23%	18%	32%	28%	20%	24%	38%
Technical / vocational	12%	15%	14%	21%	6%	-	3%	3%	10%
Completed college / university	54%	55%	59%	60%	62%	72%	72%	72%	51%

Base: Recent pleasure travellers to Canada.
Notes: Orange circles indicate a result that is significantly higher than 6+ groups.
Education may not be 100% comparable across markets.

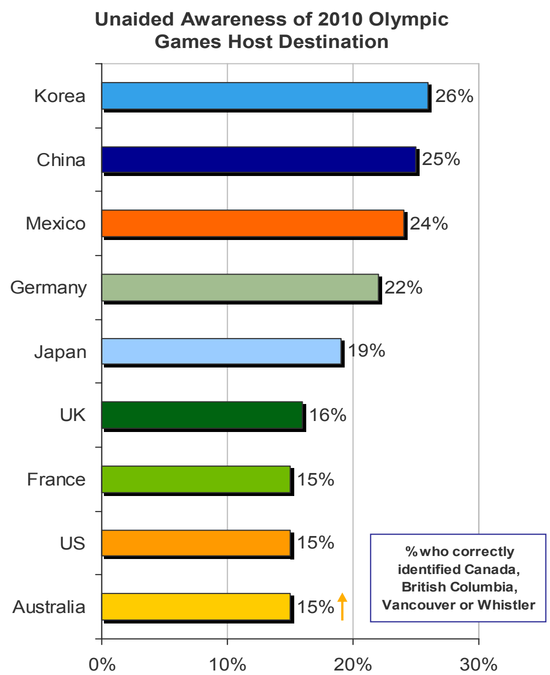
- Visiting friends and relatives (VFR) plays a seminal role in bringing travellers to Canada from every GTW market, as evidenced by the greater proportion of recent visitors with friends/family there. Remarkably, more than 1 of every 2 visitors to Canada from the UK, Australia and Mexico has friends or family members there.
- Despite Canada's ongoing attempts to convey a more youthful and exciting vibe, it is clear that Canada still tends to attract an older crowd relative to long-haul destinations in general (true of all markets except Japan and Germany). In the UK, Australia and the US, a high proportion of travellers over the age of 55 (in the range of 45% to 50%) makes these the oldest visitor markets for Canada, by far.
- In comparison to other markets, Japanese travellers to Canada are far more likely to be young women, with a relatively large number that are unmarried. This suggests that

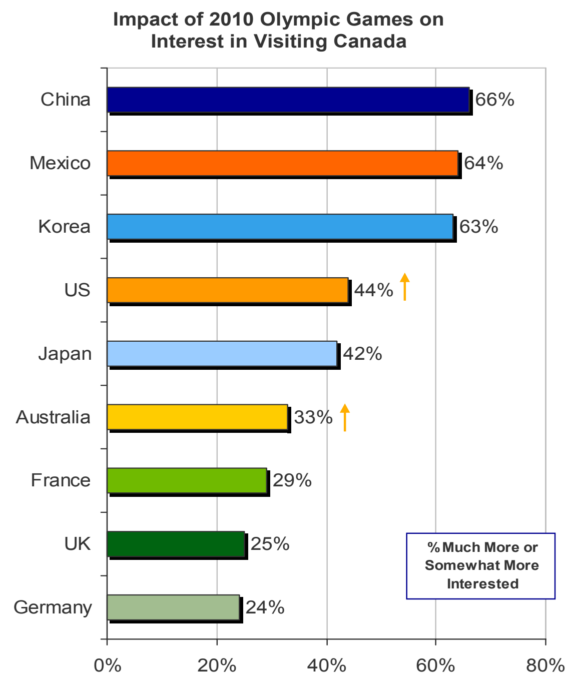
Canada is capturing some attention from the "Office Ladies" segment, despite the fact that this group has been dwindling in size due to changing priorities. Korean and Mexican visitors are also more likely to be young and single, reflecting the overall traveller distribution in these markets.

- Canada generally tends to attract a more elite group of travellers. Recent visitors to Canada are substantially more affluent than long-haul travellers overall in every GTW market except the UK. The largest income differentials are seen in Japan, Korea and Mexico, confirming that Canada is positioned as a high-end destination in these markets. As such, marketing efforts are best targeted at the high-income segments.
- The 2008 trend towards a more affluent long-haul traveller population is observed in many markets for the Canada visitor group as well, particularly in the Asia-Pacific where airfare to Canada is pricey. This again suggests that those of lesser means may be switching to closer or less expensive destinations, or postponing their Canada trips until economic conditions improve.

The Impact of the 2010 Winter Games on Travel to Canada

Impact of 2010 Olympic Games on General Interest in Canada



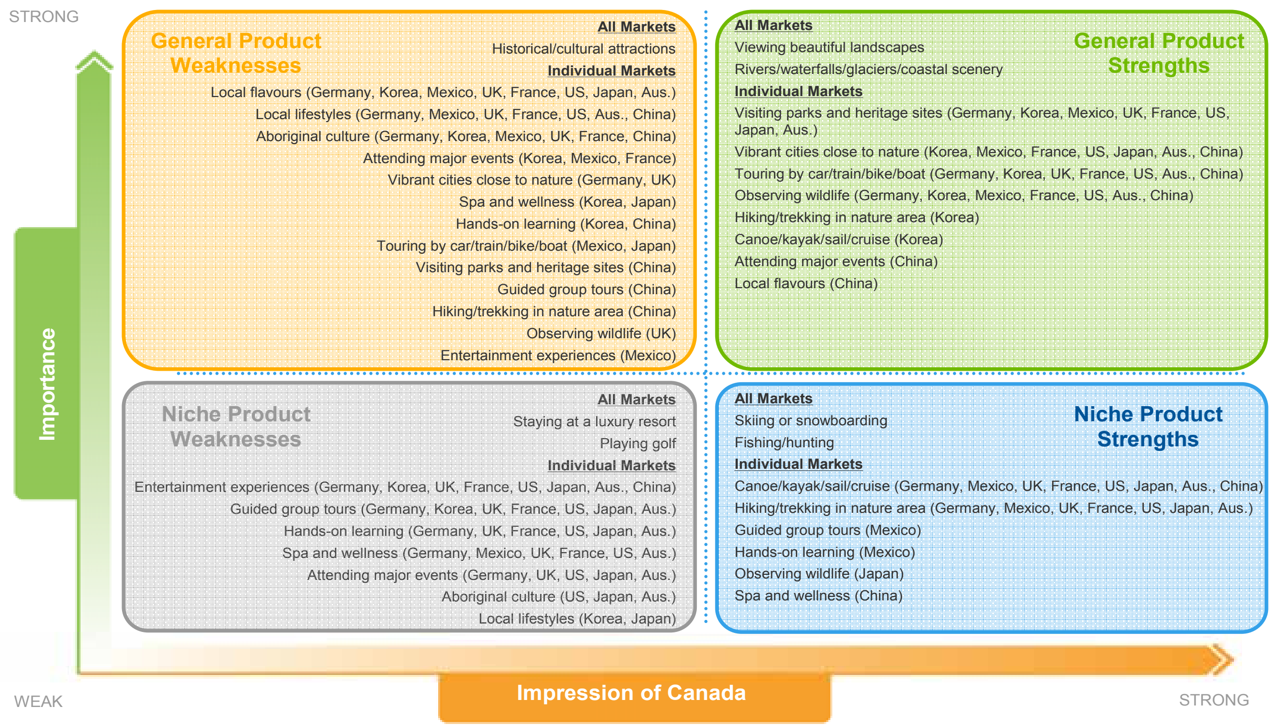


Base: Long-haul pleasure travellers.
Note: Up arrow indicates a result that is significantly higher than 2007; Down arrow indicates a result that is significantly lower than 2007.

- For the most part, awareness of Canada as the host of the 2010 Olympic Games has not improved since 2007. The exception is Australia, where the GTW was fielded right after the 2008 Games in Beijing, pushing awareness up four percentage points to 15%. The impact of the Games on interest also rose four percentage points to hit 33%, although both measures remain unexceptional relative to other markets.
- Overall awareness and impact of the Games on interest is highest in Korea, China and Mexico, indicating that the event may provide a good opportunity to heighten Canada's appeal and encourage post-Games travel to Canada from these markets.
- At present, the Games present fewer opportunities to engage travellers in the three European markets.
- Canada may want to try to enhance awareness around the Games in the US, as this could help to lift overall interest. Around 44% of US travellers say that hosting the Games helps to put Canada in a more positive light (up four percentage points since last year), but the number who are aware that Canada is the host in 2010 remains low relative to the other markets.

Canada's Product Strengths and Weaknesses

Product Strengths and Weaknesses Map



Base: Long-haul pleasure travellers.
Note: Impression ratings of Canadian products are relative to other destinations in the competitive set. The competitive set is different for each market.

- The summary of the product strengths and weaknesses analysis in each market reveals some clear patterns in the way that Canada's products are perceived by potential travellers. While there are some differences in terms of what constitutes a "general" vs. "niche" interest, the strengths and weaknesses for Canada are fairly consistent across the nine markets.
- With respect to product strengths:
  - Nature products (e.g., landscapes, rivers/waterfalls, national parks and wildlife) are universal strengths for Canada (i.e., categorized as general or niche strengths in at least 8 out of 9 markets). Most outdoor offerings (e.g., skiing, fishing/hunting, canoeing/kayaking, hiking/trekking) are also universal strengths.

- With a more limited knowledge about Canada, Chinese travellers' impressions of Canada as a premier nature/outdoor destination could stand to be improved. A particular focus might be to bring impressions of national parks and hiking/trekking in line with the other GTW markets.
- The concept of vibrant cities close to nature represents a strong opportunity for Canada to foster interest in its city product in all markets except Germany and the UK.
- Self-touring is viewed as a strength in all markets except Mexico and Japan, offering another way for Canada to diversify its product portfolio beyond nature and the outdoors.

- With respect to product weaknesses:
    - Most cultural products, including historical/cultural attractions, aboriginal culture, local lifestyles and local flavours are universal weaknesses for Canada (i.e., classified as weaknesses in at least 8 out of 9 markets). As these tend to be general rather than niche weaknesses, they signal a strong need to improve marketplace perceptions. Bolstering Canada's cultural presence would help to enhance traveller interest, convert new prospects and substantially enrich the brand across all of the CTC's markets.
    - Most luxury and city products (e.g., golf, resorts, spa and wellness, entertainment and major events) are weaknesses, pigeon-holing Canada's image as a nature/outdoor destination, undermining its ability to draw tourists who want a more diverse vacation experience, and making it challenging to compete with destinations like the US. Of these, improving impressions of spa/wellness products in Korea and Japan is most critical, given their high ranking as vacation pursuits.
    - China is again the market that is most divergent from established patterns, with traditional weak spots such as local flavours, spa/wellness and major events seen as strengths for Canada. In the case of major events, this could be linked to high awareness of Canada's role as host of the 2010 Olympic Games, as the GTW was fielded soon after the 2008 Games in Beijing.
    - While independent touring is generally viewed as a strength for Canada, guided group tours are predominantly viewed as a weakness. Given the particular importance of guided tour products to Chinese travellers, this area warrants special consideration by the CTC once the market opens up and group tours are formally permitted.
    - Hands-on learning is a weakness in all markets except Mexico, with Korea and China being the markets in most need of attention.
    - Mexican, Korean and UK travellers emerge as the most critical of Canadian products with more than five products classified as general weaknesses. For Korea, this only serves to underscore the challenges that Canada already faces in this market, namely, lack of knowledge about the destination and poor perceptions of the brand.

Attitudes Toward Environmentally-friendly Travel

Attitudes Towards Environmentally-Friendly Travel

	UK (n=1,520)	Germany (n=1,593)	France (n=1,693)	Japan (n=1,535)	China (n=1,520)	Korea (n=1,704)	Australia (n=1,531)	Mexico (n=1,535)	US (n=3,082)
Attitudes Towards Environmentally-Friendly (EF) Travel (Top 2 Box)[1]									
Feel that EF tourism is extremely important	63%	75%	93%	78%	88%	88%	71%	89%	73%
Take EF tourism considerations into account when deciding where to travel	33%	47%	67%	39%	70%	69%	42%	68%	48%
Consider Canada an EF destination	48%	61%	83%	58%	77%	76%	65%	81%	71%
Actively make EF choices when travelling	27%	37%	54%	40%	68%	64%	38%	43%	45%
	UK (n=1,362)	Germany (n=1,481)	France (n=1,560)	Japan (n=1,402)	China (n=1,446)	Korea (n=1,574)	Australia (n=1,352)	Mexico (n=1,386)	US (n=2,786)
Willingness to Pay a Premium For Environmentally-Friendly Travel Products									
Unwilling to pay extra	45%	24%	29%	25%	11%	13%	38%	25%	37%
1% to 5%	30%	35%	43%	40%	57%	26%	32%	29%	29%
6% to 10%	16%	26%	20%	24%	21%	38%	21%	25%	18%
More than 10%	8%	14%	8%	12%	10%	22%	9%	21%	15%

Base: Long-haul pleasure travellers.
Notes: Orange circles indicate a result that is significantly higher than 5+ groups.
[1]Top 2 Box refers to a rating of 4 or 5 on a 5-point scale where 1 is "Strongly Disagree" and 5 is "Strongly Agree".

- Among the nine markets, travellers from France, Korea, Mexico and China are the most environmentally conscious, indicating that they would be receptive to messaging and products around an eco-tourism theme. Approximately 9 out of 10 travellers in each of these markets are supportive of environmentally-friendly tourism, and about 7 out of 10 take these principles into account when selecting a destination.
- Of the four markets, however, Koreans and Chinese are perhaps the best target for eco-friendly products as they are most likely to make environmentally-friendly choices when travelling and most willing to pay extra for green products. However, in keeping with their price-sensitive nature, Chinese travellers are unwilling to pay a steep premium for such products (i.e., no more than 5%). For high-end eco-friendly products, Mexicans and Koreans are the better bet.
- The UK is the least environmentally-conscious of the nine markets (and the most reluctant to pay), with the lowest ratings of any market by far.
- In terms of shifts since 2007, US and French travellers are now more likely to be swayed by environmental concerns in making destination and travel choices, while in Japan, the eco-tourism trend has waned somewhat. In light of the economic downturn, some markets are now less willing to pay a high premium for eco-friendly travel products, a trend that may well strengthen into 2009.

How Canada is Perceived

Unaided Brand Personality Perceptions

Brand Canada Personality Traits	UK (n=1,520)	Germany (n=1,593)	France (n=1,693)	Japan (n=1,535)	China (n=1,520)	Korea (n=1,704)	Australia (n=1,531)	Mexico (n=1,535)	US (n=3,082)
Warm	22%	11%	36%	22%	41%	14%	23%	23%	20%
Intriguing	15%	11%	6%	5%	8%	12%	14%	32%	11%
Youthful	11%	2%	2%	3%	16%	9%	10%	4%	3%
Informal	8%	2%	6%	9%	5%	14%	6%	3%	7%
Authentic	6%	9%	8%	16%	4%	8%	4%	3%	3%
Open	4%	8%	4%	27%	20%	12%	2%	4%	4%
Witty	1%	0%	1%	5%	8%	3%	1%	17%	2%
Confident	1%	1%	0%	2%	9%	3%	0%	3%	0%
Total[1]	**52%**	**36%** ↓	**53%**	**60%** ↓	**73%**	**55%**	**48%** ↓	**67%** ↑	**42%** ↓

Base: Long-haul pleasure travellers
Notes: Orange circles indicate a result that is significantly higher than 6+ groups.
Up arrow indicates a result that is significantly higher than 2007; Down arrow indicates a result that is significantly lower than 2007.
[1] Percent who mentioned any of the 8 Brand Canada personality traits (or synonyms thereof).

- Brand personality often serves as a good metaphor for understanding travellers' perceptions of a destination. As such, respondents were asked to indicate three brand personality traits or characteristics that come to mind when thinking of Canada as a person. The responses were coded into a number of personality dimensions, including the eight dimensions encompassed by Brand Canada.
- Compared with 2007, mentions of Warm are down in every GTW market except Mexico, which may reflect the CTC's globalized efforts to take Canada's image to something beyond friendly and welcoming. Still, Warm is the top descriptor of Canada in most markets, indicating that this image is likely fairly well-entrenched.
- Largely because of the steep drops on Warm, alignment with the brand Canada personality traits has weakened this year, with scores tumbling significantly in Germany, Japan, Australia and the US, and showing signs of erosion in Korea.
- The good news for Canada is that Intriguing has seen some positive movement this year, with mentions increasing significantly in several markets and trending upward in others. Intriguing now ranks as one of the top two traits in five of the nine markets, which is reassuring as an element of intrigue is surely necessary to spark travel.

- If Witty, Intriguing, Youthful and Confident are considered the newer brand Canada personality dimensions (with Warm, Informal, Authentic and Open largely carry-overs from the old brand), then Mexico is the most progressive market on the new brand traits (at 56%). On this basis, China is also doing well at 41%.
- Taking all eight brand Canada traits together, China and Mexico also emerge as the markets that are most closely aligned to the brand as a whole. Mexico is also the only market to buck the downward trend with a significantly higher overall score than in 2007.
- While specific characteristics stand out in a number of markets, top-of-mind perceptions of Canada as a warm and friendly place are strikingly high in France and China, pointing to a strong familial connection and sense of comfort that can be used to advantage in marketing initiatives.
- Similarly, Mexican travellers are the most likely to think of Canada as Intriguing and Witty, with no other market coming anywhere close to its scores. Clearly, there is an opportunity for Canada to leverage the inherent feeling of excitement and fun in appealing to travellers from this market.
- The three Asian markets are substantially more inclined to view Canada as Open than the non-Asian markets are, no doubt reflecting their views of Western society as liberal and free-thinking. Mentions of Authenticity also stand out in Japan, a characteristic that Japanese travellers are known to prize highly in their vacation destinations.

Value Perceptions

Value Attributes (Top 2 Box)[1]	UK (n=1,520)	Germany (n=1,593)	France (n=1,693)	Japan (n=1,535)	China (n=1,520)	Korea (n=1,704)	Australia (n=1,531)	Mexico (n=1,535)	US (n=3,082)
A place with unique features that other destinations don't offer (UNIQUENESS)	60%	68%	60%	54%	64%	44%	69%	78%	57%
A dream destination that I would visit if money were no object (DESIRABILITY)	52%	58%	68%	40%	62%	61%	64%	74%	43%
A destination with the travel experiences I am specifically looking for (RELEVANCE)	49%	57%	56%	49%	65%	50%	51%	72%	49%
A destination I would pay a little more for (QUALITY)	41%	50%	44%	45%	60%	46%	41%	53%	32%

Base: Long-haul pleasure travellers.
Notes: Orange circles indicate a result that is significantly higher than 6+ groups. Blue squares indicate a result that is significantly lower than 6+ groups.
Up arrow indicates a result that is significantly higher than 2007; Down arrow indicates a result that is significantly lower than 2007.
[1]Top 2 Box refers to a rating of 4 or 5 on a 5-point scale where 1 is "Strongly Disagree" and 5 is "Strongly Agree".

- Mexico tops all of the other GTW markets on the value perceptions, with the highest scores on all attributes except Quality. Together with the outstanding brand perceptions and brand personality results, the robust value perceptions suggest that strong perceptions have played a fundamental role in this market's exceptional growth and keen enthusiasm for Canada.
- Chinese travellers also view Canada as a high value destination, with stronger than average ratings for both Relevance and Quality.
- The US and Japan continue to post the lowest value perceptions scores of the nine markets, driven by notably weak perceptions on Desirability in both markets, and on Quality in the US. Being next door, Canada is likely too familiar to be considered a dream destination or premier vacation spot among US travellers. On the bright side, Canada has made headway in enhancing value perceptions in the US since 2007, with significant improvements on all four dimensions of value.
- While France also shows some positive movement on the value perceptions, the general trend across the other markets is downward, echoing the results for the brand perceptions. In the face of worsening external conditions, it is possible that travellers are becoming more critical in assessing destination value, making it all the more important for Canada to boost value perceptions. Broadly speaking, Quality is the value attribute that needs the most work, ranking last in 7 of the 9 markets.

Price Perceptions

Price Attributes (Top 2 Box)[1]	UK (n=1,520)	Germany (n=1,593)	France (n=1,693)	Japan (n=1,535)	China (n=1,520)	Korea (n=1,704)	Australia (n=1,531)	Mexico (n=1,535)	US (n=3,082)
A place with reasonable prices for food and entertainment	47%	38%	39%	33%	51%	28%	38%	59%	57%
A place that offers good value for money	43%	34%	39%	55%	52%	38%	36%	68%	57%
A destination that is affordable to get to by air	42%	26%	44%	20%	53%	26%	28%	60%	58%
A place with reasonable hotel costs	41%	31%	32%	25%	54%	26%	30%	57%	54%
A destination that offers reasonably priced travel packages	37%	27%	33%	28%	56%	30%	35%	61%	57%

Base: Long-haul pleasure travellers.
Notes: Orange circles indicate a result that is significantly higher than 6+ groups. Blue squares indicate a result that is significantly lower than 6+ groups.
Up arrow indicates a result that is significantly higher than 2007; Down arrow indicates a result that is significantly lower than 2007.
[1]Top 2 Box refers to a rating of 4 or 5 on a 5-point scale where 1 is "Strongly Disagree" and 5 is "Strongly Agree".

- Globally, perceptions of high costs are a major barrier for travel to Canada, with price perceptions being far worse than brand or value perceptions in every GTW market except the US.
- Moreover, the price perceptions are deteriorating in many markets, with the UK, Japan and Korea all down significantly in 2008. Coincidentally, these are also Canada's worst-performing overseas markets. Hefty fuel surcharges on airfare to Canada and intensified price-sensitivity among travellers likely contribute to the disappointing results.
- Germany bucks the downward trend with a significant improvement in the price perceptions, although this is primarily due to fewer people giving negative ratings rather than more people giving positive ones. Still, this may be one reason German visitation has remained solid, reflecting the strong gains of the Euro against the Canadian dollar since the 2007 survey. The US and France also saw increases on selected price attributes.
- Like the Euro, the US dollar, the yen and the yuan have all risen substantially against the Canadian dollar since the 2007 GTW survey. If this trend continues, it may offer new ground on which to promote the affordability of travel to Canada in these markets. However, consumers will need to be made aware of any cost advantages, especially in markets where price perceptions are on a downhill slide (e.g., Japan).

- Compared with other markets, price perceptions are strongest in Mexico, with consistently higher ratings across all price attributes. The US also has fairly good impressions of Canada on this front, which suggests that Americans forced to cut back on their discretionary spending, might be persuaded to look to Canada as an appealing substitute to expensive overseas vacations.
- In Japan and Korea, low price perceptions (that are headed even further downward) compound the host of other issues that pervade these markets. Perceptions of value for money, however, are relatively high in Japan and may provide a good tactical focus for Canada. Not surprisingly, airfare tends to be the lowest-rated cost component in both Asian markets, as well as in Australia.

Motivation for Visiting Canada

In looking at the motivations for visiting Canada, certain markets consistently rate the motivations higher (e.g., France and Mexico) or lower (e.g., Japan and Korea) than others. As a result, the motivations have also been rank-ordered (on the following page) to better enable comparisons across markets and focus the discussion below.

Key Motivations for Visiting Canada

Motivation (Top 2 Box)[1]	UK (n=814)	Germany (n=909)	France (n=1,203)	Japan (n=784)	China (n=1,121)	Korea (n=1,187)	Australia (n=852)	Mexico (n=1,259)	US (n=2,376)
Landscapes / nature	86%	89%	94%	82%	71%	83%	87%	96%	87%
Attractions / landmarks	84%	88%	91%	84%	71%	78%	86%	92%	83%
National / provincial parks, protected areas / heritage sites	79%	88%	86%	85%	70%	72%	77%	90%	79%
Learning / exploring	75%	85%	83%	30%	59%	60%	79%	88%	77%
Meeting Canadians / hospitality	74%	75%	87%	41%	70%	50%	71%	77%	68%
Relaxing / rejuvenating	71%	78%	74%	64%	68%	72%	69%	78%	78%
Sampling local flavours	71%	66%	81%	62%	70%	60%	70%	82%	73%
Don't have to worry about safety / health	68%	69%	68%	60%	67%	60%	67%	81%	75%
Vibrant cities that are close to nature	64%	66%	87%	73%	73%	65%	66%	88%	69%
Small towns	63%	73%	85%	61%	70%	50%	69%	79%	66%
Unique Canadian culture	61%	75%	85%	49%	71%	52%	62%	75%	62%
Winter activities / scenery	59%	51%	81%	49%	61%	69%	69%	87%	57%
Touring on your own by car, train, bike or boat	57%	79%	70%	51%	59%	60%	60%	68%	71%
Outdoor adventure experiences	52%	76%	83%	43%	55%	65%	56%	86%	61%
Guided group tour	46%	38%	44%	56%	69%	41%	46%	64%	46%
Shopping	46%	34%	45%	40%	67%	43%	44%	63%	53%
Festivals and events	44%	37%	61%	33%	66%	61%	54%	71%	61%
Connecting with friends and family	40%	26%	40%	27%	45%	31%	36%	41%	33%
Pampering / luxury	24%	23%	31%	54%	51%	44%	31%	40%	35%
Major sports events	21%	20%	25%	17%	51%	31%	21%	47%	29%
Combining business / pleasure	16%	19%	23%	17%	41%	23%	17%	34%	23%

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.
Notes: Orange circles indicate a result that is significantly higher than 6+ groups. Blue squares indicate a result that is significantly lower than 6+ groups.
[1]Top 2 Box refers to a rating of 4 or 5 on a 5-point scale where 1 is "Very Unimportant" and 5 is "Very Important".

- On the motivational front, the news for Canada in 2008 is mostly positive. Motivations for visiting Canada are generally on the upswing in the US, Mexico, France (but veering downward in Germany).
- In addition, Canada has received a badly needed boost on many of the culture-related motivations this year, particularly in Australia and the US where there have been significant or directional increases in exploring Canadian culture, getting to know Canadians, sampling local flavours and participating in festivals and events. Several of these items are also up in the UK, France and Mexico on a more selective basis. This is a rewarding outcome of efforts by the CTC and its partners to enrich the cultural side of Canada's image.

- There has also been solid growth in some of the urban/luxury motivators in 2008, another positive sign in terms of diversification for Canada. This is most evident in France, Korea, the US and Mexico, where shopping, sports events and luxury experiences have all increased significantly or directionally.
- However, nature remains the most compelling reason to visit Canada world-wide. Landscapes/unspoiled nature and unique attractions/landmarks rank as one of the top three motivations for visiting Canada across all GTW markets, a testament to their universal appeal.

Ranking of Motivations for Visiting Canada

Rankings of Motivations Within Each Market

Motivation	UK (n=814)	Germany (n=909)	France (n=1,203)	Japan (n=784)	China (n=1,121)	Korea (n=1,187)	Australia (n=852)	Mexico (n=1,259)	US (n=2,376)
Landscapes / nature	1	1	1	3	2	1	1	1	1
Attractions / landmarks	2	2	2	2	3	2	2	2	2
National / provincial parks, protected areas / heritage sites	3	3	5	1	8	4	4	3	3
Learning / exploring	4	4	9	18	16	9	3	5	5
Meeting Canadians / hospitality	5	8	3	15	5	15	5	12	10
Relaxing / rejuvenating	6	6	12	5	10	3	8	11	4
Sampling local flavours	7	12	11	6	6	11	6	8	7
Don't have to worry about safety / health	8	11	14	8	11	10	10	9	6
Vibrant cities that are close to nature	9	13	4	4	1	6	11	4	9
Small towns	10	10	7	7	7	16	9	10	11
Unique Canadian culture	11	9	6	13	4	13	12	13	12
Winter activities / scenery	12	14	10	12	14	5	7	6	15
Touring on your own by car, train, bike or boat	13	5	13	11	15	12	13	15	8
Outdoor adventure experiences	14	7	8	14	17	7	14	7	13
Guided group tour	15	15	17	9	9	18	16	16	17
Shopping	16	17	16	16	12	14	17	17	16
Festivals and events	17	16	15	17	13	8	15	14	14
Connecting with friends and family	18	18	18	19	20	19	18	19	19
Pampering / luxury	19	19	19	10	18	17	19	20	18
Major sports events	20	20	20	21	19	20	20	18	20
Combining business / pleasure	21	21	21	20	21	21	21	21	21

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: Orange circles indicate a result that is ranked higher than other markets. Blue squares indicate a result that is ranked lower than other markets.

- National parks/heritage sites also tends to be a top motivator in most markets, but particularly in Japan where it is the single most important reason for visiting Canada (at 85%). This suggests good opportunities to promote travel to Canada's numerous national parks and World Heritage Sites, a strategy that Australia has used with success in Japan.

- Vibrant cities close to nature is the most vital motivator for Canada in China, with general city sightseeing against a backdrop of incredible scenery having widespread appeal for these new world travellers. This Unique Selling Proposition (USP) is also a solid driver of travel to Canada in Mexico, Japan and France, with Canada having a leg up over competitors in the latter two markets.
- While travellers from most markets are drawn to Canada for learning and exploration, this is less apt to spur travel from the Asian markets. With their strong work ethic and long hours, Asians typically view travel as a reward for hard work, and as such, are less interested in educational/learning experiences. In fact, all of the Asian markets place relaxation/rejuvenation above learning/exploring on their motivations list, a reversal of the prevailing trend in most other markets.
- Related to this is the fact that luxury/pampering generally tends to garner higher scores in the Asian markets (44% to 54%), again because spoiling oneself is regarded as an antidote to long work hours. Luxury travel is particularly important to Japanese travellers, who rank this among their ten most compelling reasons for visiting Canada.
- As emerging markets, Chinese and Mexican travellers are the most likely to gravitate to guided group tours for their Canadian trips (60% to 70%), with Japanese travellers also awarding a relatively high rating to this traditionally-preferred way of travel. In fact, both Chinese and Japanese travellers rate guided tours ahead of independent travel – the only GTW markets to do so.
- Travellers from France and China rank unique Canadian culture far higher than other markets do, which is consistent with their generally stronger perceptions of Canada's cultural offerings. As seen earlier, both markets award relatively high scores to Canada as a place to explore culture, and Canada's competitive standing on cultural products in China is unrivalled in other markets. Again, these results point to a more balanced view of the brand, with opportunities for messaging around unique peoples, lifestyles and communities.
- Mexico, France, Korea and Australia are the best markets for Canada to target with winter travel, exhibiting both the highest absolute ratings and the highest rankings for winter activities. In the case of Mexico and Korea, this may be related to the high proportion of skiers in these markets. More generally, Mexican, French and Koreans are among the most likely to be seeking outdoor adventure experiences, sporting rankings in the top ten.
- Travellers from China, Mexico, Korea and the US are more likely to cite major sporting events as a driver of travel to Canada (with scores in the range of 30% to 50%). This is consistent with their earlier assertions that hosting the Olympics enhances their desire to visit Canada and confirms that these markets are the ones to target for Olympics-related travel.
- Other notables unique to specific markets include:
    - Chinese travellers have a notably higher penchant for shopping while in Canada, which is consistent with their general view of shopping as an indispensable part of any travel itinerary;

- Koreans are more likely to be drawn to festivals/events, being the only market to rank this as a top ten motivation for visiting Canada.
- Meeting Canadians and enjoying Canadian hospitality tends to be a much stronger motivator among French travellers, who, as mentioned, feel a familial connection to Canadians.
- While most GTW markets prefer to explore vibrant cities, German and Australian travellers prefer to see some of Canada's smaller towns.
- US travellers are more likely to look towards Canada as a safe and healthy place to travel, making it ideal for self-touring and family vacations.

Barriers for Visiting Canada

Key Barriers for Visiting Canada

Barrier	UK (n=706)	Germany (n=684)	France (n=490)	Japan (n=751)	China (n=399)	Korea (n=517)	Australia (n=679)	Mexico (n=276)	US (n=706)
Other places I want to see more	80%	77%	83%	81%	88%	74%	80%	79%	86%
Too expensive / can't afford it	70%	78%	80%	77%	80%	89%	83%	75%	61%
No real reason to go	57%	56%	56%	66%	84%	77%	55%	55%	72%
Destinations and attractions too far apart	45%	53%	50%	64%	82%	68%	43%	55%	54%
Too far / flight too long	44%	55%	44%	74%	82%	82%	55%	49%	40%
Don't know enough about it	43%	46%	43%	69%	85%	79%	42%	56%	49%
Poor weather	39%	51%	62%	52%	80%	60%	43%	61%	55%
Nothing to do there	37%	44%	49%	61%	80%	68%	33%	53%	52%
Too boring / not exciting	35%	46%	50%	54%	74%	58%	36%	49%	59%
No unique history or culture	33%	49%	45%	56%	78%	64%	33%	55%	45%
Delays / hassles at airports and borders	28%	36%	42%	50%	79%	58%	31%	49%	44%
Unfavourable exchange rate	26%	39%	49%	53%	78%	63%	43%	52%	48%
Passport or entry visa requirements	20%	35%	40%	47%	82%	61%	24%	46%	31%
Safety concerns	16%	30%	37%	48%	69%	48%	24%	33%	23%
Health risks	14%	33%	34%	47%	78%	42%	22%	35%	22%
Language barrier	N/A[1]	35%	34%	61%	80%	71%	N/A[1]	38%	N/A[1]

Base: Long-haul pleasure travellers who are unlikely to visit Canada in the near future
Notes: Orange circles indicate a result that is significantly higher than 6+ groups.
Percentages are the sum of major barrier and minor barrier responses.
[1] Item was not asked in UK, Australia and US markets.

- Generally, the barriers to visiting Canada have intensified since 2007, which is not surprising given the mounting economic challenges and unbridled inflation seen across most of the GTW markets in 2008. Germany and Australia are particularly worrisome, with a host of barriers seeing substantial increases and several others trending upward, all serving to make conversion more difficult.
- In terms of specific barriers, distance has become more of a hurdle in many markets in 2008, likely a result of higher fuel costs and steep airfare surcharges. In the US, higher gas prices also saw a large jump, mentioned by 70% of travellers vs. just over half the previous year. Unfavourable exchange rates are another growing issue for Canada to contend with across multiple markets.
- However, perceptual barriers centred around the feeling that Canada lacks excitement are also on the rise. The proportion of travellers who regard Canada as boring has climbed significantly in three markets this year, while perceptions of Canada as having

nothing to do and no unique history/culture are inching upward in virtually every market. Today's more price-sensitive travellers may be more critical in assessing destination choices, making it all the more important for Canada to fill information gaps and enhance its excitement value.

- Affordability and competition from other destinations continue to be the top two barriers for travel to Canada in most markets. Canada also tends to lack immediacy as a travel destination, with no concrete reason to go being a top five barrier across the board.
- Not surprisingly, the Asian markets perceive far more roadblocks in travelling to Canada than other markets do, with higher scores across most barriers. Distance and lack of knowledge are especially notable deterrents (ranked as a top five barrier in all three markets), with the distance between Canada's key destinations and attractions also cause for concern. Asian travellers are also more likely to mention Canada's lacklustre image (e.g., nothing to do, too boring), and to have practical concerns about exchange rates, health and safety risks, language barriers, hassles at airports/borders and entry requirements.
- Of the three Asian markets, China is understandably the one that faces the steepest barriers when it comes to Canada travel, with the highest scores on almost every attribute. China is also the only GTW market to rate passport/visa requirements as a top five barrier, no doubt reflecting Canada's complex and challenging visa application processes in the absence of ADS.
- Among Americans, indifference towards Canada is more likely to hold travellers back, with no real reason to go and not exciting both ranked higher in the US than in other markets. This again underscores the need to improve both brand and value perceptions in this market.

Information Sources

Sources of Information on Canada (Past 3 Months)

Information Source	UK (n=1,520)	Germany (n=1,593)	France (n=1,693)	Japan (n=1,535)	China (n=1,520)	Korea (n=1,704)	Australia (n=1,531)	Mexico (n=1,535)	US (n=3,082)
Word of mouth	17%	17%	38%	13%	23%	23%	22%	45%	19%
Travel shows on television	17%	34%	30%	40%	54%	46%	32%	45%	25%
Articles in newspapers	13%	14%	12%	10%	18%	14%	20%	27%	9%
Travel guides / Travel agents	12%	12%	23%	24%	24%	14%	18%	32%	12%
Articles in non-travel magazines	12%	15%	16%	8%	19%	17%	16%	36%	16%
Articles in travel or in-flight magazines	11%	16%	30%	23%	31%	25%	17%	55%	15%
Websites / podcasts / travel blogs	9%	13%	33%	13%	23%	23%	12%	32%	15%
Movies filmed or set in Canada	7%	20%	16%	8%	12%	10%	8%	27%	11%
Email newsletters or promotions	6%	7%	9%	4%	11%	8%	9%	20%	6%
Other television shows	5%	15%	11%	8%	17%	11%	8%	15%	8%
Consumer travel shows and exhibitions	3%	5%	6%	2%	N/A[1]	2%	5%	14%	4%
Outdoor advertising	3%	2%	10%	6%	14%	3%	3%	16%	7%
Entertainment shows	3%	8%	10%	7%	19%	8%	6%	21%	7%
News shows	3%	8%	18%	9%	26%	14%	5%	15%	8%
Special events held in Canada	2%	2%	5%	2%	10%	2%	4%	11%	6%
Radio shows	1%	4%	4%	2%	9%	3%	1%	9%	4%
None	50%	31%	20%	32%	5%	19%	38%	8%	40%

Base: Long-haul pleasure travellers.
Notes: Orange circles indicate a result that is significantly higher than 6+ groups.
[1] Item not asked in China.

- Mexican, French and Chinese travellers show considerably higher recall of Canadian travel information across a wide range of sources. In Mexico and France, this is in line with the strong advertising awareness results and indicates that Canada's marketing efforts are reaching a broad audience. In addition, a high degree of enthusiasm for Canada in these markets may be helping to make information more salient to them.
- In China, attempts to use the media and travel trade to generate interest in Canada in the absence of formal advertising has obviously paid off, although the high levels may be somewhat inflated in comparison to other markets as a result of social desirability bias.
- Compared with 2007, the US is the only market to experience a substantial surge in the proportion of travellers seeing or hearing information on Canada, with increases across many of the individual sources. Coupled with the significant increase in advertising awareness, the GTW results point to an exceptionally strong US marketing campaign this year.
- Television travel shows is the top information source for travellers in the four Asia-Pacific markets, as well as for those in the US and Germany. In fact, travel shows is the only information source that consistently falls in the top five in every market, making this the single most effective source when looking across all markets.

- In Mexico, travel magazines is the most important distribution channel for Canada. More generally, this is a good bet to reach long-haul travellers across all markets, placing in the top five in all but one market.
- In the non-Asian markets, word of mouth consistently ranks among the top three information sources, claiming the number one spot in the UK and France.
- Electronic channels are a good way to reach long-haul travellers in France and Korea, with websites/podcasts/blogs being the second and third most popular information source, respectively. Online media are less successful in penetrating the long-haul market in the UK, Germany, Australia, Japan and the US, with a reach of 15% or less. In these markets, internet campaigns are best used to support traditional channels and for highly targeted or specialized initiatives.
- Traditional sources are still important in Japan, with travel guides/travel agents in the number two spot, vs. four or lower in all other markets.
- Uniquely, news shows are a trusted source of information in China (ranked third), while movies filmed/set in Canada are relatively more important for Germans (ranked second). Newspaper articles are more prevalent in both Australia and the UK (ranked third). In no other market do any of these sources place in the top five.

Top Information Sources for Increasing Canada's Appeal Among Potential Visitors to Canada

UK (n=552)	Germany (n=715)	France (n=715)
Word of mouth (20%) Travel shows on television (12%) Travel guides / Travel agents (9%) Websites / podcasts / travel blogs (7%) Articles in newspapers (6%)	Travel shows on television (28%) Word of mouth (14%) Movies filmed or set in Canada (12%) Websites / podcasts / travel blogs (8%) Travel guides / Travel agents (8%)	Word of mouth (36%) Websites / podcasts / travel blogs (17%) Travel shows on television (14%) Articles in travel or in-flight magazines (11%) Travel guides / Travel agents (11%)

Japan (n=382)	China (n=383)	Korea (n=531)
Travel shows on television (32%) Travel guides / travel agents (16%) Articles in travel or in-flight magazines (15%) Word of mouth (14%) Websites / podcasts / travel blogs (9%)	Travel shows on television (45%) Word of mouth (18%) Articles in travel or in-flight magazines (13%) News shows (12%) Websites / podcasts / travel blogs (12%)	Travel shows on television (36%) Word of mouth (20%) Websites / podcasts / travel blogs (15%) Articles in travel or in-flight magazines (10%) Movies filmed or set in Canada (8%)

Mexico (n=785)	US (n=1,150)	Australia (n=539)
Word of mouth (37%) Travel shows on television (33%) Articles in travel or in-flight magazines (29%) Websites / podcasts / travel blogs (19%) Movies filmed or set in Canada (17%)	Travel shows on television (22%) Word of mouth (20%) Articles in non-travel magazines (10%) Travel guides / Travel agents (10%) Websites / podcasts / travel blogs (9%)	Travel shows on television (27%) Word of mouth (25%) Articles in newspapers (11%) Travel guides / Travel agents (11%) Articles in non-travel magazines (9%)

Base: Travellers interested in Canada: those who are very interested in visiting Canada in the next 2 years.

- Word of mouth and travel shows on television are clearly the most important sources of information that the CTC can harness to increase Canada's appeal among potential visitors, as they are the top two sources named by travellers interested in Canada across most markets. While television rules in Germany, the US and the Asia-Pacific markets, word of mouth wins out in the UK, France and Mexico.
- Websites/podcasts/travel blogs are also a key way to increase Canada's appeal in all markets except Australia, factoring particularly high in the mix in France.
- Print media are important in virtually all markets, with travel magazines preferred in France, Mexico and the Asian markets, and non-travel magazines preferred in the US. In the UK and Australia, newspapers are a better bet than magazines.
- Travel guides and travel agents have an influential role to play in many markets, but especially in Japan.
- Movies filmed or set in Canada round out the top five in Germany, Korea and Mexico, while news shows are again uniquely effective in China.

Icons or Images that Inspire Interest in Canada

Top 5 Icons or Images that Inspire Interest in Canada

UK (n=1,520)

Rocky Mountains (12%)
Mountains (10%)
Niagara Falls (10%)
Mounties / RCMP (10%)
Maple leaf / Canadian leaf (10%)

Germany (n=1,593)

Nature/wilderness (17%)
Forests (15%)
Bears (10%)
Great lakes / lakes (9%)
Scenery / landscapes / natural beauty (9%)

France (n=1,693)

Snow (15%)
Forests (14%)
Great lakes / lakes (11%)
Niagara Falls (9%)
Open spaces / areas (6%)

Japan (n=1,535)

Nature / wilderness (19%)
Niagara Falls (12%)
Rocky Mountains (7%)
Aurora Borealis (7%)
Skiing / snowboarding (6%)

China (n=1,520)

Maple leaf/Canadian leaf (8%)
Niagara Falls (3%)
Waterfalls (3%)
National parks/parks (3%)
Snow (2%)

Korea (n=1,704)

Niagara Falls (7%)
Maple leaf / Canadian leaf (4%)
Rocky Mountains (4%)
Maple (3%)
Nature / wilderness (3%)

Mexico (n=1,535)

Maple leaf / Canadian leaf (20%)
Niagara Falls (17%)
Forests (11%)
Snow (9%)
Waterfalls (6%)

US (n=3,082)

Maple leaf / Canadian leaf (10%)
Niagara Falls (8%)
Mountains (7%)
Mounties / RCMP (5%)
Nature / wilderness (4%)

Australia (n=1,531)

Mountains (15%)
Rocky Mountains (12%)
Snow (9%)
Maple leaf / Canadian leaf (6%)
Mounties / RCMP (6%)

Base: Long-haul pleasure travellers.

- Without question, Nature dominates the minds of travellers around the world when thinking about Canada. In fact, the only non-nature icon to make it into the top five unaided mentions is Mounties, and then only in the UK, US and Australia.
- It comes as no surprise that Niagara Falls is the most prevalent and inspirational image across the GTW markets. Niagara Falls has a measurably higher impact in Mexico, mentioned by almost a fifth of all travellers on an unaided basis. It has considerably less iconic value in Germany and Australia, conspicuous by its absence on the top five list.
- The maple leaf, snow/skiing and the Rocky Mountains/mountains are other top five images that stir interest in Canada across numerous markets.
- Canada's mountains hold particular appeal for travellers in Australia and the UK, with the top two mentions in each market being the Rocky Mountains and mountains in general (each mentioned by 10% or more of travellers). Australians live in the flattest continent in the world, which likely explains their fascination with mountains, and while the UK has many mountain ranges, none really compare to Canada's peaks.

- Germans tend to think about nature in a very general sense (e.g., forests, lakes, scenery, wilderness), rather than in terms of specific icons like Niagara Falls or the Rockies.
- In France, winter imagery emerges with considerable strength. France is the only market where snow is the most inspiring image of Canada (at 15%), and where Northern imagery is so prevalent (e.g., sled dogs, caribou, Great North). Snowmobiling, maple syrup and log cabins also appeal, likely because they conjure up images of winter fun and recreation.
- To a lesser extent, winter imagery also appeals to Japanese, Australian and Mexican travellers, with snow, snow-capped mountains, glaciers and skiing all receiving their fair share of mentions in these markets. The Aurora Borealis is a unique mention in Japan and strongly associated with Canada in this market.
- Images of bears have specific appeal in Germany, Australia and the UK, while hockey is a unique mention in the US.

Conclusion and Considerations

- The focus of the Summary Report is on broader conclusions across the GTW markets as a whole. Detailed conclusions and considerations for individual markets are contained in the individual reports.
- 2008 ended with mixed results in Canada's core travel markets. Growth in arrivals from most markets slowed to some degree in response to the global economic downturn, increased inflationary pressures and soaring fuel costs. However, only four markets actually showed declines – the UK, Korea, the US and Japan. Bucking the trend, visitation from France and Germany accelerated, with the strong Euro sustaining travel to Canada and other long-haul destinations. Australia, Mexico and China also showed growth, albeit at a slower pace than the previous year. While France surpassed Mexico as Canada's fastest growing market in 2008, Mexico continues to take the honours when looking at market growth over a three year period.
- However, 2009 looks set to be a challenging year for Canada, as well as for long-haul travel in general. While fuel prices are down and inflation has eased, global economies have continued to slide, with most GTW markets either in or near recession and consumer confidence in the doldrums. In many markets, weakened currencies continue to exert negative pressure on outbound travel, and long-haul travellers, faced with higher travel costs, are turning to closer and more budget-conscious destinations, if not cancelling outright.
- Not surprisingly then, the 2008 GTW study indicates that environmental stresses will continue to take their toll on travel to Canada in 2009. The dampened outlook revealed for Korea, the US, Japan and the UK has already been borne out by sharp declines in visitation from all four markets. The GTW also indicates that market sentiments may be cooling in Australia, signaling a slow-down ahead. In fact, the only market to emerge with a significantly improved outlook is France, which materialized in a surge in visitation to Canada in the latter part of 2008. However, market conditions in France have eroded since then and the Euro is believed to be headed downhill in 2009, which could well put an end to the ongoing French travel boom.
- Economically-induced slowdowns aside, Canada continues to fare well on the key performance indicators (KPIs) in most of its key global markets. Canada is one of the top three destinations being considered for upcoming trips on an unaided basis in six of the nine GTW markets. It also ranks among the top three destinations in the competitive set for overall interest in all nine markets, with a stronger position now than in 2007. And despite the unstable market conditions, long-term travel intentions remain steadfast, with no visible deterioration in the number of positively committed travellers in any market.
- Mexico and France were the success stories for Canada in 2008, with both markets posting strong KPIs and forging solid gains since the previous year. Canada's performance in Mexico tops the other GTW markets on virtually every metric, and its top of mind presence continues to climb. France is also notable as the only GTW market to see an increase in travel intentions in the face of adverse market conditions. Both remain well-primed and highly receptive markets for Canada.

- Strong advertising campaigns no doubt contributed to Canada's successes in Mexico and France, with a surge in unaided and aided advertising awareness observed in both markets this year. In France, Canada is second to none in terms of advertising recall, and in Mexico, "Canada" is the number one advertised brand, pointing to effective and memorable campaigns in both markets. Given Canada's solid performance in these two markets, the CTC may want to consider more aggressive marketing in 2009 to shore up its market share amidst the increasingly uncertain climate.
- On the other hand, the KPIs point to the US, Japan and Korea as the most problematic markets for Canada (borne out by the acute drops in visitation). Canada's top of mind presence in these markets is poor, with Japan also low on interest and travel intentions. While the US is a mature market for Canada that relies to a large degree on repeat travel, Japan and Korea are at the earlier stages of the purchase cycle, with relatively low awareness and poor market commitment. Both situations will prove challenging for Canada in the unfavourable travel environment.
- There are also preliminary indications that Canada's brand health is deteriorating in its overseas markets. Both the Brand Perception and the Value Perception are exhibiting distinct downward tendencies, and the already low Price Perception has dropped further in three of the seven overseas markets. In addition, alignment with the brand Canada personality traits has generally weakened. These shifts may reflect a more value-conscious and price-sensitive travel market, with overseas travellers now more cautious in assessing potential vacation destinations. Greater competition for a shrinking and more demanding market means that improving Canada's overall brand health is paramount. An emphasis on bolstering the perceived value of the Canadian travel experience would be prudent, as this has the greatest impact on the purchase decision in virtually every market.
- Managing cost perceptions is obviously also important as travellers around the world tighten their purse strings. Indeed, there are signs that less affluent travellers may have already abandoned their long-haul travel plans, resulting in a notably wealthier travelling population in most of Canada's overseas markets. As Canada tends to be viewed as a pricey destination by overseas travellers, it will become increasingly important for the CTC to focus on the upscale segments in these markets and to deliver compelling value for money messages.
- While overseas indicators dropped, brand performance strengthened markedly in the US, with a significant increase in the Value Perception across all components of value, enhanced perceptions of the culture and people elements of the Brand Perception, and notable gains on several components of the Price Perception, including value for money. This remarkable performance may be partly tied to a strong and far-reaching US advertising campaign that ranks alongside the CTC's successes in Mexico and France. It could also be because Americans view Canada as a more desirable vacation spot in a grim economy, i.e., a way of taking an international trip without breaking the bank. Regardless of the reason, the results certainly suggest that Canada could position itself as an appealing substitute for price-conscious Americans looking to downgrade from expensive overseas vacations.
- With respect to price perceptions, the Euro, the US dollar, the Yen and the Yuan have all appreciated strongly against the Canadian dollar since 2007. While this has contributed

to healthy travel flows from Europe, travellers in the US, Japan and China may not be fully aware of their stronger purchasing power in Canada. Increasing awareness of exchange rate advantages could help to draw more travellers to Canada's shores, particularly in markets like Japan where the Price Perception is noticeably slipping, and in the US where travellers may be seeking a less expensive option to overseas travel.

- Not surprisingly, the barriers to visiting Canada have intensified this year. Distance, impressions of unfavourable exchange rates and other barriers are all acting to hamper conversion in the GTW markets. More alarmingly, impressions of Canada as a bland and rather boring destination are on the rise, a situation that is unlikely to draw travellers in today's more competitive travel climate. Canada may want to focus on evolving its image beyond that of a relaxing place for the older crowd by injecting a sense of excitement and intrigue into its image, playing up its cosmopolitan cities and renowned international events, and generally showcasing the diversity of things to do there.
- In terms of Canada's brand image, the GTW points to a one dimensional view of Canada, with ongoing strengths on geography and nature, and continued weaknesses on culture and people. This is true in all markets except France and Mexico, which have a high Brand Perception and a more balanced view of the brand. The good news is that there has been some positive movement in diversifying the Canadian travel experience in 2008, with culture and urban/luxury motivators seeing solid growth as drivers of travel to Canada in several markets. Canada would benefit from continuing to tout these messages in order to broaden interest and better appeal to travellers seeking a more well-rounded travel experience.
- Canada's product positioning follows a similar pattern, with the destination viewed as extremely strong on the Nature and Outdoor dimensions, but visibly weak on Culture and Luxury/Pampering. The main thrust of marketing efforts could be on improving perceptions of Canada's cultural products, given the near universal interest in these pursuits on a global basis. Although Canada may never be recognized as a cultural mecca, it could certainly heighten interest around its unique peoples, lifestyles and communities. Accordingly, the CTC's current focus on *Connecting with Canadians* is a major step forward.
- Even within its traditional spheres of strength, there are specific areas that could be improved to strengthen Canada's competitive footing. Within Nature, Canada could improve its positioning on wildlife products, working to differentiate its offerings from those of competitors like Australia and South Africa. Within Outdoors, golf is by far the weakest link. Vibrant cities close to nature, self-touring and spa/wellness are other products that offer excellent opportunities for Canada to diversify its offerings across most markets, especially when promoted in tandem with nature.
- Although the 2010 Olympic Games draw closer, awareness of Canada as the host destination has not improved materially, except in Australia where the GTW was fielded concurrently with the 2008 Games in Beijing. Generally, only 15% to 25% of travellers across all GTW markets are aware that Canada is hosting the event. With the Games less than a year away, there is a need to enhance awareness internationally, but particularly in the US, Mexico, Korea and China where the impact on Canada's appeal as a travel destination is high and sporting events are more likely to be a driver of travel to Canada.