



Canadian Tourism
Commission

Commission canadienne
du tourisme

Global Tourism Watch Year 3

UK - Key Findings

Canadian Tourism Commission (CTC)

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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) implemented an ongoing Global Tourism Watch (GTW) program in 2007 to expand consumer-based intelligence in its core markets.

In 2009, the third year of the program, the GTW was implemented in ten markets – Canada, the US, Mexico, the UK, France, Germany, Australia, Japan, China and South Korea¹. The Year 3 research was co-funded by a regional partner group that included British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Atlantic Canada, Yukon and Northwest Territories.

Objectives

The GTW program was designed to collect market intelligence across core markets in a consistent way. The specific study objectives were set around following four over-arching themes:

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

The primary focus of the 2009 reports is on identifying shifts in each market since 2007. 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.

Ultimately, the GTW study will provide the CTC, its partners and the Canadian tourism industry with information to help enhance Canada's marketing strategies globally and draw international travellers to its shores.

¹ The 2009 program is the second year in which China was included and the first year in which Canada was included.

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. For all markets, pleasure trips included vacation or holiday trips, trips to visit friends and relatives, and combined business-pleasure trips.

A total of 1,505 U.K. respondents (including 304 recent travellers to Canada) completed the online survey. Fieldwork was conducted in April 2009 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 Omnibus survey. Because the sub-set of recent travellers to Canada in the Omnibus was too small to generate accurate age by gender weighting data, international Travel Survey (ITS) counts from Statistics Canada were used to weight this group.

UK Competitive Set

To assess Canada's positioning in the UK market, a number of questions in the survey asked respondents to rate Canada against key competitors, as identified by the CTC. The competitive set for the UK was as follows: US, Australia/New Zealand, Thailand, South Africa, India and China.

UK Study Partners

Regional partners for the Year 3 study in the UK include: Alberta, Atlantic Canada, British Columbia, Manitoba, Northwest Territories, Ontario, Saskatchewan and Yukon.

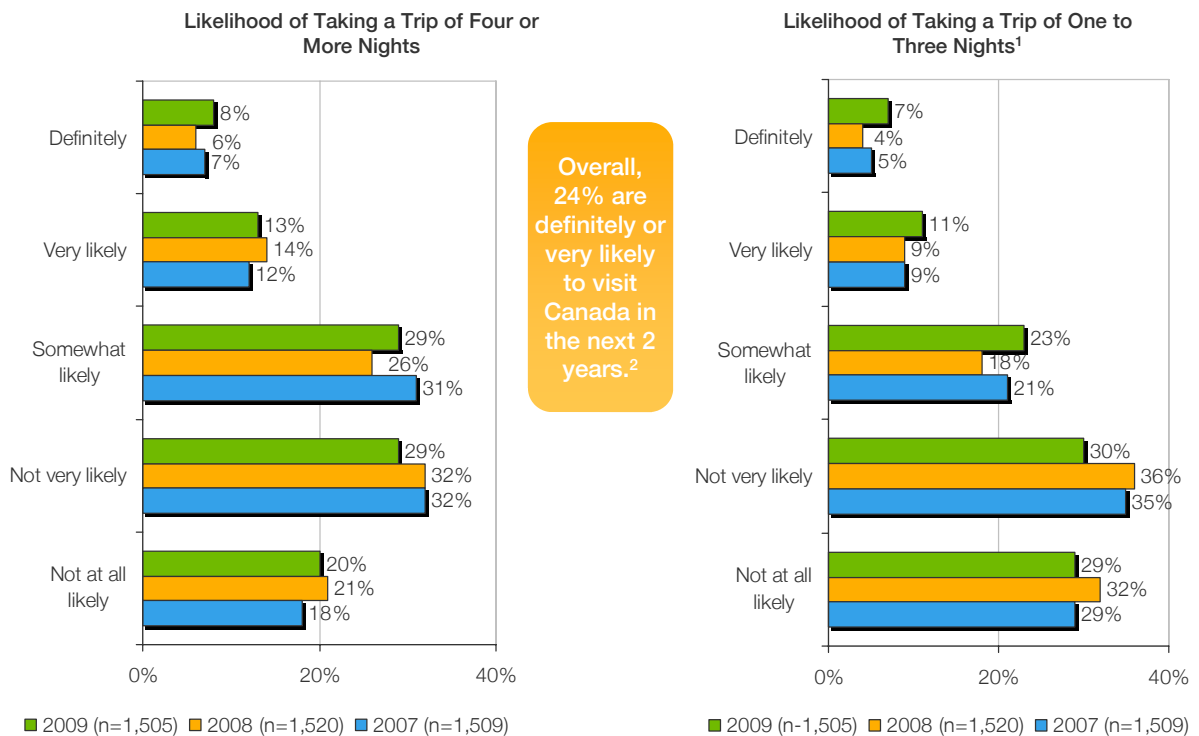
Outlook on Travel to Canada and the Regions in the Next 2 Years

Likelihood of Visiting Canada

As was the case for interest, the overall likelihood of visiting Canada appears to have resisted downward market pressures, indicating that the long-term outlook remains healthy (see [Exhibit 1](#)). If anything, travel intentions have been gradually trending upward over the past few years to hit 24% in 2009.

While the likelihood of taking a longer vacation to Canada has held steady, the propensity to take a trip of one to three nights has climbed from 13% in 2008 to 18% in 2009. This may be linked to the spike in interest in the US, as some of these shorter trips are undoubtedly add-ons to US travel.

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.

² Includes trips of one to three nights or four nights or more.

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 UK travellers, more specifically those very or somewhat interested in visiting Canada in the next two years. This yields a target market of close to 16 million travellers with some level of interest in Canada, making the UK the overseas market with the greatest potential for Canada in terms of travel volumes.

The immediate potential is a more conservative estimate based on those who say they are definitely or very likely to visit Canada in the next two years. This translates into over 5 million travellers with more immediate potential for conversion.

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)	22,486,000
Target Market for Canada	
Very/somewhat interested in visiting Canada in the next 2 years	71%
Size of the target market	15,965,000
Immediate Potential for Canada	
Will definitely/very likely visit Canada in the next 2 years ¹	24%
Immediate potential	5,397,000

Base: Long-haul pleasure travellers (n=1,505).

Note: ¹ Includes respondents likely to visit Canada on a trip of one to three nights or a trip of four nights or more.

Canadian Destinations² Likely to Visit

Exhibit 3 highlights the preferred destinations for UK travellers who are considering a trip to Canada. The results indicate that there has been little change in the destination preferences of UK travellers since 2007, with the top five provinces remaining exactly the same in all three years. Ontario and British Columbia continue to be the leading regions of interest, followed by Québec, Alberta and Nova Scotia. Interestingly, Alberta has experienced a steady gain in appeal among UK travellers since 2007, climbing from 42% to 49% over the three years.

The leading individual destinations remain the same as well, with Niagara Falls, Vancouver and Toronto being the three most popular cities/attractions, and the only ones to capture the interest of over 60% of travellers. Ottawa is the only destination to have gained any ground since last year (rising from 20% to 27%), although this has not helped Ontario to recover from the drop-off observed in 2008.

Exhibit 3 also shows the immediate potential for the regional partners of the GTW study based on current levels of interest. The potential is substantial for Ontario and British Columbia (i.e., in excess of 4 million), with good potential for Alberta and the Atlantic region as well (2.6 to 1.6 million potential travellers).

Exhibit 3 - Destination Interest and Market Potential for the Regions

	BC	AB	SK	MB	ON	ATL	YK	NT
Immediate potential for Canada	5,397,000							
Likely to visit region ¹	76%	49%	12%	11%	81%	31%	16%	14%
Immediate potential for the regions	4,102,000	2,644,000	648,000	594,000	4,372,000	1,673,000	864,000	756,000
Most popular destinations within region	Vancouver (63%) Victoria (28%) Whistler (20%)	Calgary (29%) Banff (22%) Edmonton (15%) Jasper (13%)	n/a	n/a	Niagara (66%) Toronto (62%) Ottawa (27%)	N.S. (22%) N.F. (15%) P.E.I. (11%) N.B. (7%)	n/a	n/a

Base: Long-haul pleasure travellers (n=1,505).

¹ Base for percentages is 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=833).

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

² CTC partner regions only. (British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Atlantic Canada, Yukon and Northwest Territories)

Awareness Levels of Canada

Unaided Performance Indicators

The Global Tourism Watch measured three unaided (or top-of-mind) indicators³ – unaided awareness of Canada, unaided awareness of Canadian travel advertising, and unaided destination consideration.

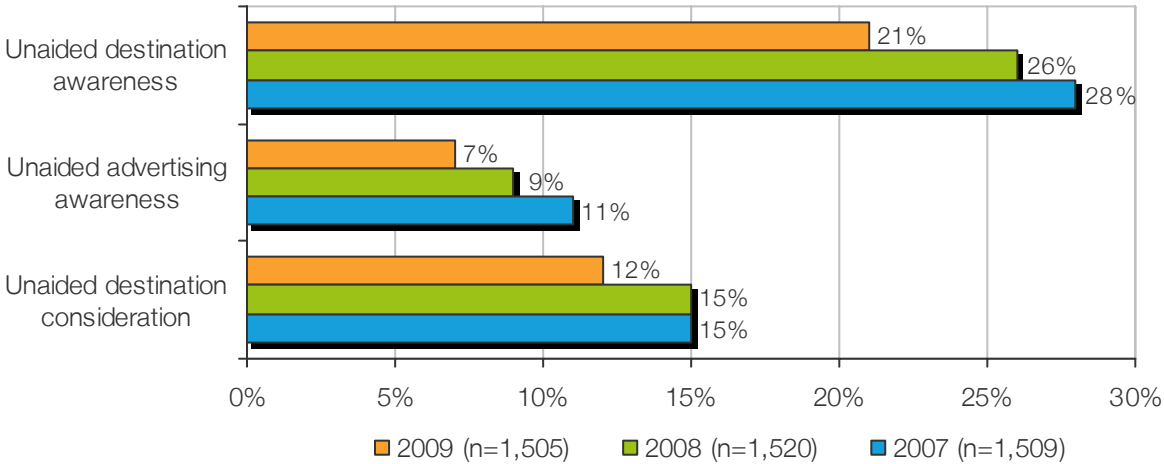
To measure brand awareness, respondents were asked to name destinations that come to mind for a long-haul vacation. [Exhibit 4](#) shows a roll-up of the awareness results for Canada. The country roll-up figure is the total awareness for a country, including all sub-destinations (i.e., total awareness for Canada includes mentions of “Canada” itself and all destinations within Canada). The top five long-haul destinations in the UK have remained in the same rank order for the past three years, with Canada being number four behind the US, Australia and New Zealand, but ahead of China. However, of the five, only the US and China have stood their ground in terms of awareness. Over the past three years, there has been a steady decline in awareness for Australia (from 55% to 52% to 48%), New Zealand (from 33% to 31% to 28%) and Canada (from 28% to 26% to 21%). As a result of these drops, the US is now a well-established market leader in the UK. Some members of the UK travel industry surmise that the “Obama effect” and the historical significance of the recent election have helped the US to maintain high awareness despite the overall cooling trend.

At 7%, unaided recall of Canada’s 2009 campaign is down from past years, however, it retains its fourth place ranking this year (see [Exhibit 4](#)). Recall of the US campaign is also down from last year, permitting Australia to take the lead in the UK advertising stakes.

Of the three unaided performance metrics, destination consideration has remained the most stable. Only two significant shifts emerged this year, with Canada and New Zealand both seeing minor setbacks (i.e., drops of three percentage points). The US retains its standing as the most popular long-haul destination by far, with a consideration level more than double that of Australia’s and no signs of weakness on the horizon (see [Exhibit 4](#)).

³ Cumulative results including mentions of Canada and sub-destinations within Canada.

Exhibit 4 - Unaided Performance Indicators for Canada



Base: International pleasure travellers
 * Base : Those who are planning on taking a long-haul trip in the next two years 2009 (n=1,243) / 2008 (n=1,215) / 2007(n=1,223)
 Notes: Roll-up of brand mentions by country, e.g., percentage who said Canada or any destination in Canada.

Recent and Potential Visitors from U.K.

Target Market for Canada

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

The 2008 trend towards a more affluent UK long-haul pleasure travel market has strengthened in 2009. At 40%, the proportion of travellers with household incomes of 40,000 pounds (i.e., CDN \$73,000)⁴ per year or more is now significantly higher than the 35% seen in 2007. In addition, travellers are now significantly more likely to hold intermediate or senior management positions in the workforce (49%, up from 45% in both 2007 and 2008). A more well-to-do travelling population is unsurprising given that the ailing economy and beleaguered pound have caused less avid travellers to temporarily drop out of the long-haul market. Those who are continuing to travel are die-hard travellers who likely have the incomes and job security to support travel in a more uncertain environment. A similar, but less definitive trend is seen for both recent and potential travellers to Canada.

Recent visitors to Canada continue to be older than the market at large. In fact, with 44% of Canada's visitors being 55 plus, the UK remains one of Canada's oldest travel markets. In addition, with over half who know people living in Canada, VFR (visiting friends and relatives) is more of a driver for travel from the UK than from many other GTW markets. To broaden their target market and enhance their market share, the CTC and its partners may want to enhance Canada's appeal for younger travellers and give older travellers compelling reasons to visit beyond VFR.

Potential visitors to Canada are more similar to long-haul travellers in general in terms of their age distribution, but they too show a strong VFR influence (with almost 4 in 10 having friends/relatives in Canada).

⁴ Exchange rate (April 6, 2009): 1 pound = CDN\$1.8283

Exhibit 5 – Target Market Demographics

	All L-H Travellers (n=1,505)	Recent Travellers to Canada (n=304)	Interested in Canada (n=523)
Gender			
Female	52%	54%	52%
Age			
18 to 24	11%	8%	10%
25 to 34	20%	13%	25%
35 to 44	22%	18%	20%
45 to 54	17%	16%	17%
55 or older	30%	44%	29%
Close Friends or Relatives Living in Canada			
Yes	28%	51%	38%
Have Children in Household Under 18			
Yes	26%	22%	27%
Marital Status			
Married / partnered	70%	75%	69%
Single / never married	20%	18%	21%
Other (e.g., separated, divorced, widowed)	10%	7%	10%
Education			
High school or less	39%	42%	37%
Technical / vocational	9%	7%	9%
Completed college / university	50%	50%	53%
Employment Status			
Employed full-time / part-time	66%	57%	67%
Housewife / homemaker	5%	7%	5%
Retired	15%	27%	16%
Unemployed	4%	3%	5%
Student	6%	4%	4%
Occupation			
Senior manager / admin / professional	18%	22%	16%
Intermediate manager / admin / professional	31%	30%	32%
Supervisor, clerical, junior manager / admin / professional	27%	30%	26%
Manual worker (with industry qualifications)	13%	9%	15%
Manual (with no qualifications)	5%	5%	5%
Never employed, state pensioner, casual worker	2%	0%	3%
Average Annual Household Income			
Below 25,000 £	28%	29%	29%
25,000 £ to 39,999 £	32%	31%	35%
40,000 £ to under 69,999 £	28%	28%	24%
70,000 £ or above	12%	12%	12%

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 Regions⁵

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 other profiles are based on those who express an interest in visiting the region (as hardly anyone said they are most likely to visit these regions).

Travellers interested in British Columbia are more likely to be men and have somewhat higher incomes. Those likely to visit Alberta and Saskatchewan are more apt to have friends or relatives in Canada. Beyond this, there are very few meaningful significant differences between the groups.

⁵ CTC partner regions only. (British Columbia, Alberta, Manitoba, Saskatchewan, Ontario, Atlantic Canada, Yukon and Northwest Territories)

Exhibit 6 - Target market for Canada's regions

	Total ¹ (n=833)	BC ³ (n=264)	AB ³ (n=98) ⁴	MB ² (n=90) ⁴	SK ² (n=94) ⁴	ON ³ (n=353)	ATL ² (n=264)	North ² (n=184)
Gender								
Female	51%	43%	53%	58%	50%	56%	49%	51%
Age								
18 to 24	10%	6%	10%	8%	8%	11%	11%	7%
25 to 34	24%	27%	20%	24%	24%	24%	21%	17%
35 to 44	22%	21%	17%	19%	24%	26%	19%	20%
45 to 54	16%	15%	17%	16%	17%	14%	19%	23%
55 or older	28%	30%	36%	33%	27%	26%	31%	33%
Close Friends or Relatives Living in Canada								
Yes	36%	33%	48%	37%	47%	34%	37%	39%
Have Children in Household Under 18								
Yes	27%	30%	27%	28%	38%	29%	33%	27%
Marital Status								
Married / partnered	70%	70%	74%	75%	69%	71%	68%	70%
Single / never married	20%	19%	16%	15%	17%	20%	22%	14%
Other	10%	11%	10%	10%	14%	9%	10%	16%
Education								
High school or less	36%	35%	34%	45%	33%	37%	42%	38%
Technical / vocational	11%	6%	20%	8%	16%	13%	7%	12%
Completed college / university	52%	57%	44%	44%	50%	50%	50%	49%
Employment Status								
Employed full-time / part-time	69%	68%	65%	60%	70%	71%	65%	66%
Housewife / homemaker	5%	3%	5%	4%	4%	7%	3%	4%
Retired	15%	19%	20%	23%	17%	12%	19%	21%
Unemployed	4%	4%	8%	6%	4%	3%	5%	3%
Student	5%	4%	1%	3%	3%	5%	6%	4%
Occupation								
Senior manager / admin / professional	20%	25%	20%	17%	17%	16%	21%	15%
Intermediate manager / admin / professional	34%	35%	31%	32%	31%	35%	33%	36%
Supervisor, clerical, junior manager / admin / professional	25%	22%	29%	22%	22%	24%	23%	25%
Manual worker (with industry qualifications)	14%	9%	14%	18%	22%	17%	12%	15%
Manual (with no qualifications)	4%	3%	4%	4%	5%	4%	6%	4%
Never employed, state pensioner, casual worker	2%	2%	1%	2%	2%	2%	2%	2%
Average Annual Household Income								
Below 25,000 £	24%	25%	27%	23%	23%	24%	24%	29%
25,000 £ to 39,999 £	34%	26%	35%	41%	41%	33%	37%	35%
40,000 £ to under 69,999 £	29%	34%	23%	25%	20%	30%	29%	26%
70,000 £ or above	13%	15%	15%	11%	16%	13%	10%	10%

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.

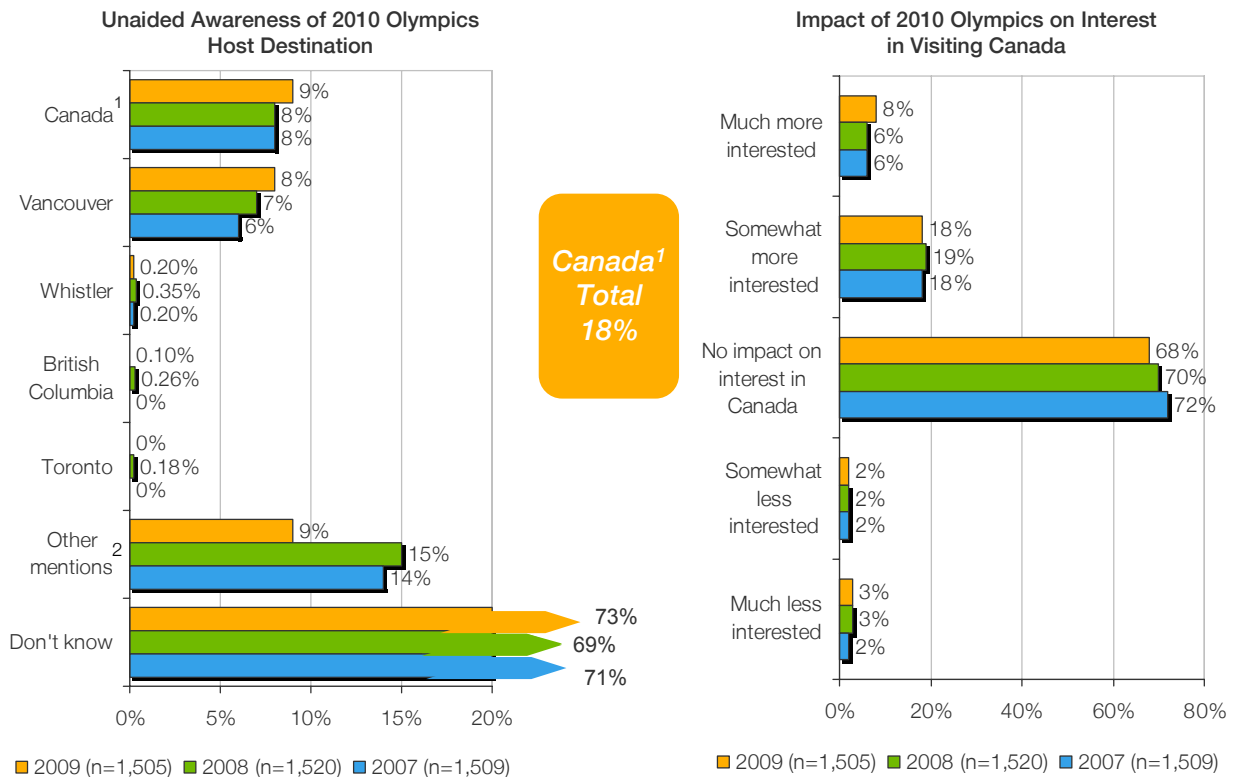
⁴ Results should be interpreted with caution due to the small sample size.

The Impact of the 2010 Winter Games on Travel to Canada

Exhibits 7 shows that awareness of Canada as host of the 2010 Olympic Games is on the rise, which is to be expected with the Games less than a year away. At 18%, awareness is up significantly from the 15% seen in 2007, but is still fairly low compared with many other GTW markets.

Only 26% of UK travellers say that hosting the Olympic Games increases their desire to visit Canada, which again is very low by GTW standards. This indicates limited opportunities to promote Games-related travel in the UK, perhaps because interested travellers will have the chance to attend the Games on home ground in 2012.

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.

² Includes all mentions of destinations of than Canada

Canada's Product Strengths and Weaknesses

Exhibit 8 presents a product strengths and weaknesses map for Canada in the UK. Essentially, this looks at impressions of Canada's product offerings vs. the importance of these products to UK travellers on their long-haul trips. The purpose is to identify products of importance to the UK market where Canada is perceived favourably or where perceptions are a problem.

Product Strengths

General product strengths for Canada are products that are both important in the minds of travellers in planning their long-haul trips and for which Canada is favourably viewed. Unsurprisingly, Canada's product strengths in the UK include beautiful scenery and national parks/protected areas. Multi-day self tours continue to be a leading product for Canada as well, which is consistent with the results from past years.

Niche product strengths appeal to smaller groups of travellers and represent potential niche markets to be developed or targeted. For the UK, these centre on active outdoor products, including ski vacations, other winter activities, multi-day journeys by both water (e.g., canoeing/kayaking) and land (e.g., hiking/biking) and summer activities (e.g., day hikes, fishing, cycling). Although resorts in natural settings edges in as a strength, perceptions could certainly be improved given the abundance of best-in-class products in Canada that fit the bill. In fact, resorts and summer activities are among the niche products in most need of attention due to their lukewarm ratings and relatively high popularity in the UK.

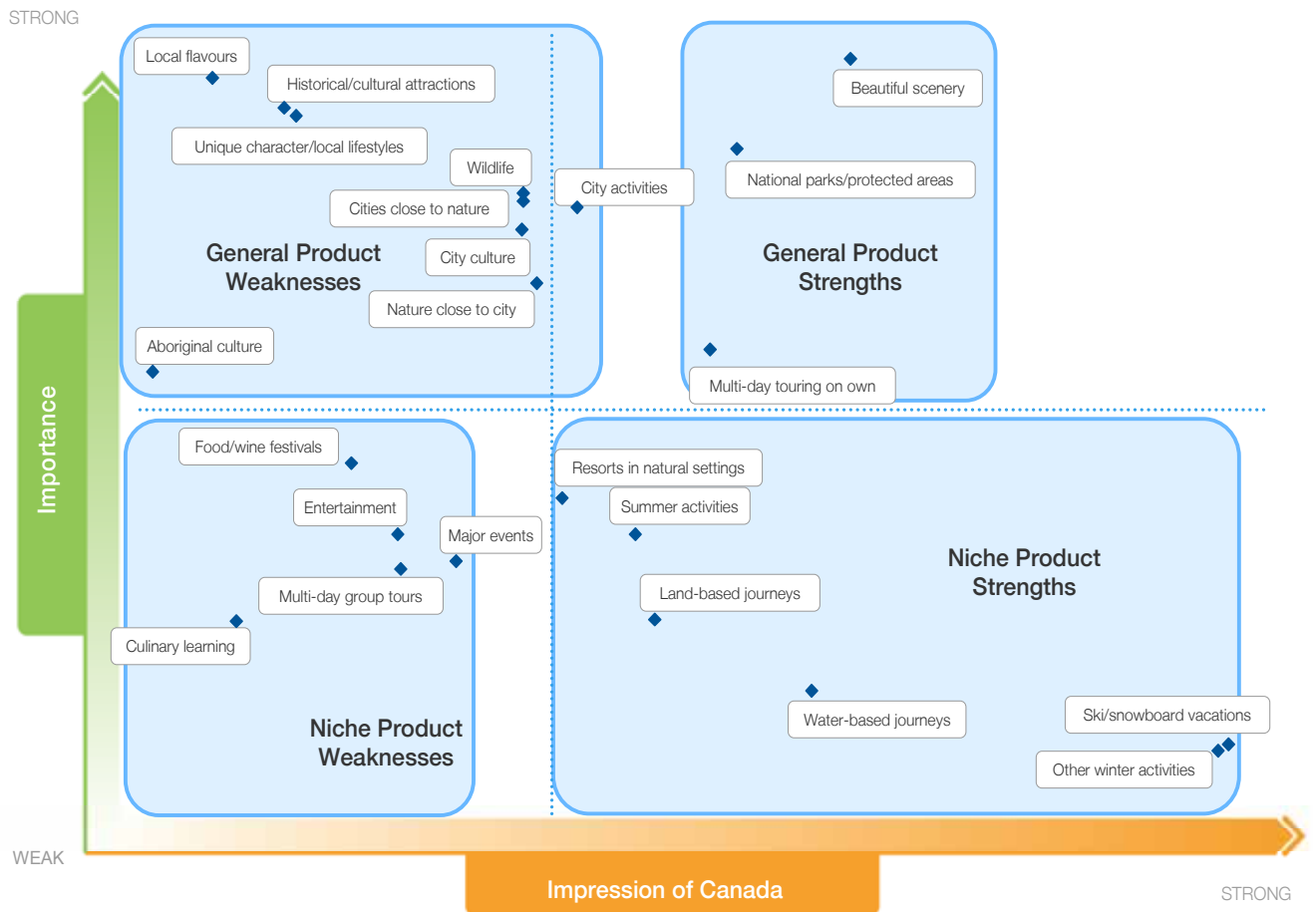
Product Weaknesses

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.

Although the specific products have changed in 2009, the overall results have not. Culture emerges once again as a vulnerability for Canada, with historical/cultural attractions, local lifestyles and aboriginal culture all classified as weaknesses. Canada's big cities are also not perceived in the best light, as cities close to nature, city activities and city culture are all regarded as weaknesses, albeit with better ratings than the cultural attributes. Wildlife and nature close to cities are other borderline weaknesses, although there is good potential for development here in light of Canada's other nature-related strengths.

Niche marketing weaknesses are unfavourably rated activities that appeal to smaller groups of travellers. Canada is clearly not renowned in the UK for its cuisine, with food/wine festivals and culinary learning experiences both relatively poorly rated. Like last year, entertainment, major events and group tours all emerge as niche weaknesses, although events could evolve into a strength on the heels of the 2010 Olympic Games.

Exhibit 8 – Product Strengths and Weaknesses Map



Base: Long-haul pleasure travellers (n=1,505).

U.K. Views on Environmentally-friendly Travel Products⁶

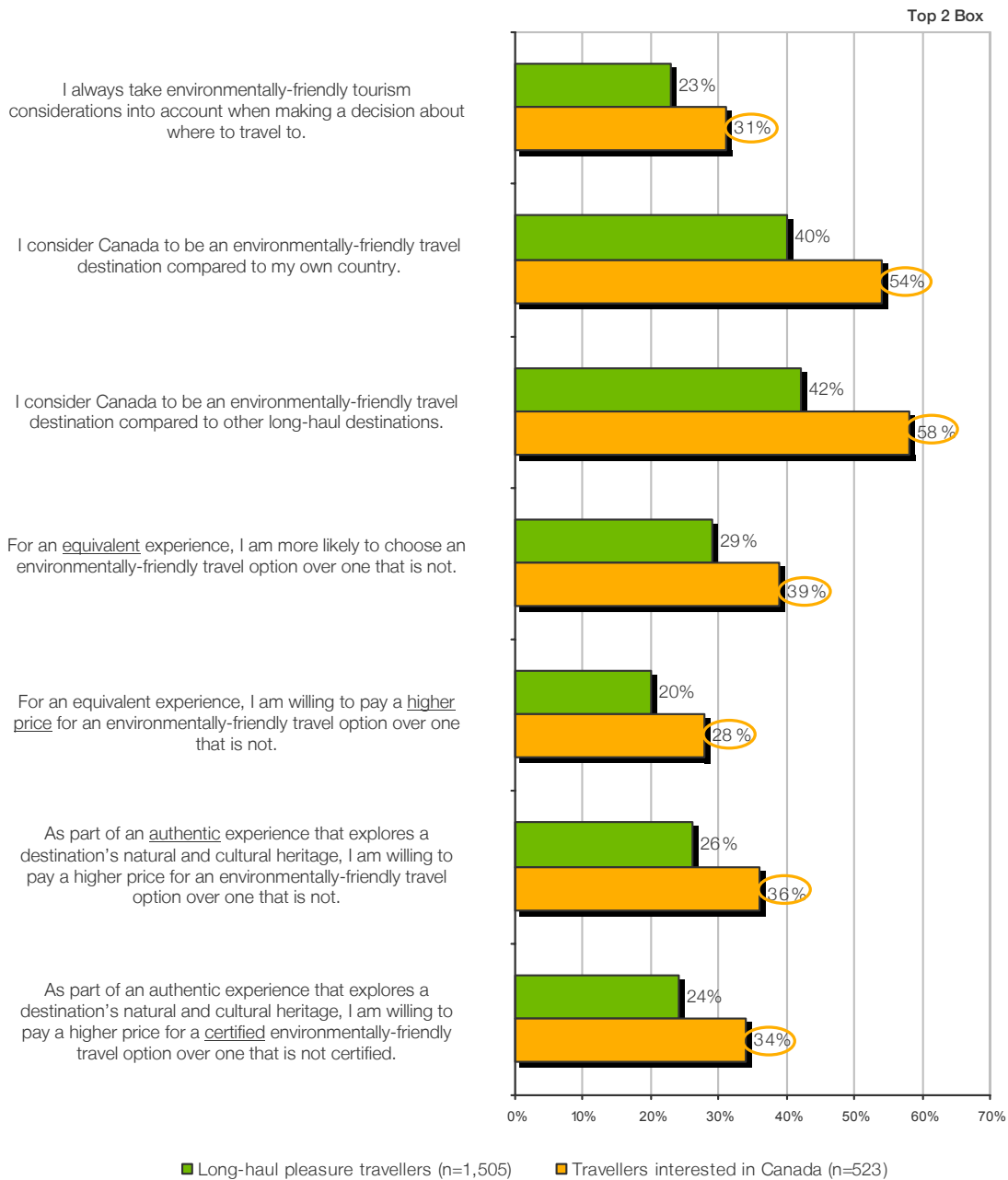
Prompted by growing public awareness of the environmental impact of travel and an increasing focus on responsible tourism in many countries, the GTW survey examined the attitudes of travellers towards eco-friendly tourism and travel products.

Exhibit 9 shows that UK travellers continue to be somewhat lukewarm in their feelings towards green travel, with ratings well below those of German travellers. Only 23% of UK travellers say they take environmentally-friendly considerations into account when deciding on a travel destination, which is very low by GTW standards. Slightly more (29%) will choose a green travel option over an equivalent one that is not, but only a fifth are willing to pay a premium for this. When considering an authentic environmentally-friendly experience that provides insights into a destination's natural and cultural heritage (certified or otherwise), the proportion that is willing to pay a surcharge goes up to about a quarter of the market.

Far higher proportions (i.e., around 4 in 10) consider Canada to be an environmentally-friendly travel destination (both compared with the UK and with other long-haul destinations), although given the indifferent attitudes to green travel in this market, this perception may not be of much help to Canada. The good news is that potential travellers to Canada are significantly more conscious of the environment when making holiday decisions and choosing travel products.

⁶ Question changed in 2009, therefore results are not comparable to past years.

Exhibit 9 – Attitudes Toward Environmentally-Friendly Travel



Base: Long-haul pleasure travellers.

Notes: 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".

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.

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

Question changed in 2009 so results are not comparable to past years.

How Canada is Perceived by U.K. Travellers

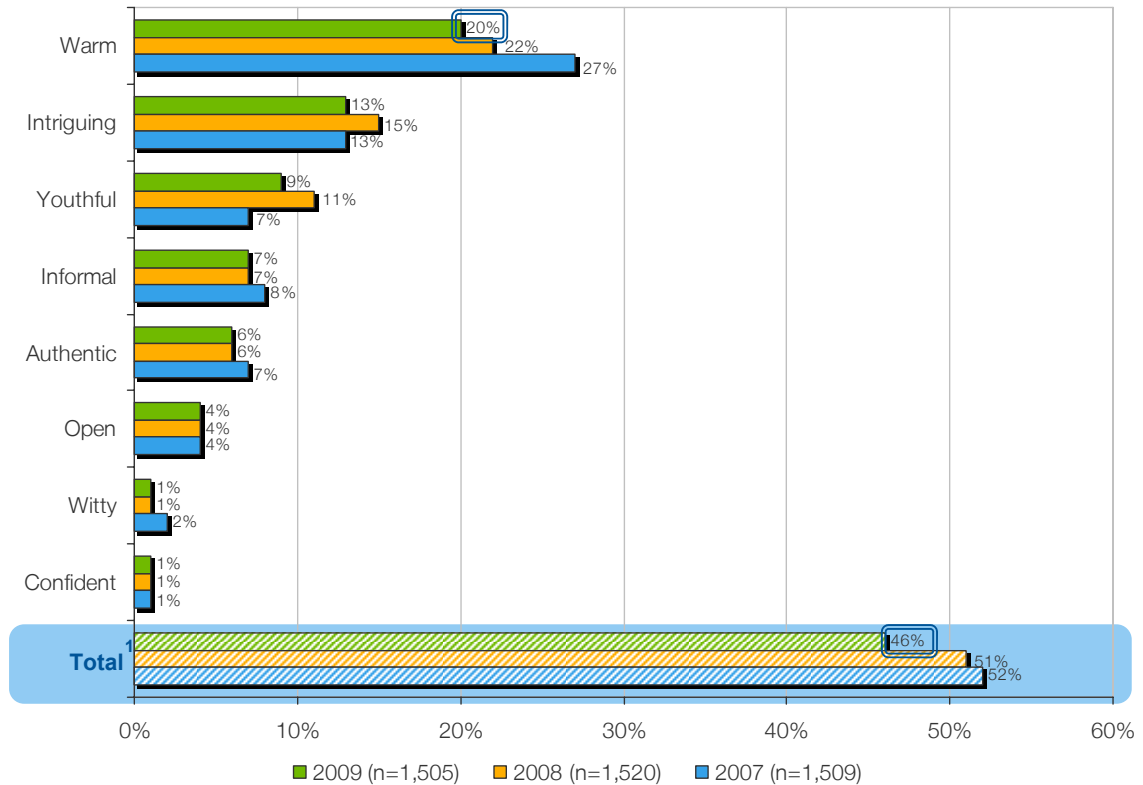
Unaided Brand Personality Perceptions

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., humorous, quick, entertaining, clever, bright, intelligent).

As shown in **Exhibit 10** the personality dimension that UK travellers continue to associate most closely with Canada is Warm, although, at 20%, this is now down seven percentage points from its 2007 peak. This drop is also evident in France, and is likely a result of the CTC/partners' continued efforts to take Canada's "personality" beyond friendly and welcoming to a more balanced view of the brand that encompasses all that Canada has to offer. With other traits remaining stable in 2009, the substantial drop in Warm results in a weaker overall market alignment with the brand Canada personality traits (46%, down from 52% in previous years).

Exhibit 10 – Unaided Brand Personality Perceptions



Base: Long-haul pleasure travellers.

Notes: Blue squares indicate a result that is significantly lower than 2008; Double blue squares indicate a significant downward trend since 2007.

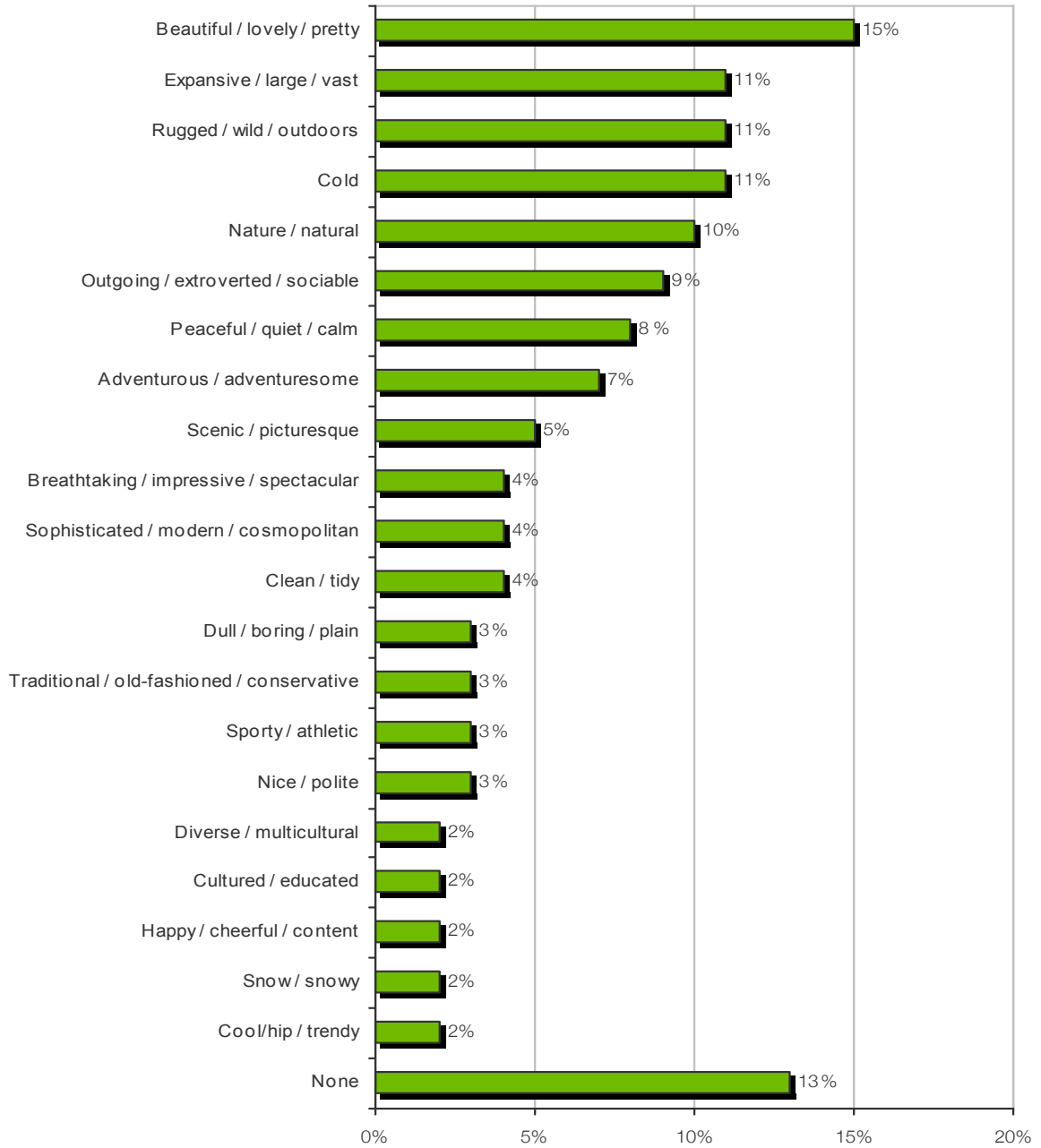
¹ Percent who mentioned any of the 8 Brand Canada personality traits (or synonyms thereof).

Other personality traits associated with Canada in the minds of UK travellers are much the same as last year (see [Exhibit 11](#)). Canada's natural beauty continues to dominate travellers' mental view of Canada, with its vast size and cold climate also uppermost in travellers' minds. As noted earlier, active adventure in the great outdoors is part and parcel of Canada's image in the UK, with "rugged/wild/outdoors," "adventurous/adventuresome" and "sporty/athletic" receiving a healthy number of mentions.

Aside from nature, Canada's traditional image emerges in the mentions of peaceful (8%), scenic (5%), clean (4%) and nice (3%) in the mid-range of the exhibit. Taken one step further, the connotations become more negative as per "old-fashioned/conservative" and "dull/boring/plain,"

both at 3%. However, the conventional view of Canada contrasts with mentions of cosmopolitan (4%), multicultural (2%), cultured (2%) and trendy (2%) in the lower reaches of the chart, indicating that some inroads are being made in positioning Canada as a more exciting and vibrant travel destination.

Exhibit 11 – Unaided Brand Personality Perceptions – Other Mentions



Base: Long-haul pleasure travellers (n=1,505).

Value Perceptions

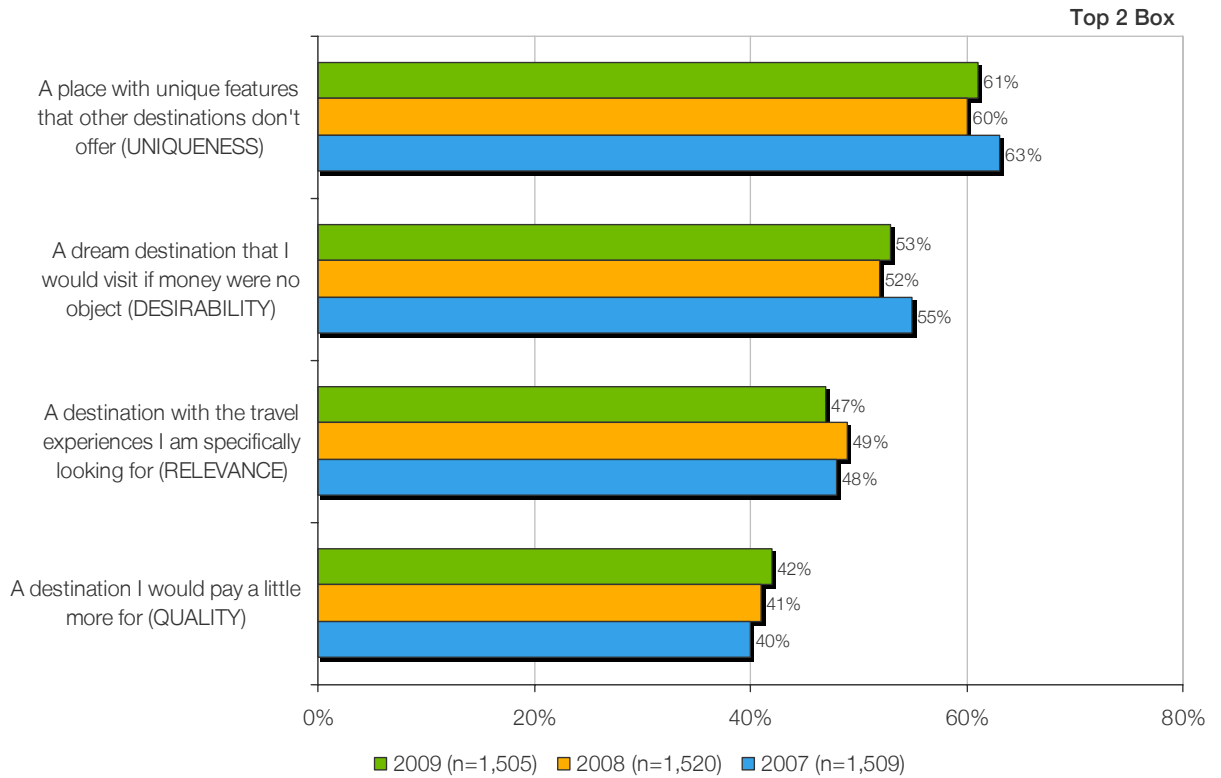
Destination success cannot be measured only by the degree to which the brand has established itself in the marketplace. Even if brand awareness is high, it is important for a destination or brand to be perceived as offering value to travellers. For a destination to have value, it should:

- 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 the UK, respondents were asked to rate it on four value-related statements that embody each of the above criteria.

Exhibit 12 shows that value perceptions have generally held steady since 2007. Quality and Relevance are particularly poorly rated, both in absolute terms and in comparison with other GTW markets, indicating that Canada may want to reassess its overall value proposition in the UK. This is especially critical in today's challenging travel environment, with UK travellers now expecting to get more out of their trips and refusing to compromise on value. According to the travel trade, clients are becoming more selective about destinations, looking for places that deliver a quality experience and guaranteed good memories.

Exhibit 12 – Value Perceptions



Base: Long-haul pleasure travellers.

Notes: 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".

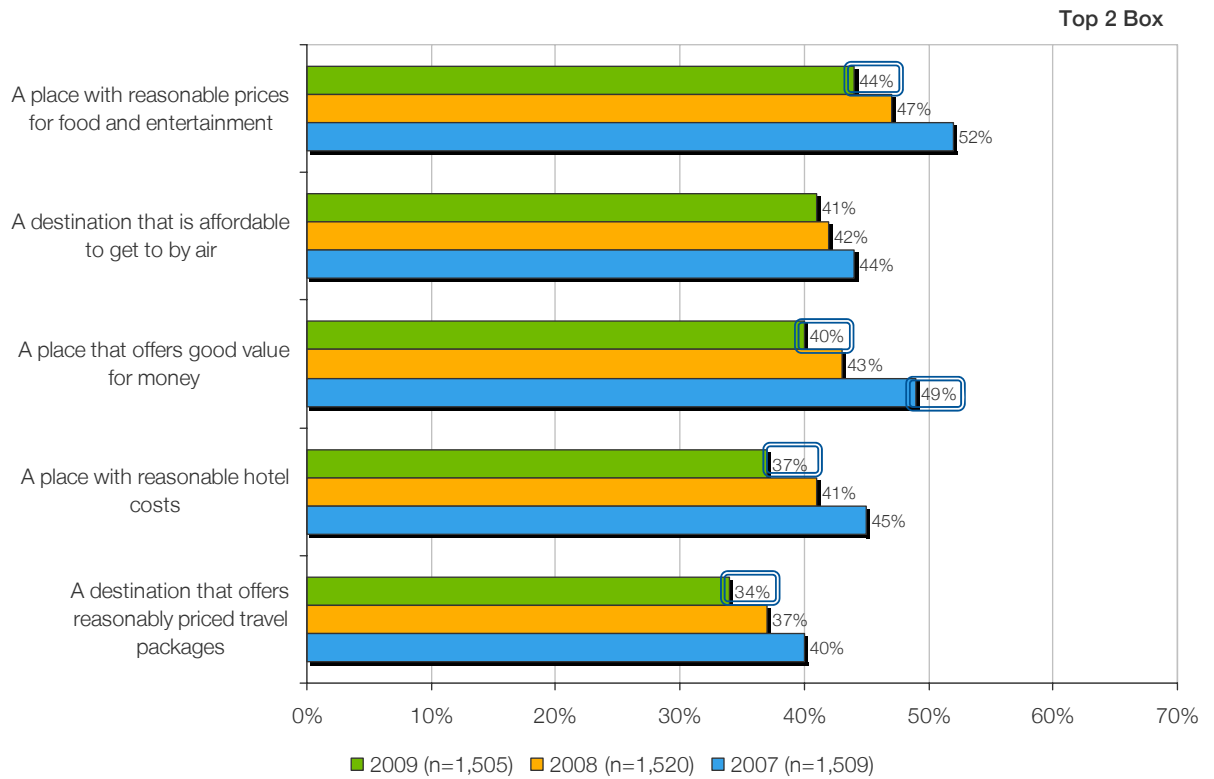
Price Perceptions

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 UK travellers on various travel cost components.

Price perceptions continue to plunge in 2009, with scores for all components except airfare now five to ten percentage points below their 2007 highs. This impression is at least partly due to the sinking pound and increasingly unfavourable rate of exchange against the Canadian dollar. Canada is increasingly seen as a pricey destination in the UK – a major disadvantage at a time when the flagging economy is driving consumers towards “austerity travel” and more affordable destinations with inexpensive ground costs.

In addition to selecting more budget-friendly destinations, UK travellers are opting for shorter trips, selecting less expensive hotels, spending less on shopping, travelling in the low season and taking self-catering holidays to bring trip costs in line with their reduced travel budgets. The trade reports that the pre-existing stigma associated with all-inclusives has all but vanished, with these products undergoing renewed popularity as travellers strive to reduce spending and avoid extra charges. It will be important for the Canadian travel industry to react to these trends by developing innovative, low-cost products that deliver plenty of extras and clear value for money.

Exhibit 13 – Price Perceptions



Base: Long-haul pleasure travellers.

Notes: 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".

Double blue squares indicate a significant downward trend since 2007.

Motivation for Visiting Canada and the Regions

Key Motivations for Visiting Canada

The list of motivational attributes was changed this year to harmonize the reasons for wanting to visit Canada with the motivations for long-haul travel in general (see [Exhibit 14](#)).

While cultural pursuits tend to dominate the top interests for long-haul travel in general, the primary motivations for visiting Canada lean more towards nature, with beautiful scenery, national parks and wildlife being the major draws. However, culture does factor into Canada's appeal, with around 7 in 10 travellers drawn to Canada's distinctive character, interesting local communities and historical and cultural attractions. This is a solid showing in view of the fact that Canada's cultural offerings don't typically stand up well to competitor products, and is obviously carried by the strength of the UK penchant for culture.

Canada's big cities and urban activities are also well-represented in the top half of the list, with cities close to nature, city activities and city culture important reasons for more than half of UK travellers likely to visit Canada. In fact, UK travellers show a significantly greater desire to engage in general tourist activities (e.g., sightseeing, shopping, museums) in Canadian cities than their German counterparts do.

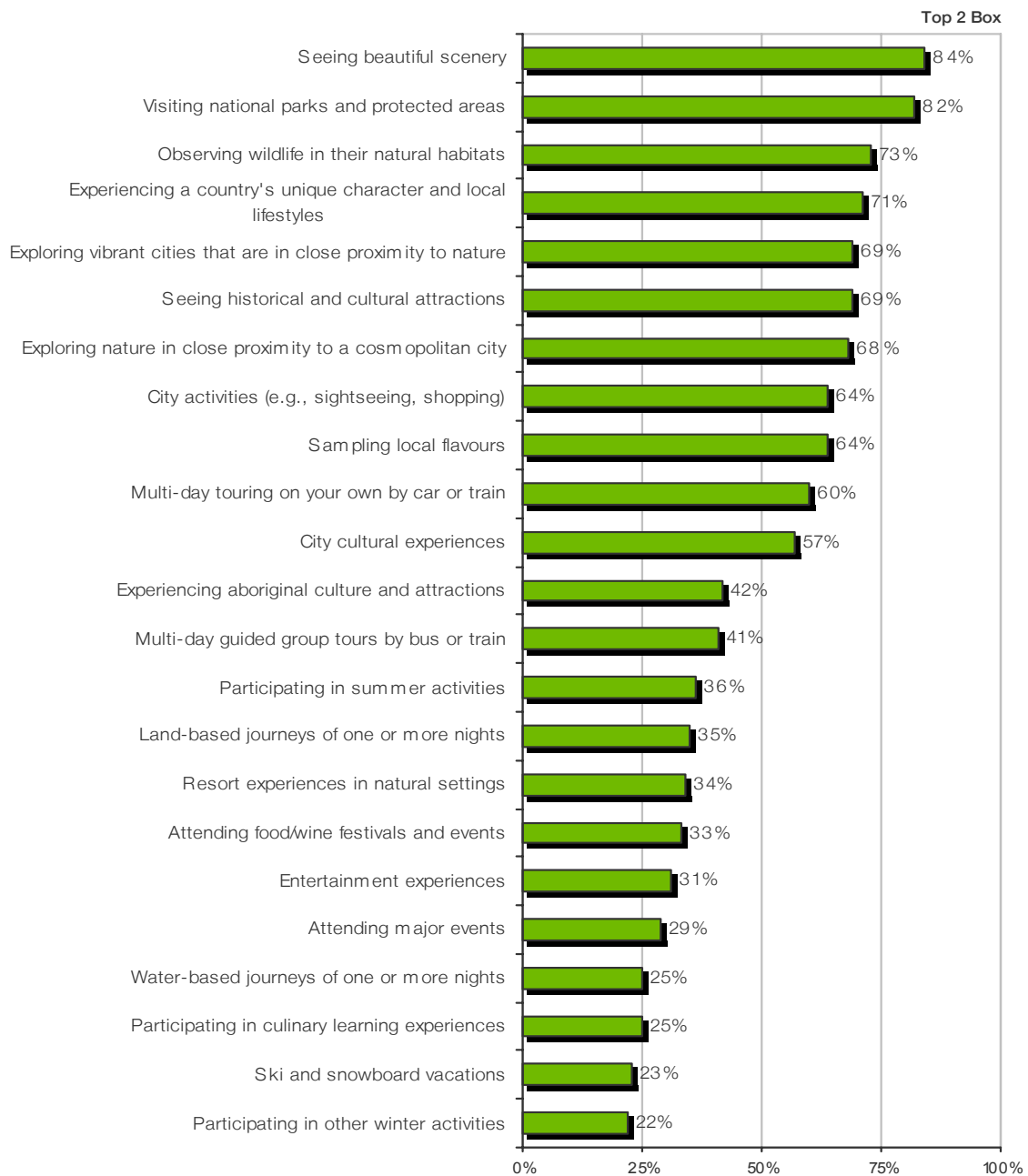
Although sampling local flavours is a universal product interest, appealing to well over 80% of the market, relatively poor perceptions of Canadian food means it is only a mid-range motivator for travel to Canada (64%). While most tourists expect to get a taste of local specialties when in Canada, it is not really a major pull factor.

At 60%, UK travellers are more partial to multi-day self touring than to guided tours, which are closer to 40%. This is consistent with both the overall product interests of UK travellers, and with their perceptions of Canada's product strengths.

Despite strong perceptions and a solid competitive standing for Canada on outdoor activities and active adventure, most UK holidaymakers are not drawn to Canada for these pursuits, with summer activities, land-based journeys, water-based journeys and winter activities all at under 40%. As a comparison point, German travellers are 10 to 25 percentage points higher on many of these motivations. Taken together, these results suggest that marketing campaigns based solely on the Active Adventure USP⁷ are not likely to be successful with UK travellers as they don't tend to enjoy physical activity. A more passive take on this USP, focused on viewing scenery and wildlife, walking or easy hiking, and scenic drives, might achieve better results. Moreover, developing the "Personal Journeys" (with a heavy focus on touring, rather than land and water-based journeys) and the "Vibrant Cities on the Edge of Nature" may ultimately be more rewarding, assuming that Canada can improve its current positioning vs. Australia and the US.

⁷ 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.

Exhibit 14 – Key Motivations for Visiting Canada



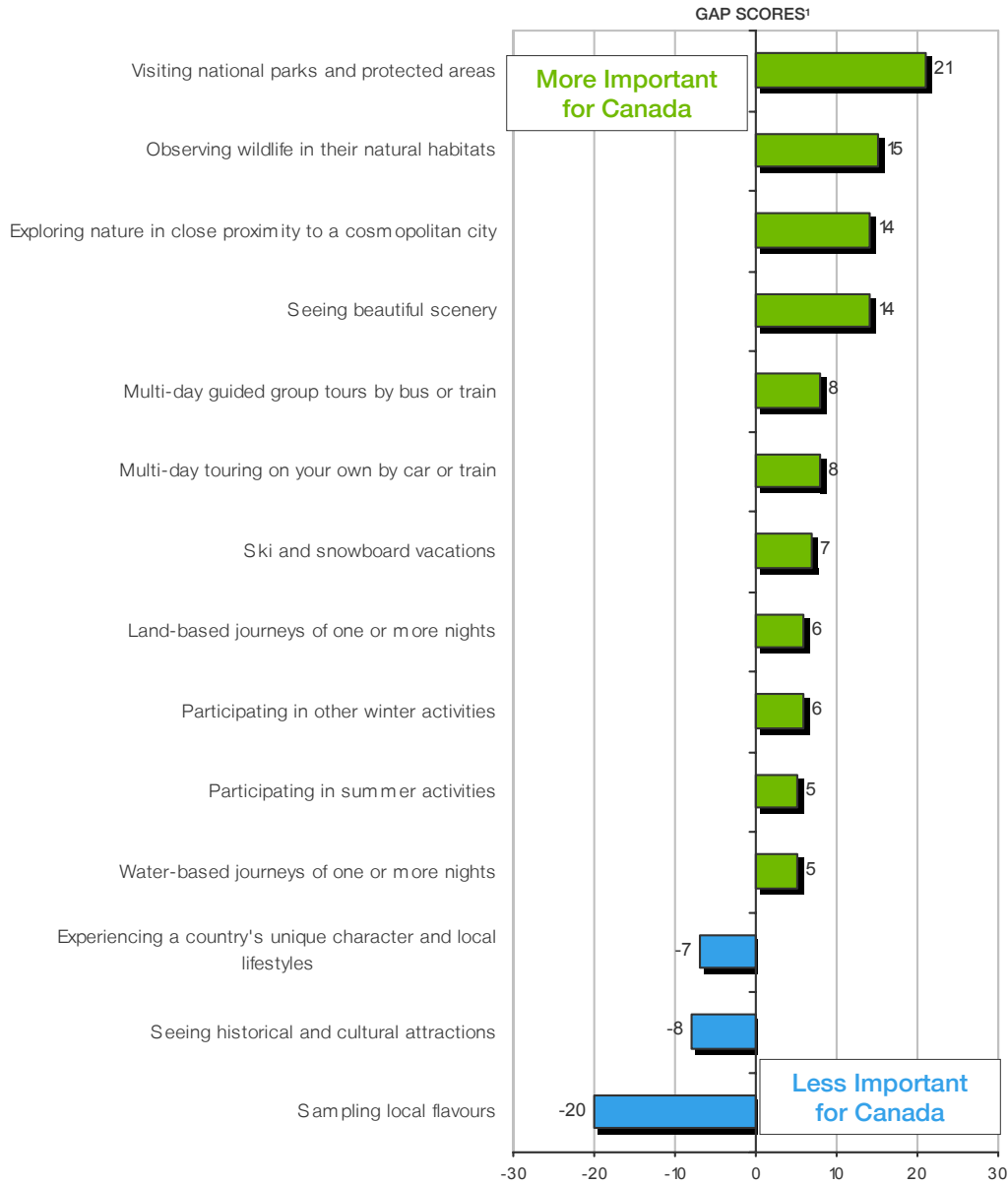
Base: Those likely to visit Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a trip there (n=886).

Note: Top 2 Box refers to a rating of 4 or 5 on a 5-point importance scale where 1 is "Very Unimportant" and 5 is "Very Important".

Exhibit 15 summarizes how the motivations for visiting Canada differ from those for long-haul travel as a whole. As expected, likely travellers to Canada are more likely to be seeking nature experiences (e.g., national parks, wildlife, scenery, nature close to cities), multi-day touring experiences (both guided and self touring), and to a lesser extent, outdoor pursuits (e.g., ski vacations, winter activities, summer activities and both land and water-based journeys). These results confirm that a more passive approach to Active Adventure, and a focus on the touring component of Personal Journeys, could resonate well with potential visitors in the UK.

On the other hand, UK travellers are less likely to come to Canada to absorb its unique culture and local lifestyles, see historical/cultural attractions or sample the food. As seen previously, other destinations are perceived as being far better for these types of experiences.

Exhibit 15 – Differences in Motivations for Travel to Canada vs. Long-haul Destinations in General



Base: Motivations for travel to long-haul destinations in general: Long-haul pleasure travellers (n=1,505).

Base: Motivations for travel to Canada: 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=886).

Notes: Only significant differences are shown.

¹ A positive gap score indicates a motivation that is stronger for Canada relative to long-haul destinations in general. A negative gap score indicates a motivation that is weaker for Canada relative to long-haul destinations in general.

Regional Motivations⁸

Exhibit 16 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.

In the exhibit, 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:

- Like last year, **Ontario** is seen as being the best region for city activities, including entertainment, sightseeing/shopping and city culture.
- Those likely to visit **British Columbia** are more likely to be drawn by the province’s outdoor experiences, including both winter and summer activities.
- **Alberta** is more likely than the other regions to attract travellers interested in guided group tours, possibly because this is a good way to take in the province’s vast national parks. This may also reflect an interest in touring the Rocky Mountain area by train.

None of the other GTW partner regions had a sufficiently large sample size (of those most likely to visit) to be included in this analysis.

⁸ Motivations of GTW regional partners with sufficient sample size.

Exhibit 16 - Regional Motivations



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

¹ Results should be interpreted with caution due to the small sample size.

Barriers in Attracting Visitors from U.K.

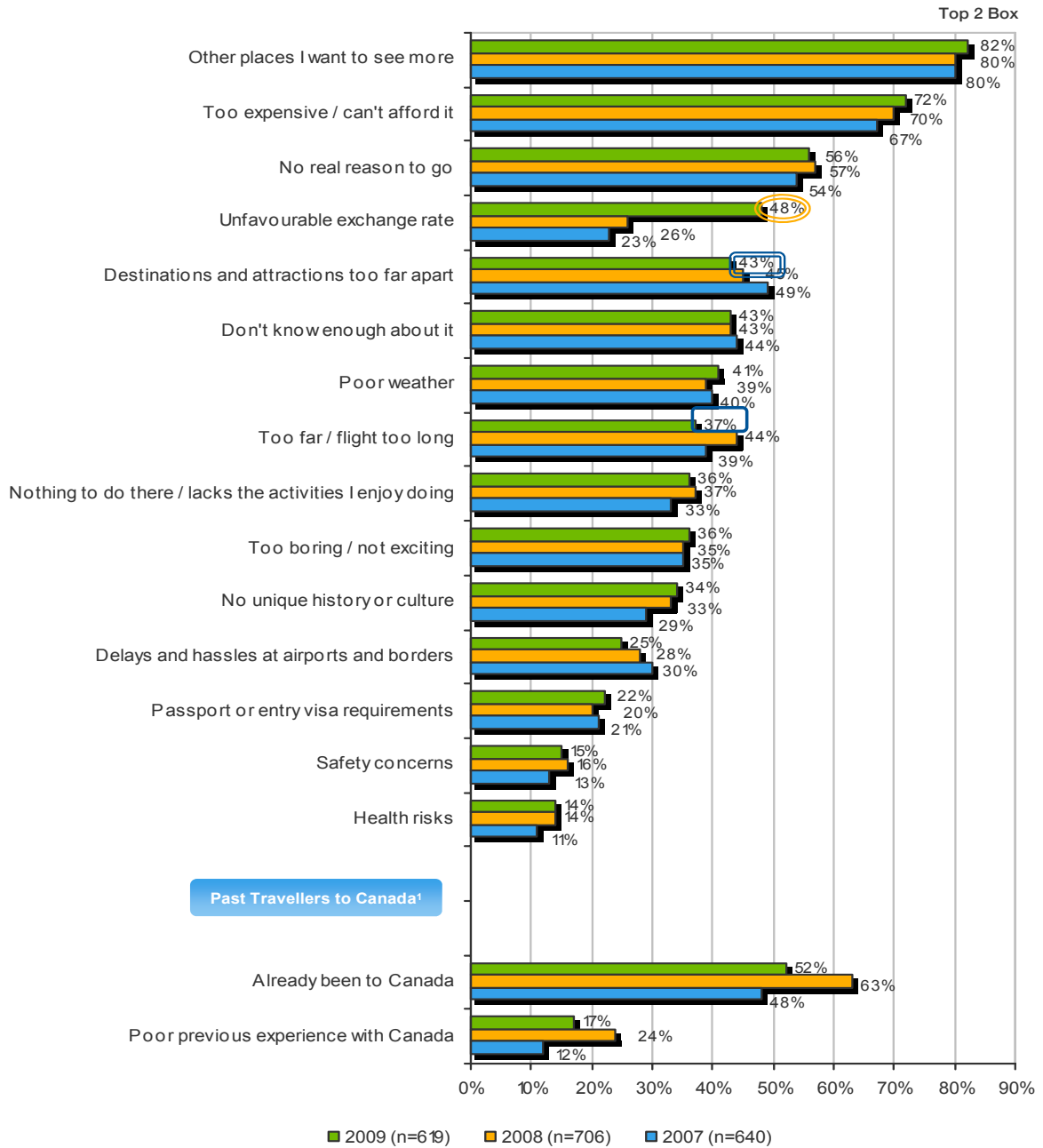
Barriers for Travel to Canada

Exhibit 17 shows why UK long-haul pleasure travellers 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.

Unfavourable exchange rates have more than doubled as a roadblock for visiting Canada since 2007, increasing from 23% to a striking 48%. As a result, this barrier has vaulted from the lower reaches of the chart to establish itself as one of the top five reasons for not visiting Canada. Clearly, the weak pound has taken its toll on visitation to Canada, and will continue to do so as it arcs downward through 2010. Perhaps tied into this is the fact that “too expensive” has been edging upward as a barrier since 2007 (although not significantly so). Again, Canada will need to counteract the deteriorating pound and the impression that it is costly through affordable packages and value-packed offers if it wants to contain market losses in the remainder of 2009.

Interestingly, the distance barrier appears to have lessened somewhat, with both the distance to Canada and the distance between sites in Canada dropping notably this year. Aside from this, no other movement is apparent on the barriers, with competition from other destinations remaining the single most important reason why UK travellers give Canada a miss.

Exhibit 17 – 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 2008; Double blue squares indicate a significant downward trend since 2007. Double orange circles indicate a significant upward trend since 2007.

¹ Base is long-haul pleasure travellers who have previously visited Canada and are unlikely to re-visit in the near future (2009 n=189; 2008 n=142; 2007 n=142).

Sources of Information for U.K. Travellers

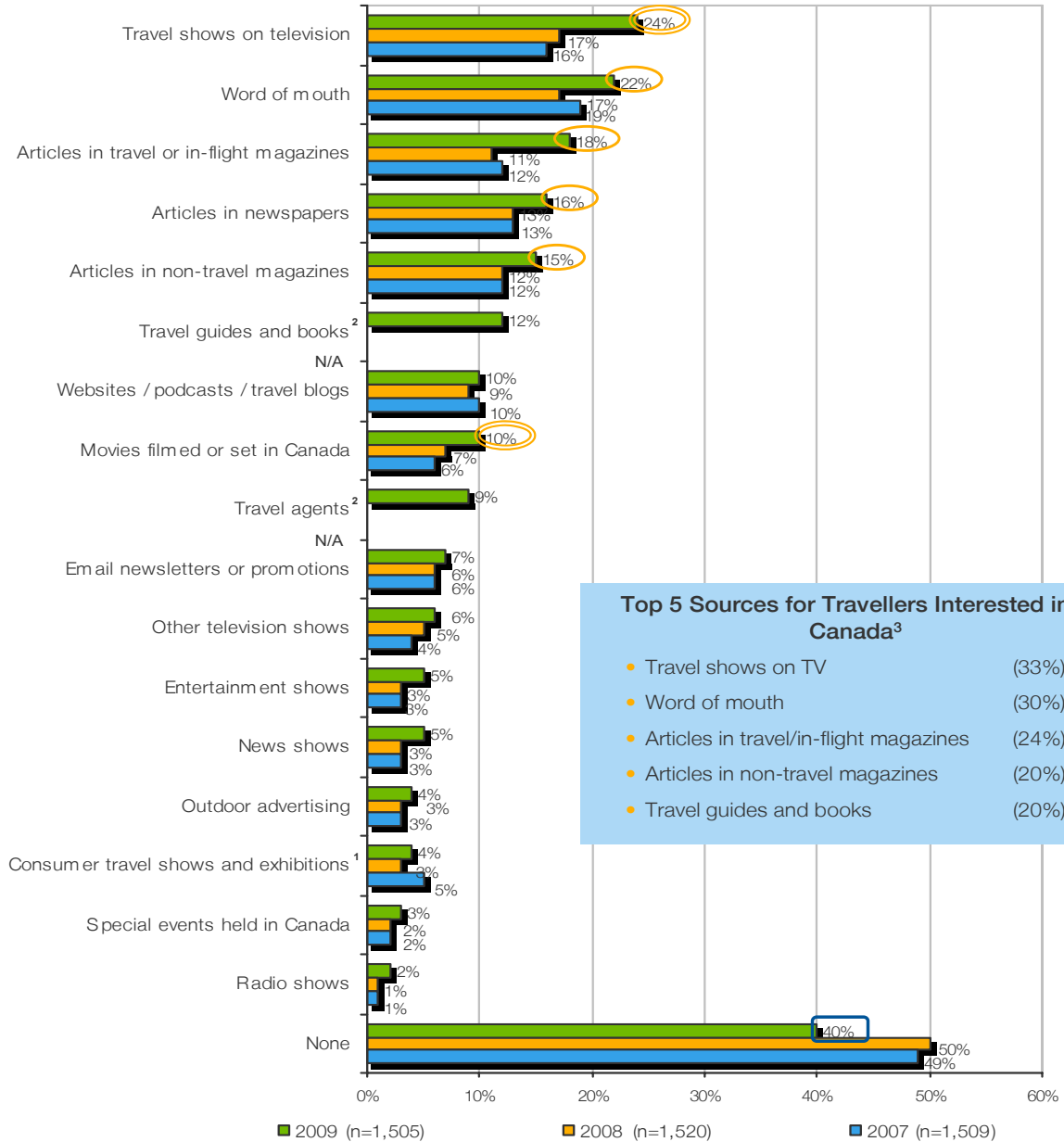
Sources of Information on Canada

Although awareness of Canada's advertising is down this year, **Exhibit 18** shows that more travellers saw information on Canada in non-advertising sources than in each of the last two years (60%, vs. around 50% in 2007 and 2008). In addition to word of mouth, television travel shows, newspaper articles, articles in travel and non-travel magazines and movies filmed in Canada have all increased significantly as information sources this year, helping to put the UK more on par with other GTW markets in terms of the penetration of these sources.

Notably, at 10%, the reach of online channels (e.g., websites/podcasts/travel blogs) has not improved this year and remains a relatively weaker distribution channel when compared with other GTW markets.

Potential travellers to Canada have generally been exposed to Canada through the same sources, with television travel shows and articles in travel magazines both up significantly since last year.

Exhibit 18 – Sources of Information on Canada (past 3 months)



Base: Long-haul pleasure travellers.

Notes: Blue squares indicate a result that is significantly lower than 2008; Double blue squares indicate a significant downward trend since 2007. Orange circles indicate a result that is significantly higher than 2008; Double orange circles indicate a significant upward trend since 2007.

¹ Item changed in 2008.

² Item changed in 2009.

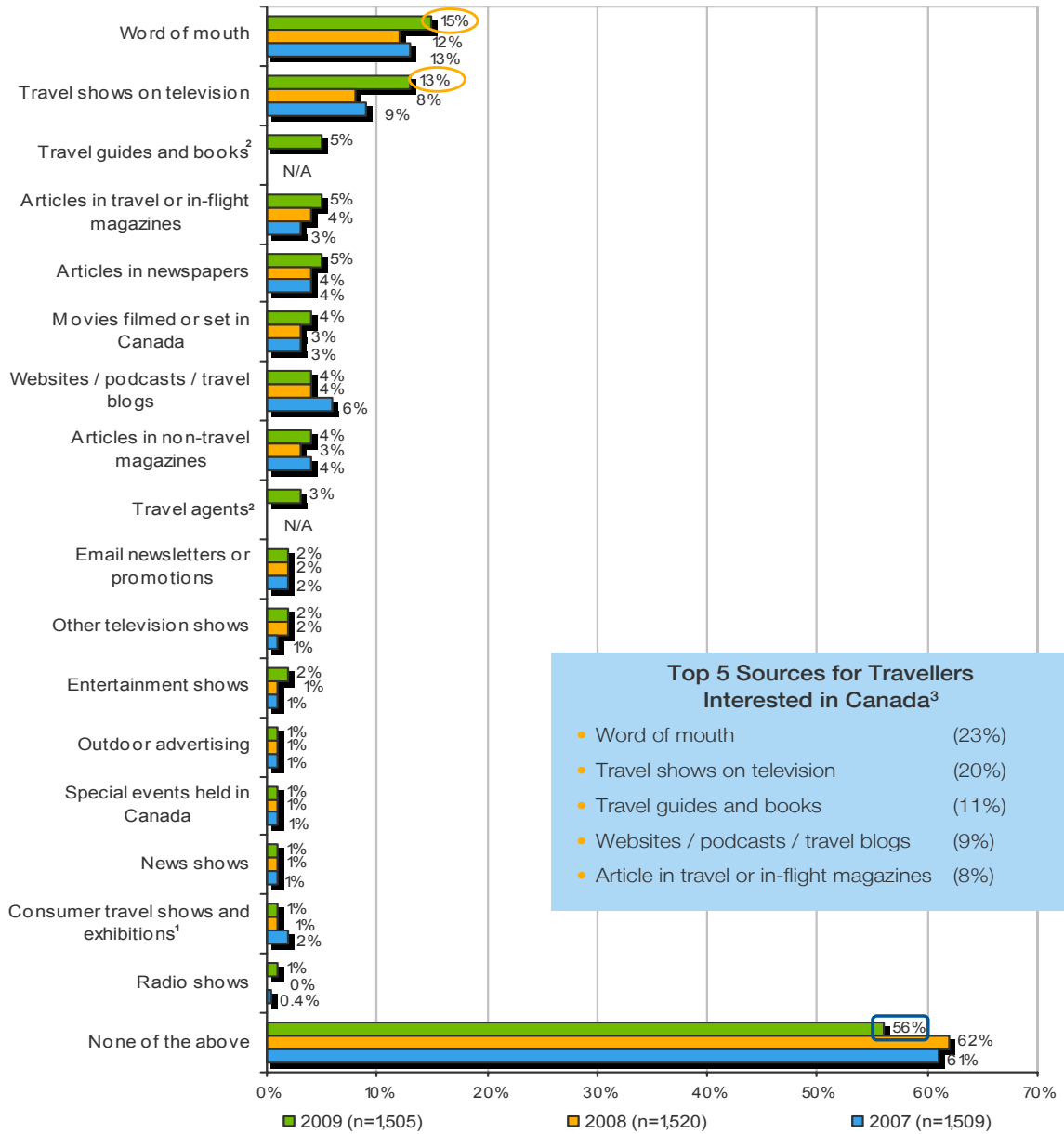
³ Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years (n=523).

Top Information Sources for Increasing Canada's Appeal

As shown in [Exhibit 19](#), word of mouth and television travel shows have also strengthened as ways to increase Canada's appeal, ranking these two sources well above the others. Clearly, exciting television features on Canada and activities that help to establish a buzz in the marketplace will be important in enhancing desirability. Print media can also be used for this purpose, with travel guides/books, travel magazines and newspaper articles rounding out the top five sources.

Generally, the same sources can be used to raise Canada's allure among potential visitors, although here, websites/podcasts/travel blogs are more effective, replacing newspaper articles in the top five. Of the five, only travel shows has increased significantly since last year.

Exhibit 19 – Top Information Sources for Increasing Canada’s Appeal



Base: Long-haul pleasure travellers.

Notes: Blue squares indicate a result that is significantly lower than 2008; Orange circles indicate a result that is significantly higher than 2008.

¹ Item changed in 2008.

² Item changed in 2009.

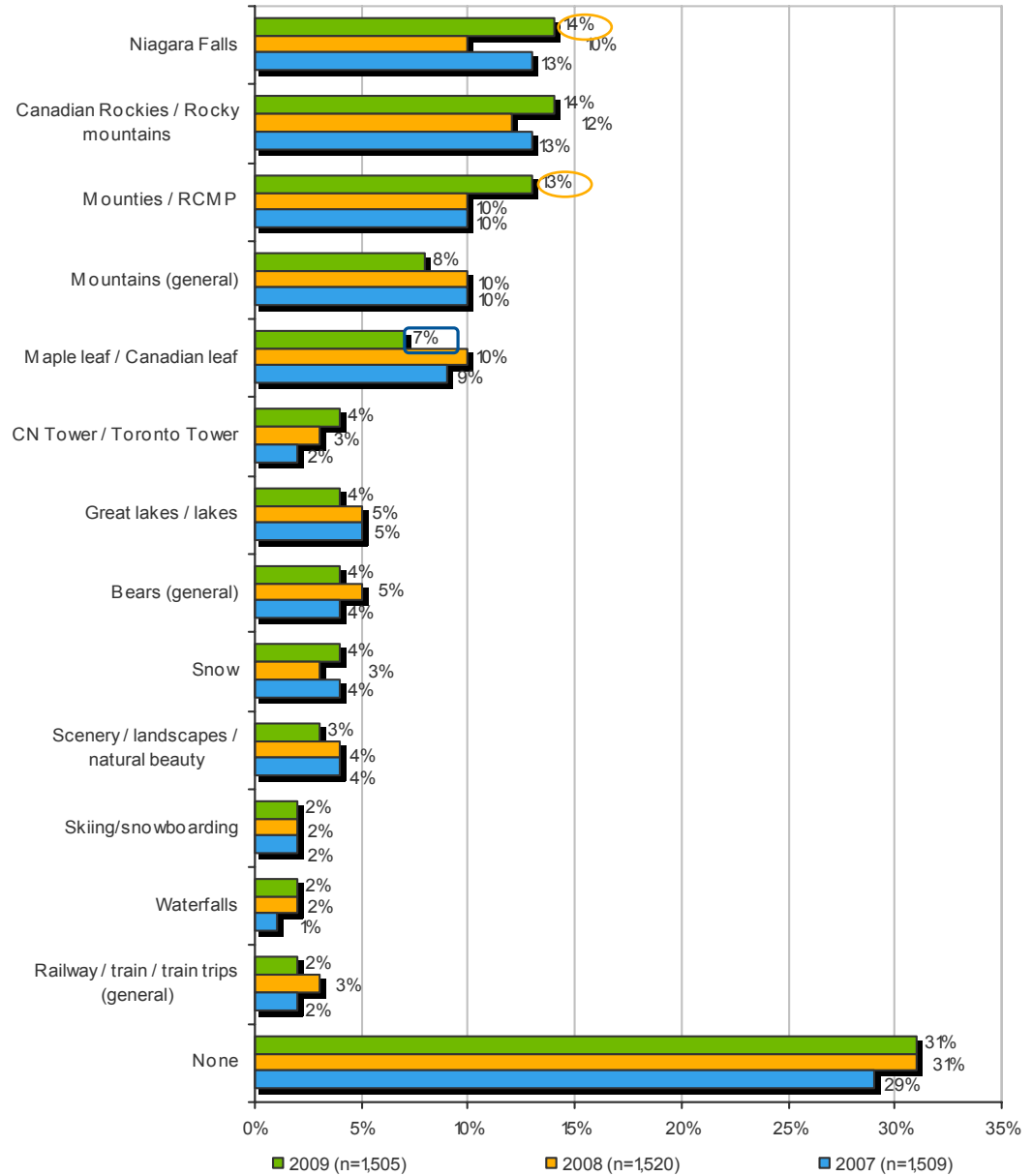
³ Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years (n=523).

Icons or Images that Inspire Interest in Canada

A four percentage point increase in 2009 places Niagara Falls (14%) at the top of the list of inspirational images for Canada in the UK (see [Exhibit 20](#)). Canada's magnificent mountain imagery continues to play a strong role in stirring interest this year, with the Rocky Mountains (14%) and mountains in general (8%) both among the five most inspiring visuals, and well-rated when benchmarked against other GTW markets. Two identifiably Canadian icons round out the top five – Mounties (up three percentage points to 13%) and the maple leaf (down three percentage points to 7%).

Many of the remaining mentions relate to scenery and nature, including specific mentions of lakes, waterfalls and bears, although the CN Tower is a prominent non-nature related mention. Consistent with Canada's strong competitive positioning on winter activities, snow and skiing are also commonly cited as having the potential to lift Canada's excitement value.

Exhibit 20 – Icons or Images that Inspire Interest in Canada



Base: Long-haul pleasure travellers.

Notes: Blue squares indicate a result that is significantly lower than 2008.

Orange circles indicate a result that is significantly higher than 2008.

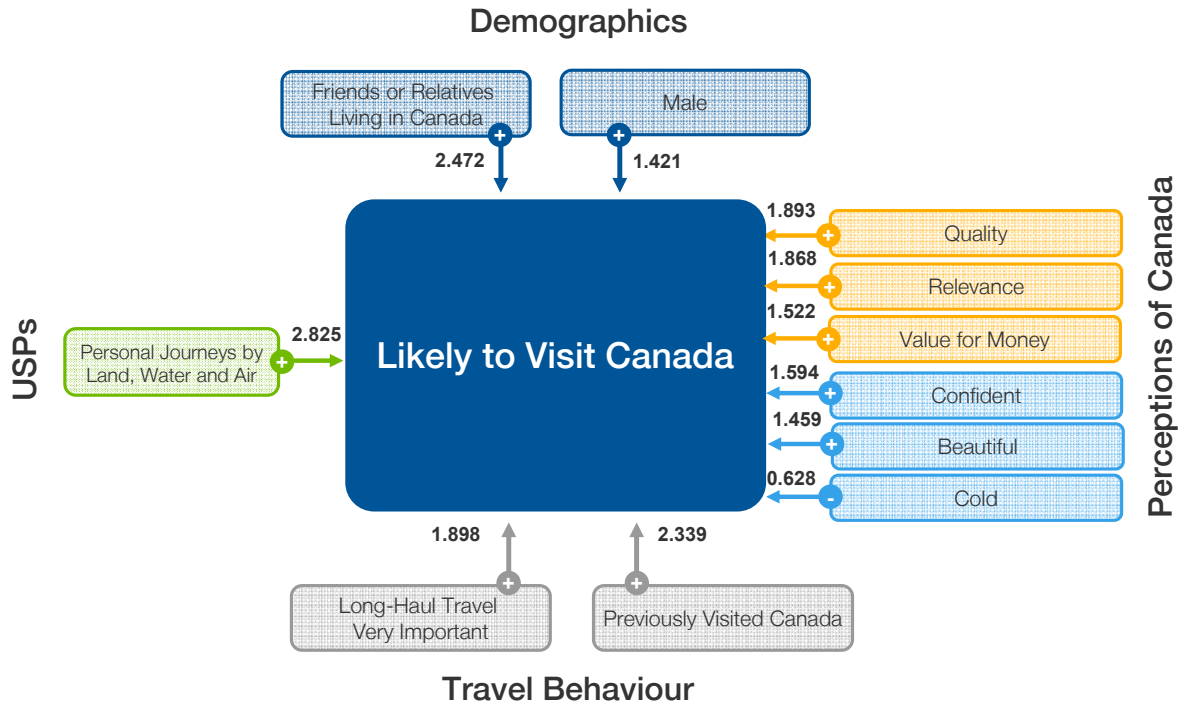
The Key Drivers for Visiting Canada

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 21 shows that, with a few exceptions, the key drivers of intentions to visit Canada remain largely the same as in previous years:

- The most notable difference in 2009 is the emergence of Personal Journeys as a key driver of travel to Canada. In fact, this is the strongest driver of future travel intentions. Everything else being equal, travellers who gravitate to these types of experiences are almost three times as likely to say they will visit Canada as those who do not. This again suggests that achieving leadership on the Personal Journeys USP could be beneficial for Canada.
- Having taken a previous trip to Canada and knowing people there continue to be strong predictors of future travel intentions this year. As was the case in both 2007 and 2008, Canada has greater appeal for those who consider long-haul travel a priority in their lives, as well as for men.
- Again mirroring the results of previous years, those who view Canada as having experiences that are relevant to them are more likely to visit. However, both product quality and value for money entered the model for the first time this year, reflecting the mounting importance of a quality or value guarantee in swaying destination choices.
- Like last year, travellers who feel that Canada is beautiful are more likely to visit, while those who view it as cold are less likely to do so. Confident also emerges as a positive influencer in 2009, highlighting the importance of presenting Canada as a place where good times are assured.

Exhibit 21 – Key Drivers for Likelihood to visit Canada



Base: Long-haul pleasure travellers (n=1,505).

Note: 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

With the UK in the grip of a deep recession, the housing market in crisis mode, and reports of mass layoffs in the media, it is no wonder that consumer confidence in the UK has hit record lows. Meanwhile, the pound continues to slide downward and travel costs are escalating, putting long-haul travel out of reach for an ever-increasing number of consumers. Not surprisingly then, the prognosis for long-haul travel has deteriorated markedly this year, with the GTW outlook indicator falling by almost 60% since 2007. With GDP forecasts for 2009 growing steadily worse and Air Passenger Duty (APD) rates set for a hike later in the year, things are not likely to turn around soon.

With all the gloom and doom, UK consumers are in austerity mode. Less affluent travellers and intenders have dropped out of the long-haul market, turning instead to medium-haul destinations, domestic trips or staycations with the family. Those who don't plan to take a long-haul trip cite affordability, unfavourable exchange rates and the poor economy as the top deterrents to travel, with the latter two having vaulted upward this year. In addition, potential job losses have tripled as a barrier since last year, indicating that more consumers expect to be personally affected by the downturn. According to the press, UK consumers are re-assessing what is truly important to them and the country is seeing a return to family values, a new emphasis on health and fitness, and the desire to simply relax at home.

Those who are continuing to travel long-haul are passionate about travel and its place in their lives, however, many are actively scaling back their budgets and choosing affordable destinations with reasonable ground costs. As a result, the key performance indicators (KPIs⁹) reveal that destinations like India and Thailand are enjoying burgeoning popularity in 2009 at the expense of pricey destinations like Australia. In addition, some UK travel agents have noted that customers are now more willing to venture to new destinations (e.g., Malaysia, Vietnam, Peru and Kenya) in their search for outstanding value. Defying all destination trends is the US, which has managed to maintain its top of mind presence, possibly due to the "Obama effect."

As a relatively expensive destination, it is not surprising that Canada has seen a significant drop in top of mind awareness and consideration in 2009, which is consistent with the downturn in UK arrivals to Canada over the last year. The penetration of Canada's 2009 advertising is weaker than in previous years, and Canada is losing ground to competing advertisers, which obviously makes it more challenging to reverse the downward trend. The good news is that interest and travel intentions have remained steadfast, showing that the longer-term potential in the UK remains strong.

After two years, the Brand Perception, Value Perception and overall brand health index for Canada have not improved over baseline levels. Moreover, the Price Perception has been tracking steadily downward, with all price components weakening to some degree, driven largely by the sinking pound. This puts Canada on shaky ground at a time when UK travellers are looking for bargains. To win in this fiercely competitive market, Canada may need to

⁹ KPI: destination awareness, advertising awareness, visitation and market penetration, travel interests and intentions.

consider more budget-conscious products, e.g., shorter packages, all-inclusives, self-catering products, hotel discounts and other ways to keep prices down.

At the same time, Canada may want to shore up the Value Perception, which remains on the low side relative to other GTW markets. With UK travellers seeking the Holy Grail – places that deliver a fantastic experience at a value-for-money price – Canada needs to ensure that its products offer discernible value and tangible benefits. In fact, Quality, Relevance and Value for Money all emerged as key drivers of travel to Canada this year.

The GTW results also reveal a weaker marketplace alignment with the Brand Canada personality traits in 2009, with a considerable drop in the unaided score and a directional drop in the aided measure. In particular, losses on Intriguing and Confident suggest a need to up Canada's excitement value and ensure that it doesn't come across as uncertain or hesitant when travellers are looking for quality assurances and value guarantees.

Generally, Canada's product positioning in the UK is not as strong as in Germany or France, which may be contributing to the sluggish visitor arrivals. It has fewer number one products in the UK, with Australia and/or the US having a commanding lead on several of its traditional strengths (e.g., scenery, land-based journeys, national parks). Moreover, both the US and Australia are within easy striking distance of Canada's leadership position on *Active Adventure Among Awe-Inspiring Natural Wonders*. In addition, Canada's strength on this USP is driven primarily by its high score on skiing/winter activities, which, like other outdoor activities, are of below average interest in the UK market. These results suggest that the focus of the Active Adventure USP in the UK could be primarily on nature and soft adventure, perhaps with an emphasis on the increasingly popular western provinces (British Columbia and Alberta).

Vibrant Cities on the Edge of Nature and *Personal Journeys by Land, Water and Air* also offer good prospects as pillars for Canada's marketing campaigns in the UK. As a key driver of travel to Canada and the USP with superior performance, Personal Journeys likely affords a better opportunity for the CTC and its partners to connect with UK travellers. However, Canada will want to better its positioning against the US and Australia, for example, by aggressively marketing its self-touring experiences (e.g., fly-drive packages, scenic driving routes, touring the Rockies by rail). Thematically, this USP also ties in extremely well with the *Keep Exploring* brand and the brand promise of "extraordinary personal experiences."

Canada fares poorly on both *Connecting with Locals* and *Award-Winning Local Cuisine*, with a last place finish in both cases. While *Connecting with Locals* may not ring true as a marketing theme at this point in time, it is still important to improve Canada's positioning to develop a multi-faceted image and buoy the brand.