Canadian Tourism Commission
Commission canadienne du tourisme

Global Tourism Watch

2012 China Summary Report

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1. Introduction

The Canadian Tourism Commission (CTC) began conducting the annual Global Tourism Watch (GTW) program in 2007. The primary purpose of this research program is to expand the base of consumer-based intelligence in 12 key markets.

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

The overall objectives of the GTW study are to:

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

In response to a rapidly changing travel marketplace, the CTC and TNS worked together to substantially revise and update the questionnaire prior to the 2012 fieldwork. This was done to better reflect current travel realities and to gather more in-depth information on Canada's competitors in each market. The new GTW data permits direct comparison of Canada to those competitor countries unique to each market. The CTC has designated the US, the UK, France, Germany, Australia and New Zealand as the competitive set for Canada in the Chinese market.

Methodology

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

Data was gathered from 1,690 respondents in China, including 276 recent visitors to Canada. The GTW survey was conducted in four Tier 1 cities - Beijing, Shanghai, Guangzhou, and Shenzhen. Data was collected in July 2012. It is important to note that 2012 was the first time GTW data was conducted online in China (previously conducted via an in-person intercept followed by an online survey). As such, a different composition of travellers (wealthier and more frequent travellers) was reached making it impractical to directly compare 2012 results to those from previous years.

2. Key Take-Aways

Thanks to robust economic growth, rising incomes, and relaxation of travel restrictions, the Chinese travel market has expanded exponentially in recent years. While economic conditions were somewhat uncertain in 2012 due to inflationary concerns and slowing GDP growth, forecasts call for continuing growth which bodes well for outbound tourism. While growth prospects are strong, the greatest challenge for Canada is competing against established and emerging destinations for the lucrative Chinese market.

- Despite rosy predictions for the Chinese travel market, GTW results show Canada records average results on awareness and intention to visit measures, typically falling below the US, Australia, and key European destinations. On the unaided awareness measure, 20% of Chinese travellers mentioned Canada. This is the highest result recorded in 5 years of monitoring, yet Canada remains in 5th place. A similar result is noted for aided awareness, which stands at 36% now, but Canada remains in 6th place as awareness of other destinations grows. Canada recorded a 5th place result for unaided consideration and 6th place on the aided measure.

- Chinese travellers long-haul destination preferences are broadening, with interest in traditional Asian destinations such as Singapore and Thailand dropping and interest in more far flung and exotic destinations growing. This is an opportunity for Canada, but also for other destinations which are actively courting Chinese travellers.

- While interest in long-haul destinations is very high, Path to Purchase data shows the majority of Chinese travellers are still in the dream or early planning stages with less than 20% actively planning a trip. This is typical of an emerging market.

- 13% of Chinese travellers have visited Canada during their lifetime, far behind market leaders such as Australia (37%), the US (31%) and France (25%).

- Given the dominance of the US and the fact two-thirds of Chinese visitors to Canada combine their trip with a visit to the US shows there is considerable opportunity for Canada to draw more Chinese travellers with dual country itineraries.

- In terms of personality perceptions, Canada's top result was a 3rd place finish for "Friendly", behind Australia and New Zealand. Canada achieved 4th place finishes for "Beautiful", "Liberal", and "Intriguing" behind a combination of Australia, the US, New Zealand and France. With a 3rd place finish as the highest rating, there are many opportunities to strengthen brand perceptions of Canada in Chinese travellers' eyes.

- France is the leader in the brand category, followed by New Zealand. Chinese travellers admire French culture and history, while New Zealand's geography is seen as inspiring. Both destinations are seen to offer an authentic experience. France also performs well on value perceptions along with Australia, which emerges as a dream destination. Surprising, New Zealand triumphs on pricing perceptions. Canada achieved middle of the road results on these perceptions, suggesting that Chinese travellers may not be aware of the diversity of experiences the destination offers.

- Chinese travellers' product interests centre around scenic beauty, nature experiences close to cities, cultural and urban activities, and unique and local experiences. Canada performs fairly well on scenery and nature aspects, but lags behind Australia. Canada is rated poorly on cultural activities and unique and local experiences, identifying perceptions the destination needs to change.

- Despite growing use of online research and booking tools, travel agents play a major role in this market, underscoring the need to stay engaged with this channel.

- Chinese visitors to Canada are mainly in the middle and older age groups and primarily come from the higher income groups. However, the greatest potential in the 18-34 age group who are currently least likely to visit. The challenge for the tourism industry is converting the younger population's interest into actual visitation.

- Cost is the top perceived barrier to visiting. Marketing efforts should highlight the value of a Canadian vacation (rather than price) and experiences unique to the destination. Fear of poor weather and difficulty in acquiring visas are also barriers. For the former, this may be an awareness issue which can be addressed through advertising and education of travel agents and encouraging visitation during the summer.

- Canada placed 5th behind Australia, New Zealand, the US and the UK on the Net Promoter measure. The challenge is to understand how the top destinations are outperforming Canada as well as how to tap into the advocacy potential that exists.

- Chinese travellers are very active social media users which need to be leveraged, especially to encourage past visitors to share their experiences in Canada with their networks. QQ and weibo are the most popular social networking sites with three-quarters of Chinese travellers reporting use in the past 3 months. Information obtained via social networks is currently the 4th most-cited source on Canada.

- During the trip, the most popular activity was sharing photos or messages via social networks. Post-trip sharing is heavily focused on in-person interactions, with approximately 60% sharing experiences via social networks. Blogging and submitting to review sites are also popular. The tourism industry is encouraged to monitor popular sites to gauge Chinese travellers' impressions.

3. Market Health and Outlook

China Market Conditions & 2013 Outlook

In a word, the China market conditions are burgeoning and the economic outlook is primed for continuing growth. This healthy fiscal situation transfers benefits to all sectors of the Chinese economy, of which the tourism sector gets its fair share. As personal wealth increases, so does the middle class. This group's values and behaviours, which includes a desire to see others lands and the means to do so, also shifts. A sign of this dynamic is that passport ownership (now at 38 million) is experiencing a 20% annual growth. Most of the travel originates from the four economic hubs – Beijing, Shanghai, Guangzhou, and Shenzhen – where the middle class growth has been the most rapid.

While 2012 saw higher inflation in the China market and a resulting lower GDP, it's been predicted that 2013 will see inflation brought under control (2.5%) and an increase in the GDP (8%). The *renminbi* is also forecast to appreciate against major world currencies, including the US dollar. Rising currency values will stimulate further tourism growth.

It is predicted that China will become the number one tourism generating market by the turn of the decade, with 100 million outbound trips and expenditures of $590 billion. The vast majority of current travel is within East Asia, with just 14 million trips being long-haul in 2011. However, the long-haul travel is predicted to grow to 20 million trips by 2015.

Rosy economic conditions and a thirst for international travel makes the Chinese market extremely appealing. Numerous destinations are pursuing the Chinese market, including Canada which was one of the last countries to be awarded Approved Destination Status (ADS) in 2010. Chinese visitation to Canada has jumped to 237,000 visitors in 2011, up 22% from 2010 when ADS came into effect. The CTC forecasts 288,000 arrivals in 2012 , expanding to 347,000 Chinese visitors in 2013. Presently, China represents Canada's 5th largest travel market. Among Canada's competitive set, the US (1.1 million arrivals in 2011), France (900,000 arrivals) and Australia (636,000 arrivals) have all seen dramatic growth in Chinese visitation in recent years and are far ahead of Canada in this market.

The 2012 GTW results show a very active long-haul travel market with just 15% of respondents indicating no trips in the past 3 years. Also apparent is the drop in single trips (22%) and the switch to more frequent long-haul trips. These changes are likely at least partially attributable to the change in methodology in 2012.

The Chinese are optimistic about future long-haul travel. The market outlook (difference between those who say they will travel more in the next 2-3 years versus the past 2-3 years and those who say they will travel less) stands at +74%, much higher than in other years.

In 2012, all respondents were asked what factors they could foresee curtailing future long-haul travel. The top factors that could curtail travel are safety concerns (42%) and lack of time to travel (41%). Two other reasons related to safety (international conflicts / war and health risks) emerged in the top 5 barriers, suggesting Chinese travellers have many hesitations about international travel. Canada may gain some traction in this market by emphasizing the relative safety a Canadian vacation offers.

4. Market Potential

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

The target market is a broader estimate of the market size based on expressed interest among all Chinese long-haul travellers in the 4 cities included in the study (market size estimate derived from the 2010 omnibus study of the Chinese adult population). The proportion of GTW respondents who are "definitely", "very interested", or "somewhat interested" in Canada in the next 2 years is applied to the broader traveller population to come up with an target market estimate of 4.3 million.

The immediate potential is a more conservative estimate based on those who indicated they had started gathering information for a trip to Canada or were planning or booking a trip to Canada. This calculation yields an estimate of 1.5 million travellers with more immediate potential for conversion. Note: This year's immediate potential calculation for China differs from prior years. The path to purchase provides better alignment with the CTC's marketing initiatives and also addresses the overstatement of travellers who said they were likely to visit Canada in the next two years.

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

	Size of Potential Market to Canada
Total potential long-haul pleasure travellers (aged 18 plus)	4,734,000
Target Market for Canada	
Definitely / very / somewhat interested in visiting Canada in the next 2 years	91%
Size of the target market	4,308,000
Immediate Potential for Canada	
Will definitely / very likely visit Canada in the next 2 years [1]	32%
Immediate potential	1,515,000

Base: Long-haul pleasure travellers (n=1,690)
[1] Based on respondents who indicated they were at the latter stages of the path to purchase for Canada.

Exhibit 4.2 show the immediate potential for the regional partners of the GTW study based on stated levels of interest expressed by those intending to visit Canada in the next 2 years. The immediate potential for the most popular regions, British Columbia and Ontario, is considerable, with each region of interest at approximately 1 million travellers.

In terms of destination preferences, Chinese travellers intending to visit Canada are much more likely to visit Vancouver followed by Toronto, Ottawa and Niagara Falls.

Exhibit 4.2 – Market Potential For The Regions

	BC	ON	QC	ATL CAN	AB	SK	YK	NWT	MB	NU
Immediate potential for Canada					1,515,000					
Likely to visit region	91%	84%	45%	32%	29%	4%	3%	3%	3%	2%
Immediate potential for the regions (000s)	1,379	1,273	682	485	439	60	45	45	45	30

Base for percentages is those likely to visit Canada on a trip of 1-3 nights or 4+ nights in the next 2 years trip there (n=1,588).

5. Competitive Environment

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

Exhibit 5-1 summarizes the 2012 KPIs for Canada. On an unaided basis, one-in-five Chinese respondents mentioned Canada as a long-haul travel destination, scoring well behind the US, Australia, France and the UK. On an aided basis, just under half of Chinese travellers claim to be knowledgeable about holiday opportunities in Australia and the US. Canada is again well behind in 6th spot at 36%.

Canada comes 8th on past visitation, far behind Australia (37%) and the US (31%).

In terms of destinations under consideration for long-haul trips in the next 2 years, on an unaided basis, Canada again ranks 4th (tied with the UK), behind the US, Australia, and France. On the aided measure, results for are very close, with Australia securing top spot. Canada places 6th, marginally ahead of Germany.

Exhibit 5.1 – Key Performance Indicators For Canada – Summary

Indicator	Definition	All L-H Travellers (n=1,690)
Destination Awareness		
Unaided awareness of Canada (roll-up)	% who said Canada or a destination in Canada	20% (5th)
Aided awareness of travel opportunities in Canada	% with excellent / very good knowledge of travel opportunities in Canada	36% (6th)
Past Visitation		
Overall market penetration	% who have ever visited Canada for pleasure	13% (8th)
Intentions		
Unaided destination consideration	% who mentioned Canada or a destination in Canada on their consideration list (for trips in next 2 yrs)	13%
Competitive positioning on destination consideration	Rank on the consideration list relative to competitors (roll-up)	4th (tie)

Base: Long-haul pleasure travellers

From a trending perspective, Canada at 20% has moved from 6th to 5th spot on unaided awareness. Aided awareness is slightly up over 2011, but significantly below its highest level reached in 2010. Canada remains in 6th spot overall on this measure.

In terms of intentions, unaided consideration of Canada as a destination has trended upward since 2010. Aided consideration is up significantly in 2012, but some of the growth is attributable to change in the question wording and response scale.

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

Inclusion of the long-haul competitive set to Canada is an important change to the current and future editions of the GTW. This will allow the tracking of Canada's performance over time versus competitors that are most relevant as an alternative choice to a Canadian holiday in each GTW market.

In terms of personality trait association, Canada's top result was a 3rd place finish for "Friendly", behind Australia and New Zealand. Canada was awarded 4th place finishes for "Beautiful", "Liberal", and "Intriguing" behind a combination of Australia, the US, New Zealand and France.

With a 3rd place finish as the highest rating, there are many opportunities to strengthen Canada's brand perceptions in Chinese travellers' eyes.

Although Canada did not finish last in any of the brand categories, it placed 6th for "Authentic" and "Confident".

Exhibit 5.2 – Aided Brand Personality Perceptions

	1#	2#	3#	4#	5#	6#	7#	8#
Friendly[1]	AUS 39%	NZ 32%	CAN 29%	FRA 28%	GER 25%	US 24%	UK 21%	NONE 3%
Beautiful	AUS 49%	NZ 44%	FRA 34%	CAN 31%	US 19%	UK 17%	GER 16%	NONE 1%
Liberal[1]	US 54%	AUS 32%	FRA 29%	CAN 26%	NZ 25%	UK 19%	GER 14%	NONE 1%
Intriguing	FRA 45%	AUS 39%	NZ 34%	CAN 24%	UK 23%	US 19%	GER 18%	NONE 1%
Informal	US 47%	AUS 30%	FRA 25%	NZ 23%	CAN 21%	GER 13%	UK 12%	NONE 6%
Inspirational[1]	US 37%	GER 29%	AUS 26%	FRA 22%	CAN 20%	UK 20%	NZ 20%	NONE 7%
Energetic[1]	US 47%	AUS 37%	NZ 29%	FRA 28%	CAN 20%	UK 18%	GER 18%	NONE 2%
Witty	US 40%	FRA 36%	UK 26%	AUS 21%	CAN 19%	GER 19%	NZ 17%	NONE 5%
Authentic	GER 34%	AUS 29%	NZ 28%	US 27%	UK 26%	CAN 25%	FRA 19%	NONE 3%
Confident	US 49%	GER 35%	UK 30%	FRA 29%	AUS 18%	CAN 17%	NZ 15%	NONE 3%

Base: Long-haul pleasure travellers (2012 n=1,690)
Q10: We would like you to use your imagination for a moment. Consider the following words and pick up to 3 countries you associate with each word
Red text indicates CTC strategic priorities.
[1] New attributes added in 2012.

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

In the minds of Chinese travellers, France and New Zealand dominate the brand category, while France and Australia are the clear leaders on value. New Zealand is the winner on price, followed by Australia. This is a somewhat curious result as these destinations not typically seen as a cost competitive.

In general terms, Canada ranks toward the bottom of the pack on these measures. Somewhat surprisingly, Canada's best rating is in the price perceptions realm with 4th place finishes across the board. Canada is either 4th or 5th in each value perception as it is in brand perceptions except for last place result for "A place that inspires me to explore its culture". These results suggest Canada has considerable work to do to convince Chinese travellers of the merits of a Canadian vacation relative to the competitive set.

Exhibit 5.3 – Brand, Value, Price Perceptions

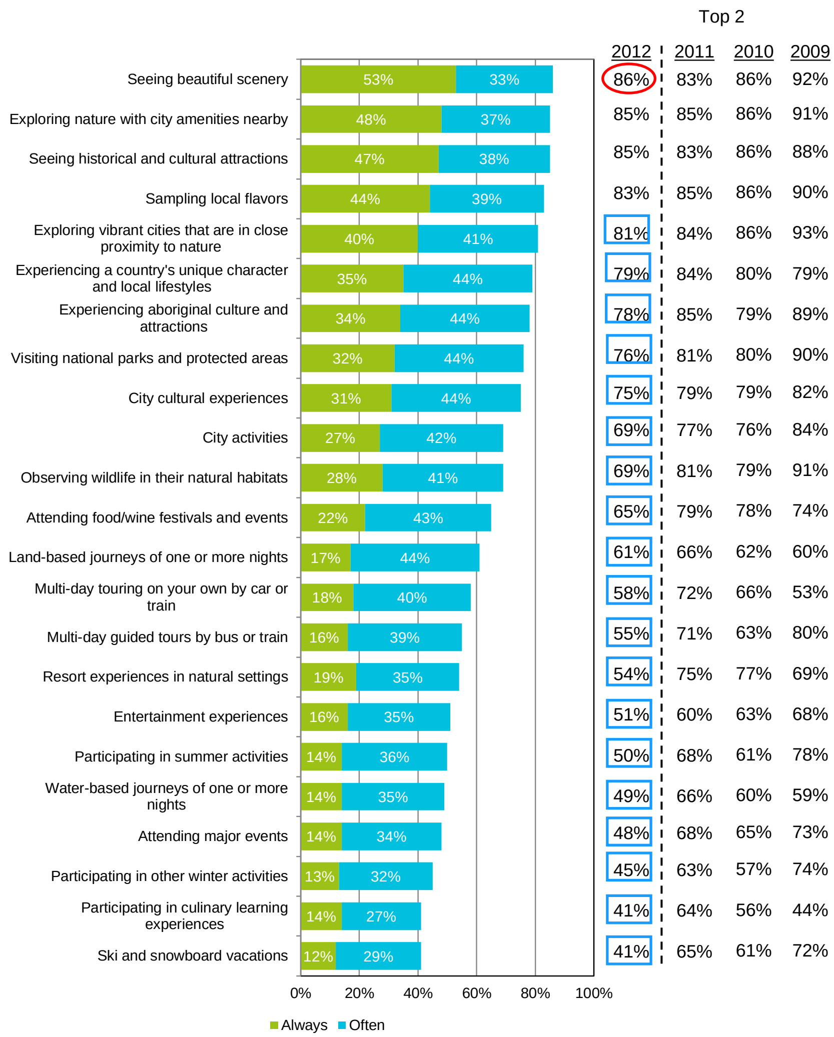
Top-3 Box	Canada	United States	United Kingdom	New Zealand	Germany	France	Australia
Brand Perceptions							
A place that inspires me to explore its geography	61%	60%	54%	70%	55%	62%	67%
A place that inspires me to explore its culture	57%	59%	59%	66%	59%	74%	63%
A place that inspires me to meet and engage with its people	56%	59%	55%	65%	54%	66%	57%
A place that offers an authentic experience	63%	64%	59%	68%	60%	68%	65%
Value Perceptions							
A destination I would pay a little more for	53%	54%	52%	60%	53%	66%	62%
A destination with the travel experiences I am specifically looking for	61%	63%	59%	69%	58%	69%	70%
A place with unique features that other destinations don't offer	57%	56%	52%	68%	55%	71%	65%
A dream destination that I would visit if money were no object	61%	63%	56%	68%	57%	67%	70%
Price Perceptions							
A destination that is affordable to get to by air	44%	43%	41%	52%	40%	49%	49%
A destination with reasonable prices for food, entertainment and hotels	53%	52%	49%	58%	48%	55%	55%
A place that offers good value for money	59%	57%	53%	64%	53%	60%	64%

Base: Long-haul pleasure travellers (n=1,690)
Q11: We are interested in your general impressions of <Insert country>, as a holiday destination<If country=Canada hide ", even if you have never been there">. On a scale of 1 to 10, where 1 is "strongly disagree" and 10 is "strongly agree," how would you rate <Insert country> on each of the following? Blue shading represents top performers.

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

“Seeing beautiful scenery” is the top-rated product interest Chinese travellers are also interested in nature activities close to cities. Other top experiences relate to cultural and urban activities and unique and local activities.

Exhibit 5.4 – Product Interests



Base: Long-haul pleasure travellers (2012 n= 1,690; 2011 n=1,533; 2010 n=1,509; 2009 n=1,502)
Q7: We are interested in knowing the types of activities and experiences you are looking for on your long-haul holidays. Please indicate how important each of the following activities is to you when choosing long-haul destinations.
Note: Results not comparable to previous years due to changes in the question wording and to the product list in 2011.
Blue squares indicate a result that is significantly lower than 2011. Red circles indicate a result that is significantly higher than 2011

Exhibit 5.5 shows how Canada ranks against the competition on each product. Canada remains strongly associated with winter activities, which appeal to a small portion of the market. More importantly, Canada is 2nd to Australia in “Seeing beautiful scenery”, the #1 interest of Chinese travellers. Canada records 3rd place finishes for a few of the top experiences sought by Chinese travellers – primarily related to the proximity of cities to nature. Australia and New Zealand are the primary competition here. Notably, Canada recorded several 6th and last place finishes for top rated activities such as sampling local flavours and city cultural experiences. These are perceptions the industry needs to work to change, for example, by promoting the Signature Experiences collection to highlight unique products.

Exhibit 5.5 – Product Interest Associations By Country

	1#	2#	3#	4#	5#	6#	7#	8#
Participating in other winter activities	CAN 46%	US 20%	GER 20%	UK 16%	NZ 16%	FRA 16%	AUS 16%	NONE 8%
Ski and snowboard	CAN 40%	US 19%	GER 18%	AUS 18%	NZ 17%	FRA 17%	UK 15%	NONE 8%
Seeing beautiful scenery	AUS 41%	CAN 38%	US 34%	NZ 34%	GER 18%	FRA 18%	UK 15%	NONE 3%
Exploring vibrant cities that are in close proximity to nature	AUS 45%	NZ 37%	CAN 29%	US 25%	FRA 20%	UK 18%	GER 16%	NONE 2%
Exploring nature with city amenities nearby	AUS 40%	NZ 33%	CAN 28%	US 26%	FRA 26%	UK 21%	GER 21%	NONE 2%
Visiting national parks and protected areas	US 46%	AUS 39%	CAN 27%	NZ 23%	UK 16%	FRA 15%	GER 14%	NONE 3%
Resort experiences in natural settings	AUS 29%	US 27%	CAN 24%	NZ 24%	FRA 20%	UK 19%	GER 18%	NONE 11%
Water-based journeys of one or more nights	AUS 31%	NZ 25%	CAN 20%	US 20%	UK 19%	FRA 18%	GER 14%	NONE 13%
Observing wildlife in their natural habitats	AUS 52%	NZ 32%	US 25%	CAN 24%	FRA 13%	GER 12%	UK 11%	NONE 4%
Participating in summer activities	AUS 30%	US 25%	NZ 25%	CAN 20%	FRA 20%	UK 19%	GER 18%	NONE 11%
Experiencing aboriginal culture and attractions	AUS 45%	NZ 36%	US 24%	CAN 17%	FRA 14%	UK 13%	GER 13%	NONE 6%
Entertainment experiences	US 46%	FRA 26%	UK 22%	GER 17%	CAN 16%	AUS 16%	NZ 15%	NONE 7%
Experiencing a country's unique character and local lifestyles	AUS 34%	NZ 30%	FRA 29%	US 28%	UK 25%	CAN 24%	GER 23%	NONE 4%
Land-based journeys of one or more nights	AUS 28%	FRA 27%	US 26%	UK 24%	NZ 23%	CAN 22%	GER 21%	NONE 9%
Multi-day guided tours by bus or train	FRA 28%	US 27%	UK 26%	AUS 26%	GER 23%	CAN 21%	NZ 19%	NONE 8%
Multi-day touring on your own by car or train	US 28%	FRA 27%	GER 25%	UK 23%	AUS 22%	CAN 19%	NZ 18%	NONE 10%
City activities	FRA 43%	US 42%	UK 28%	GER 22%	AUS 19%	CAN 17%	NZ 17%	NONE 3%
Seeing historical and cultural attractions	FRA 49%	UK 48%	GER 33%	US 24%	AUS 18%	CAN 15%	NZ 14%	NONE 2%
Sampling local flavours	FRA 50%	GER 28%	AUS 27%	US 24%	UK 23%	NZ 20%	CAN 17%	NONE 3%
Participating in culinary learning experiences	FRA 39%	UK 22%	US 21%	GER 21%	AUS 20%	NZ 17%	CAN 16%	NONE 9%
Attending food / wine festivals and events	FRA 44%	GER 31%	AUS 22%	UK 20%	US 19%	NZ 17%	CAN 15%	NONE 4%
City cultural experiences	FRA 46%	UK 43%	US 31%	GER 30%	AUS 20%	NZ 15%	CAN 14%	NONE 2%
Attending major events	US 37%	UK 35%	GER 24%	FRA 24%	AUS 16%	NZ 14%	CAN 13%	NONE 8%

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

6. Strategic Marketing

Exhibit 6.1 shows the dominance of Australia in the Chinese market with nearly one-in-three of all recent trips being there. Canada, which receives 1% of the most recent trip market, does not make the top-20 on the list. Given that the US is 2nd in this market, there is an opportunity for Canada to promote dual country itineraries to capture a portion of the US-bound market.

Chinese travellers have quite a short trip planning (3.4 months) and booking cycle (2 months). Since the Chinese do not necessarily follow the traditional travel times of Europe and North America, this illustrates the importance for Canada to be active in the marketplace prior to Chinese holidays (typically February and October). Travel agents play a large role in the Chinese long-haul travel market. They are involved close to 90% of the time, either by booking the trip (63%) or by providing information (23%). This illustrates the importance of this channel in the Chinese market and underscores the need to continue to educate agents. Just one-quarter of Chinese travellers go completely independently, but this is expected to change as the market matures and travel restrictions continue to relax. Three-quarters of long-haul travel is for pleasure purposes, with VFR traffic being minor.

Exhibit 6.1 – Most Recent Pleasure Trip Profile

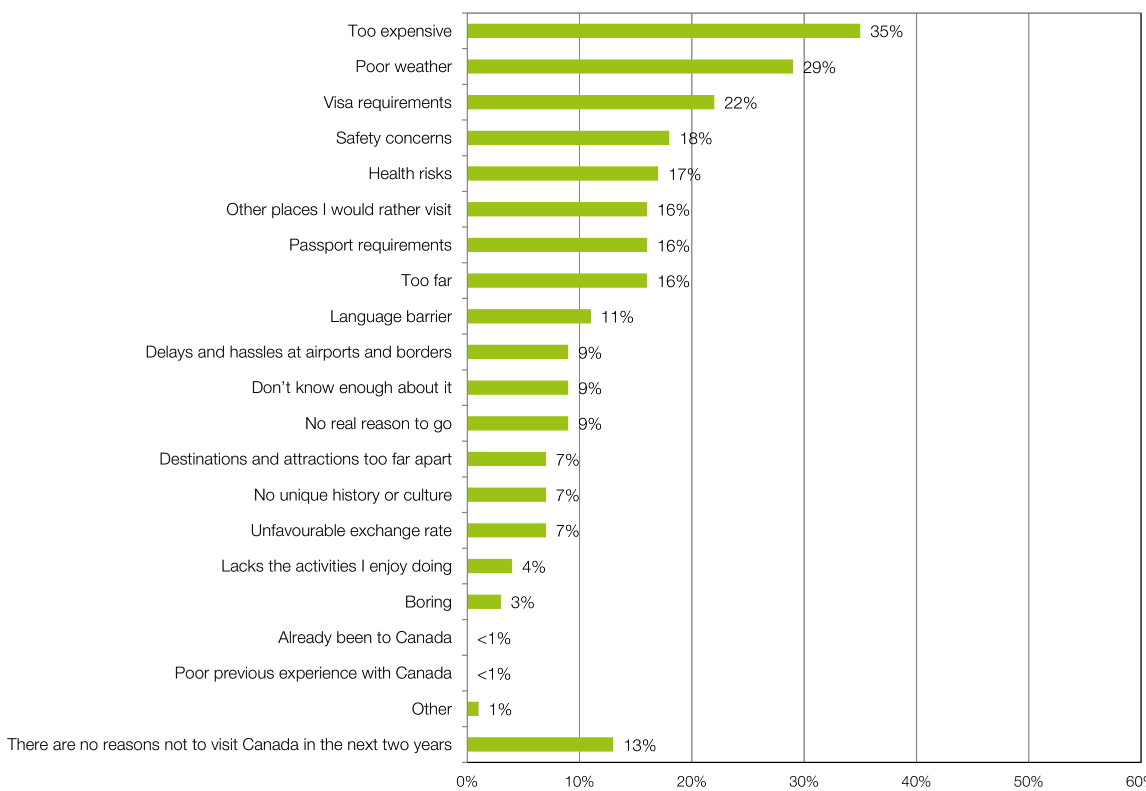
	All L-H Travellers (n=1,460)
Top Destination(s) Visited	
Australia	29%
United States (excluding Hawaii)	19%
Thailand	17%
Singapore	16%
France	14%
United Kingdom	11%
Other Southeast Asia e.g. Cambodia, Indonesia, Malaysia, Philippines, Vietnam	9%
New Zealand	9%
Germany	8%
Italy	6%
Hawaii	5%
Switzerland	4%
Other South Asia e.g. Bangladesh, Bhutan, Maldives, Nepal, Pakistan, Sri Lanka	3%
Spain	2%
Other Europe	2%
Northern Africa e.g. Algeria, Egypt, Libya, Morocco, Tunisia	2%
Russia	2%
India	2%
Portugal	1%
South Africa	1%
Other Africa excluding North Africa	1%
Middle East e.g. Bahrain, Cyprus, Dubai, Israel, Jordan, Iran, Lebanon, Qatar, UAE, etc.	1%
South Pacific Islands e.g. Fiji, Solomon Islands, Tonga, Vanuatu, etc.	1%
Canada	1%
Amount of Time Before Departure When Trip Planning was Started	
Average months	3.4
Amount of Time Before Departure When Trip was Booked	
Average months	2.0
Trip Type	
Travel independently	27%
Combine independent travel with some guided tours for parts of the trip	28%
A fully escorted or guided tour	28%
All inclusive or semi-inclusive resort stay	16%
A cruise	1%
Trip Purpose	
Holiday	73%
Business	11%
Visited friends or relatives	8%
Personal reasons (e.g., wedding, reunion, etc.)	5%
Study	3%
Travel agent involvement	86%

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

Recent visitors to Canada are wealthy and mainly in the 35-54 age group (43%) and 55 years of age or over (35%). Although the cohort with the greatest interest in coming are from the 18-34 age group, they actually make the journey the least (22% of the market). The challenge for the Canadian tourism industry is converting the interest of the younger group into actual bookings. Having friends or relatives in Canada is significant enough of a draw for both recent visitors (30%) and those considering Canada (45%) for the tourism industry to leverage.

All respondents were asked what factors may prevent them from visiting Canada in the short-term. The top reason by a significant margin was the perception that a trip to Canada was cost prohibitive, which suggests the destination must do more to convince Chinese travellers of the value of a Canadian vacation. Marketing efforts should highlight the value of a Canadian vacation (rather than price) and experiences unique to the destination. Fear of poor weather and difficulty in acquiring visas emerged as the 2nd and 3rd barriers. For the former, this may be an awareness issue which can be addressed through advertising and education of travel agents and by encouraging travel in the summer months. The latter may be more problematic, but the industry will need to continue to lobby government to streamline the visa process.

Exhibit 6.2 – Key Barriers For Visiting Canada



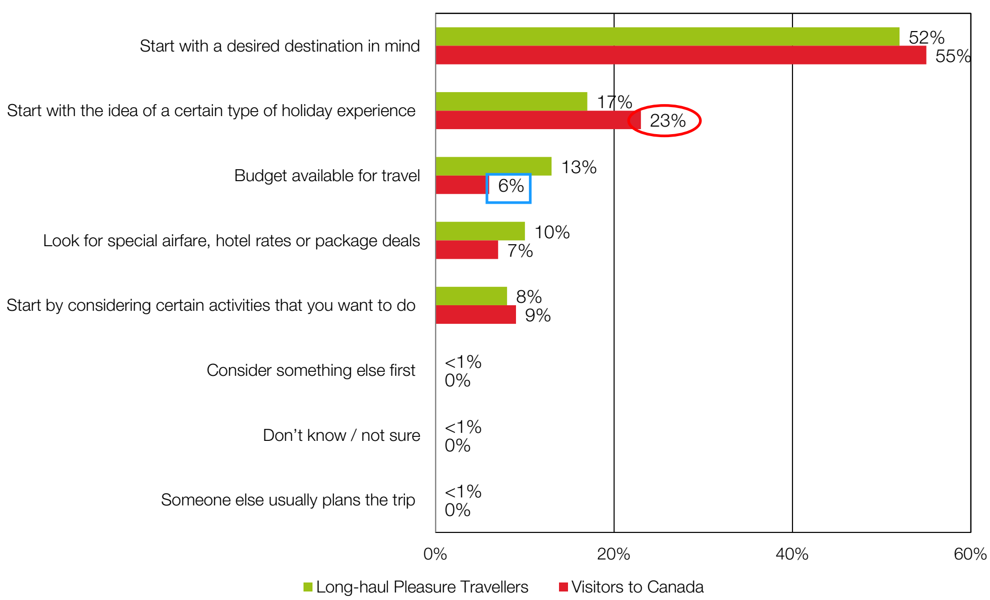
Base: Long-haul pleasure travellers (n= 1,690)
Q18: Please indicate which of the following reasons could prevent you from visiting Canada in the next two years.

While data suggests the Chinese market is price sensitive, a new question asked travellers what one factor is the first consideration when planning a trip.

Results show that the majority of Chinese travellers see the destination as paramount, followed by the type of experience sought, while budget considerations are of primary concern to a much smaller portion of the market.

This result suggest once a Chinese resident has decided they have the means to travel, cost is secondary. Therefore, getting Canada on Chinese travellers' short list of destinations through building awareness of the country and the range of tourism experiences available is key to achieving greater success in this market.

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



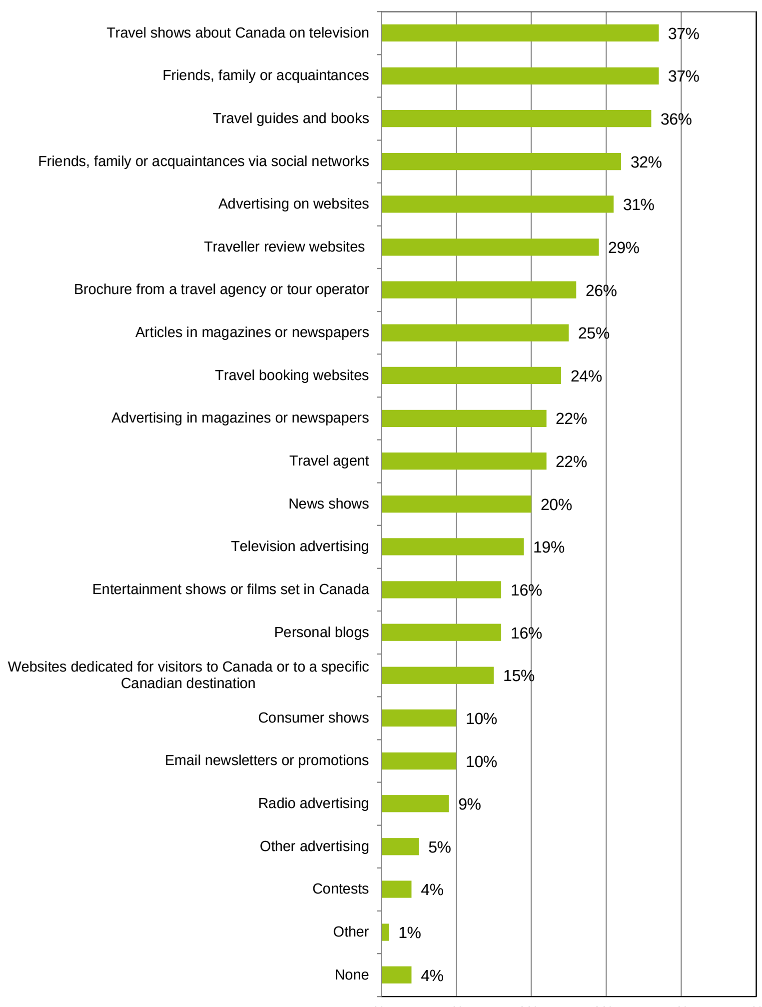
Base: Long-haul pleasure travellers (n=1,690). Long-haul pleasure travellers who visited Canada in the past three years (n=276)
QS9: What one factor do you typically consider first when planning a long-haul trip?

TV shows about Canada and personal recommendations are equal primary sources of information with travel guides and books just slightly behind.

Information obtained via social networks is currently the 4th most cited source. Other online channels such as traveller review sites are growing in importance, signalling a shift to online information sources in the Chinese marketplace, a trend that Canada needs to capitalize on.

Almost all survey respondents were active social media users despite the lack of access to mainstream sites such as Facebook and Youtube. QQ (Facebook and MSN hybrid) and weibo (Facebook and Twitter hybrid) are the most popular social networking sites with approximately three-quarters of Chinese travellers reporting use in the past 3 months, followed by Youku and Kaixin (both Facebook equivalents).

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



Base: Long-haul pleasure travellers (2012 n= 1,690)

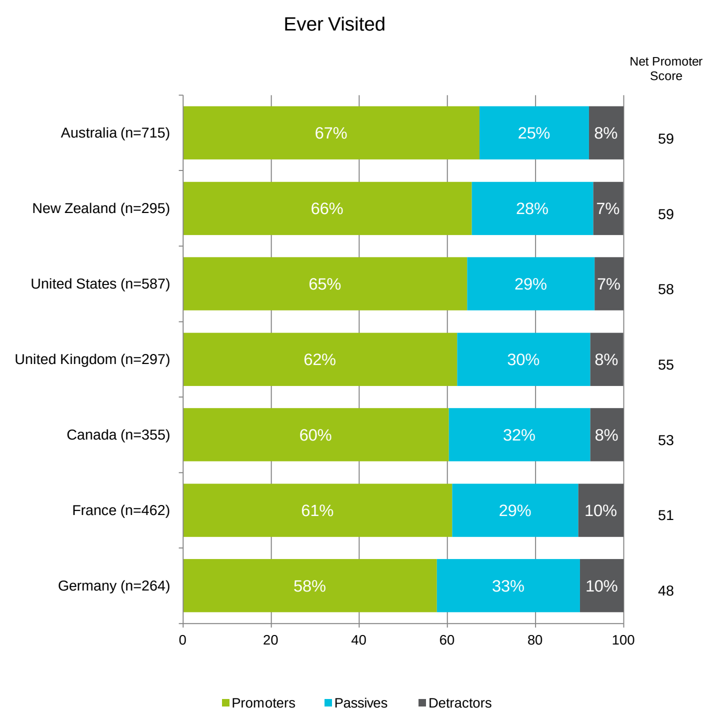
Q20: In which of the following sources, if any, did you see or hear information about travelling to Canada during the past year?

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

The Net Promoter Score is an established tool to measure a respondent's likelihood to recommend a product or service to friends and family. Data was gathered among all respondents, but results from past visitors to each destination are the most telling and are presented below.

Results are close with Canada emerging in 5th spot behind Australia, New Zealand, the US and the UK. Canada has a slightly larger proportion of Passives (awarded a 7 or 8 rating on a 10-point scale) compared to the top performing countries. The challenge is to effectively grow the advocate market from the foothold that has been established. Further research to explore how Australia and New Zealand are satisfying Chinese travellers better may be worthwhile.

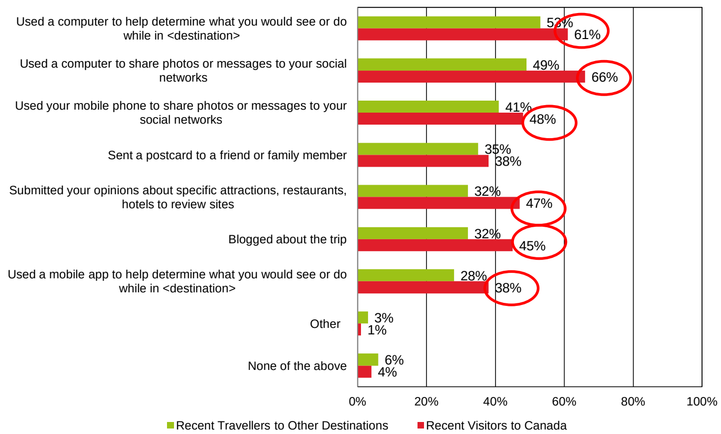
Exhibit 6.5 – Net Promoter Results



Q3: Whether you have visited or not, how likely are you to recommend each of the following holiday destinations to a friend, family member or colleague?

Two new questions asked about sharing behaviour during and after the trip. During the trip, the most popular activity – overwhelmingly so compared to other nationalities – was sharing photos or sending messages to a social network; just behind was online trip-planning research at the destination.

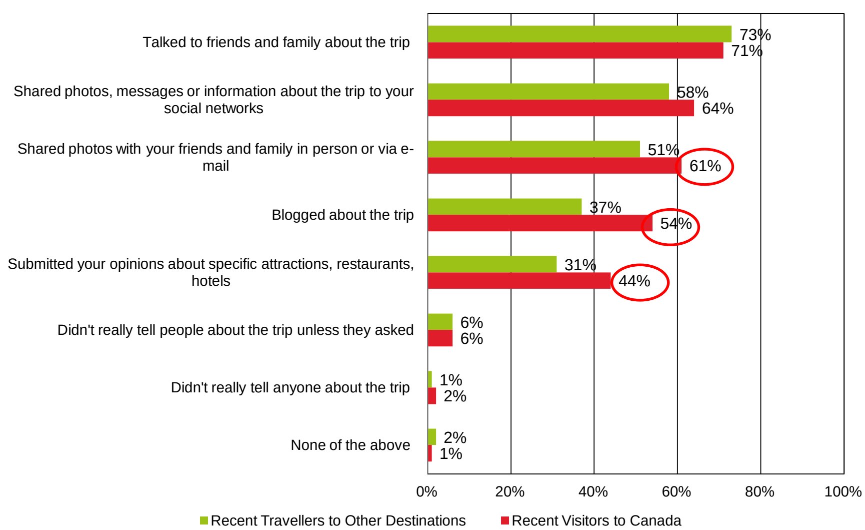
Exhibit 6.6 – During The Trip: Sharing Experiences / Seeking Advice



Q31: During your recent trip to <country>, did you share your trip experiences with anyone or seek advice? (Select all that apply)
Base: Recent travellers to other destinations in the past 3 years (n=1,184). Recent travellers to Canada in the past three years (n=276)
Note: Blue squares indicate a result that is significantly lower than the other group; Red circles indicate a result that is significantly higher than the other group.

Post-trip sharing is heavily focused on in-person interactions, both conversational and photo-sharing. Approximately one-in-six shared their experiences via social networking.

Exhibit 6.7 – After The Trip: Sharing Experiences



Base: Recent travellers to other destinations in the past 3 years (n=1,184). Recent travellers to Canada in the past three years (n=276)
Q31: During your recent trip to <country>, did you share your trip experiences with anyone or seek advice? (Select all that apply)
Q32: After coming back from your trip did you share experiences with anyone?
Note: Blue squares indicate a result that is significantly lower than the other group; Red circles indicate a result that is significantly higher than the other group.