Canadian Tourism Commission | Commission canadienne du tourisme

Global Tourism Watch

2014 Germany Summary Report

Canada

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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 twelve core markets around the world[1].

The overall objectives of the GTW study are to:

1. Monitor awareness, travel intentions, and other key market indicators for Canada and the regions;
2. Assess perceptions of Canada and track brand performance against the competitive set over time;
3. Identify the general experiences sought by travellers, assess Canada's competitive positioning on key products and identify growth opportunities;
4. Identify motivators and barriers for travel to Canada; and,
5. 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 2014 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, Australia, New Zealand, South Africa, Brazil and China, as the competitive set for 2014[2].

Methodology

In 2014, a web-based panel survey was conducted by TNS. The target population for the online survey was residents aged eighteen years and older, who had taken a long-haul pleasure trip outside of Europe, North Africa, and the Mediterranean where they had stayed at least four nights with a minimum of one night in paid accommodation in the past three years, or plan to take such a trip in the next two years.

Data was gathered from 1,504 respondents in Germany, including 302 recent visitors to Canada, in October 2014.

[1] Identified by the CTC as the international 'long-haul' markets of: Australia, Brazil, China, the UK, Germany, France, India, Japan, Mexico and South Korea, as well as the US and the domestic Canadian market.
[2] The competitive set for the Germany in 2014 remains unchanged from that of 2012. The CTC continuously reviews the competitive set for each market, and from time to time, may update it to better reflect the current realities in the marketplace.

2. Strategic Considerations

The key strategic considerations for Canada, arising from the 2014 results of German long-haul travellers, can be summarised as:

1. Canada's strengths align closely to German long-haul travellers' product interests, and in addition, Canada is considered a 'safe' destination to visit – an attribute highly valued by German tourists abroad. Their interest in *beautiful scenery, unique character* and *local lifestyles* is complimented by their appreciation that Canada can offer *extraordinary personal travel experiences*, which are *unique*. Brand imagery reinforcing the perception of outstanding natural beauty, that demonstrates the unique experiences that can be enjoyed in this 'great outdoors', will continue to resonate well with their travel aspirations.
2. While they hold Canada's natural beauty in high regard, and are well-aware of what it has to offer in that respect, their knowledge of 'what else' Canada can offer is somewhat limited. This impacts, to a degree, their perception of value, and perhaps leaves them *wanting more* when considering Canada over the US, Australia and New Zealand. Given the fact that they rate their own 'familiarity' with Canada's offer as relatively weak, there is an opportunity to improve education around Canada's history and heritage, as well as cultural depth and diversity.
3. With regards to historic and cultural attractions, German travellers are not convinced Canada can deliver, especially when compared to the US and Australia. This, in part, can be attributed to the lack of familiarity.
4. The emerging trends in outbound tourism from Germany are encouraging for Canada: 'active' vacations which comprise of outdoor pursuits and experiences, bespoke touring packages, and experiences which are environmentally conscious (Eco-conscious) are increasingly likely to appeal to them, and again, Canada is well-placed to provide these.
5. German travellers are more sensitive than most to ensuring they receive the best 'value' possible. Canada competes well with other long-haul destinations and leads the US on all *value* attributes. On the cost of travel, Canada is also well-positioned, especially against Australia, but is seen as more expensive to reach by air than the US. Generally however, Canada is no more disadvantaged by the cost of travel than other long-haul destinations, but German travellers are likely to respond well to promotional or discounted offers.
6. The number of travellers on the latter stages of the path-to-purchase, who are gathering information and actively researching their options, are as likely to be considering Canada as Australia, and it may well be at this stage, that their final decision is made.

3. Key Observations

The following section summarises the key points of interest from the 2014 survey of German long-haul travellers.

Key findings:

- More than a third (36%) of German long-haul travellers have been to the US for a vacation in the past three years, while just under a third (30%) have been to Asia, with Thailand being the most frequented destination. The Caribbean (17%) and Africa (17%) are also popular, the latter being driven by vacations to North Africa, followed by Australia (10%), South America (10%) and the Middle East (9%).

- Confidence in their ability to travel in the future increased in 2014, with the Market Outlook Indicator continuing to rise since the financial crisis of 2008/09, to +29[3]. More than a third (39%) of German travellers believed they would *spend a little more on travel outside of Germany* (compared to 2012). This increased optimism is all the more remarkable given that outbound travel from Germany weathered the economic downturn extremely well.

- Around one-in-ten (11%) German long-haul travellers mention Canada, or a destination in Canada, when asked which long-haul destinations[4] they were *seriously considering* in the next two years – unchanged from 2012. While the US remains the top-draw, with a third planning to travel there, consideration for Australia has increased from 10% in 2012 to 13% - placing it on a par with Canada (11%) and Thailand (11%).

- Asked specifically about their realistic expectations of visiting Canada, just under a third (31%) said they were ‘definitely’ or ‘very likely’ to visit in the next two years, with those under the age of fifty-five more certain of their intentions.

- Despite less than a third (31%) of German travellers rating their knowledge of vacation opportunities in Canada as ‘excellent’ or ‘very good’, they do seem to have a considerable appreciation for Canada’s geography (71%), and its ability to create *extraordinary travel experiences* (59%) – both of which are attributes on which Canada leads the competitive set[5]. When pushed to describe what *intrigued* or *excited them most about a potential trip to Canada*, those *considering Canada* were a little vague in pinpointing what attracted them to visit[6].

- Those who have visited Canada were more likely to have taken a *guided city tour* (43%), gone *hiking* (48) or *viewed wildlife* (39%), compared to long-haul travellers in general. They were also more likely to have visited a *provincial or national park* (62%) or a *city park* (45%) and almost half (49%) had hire a car to get around.

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[3] The lowest recorded MOI index was +12 in 2009. The 2014 MOI (+29) saw an improvement on 2012 (+23).
[4] Destinations which are outside of Europe, North Africa and the Mediterranean.
[5] The competitive set of long-haul destination for the German market are: New Zealand, Australia, the US, South Africa, Brazil and China.
[6] Around a quarter (26%) mentioned ‘the countryside’, while the next most popular answer provided was ‘nature’ (21%).

- German travellers are extremely value-conscious, but place Canada ahead of the US on all *value attributes*, although they are reluctant to *pay a little more* for any of the long-haul destinations presented to them. Given the cost of travel, only around a third believe that the US and Canada offer *good value for money.*

- Where the US does have a competitive advantage is on the *cost of travel*, according to German travellers. Less than a third (32%) perceive Canada as *affordable to get to by air*, on a par with South Africa, while the US leads the competitive set (42%). On the cost of food, entertainment and accommodation, Canada (34%) also trails the top-placed US (38%), although the margin is considerably smaller. While Australia may be the 'dream destination' for more than two-thirds (67%) of German travellers, it too is not considered to offer *value for money* (31%).

- The US remains the most popular long-haul destination, based on the actual number of visitors and future travel intentions, with Canada competing more closely with Australia. Around a third (34%) of German travellers are definitely interested in visiting the US in the next two years, compared to 22% for Canada and 23% Australia. Similar surveys also place Canada and Australia neck and neck[7].

- The main barriers to visiting Canada, according to long-haul travellers, are that it is *too expensive* (33%), *too far away* (18%) and offers *poor value for money* (17%). Canada is not the only long-haul destination that finds itself in this position, with *expensive airfares* and *long flight* also being the main barriers to visiting Australia, according to a survey conducted in 2013 (Tourism Australia, 2014). In fact, Canada edges Australia on both *a place that offers good value* and *a destination that is affordable to get to by air*, so despite being cited as a barrier, Canada is not at a competitive disadvantage.

- On the path-to-purchase, and more specifically the latter stages of *evaluation*[8], a similar number of German travellers are considering Canada, Australia and New Zealand.

- Almost two-thirds of German travellers who *have been to Canada* would recommend it to friends, relatives or colleagues – the same level of advocacy expressed by those who had visited Australia (65%) and the US (64%). Only New Zealand achieved a higher rating (71%). This not only suggests that the vast majority were pleased with their vacation experience, but that they would also passively promote Canada to their friends and relatives.

[7] According to a survey commissioned by Tourism Australia, 22% of German travellers are considering visiting Australia in the next *four years*, compared to 19% for Canada. Based on travel intentions in the next two years, the gap is much smaller, with 8% mentioning Canada and 7% Australia.
[8] Those *starting to gather information for a potential trip,* or at an even more advanced stage on the P2P.

4. Market Health and Outlook

Background

The German economy

The German economy only narrowly skirted a recession in mid-2014 but managed to pull off 1.6 percent growth last year overall and the government expects it to expand by 1.5 percent this year (Reuters, 2015). Recent performance resulted in the Ministry of the Economy revising an earlier forecast of 1.3% growth for 2015, upwards (Wall Street Journal, 2015).

However, economic growth is considered relatively weak, reflecting subdued activity in euro area trading partners and reduced demand growth in emerging economies. GDP growth is projected to strengthen gradually in 2015 and 2016, as a robust labour market and a continued expansionary monetary policy boost private consumption and residential investment. The unemployment rate is projected to remain low and consumer price inflation to rise somewhat (OECD, 2015).

The German economy has proven remarkably resilient in the face of recent crises. Unemployment has reached post-unification lows, reflecting ambitious reforms in the past decade and Germany's status as a "safe haven". The current account surplus remains large, although domestic demand has started contributing substantially to growth (OECD, 2015).

That said, Germany still faces a number of challenges. Potential growth is estimated to fall on account of demographic changes over the next 20 years. The share of low-paying jobs has risen considerably. Public investment is low and government spending on key services to support inclusive growth, notably childcare, needs to rise further (OECD, 2015).

Germany is ranked third globally for international tourism expenditure, with 91 million outbound visits in 2013, amounting to $91.4 billion in expenditure (Visit Britain, 2014). Although a significant share of Germany's outbound visits are to short-haul destinations within and near Europe, Germany's long-haul travel market remains considerable.

Travel outlook

Consumer confidence has been robust in 2015[9] (9.7 in March) – the highest level seen since the financial crisis of 2008/09 (Trading Economics, 2015).

The Market Outlook Indicator (MOI), as measured by the 2014 GTW survey, reveals that just over a third (37%) of German *long-haul* travellers believe they will *travel more* in the next two to three years, up from 34% in 2012. As a result, the MOI improved from +23 in 2012 to +29.

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[9] The GfK Consumer Climate Indicator is based on a survey of 2000 individuals age 14 and above. The questionnaire focuses on income expectations, buying propensity and savings.

In terms of travel *in the next twelve months*, over a third (39%) believe they will *spend a little more* on *travel outside of Germany*, though not necessarily to long-haul destinations.

Travel trends

- Short breaks continue to be extremely popular in Germany, with 83.1 million vacations in 2013, with 77% of those taken in Germany. International short breaks consist primarily of *city breaks* (35%), with Austria, the Netherlands, Italy, France and the UK the most frequently visited (Visit Britain, 2014).

- 'Green' destinations are becoming increasingly popular with Germans travellers, as are 'active' holidays which involve hiking, cycling and exploring destinations through touring holidays (Reiseanalyse, 2014).

- German operators offering bespoke packages (such as Dertour) continue to report strong growth, whereas the popularity of 'full' packages has been declining (Visit Britain, 2014)German travellers have a *passion* for *nature* (56%), *foreign culture* (40%) and *arts and history* (40%). Nature activities include bird watching, campervan vacations, camping, gardening, observing wildlife, natural wonders, tramping and walking (Tourism Australia, 2014). A survey by the European Commission (2014) found that *nature* was second only to the *sun and beaches* as the main reason German travellers go on vacation. *Beach holidays* were also the most popular *type* of vacation taken, according to a survey conducted in 2014 by Arkenford (Visit Britain, 2014).

- *Seeing beautiful scenery* (84%) and *experiencing a country's unique character and local lifestyles* (81%) are the top-two product interests for German long-haul travellers, followed by *seeing historical and cultural attractions* (78%) (Canadian Tourism Commission, 2012). Almost half of these travellers (49%) associate Canada with beautiful scenery (ahead of all other competing long-haul markets). However, on unique character and historical attractions, Canada does not fare so well[10].

- According to the 'Wave7' study comparing social media use in sixty-two countries, Germans tend to be more passive users of social media, and primarily use it to stay in contact with friends and family – only 8% of social media users are influenced by recommendations found on those sites (Visit Britain, 2014).

- In competing against the US, for German travellers, Canada's strengths are: *a clean and healthy environment, unspoiled nature, wildlife, outdoor activities, whale watching* and *glaciers.* The US offer is seen as stronger: *modern culture, attending live shows, luxury accommodations, museums & art galleries, historical & well-known places, low rates / good deals / discounts* (Insignia, 2008).

[10] Only 19% of long-haul German travellers associate Canada with *seeing historical & cultural attractions* (ranked 5th), and 23% with *unique character* (ranked 7th), when compared to seven competing destinations.

5. Market Potential

Exhibit 5-1 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 German long-haul travellers (market size estimate derived from the 2010 omnibus study of the German adult population). The proportion of GTW respondents who are “definitely”, “very”, or “somewhat” interested in Canada in the next two years is applied to the broader traveller population to come up with a target market estimate of 14 million.

The immediate potential is a more conservative estimate based on GTW respondents who say they are “definitely” or “very likely” to visit Canada in the next two years. This translates into a market of 5.6 million travellers with more immediate potential for conversion.

Exhibit 5-1 Size of the potential market to Canada (next two years)

Measure	Size of Potential Market to Canada
Total potential long-haul pleasure travellers (aged 18 plus)	18,086,000
Target market for Canada	
Definitely / very / somewhat interested in visiting Canada in the next two years	78%
Size of the target market	14,107,000
Immediate potential for Canada	
Will definitely / very likely visit Canada in the next two years[11]	31%
Immediate potential	5,607,000

Base: Long-haul pleasure travellers (n = 1,504)
Q5: How interested are you in taking a trip to Canada in the next two years?
Q14 / 15: Realistically, how likely are you to take a holiday trip of four or more nights to Canada in the next two years? And, how likely are you to take a holiday trip of one to three nights to Canada in the next two years? Please include trips to other countries (e.g., the United States) that would involve a stay of one to three nights in Canada.

Exhibit 5-2 reveals the immediate potential for each of the regions based on the number of long-haul German travellers who said they were ‘likely to visit’ in the next two years.

Based on these estimates, BC is the most likely region they will visit, with three-quarters of potential visitors stating they would likely take a trip there, followed by Ontario (66%).

[11] Includes respondents likely to visit Canada for a trip of one to three nights, or a trip of four nights or more.

Exhibit 5-2 Market potential for each of the region

Measure	BC	ON	QC	AB	ATL	YK	NWT	MB	NU	SK
Immediate potential for Canada	5,607,000									
Likely to visit region	75%	66%	54%	41%	36%	22%	11%	10%	10%	6%
Immediate potential for the regions (000s)	4,205	3,701	3,028	2,299	2,019	1,234	617	561	561	336

Base: Those likely to visit Canada on a trip of one to three nights, or four or more nights, in the next two years (n = 518)
Q16: If you were to take a holiday trip to Canada in the next two years, which of the following Canadian travel destinations are you likely to visit?

6. Competitive Environment

The GTW tracks key performance indicators (KPIs) for Canada in areas such as aided destination awareness, unaided and aided destination consideration, and market penetration. Exhibit 6-1 summarises the 2014 KPIs for Canada[12].

Just under a third (31%) of German long-haul tourists rate their knowledge of vacation opportunities in Canada as 'excellent' or 'very good'- signaling a slight reversal in what has been a downward trend since 2007 (up from 29% in 2012). Among the competitive set of destinations for long-haul travel, Australia narrowly leads Canada (33%), with the US some way ahead (47%). Familiarity with what Canada has to offer is noticeably higher among 18 to 34 year olds (34%), and those with children (40%).

Past visitation to Canada is relatively high – one-in-five long-haul travellers have been to Canada (18%), about the same number who have visited Thailand (20%). The US remains the most-frequented destination with around half (49%) having been to the States at least once.

When asked which destinations they are planning to take a trip to in the next two years (unaided), a third are considering the US, followed by Australia (13%), Thailand (11%) and Canada (11%). While Canada slipped to fourth spot from second in 2012, there is very little to choose between these three destinations.

Asked about their likelihood to travel to specific destination (aided), the gap was even narrower: US (80%), Canada (78%) and Australia (78%)[13]. Interest in visiting Canada is higher among those aged below fifty-five years, those with children and those with friends or relatives in Canada.

Almost a third (31%) said they were 'definitely' or 'very likely' to take a trip to Canada in the next two years, about the same as the level seen in 2012 (33%). Again, it was the younger travellers and those with children who were more likely to commit to a trip here in the foreseeable future.

German long-haul travellers are slightly more optimistic about their future plans for travel, with more than a third (37%) believing they will travel more in the next two to three years.. The Market Outlook Indicator (MOI) improved from +23 in 2012 to +29 in 2014[14], with 39% saying they will 'spend a little more' on leisure travel outside their own country in the next twelve months[15].

[12] Unaided destination awareness was dropped from the 2014 survey.
[13] Thailand is not considered part of the competitive set of countries for Germany.
[14] The Market Outlook Indicator is the sum of those saying they will travel' more' (37%), minus those saying they will travel 'less' (8%).
[15] Compared to the last twelve months. This was a new question added for 2014.

Exhibit 6-1 Key Performance Indicators (KPIs) for Canada – Summary

Key Performance Indicator	Definition	All Long-Haul Travellers	Recent Visitors to Canada[16]	Interested in Canada[17]
		n = 1,504	n = 302	n = 370
Destination awareness:				
Aided awareness of travel opportunities in Canada	% with excellent / very good knowledge of travel opportunities in Canada	31%	73%	61%
Past visitation:				
Overall market penetration	% who have ever visited Canada for pleasure	18%	83%	27%
Intentions:				
Unaided destination consideration	% who mentioned Canada or a destination in Canada on their consideration list[18]	11%	32%	35%
Competitive positioning on destination consideration	Rank on the consideration list relative to competitors (roll-up)	4th	2nd	2nd

Base: Long-haul pleasure travellers (n = 1,504), Recent visitors to Canada (n = 302) and those interested in visiting Canada (n = 370)
Aided awareness (Q4) – "How would you rate your level of knowledge of vacation opportunities in each of the following destinations?" (Aided list of Canada plus six pre-defined long-haul competitors).
Market penetration (ever visited) (Q11b) – "Which of the following countries have you ever visited while on a vacation trip?" (Aided list of long-haul destinations).
Unaided destination consideration (Q2) – "Which destinations are you seriously considering for your trips in the next two years?" (Open-ended, coded responses).

[16] Visited Canada in the past three years for a pleasure trip of four or more nights with one or more nights in paid accommodations.
[17] Definitely interested in visiting Canada in the next two years.
[18] For trips in the next two years.

7. Perceptions of Canada

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 a number of attributes.

Brand perceptions

Exhibit 7-1 shows Canada's competitive position based on German long-haul travellers' perceptions around a number of brand-related attributes, whether they had been to Canada or not[19]. Canada is in an enviable position when it comes to *exploring its geography* and *creating extraordinary experiences*, as well as for *authenticity*.

This is encouraging news as the top product-interest for German travellers was revealed to be *seeing beautiful scenery* in the 2012 survey, followed by *experiencing a country's unique character and local lifestyles*.

Despite the US being the more popular vacation destination, Canada leads its neighbour by some margin, on all brand attributes with the exception of *exploring its cities*. Australia and New Zealand provide the stiffest competition, especially on cultural experiences.

Perceptions of vacation opportunities in China are generally poor and interest in visiting is relatively low – only 23% of German travellers are 'definitely' or 'very' interested in a trip there, the lowest rank long-haul destination in the competitive set.

Exhibit 7-1 Brand perceptions

Brand Perceptions	1#	2#	3#	4#	5#	6#	7#
A place that inspires me to explore its geography	CAN 71%	NZ 68%	AUS 67%	USA 66%	SAF 62%	BRZ 52%	CHN 48%
A place where I can create extraordinary personal travel experiences*	CAN 59%	NZ 58%	AUS 55%	USA 54%	SAF 46%	BRZ 39%	CHN 30%
A place that offers an authentic experience	NZ 64%	CAN 63%	AUS 62%	USA 56%	SAF 55%	BRZ 45%	CHN 41%
A place that inspires me to meet and engage with its people	AUS 61%	NZ 60%	CAN 59%	SAF 51%	USA 50%	BRZ 46%	CHN 36%
A place that inspires me to explore its cities*	USA 63%	AUS 60%	CAN 57%	NZ 49%	BRZ 46%	SAF 45%	CHN 42%
A place that inspires me to explore its culture	AUS	NZ	SAF	CAN	CHN	BRZ	USA

[19] The base consists of all long-haul travellers, regardless of whether they have been to Canada or not, and is based on their *perceptions* of what Canada has to offer, regardless of their familiarity with Canada's offer.

Brand Perceptions	1#	2#	3#	4#	5#	6#	7#
	61%	60%	56%	53%	50%	49%	45%
A place that inspires me to sample local flavour and cuisine*	AUS 51%	BRZ 51%	SAF 50%	CAN 50%	NZ 48%	USA 44%	CHN 43%

Base: Long-haul pleasure travellers (n = 1,504)
Q11: We are interested in your general impressions on [country] as a holiday destination, 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 [country] on each of the following?
Note: Scores shown are the 'top-three-box scores' i.e., the percentage of respondents who provided the destination with a rating of 8, 9 or 10, on a 1 to 10 scale of agreement with each statement.
***Note: New attribute added for the 2014 survey.**

Exhibit 7-2 compares the 2014 brand attribute ratings for Canada, Australia and the US, to the results in 2012.

Exhibit 7-2 2014 *Brand** attribute scores versus 2012

Brand attributes	Canada			Australia			US		
	2012	2014	+/-	2012	2014	+/-	2012	2014	+/-
A place that inspires me to explore its geography	72%	71%	-1	62%	67%	+5	63%	66%	+3
A place that inspires me to explore its culture	54%	53%	-1	44%	61%	+17	39%	45%	+6
A place that inspires me to engage with its people	59%	59%	-	58%	61%	+3	45%	50%	+5
A place that offers an authentic experience	65%	63%	-2	55%	62%	+7	48%	56%	+8

Base: Long-haul pleasure travellers (n = 1,504)
Q11: We are interested in your general impressions on [country] as a holiday destination, 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 [country] on each of the following?
Note: Scores shown are the 'top-three-box scores' i.e., the percentage of respondents who provided the destination with a rating of 8, 9 or 10, on a 1 to 10 scale of agreement with each statement.
Note: *Brand attributes shown are those tracked in both 2012 and 2014 (excludes those added in 2014).

Australia has seen a dramatic increase in brand ratings compared to 2012, particularly *a place that inspires me to explore its culture*, with the US also making up some ground on Canada.

Value perceptions

Exhibit 7-3 reveals Canada's position in the competitive when German travellers are asked about their perceptions around *value*.

Exhibit 7-3 Value perceptions

Value Perceptions	1#	2#	3#	4#	5#	6#	7#
A place with unique features that other destinations don't offer	AUS 65%	NZ 64%	CAN 63%	USA 57%	SAF 53%	BRZ 48%	CHN 47%
A dream destination that I would visit if money were no object	AUS 67%	NZ 62%	CAN 60%	USA 58%	SAF 46%	BRZ 42%	CHN 33%
A destination with the travel experiences I am specifically looking for	AUS 59%	NZ 57%	CAN 56%	USA 53%	SAF 44%	BRZ 36%	CHN 28%
A destination I would pay a little more for	NZ 54%	AUS 53%	CAN 52%	USA 50%	SAF 40%	BRZ 36%	CHN 27%

Base: Long-haul pleasure travellers (n = 1,504)
Q11: We are interested in your general impressions on [country] as a holiday destination, 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 [country] on each of the following?
Note: Scores shown are the 'top-three-box scores' i.e., the percentage of respondents who provided the destination with a rating of 8, 9 or 10, on a 1 to 10 scale of agreement with each statement.

While Australia is the *dream destination if money were no object*, Canada is positioned among the top-three on all *value* attributes, close behind both Australia and New Zealand.

In terms of offering *unique features that other destinations don't offer*, Canada leads the US by a noticeable margin, with almost two-thirds (63%) of German travellers agreeing that this statement is true of Canada.

However, Exhibit 7-4 shows the significant gains made by Australia again, noticeably as *a destination I would pay a little more for*, *a destination with travel experiences I am looking for* and *a place with unique features that other destinations don't offer*. In terms of being the 'dream destination', Australia looks to have replaced the US.

Exhibit 7-4 2014 *Value* attribute scores versus 2012

Value attributes	Canada			Australia			US		
	2012	2014	+/-	2012	2014	+/-	2012	2014	+/-
A destination I would pay a little more for	50%	52%	+2	39%	53%	+14	51%	50%	-1
A destination with the travel experiences I am specifically looking for	56%	56%	-	46%	59%	+13	52%	53%	+1
A place with unique features that other destinations don't offer	61%	63%	+2	54%	65%	+11	58%	57%	-1
A dream destination I would visit if money were no object	59%	60%	+1	60%	67%	+7	71%	58%	-13

Base: Long-haul pleasure travellers (n = 1,504)
Q11: We are interested in your general impressions on [country] as a holiday destination, 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 [country] on each of the following?
Note: Scores shown are the 'top-three-box scores' i.e., the percentage of respondents who provided the destination with a rating of 8, 9 or 10, on a 1 to 10 scale of agreement with each statement.

Price perceptions

Where the US does edge Canada, and perhaps the reason why it has proved so much more popular[20], is on the cost of travel.

Less than a third (32%) of German travellers believe that Canada is *affordable to get to by air*, with perceptions of the cost of travel to the US much more favourable (42%). Once there, the cost of food, entertainment and accommodation is also thought to be a little more reasonable.

In terms of *value for money*, Canada was on par with the US and South Africa, but there was generally very little agreement that any of the long-haul destinations presented to them offered good value, considering the cost of travel.

Exhibit 7-5 Price perceptions

Price Perceptions	1#	2#	3#	4#	5#	6#	7#
A destination with reasonable prices for food, entertainment and accommodation	USA 38%	CAN 34%	AUS 34%	SAF 34%	BRZ 33%	CHN 29%	NZ 28%
A destination that is affordable to get to by air	USA 42%	CAN 32%	SAF 30%	AUS 29%	BRZ 25%	CHN 24%	NZ 21%
A place that offers good value for money	SAF 35%	USA 35%	CAN 34%	BRZ 32%	AUS 31%	CHN 28%	NZ 26%

Base: Long-haul pleasure travellers (n = 1,504)
Q11: We are interested in your general impressions on [country] as a holiday destination, 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 [country] on each of the following?
Note: Scores shown are the 'top-three-box scores' i.e., the percentage of respondents who provided the destination with a rating of 8, 9 or 10, on a 1 to 10 scale of agreement with each statement.

[20] Based on past actual visitation.

8. Trip Profiles

The following section describes the most recent long-haul trip taken by German travellers[21], in the past three years. Where that trip might have included more than one destination, the results refer to the destination they *spent the most time in*.

Most recent destination visited

Based on their most recent trip, the most popular destinations were the US (27%), the Caribbean (13%) and Thailand (10%).

The incidence of visitation to the US increases to a third of German travellers aged between 18 and 34 years old, while this group is also more likely to have been to Australia (10%) and South Africa (8%), compared to older travellers, who are more likely to have been to the Caribbean.

Around 5% had been to Canada for their last long-haul vacation, around the same number who visited Australia (6%), the Middle East (6%), South Africa (6%), Mexico (4%) or New Zealand (4%).

Type of vacation taken

While *touring vacations* (23%) were the most popular type of vacation taken among all German travellers, there were some notable differences by age group. Older travellers (those aged thirty-five years or older) were far more likely to have enjoyed a resort vacation, than those under thirty five (9%).

Travellers over fifty-five were more inclined to visit friends or relatives (16%), or take a cruise vacation (7%), while those between 18 and 34 years were more inclined to take a city vacation (13%).

[21] Based on Q26: *'Which of these destinations [in the past three years] did you visit on your most recent trip?'* and Q27: *'Which* destination *did you spend the most time in?'*

Activities participated in

Guided city tours were the most popular activity participated in (39%), especially for those over the age of fifty-five (45%), as were *guided excursions beyond the city* (30%). Hiking (30%) proved relatively popular among German travellers of all ages, but particularly for the younger groups.

Day cruises (24%) and *wildlife viewing* (23%) were also enjoyed by around a quarter of travellers, on their last long-haul vacation, though more so by those aged thirty-five or older.

Exhibit 8-1 Most recent trip: Activities participated in (Top-ten)

Activity Participated in	All Long-Haul Travellers n = 1,174	Recent Visitors to Canada[22] n = 302
Guided city tour	39%	43%
Hiking	30%	48%
Guided excursion beyond the city	27%	23%
Day cruise	24%	23%
Wildlife viewing	23%	39%
Snorkeling	20%	2%
Marine life viewing (whale watching or other sea life)	14%	18%
Scuba diving	14%	3%
Flightseeing (by plane or helicopter)	13%	17%
Cycling or biking	12%	19%

Base: Long-haul pleasure travellers (n = 1,504). Those who have taken a long-haul pleasure trip in the past 3 years (n = 1,174).
QPT2: Did you participate in any of the following activities during your last holiday? Please select all that apply.

Snorkelling (20%) and Scuba Diving (14%) were also very popular, and more so among those aged between 18 and 54.

Recent visitors to Canada were far more likely to have participated in activities such as hiking (48%), wildlife viewing (39%), cycling (19%), kayaking (19%), camping (15%) or fishing (14%) – suggesting German travellers were keen to explore and enjoy Canada's *great outdoors*.

[22] Visited Canada in the past three years for a pleasure trip of four or more nights with one or more nights in paid accommodations.

Winter activities, such as skiing, did not prove to be very popular, and those interested in skiing vacations may well choose to stay closer to home with the numerous skiing resorts across Europe, than venture further afield to seek snow.

Places visited

Almost two-thirds (63%) of German travellers aged over fifty-five visited a *historic site or building* on their last vacation, which was the most popular attraction among *all* German travellers – more than half (53%).

Encouragingly for Canada, around the same number (50%) also visited a *national or provincial park*, particularly those over the age of fifty-five again.

Museums were popular (38%) with Germans of all ages, but there was a much stronger preference to visit a *city park* among younger travellers (44% among 18 to 34 years), while *botanical gardens* were more popular with the older group (30% among the 55+).

Exhibit 8-2 Most recent trip: Places visited (Top-ten)

	All Long-Haul Travellers	Recent Visitors to Canada[23]
Places Visited on Vacation	n = 1,174	n = 302
Historic site or building	53%	48%
National or provincial park	50%	62%
Museum	38%	42%
City park	34%	45%
Botanical garden	25%	18%
Amusement or theme park	23%	20%
World heritage site	18%	10%
Art gallery	13%	18%
Casino	10%	8%
Winery	6%	10%

Base: Those who have taken a long-haul pleasure trip in the past 3 years (n = 1,174)
QPT3: Did you visit any of the following types of places during your last holiday? Please select all that apply.
Note: New question added for 2014.

[23] Visited Canada in the past three years for a pleasure trip of four or more nights with one or more nights in paid accommodations.

Vacation experiences

German travellers were likely to have tried the local cuisine (68%), with almost half of those over the age of fifty-five also *dining at a highly-regarded restaurant* (46%).

Over a third (36%), rented a car while on their vacation, particularly those with children (46%), and perhaps as a result of that, those aged between 35 and 54 years (39%). Those whose last trip was to Canada, were also more likely to have rented a car to get around – almost half (49%).

The more mature travellers were considerably more likely to have taken a tour or visited a museum to learn about Aboriginal people (39%), although it was still relatively popular among those under the age of thirty-five as well (22%).

Exhibit 8-3 Most recent trip: Experiences (Top-ten)

Experience	All Long-Haul Travellers n = 1,174	Recent Visitors to Canada n = 302
Tried local cuisine	68%	65%
Rented a car	36%	49%
Dined at a highly-regarded restaurant	34%	30%
Took a tour or visited a museum to learn about aboriginal people	31%	33%
Attended a live show (e.g. comedy musical or theatre show)	20%	12%
Visited a spa or wellness centre	16%	11%
Attended a music festival	9%	7%
Tried agritourism (e.g. visited a farm)	7%	8%
Participated in a guided tour by train	7%	8%
Northern (or southern) lights	5%	13%

Base: Those who have taken a long-haul pleasure trip in the past 3 years (n = 1,174)
QPT4: Did you see or experience any of the following during your last holiday? Please select all that apply.
Note: New question added for 2014

Type of accommodation

The most popular choice for accommodation on their trip was a mid-priced hotel (39%), particularly those age between 35 and 54 years (44%), who were the least likely to be staying with friend or relatives (13%).

Younger travellers (18 to 34 years) were more likely to look at more affordable options, including staying with friends or relatives (23%), budget hotels (21%), camping (8%) or staying in a university or school dormitory (10%).

Travel party

Less than half (43%) of German travellers aged 18 to 34 years old have travelled with a spouse or partner, compared to 71% of those aged over fifty-five. These younger travellers are more likely to take a trip with friends (25%) or parents (13%), or be travelling alone (16%).

Sharing experiences *during* the trip

Increasingly, travellers are turning to the internet and social media to share their experiences and to search for information *while on their trip*. German travellers are likely to do so by *sharing photos or videos via email* (28%), or social media (26%), and may also use the web to check out what to do and see while on vacation (28%).

Perhaps unsurprisingly, the likelihood of using the internet, while on vacation, was significantly higher among those under the age of thirty-five, who were also more likely to using mobile applications (13%) and social media to research what to do (11%).

Sharing experiences *after* the trip

On returning home, more than three-quarters (78%) will talk to friends and family about their trip, while around a quarter (26%) will share photos or videos via email, or social media (21%).

More than one-in-ten (11%) of 18 to 34 year-olds will 'blog' about their trip, although it is increasingly less than clear what constitutes a 'blog' nowadays, with social media networks increasingly being used for this purpose as opposed to the more traditional, web-hosted blog-site.

Booking travel

More than half (55%) of German long-haul travellers didn't turn to a travel agent to help them with their booking, and the majority that did (44%), used them to help with the actual booking of flights and / or accommodation, as opposed to general information.

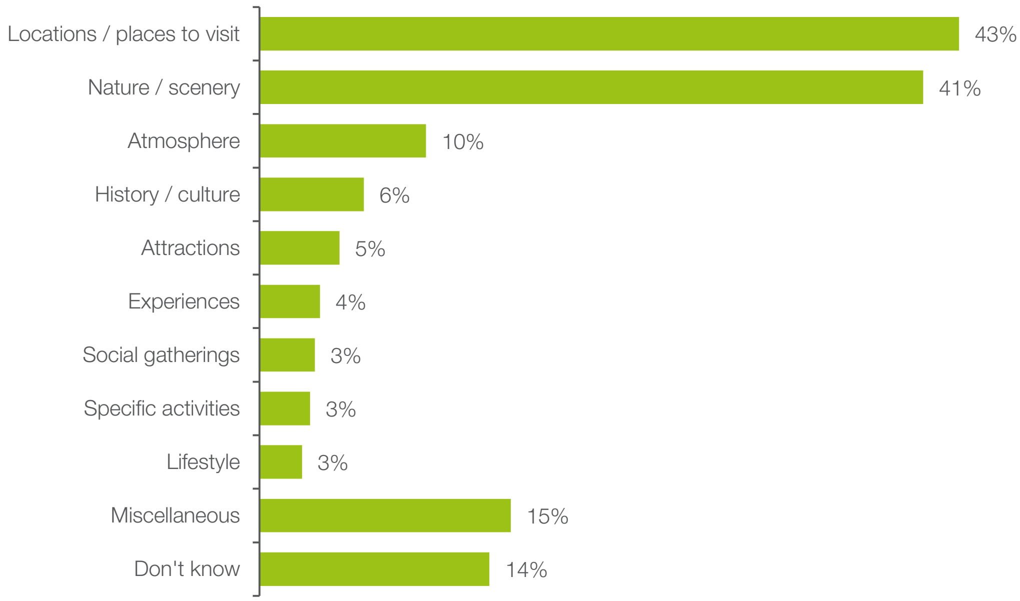
Those who did not have help from a travel agent, were more likely to book their flight online, through a travel agency or online retailer (52%), than directly with the airline(s) (39%).

9. Attraction of Canada

A new question for 2014[24] asked those travellers *considering a trip to Canada* what intrigued or excited them most about a potential visit to Canada?[25].

Exhibit 9-1 shows the coded results, grouped by common themes, revealing those aspects of a potential trip to Canada which German travellers were most enthused about.

Exhibit 9-1 What intrigues or excites you most about a potential trip to Canada? – Top mentions by German travellers *considering a trip to Canada*



Base: Respondents considering a trip to Canada (n = 695)
QTI1: "What intrigues or excites you most about a potential visit to Canada?"
Note: New question for 2014
Note: Open-ended question – results shown are the coded (grouped) responses

The Canadian 'outdoors' is by far the most exciting or intriguing aspect of their potential trip to Canada, whether it was *visiting the countryside* (26%) or experiencing *nature* (21%), Canada's landscape and scenery dominated responses, especially among the older travellers.

The top five attributes mentioned were:

1. The countryside (26%)
2. Nature (21%)
3. The people (9%)
4. Open areas and spaces (8%)
5. Beautiful scenery / landscapes (6%)

[24] QTI1 – "What intrigues or excites you most about a potential visit to Canada?"
[25] Asked as an open-ended question, without prompt

10. Barriers to visiting Canada

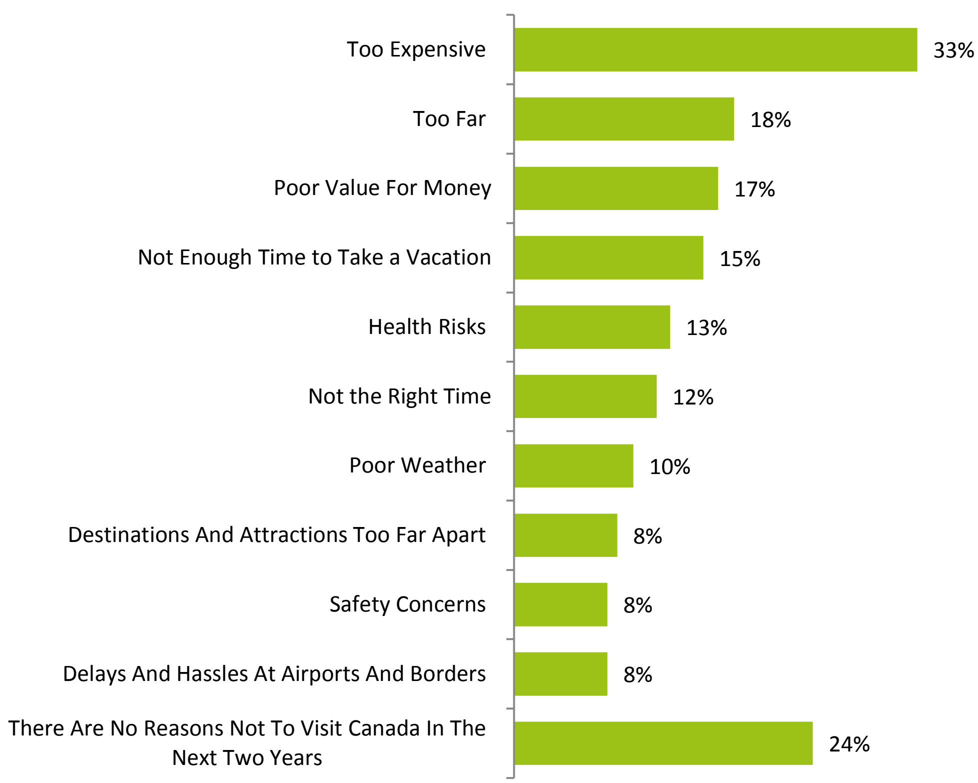
Among those German travellers who are *considering a trip to Canada*, the main potential barrier to visiting remains the perception that Canada is *too expensive*, as shown in Exhibit 10-1.

While a third think it might be too expensive to take a trip to Canada, around one-in-five (18%) think it is simply *too far*, or presents *poor value for money* (17%).

The cost of travel is a significant problem for younger travellers, aged between 18 and 34 years old (44%), compared to those between 35 and 54 (25%). Younger travellers are also more like to cite the reasons that they *don't have enough time to take a vacation* (20%), or that it is *not the right time* (16%) – a reason also more common among those with children (16%).

German travellers are indeed very price-sensitive and susceptible to what they perceive to be a 'good deal', while offering *value for money*.

Exhibit 10-1 Top-ten barriers to visiting Canada, among those *considering a trip to Canada*



Base: Those who are considering a trip to Canada (n = 695)
QTI3: Which of the following factors might discourage you from visiting Canada?

11. Sources of information on Canada

Source of awareness

The most frequent means by which German became aware of Canada, or Canadian destinations, was through *friends and family* (29%), followed by *TV programs* (24%) and *travel guides or books* (20%). *Films set in Canada* (18%) were also a surprising source of awareness and inspiration.

While *TV programs* were a great source for raising awareness of Canada among those aged over fifty-five (35%), the same could not be said for those between 18 and 35 years (12%). The same trend was seen for *travel guides or books*, *films set in Canada, magazine of newspaper articles* and *travel brochures* - they were far more prevalent among the older travellers.

Most influential sources

The most *influential* sources, according to German travellers, are *friends and family* (80%), *travel agents* (73%) and *travel guide books* (69%), but again, there were some marked differences between the age groups, as shown in Exhibit 11-1.

Exhibit 11-1 Influence on decision on where to travel (Top-ten)

		Age of travellers			Have children?	
Most influential sources	Total	18 to 34	35 to 54	55 +	Yes	No
Friends and family (in person)	80%	78%	80%	81%	76%	81%
Travel agent (in person)	73%	67%	74%	78%	70%	74%
Travel guide or books	69%	60%	68%	77%	59%	72%
Friend and family (via social media)	61%	66%	63%	51%	62%	61%
TV program (travel, news or entertainment)	58%	48%	56%	64%	51%	60%
Consumer shows	57%	50%	55%	65%	56%	57%
Films featuring destinations	55%	43%	52%	69%	49%	57%
Personal blogs	55%	59%	50%	53%	48%	58%
Brochure from a tour or travel operator	54%	52%	48%	62%	50%	56%
Websites dedicated to visitors or tourists	54%	59%	46%	57%	40%	58%

Base: All long-haul pleasure travellers (n = 1,504)
Q20B: How influential are each of these sources on your destination choice?

Furthermore, among those who were considering a trip to Canada, *friends and family* (in-person) were also identified as the main source of information which made them *seriously consider Canada* (45%)[26], followed by a TV program (34%).

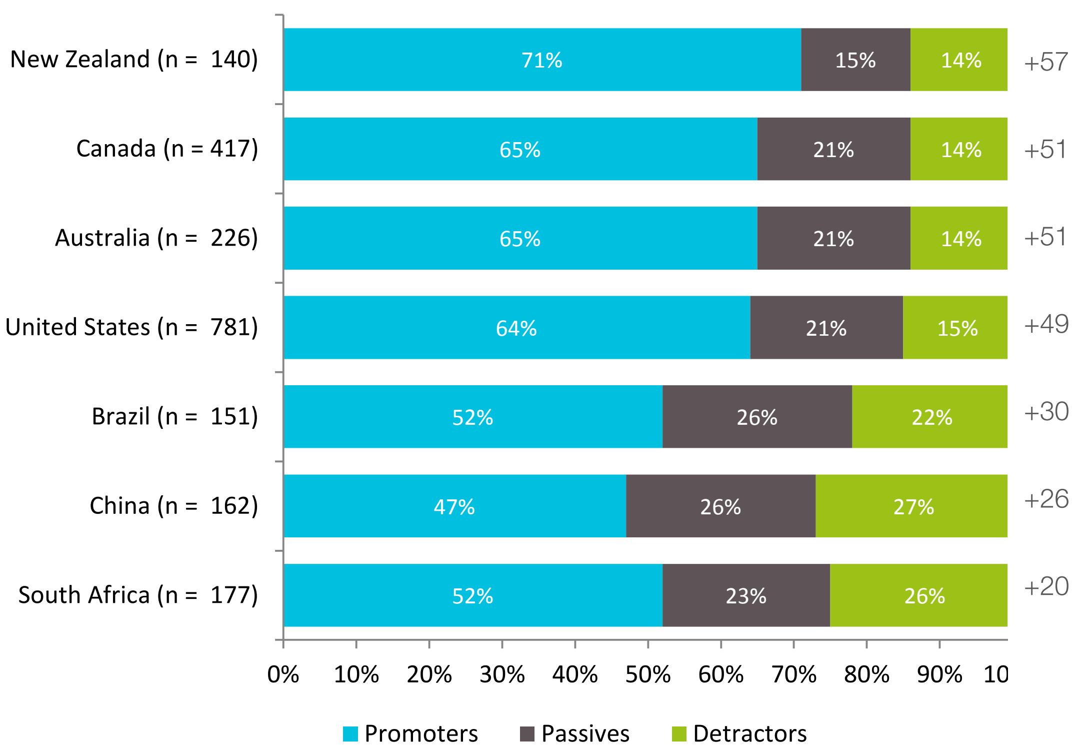
[26] Based on QTI2 – 'Where did you see, read or hear the information that encouraged you to seriously consider visiting or returning to Canada in the next two year?'

12. Net Promoter Score (NPS)

The Net Promoter Score (NPS) 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.

Of the 417 German long-haul, travellers who had actually visited Canada, 65% would recommend it to friends, family and colleagues, while 14% would not – resulting in an NPS score of +51[27].

Exhibit 12-1 Net Promoter Score (NPS) results (Ever Visited)



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?
Base for each country is filtered to only those respondents who had actually visited *that* country.
Note: Results ranked in descending order according to the overall NPS score.

Around two-thirds (65%) of German long-haul travellers, who have been on a trip to Canada, would recommend it to friends, relatives or colleagues. The vast majority of visitors are 'promoters' – they would recommend Canada to others. This puts Canada on par with both Australia and the US, and is an improvement on the NPS score for Germany in 2012 (+48).

[27] That is 65% minus 14% = 51%, or +51 as we report it. Note that negative NPS scores are possible.

The NPS score is not only a measure of consumer satisfaction (measured by how likely they would be to recommend the destination to others), but a barometer of the potential opportunity to promote the destination through *advocacy.* As discussed in the previous section, advocacy through friends and family is the most influential source of information when it comes to choosing a holiday destination, far more so than paid advertising.

The results for Canada are therefore extremely encouraging, considering both their level of satisfaction with their experience, and the likelihood that they will advocate a trip to Canada to their friends and family.

The focus therefore needs to be on promoting advocacy – getting them to share their experiences with those around them, whether in-person, via email, or through their social networks.

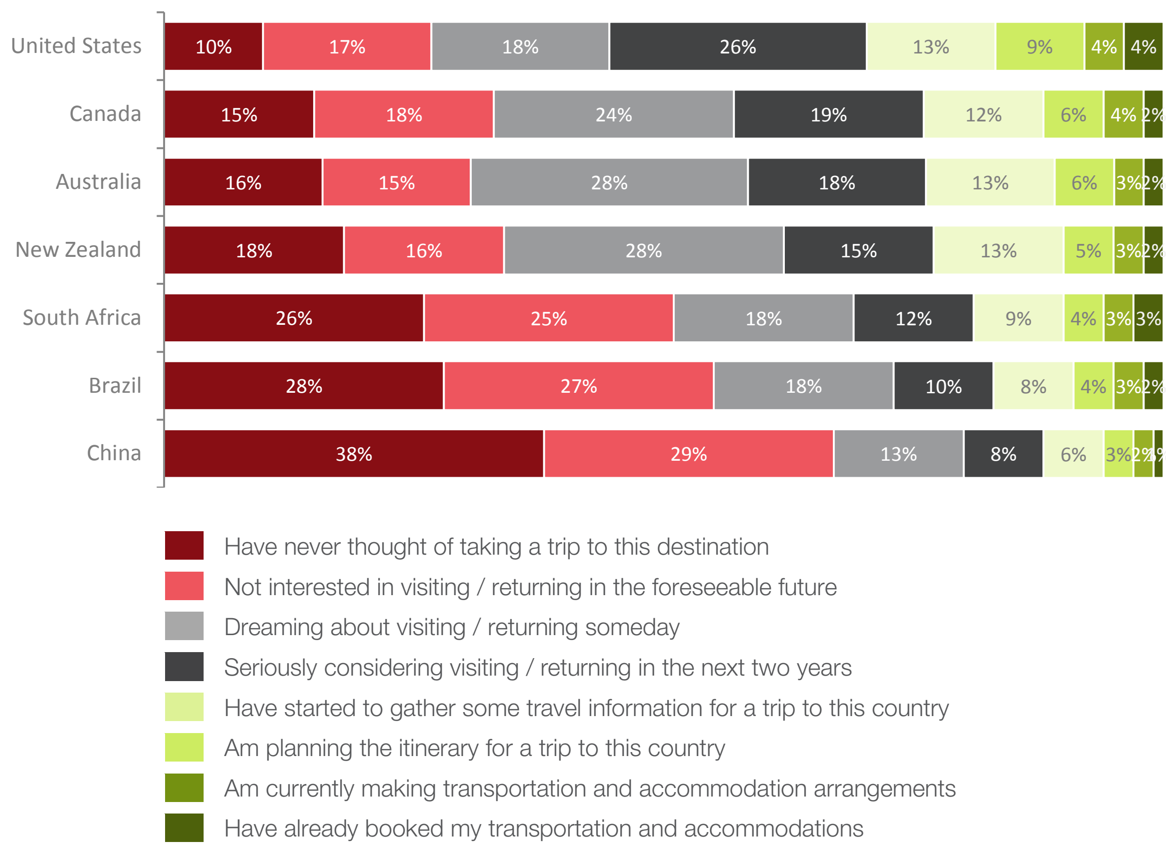
13. Path to purchase

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

Through additional research, the CTC has developed a Path to Purchase (P2P) model for long-haul travel and identified where the organization can have the greatest influence in converting those with potential interest in Canada to actual visitors.

These include the consideration, evaluation and purchase stages of the P2P cycle, starting with awareness of the opportunity and interest in a destination, through to booking their itinerary, travel and accommodations.

Exhibit 13-1 Stage in the path-to-purchase



Base: Long-haul pleasure travellers (n = 1,504).
Q3: Which of the following best describes your current situation when thinking about each of the following countries for a holiday trip?
Note: Additional stage on the 'path to purchase model' was added for 2014 – 'Have never thought of taking a trip to this destination'. Results not directly comparable to previous years.
Note: Results ranked in descending order according to the number of travellers who: *are planning the itinerary for their trip, making transportation and / or accommodation arrangements for their trip,* or *have already booked transportation and accommodations*.

Exhibit 13-1 shows the percentage of German long-haul travellers at each stage of the P2P, for both Canada and the competitive set of long-haul destinations.

Almost one-in-four (24%) German travellers are at the latter stages of the P2P, and are at least *starting to gather some travel information for a trip to Canada* – only plans for the US (30%) are at a more advanced stage.

The same proportion of German Travellers are also considering a trip to Australia (24%) and / or New Zealand (23%)[28], Canada's closest competitors, after the US. It is at this stage of the Path-to-Purchase that travellers may be deciding *between* these destinations.

A third of travellers have either *never thought about travelling to Canada* or are *not interested in visiting / returning in the near future*.

[28] Travellers may be looking to combine a trip to Australia and New Zealand, given their relative close proximity compared to the travel distance required to get to the South Pacific, from Europe.

Sources[29]:

Canadian Tourism Commission. (2012). Global Tourism Watch: Germany.

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Trading Economics. (2015). Consumer confidence index: Germany.

Visit Britain. (2014). Market and Trade Profile: Germany.

Wall Street Journal. (2015). Germany Raises 2015 Growth Forecast on Jobs, Consumption.

[29] Sources are documented according to the guidelines described in the fifth edition of the APA's 'Publication manual', a recognised international standard for social and behavioural sciences.