DESTINATION CANADA

Global Tourism Watch

2015 Mexico Summary Report

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1. Introduction

Destination Canada (formerly the Canadian Tourism Commission) 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 advocacy in the tourism context.

In response to a rapidly changing travel marketplace, Destination Canada 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 revised 2014 survey was used as the basis for the 2015 survey with minor modifications.

This particular report focuses on the Mexican travel market. Destination Canada has designated the US, Spain, Italy, France, Argentina and Brazil as the primary competitor destinations when it comes to attracting Mexican pleasure travellers. These destinations will represent the primary points of comparison for Canada throughout this report.

Methodology

In 2015, an online panel survey was conducted by TNS. The target population for the online survey was residents aged eighteen years and older, who had taken an international pleasure trip (outside of Mexico and Central America) where they had stayed at least one night in paid accommodation in the past three years, or intended to take such a trip in the next two years. Data were gathered in July and August 2015 from 1,500 respondents who reside in Mexico City, Guadalajara or Monterrey, including 200 recent visitors to Canada.

[1] Identified by Destination Canada 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. Strategic Considerations

The key strategic considerations for Canada, arising from the 2015 results of the Mexico international travellers' survey are summarized below.

- The Mexican outbound travel market is rebounding. In the recent past, Mexican consumers were more conservative with their spending due to a slower than expected and uncertain economic climate. This in turn reduced consumer spending overall and reduced spending on outbound travel in particular. The Mexican economy is improving, albeit slowly, the peso is garnering strength and travel optimism is up considerably.

- While the outbound market is improving, there are a number of factors that will bolster Canada's potential to capture its share of the rebounding market. First, the relative strength of the peso and the US dollar makes Canada a less expensive option for Mexican travellers over its main competitor, the US. Second, Canada has introduced improved visa regulations and the trusted traveller program making travel to Canada easier than in the past. Third, air capacity between the two countries has increased; making travel easier than in the recent past. Lastly, the Liberal government made a campaign promise to remove visa requirements for Mexican citizens. While removing visa restrictions will likely take some time to implement, once accomplished, travel will be significantly easier than in recent years and will likely create a surge in Mexican inbound travel back to levels prior to the imposition of a visa.

- The above factors will create some growth for Canada in the short-term, but it will not facilitate long-term growth or allow Canada to reach its fullest potential. It is only by increasing the rate at which interest is converted into travel that Canada will achieve long-term growth. Eliminating visa restrictions will undoubtedly improve Canada's positioning, but it is Canada's marketing efforts that will ultimately make the difference.

- At the moment, 90 per cent of Mexican outbound travel stays in North America with the US getting the large majority of outbound Mexican travellers. The question then, is how best to increase Canada's share? It is not expected that Canada will compete toe-to-toe with the US in all arenas but Canada does have to use the US as a foil for its efforts in Mexico. The type of vacation taken in Canada is in many ways markedly different from the type taken in the US – in terms of motivation focus, if not in terms of broad activity categories. This leaves Canada some scope to develop unique positioning relative to the US. To do this, there are particular areas of competitive advantage that can be more clearly profiled in the offer and more widely understood by Mexican travellers. Results of this research provide us with some direction on which areas we should compete and what to profile.

- A focused approach is required. One that underscores three key benefits that have considerable power in combination – price, ease of access and unique points of appeal. Canada can leverage its exchange rate advantage over the US to promote more attractive price points to Mexican travellers which will certainly provide benefits in the short-term. Canada can also promote the easing and eventual removal of visa restrictions. More importantly, though, Canada can focus on communicating a unique and compelling offer to key target segments. Much of this will depend on defining those unique points of appeal that Mexican long-haul travellers find highly compelling and that Canada is well positioned to offer. Findings from this study suggest a number of ways in which this might be achieved:

  - Canada's nature offer is powerful, alluring and authentic. In fact, nature is the most alluring aspect of a trip to Canada. Mexican travellers have an increased propensity to engage in outdoor and/or active nature based pursuits while in Canada. The relatively high profile of activities such as hiking, camping and fishing as well as national/state parks and botanical gardens provide some evidence of Canada's power in this arena. Moreover, Mexican travellers have greater perceptions of relevance and uniqueness when it comes to Canada. This overwhelming appreciation of Canadian nature suggests Canada should leverage its "natural advantage" and carve out a niche market for itself focused on nature.

  - There are a number of experiences that should be promoted in explicit terms such as touring vacations that involve a combination of urban and nature based activities. As well, Mexican travellers in Canada over-index on a number of niche activities such as Aboriginal culture, Northern Lights and agri-tourism. Offers that include core activities that are desired by the Mexican traveller and include a variety of highly sought after niche activities have the power to differentiate Canada from competitive destinations.

- Communication efforts to date have been moderately effective. There is evidence that the various media channels used (i.e., advocacy, websites and social media) have reached their intended audience. The level of awareness is stronger than most competitors, except the US. The US's advertising voice dominates the Mexican market, making it a challenge for Canada to get its message across. In order to compete, it is necessary to take a targeted approach to marketing – tailoring and delivering customized offers to specific consumer groups. The effort must be targeted to those consumers offering the most opportunity for conversion, focus on USPs that will resonate most strongly with those groups and deal with both misconceptions and real barriers to selecting Canada. More specifically:

  - Destination Canada targets wealthy Mexican travellers 30-40 years of age who enjoy making high end trips and are free to travel any time of year. The findings of this research support continued targeting of upscale travellers, given their propensity to spend, to travel more and, importantly given their more advanced placement on the path to purchase for Canada. However, consideration should be given to expanding the top age threshold upward to 54 years from 40. These older counterparts exhibit elevated interest, knowledge and consideration for Canada.

  - Destination Canada also targets three EQ segments in Mexico: Free Spirits, Cultural History Buffs and Authentic Experiencers. The findings also support the continued targeting of these segments, given that they offer the potential to heighten marketing and communications efforts. But, the focus moving forward should be on Free Spirits and Cultural History Buffs only if there is a need to condense and focus resources. Authentic Experiencers are quite similar to other travellers and have not shown a strong preference or affinity for Canada.

Targeting Authentic Experiencers offers the same benefits as targeting the general traveller population. Free Spirts and Cultural History Buffs on the other hand have increased interest and consideration for Canada and are further along the path to purchase, highlighting their continued relevance. The EQ segments establish the parameters for articulating the overall experiential ambiance, and they provide the psychographic depth required to express those experiences in emotionally compelling ways. In the end, the capacity to achieve emotional engagement is the key to fueling excitement, and the excitement factor is critical to establishing urgency and preference.

  - Many of Canada's USPs align well with the experiences Mexican international travellers' desire and as such can be leveraged in communications and offer positioning. In particular "personal journeys by land, water and air", "vibrant cities on the edge of nature", "active adventure among awe inspiring natural wonders" and "award winning local cuisine" all align well with the activities Mexican travellers desire.
  - To maximize success, communication efforts should also address key misconceptions and/or barriers to visiting Canada. Most barriers cited were generic or stereotypical, indicating the impediments to travelling to Canada are superficial and easily addressed with a fuller understanding of Canada as a destination.

- Lastly, it is important to develop the communications and marketing plan around core digital assets in order to facilitate customized and tailored offers. This has the added benefit of allowing for more precise consumer targeting. It is also clear that both direct-to-consumer and travel trade efforts should be part of the plan. A continued focus on stimulating active advocacy is necessary, particularly given the influence afforded to friends and family, especially in the social media context.

3. Key Observations

The following section summarises the key points of interest from the 2015 survey of Mexican international travellers.

Key findings:

- Despite a difficult economic climate, the Mexican travel outlook is extremely positive in 2015. Optimism has grown considerably, especially among those interested in Canada. Mexico's Market Outlook Indicator has increased by 15 points to +53 and nearly half of Mexican international travellers believe they will spend more on travel outside of the country next year.

- Among most competitive countries Canada is faring quite well. The US however, outperforms Canada considerably in most areas. The US dominates Mexican international travel at a nearly nine-to-one ratio. Awareness of travel opportunities in Canada is stronger than most competitive destinations, except the US. Awareness of travel opportunities in the US is much stronger. Interest in visiting Canada remains high but moving Mexican travellers further down the path to purchase remains a challenge. A challenge that the US, Canada's top competitor, does not experience to the same degree. Interest levels in Canada and the US are similar yet Mexican travellers visit the US nearly three times as often. As well, advertising recall for Canada is better than recall for all other competing international destinations with the exception of the US which enjoys a substantial lead. Free Spirits, Cultural History Buffs and those 35-54 years of age should be targeted given their increased awareness, consideration and market penetration.

- Where Canada does outperform the US is with respect to value. Mexican travellers believe Canada offers better value than most competitive destinations, including the US. This suggests the advantages of proximity and increased incidence of friends and family that the US enjoys, currently outweigh other more touristic factors in dictating destination choice. One should not, however, discount the importance of perceived value, as it will undoubtedly play an increasingly important role in dictating behavior as the Mexican long-haul market continues to evolve and mature. Factors beyond VFR and proximity will emerge as more important as Mexican travellers broaden their travel horizons, exercise some desire for variety and bring larger travel budgets to the table.

- It should be noted, that while Canada enjoys third place on the value front in 2015, the gap between third and first place is relatively narrow and, consequently, small improvements to perceptions can move Canada ahead of both France and Italy. By the same token, Canada does not enjoy large enough margins to ensure it can maintain its existing position in future years.

- Canada's price perceptions have remained relatively stable from 2013 while its main competitor, the US, has enjoyed small improvements. The improvements are likely a function of the improvement of the Mexican peso compared to the US dollar. It is also true that Canada currently enjoys a greater price advantage in Mexico given the current weakness of the Canadian dollar. It is unlikely however, the Mexican traveller is aware of this comparative currency advantage, and wouldn't appreciate its impact on travel costs until they have gotten to the stage of comparative pricing in making their final destination choice.

- Mexican travellers come to Canada to explore, with touring vacations and city vacations being quite popular. While in Canada they enjoy a combination of urban and nature based activities including guided tours, cycling, hiking and wild and marine life viewing. They also enjoy trying the local cuisine and understanding the local culture. While these activities are somewhat similar regardless of destination, Mexican travellers also partake in a variety of niche activities while in Canada and to a greater extent than they do in other destinations. Activities such as botanical gardens, wineries, learning about Aboriginal people are decidedly more popular in Canada. This suggests that a core package that is enhanced with niche activities will distinguish Canada over other destinations. These activities also align well with most of Canada's USPs such as "vibrant cities on the edge of nature", "personal journeys by land, water and air", "active adventure among awe-inspiring natural wonders" and "award-winning Canadian local cuisine".

- Mexican international travellers also come to Canada for its nature, a key difference from the US. In the minds of the Mexican traveller, Canada's nature is the most appealing aspect of Canada. This is further supported by the increased incidence with which Mexican travellers undertake nature based activities while visiting Canada – hiking, fishing, camping and wildlife viewing are all more popular in Canada compared to other destinations, including the US. Canada's "natural advantage" should therefore be an integral part of any offer put forward to the Mexican international traveller.

- Among those who have booked or are seriously considering a trip to Canada, Ontario has the most drawing power followed distantly behind by BC and Quebec. This may stem more from existing knowledge rather than decided preference. This does not mean other regions of the country do not have significant drawing power.

- Many of the impediments to visiting Canada put forward by Mexican travellers are generic or even stereotypical and include cost, poor weather and hassles and delays at the airport. They speak to a lack of full understanding about Canada, its distance from Mexico, the real cost of a trip or other structural or amenity-related negatives. Undoubtedly, the easing of visa restrictions will remove some real barriers related to administrative and border-related hassles, particularly if tied to improved air service. As well the current currency exchange rate regimen should place Canada in a more advantageous price position relative to the US, especially if current differentials persist for some time, as they are expected to thorough 2016. This carries the possibility of reducing cost/value concerns some Mexican travellers may have in the context of Canada. Consistent with the point made previously, this will likely see expression once Mexican travellers have moved further along the path to purchase and are in the comparative pricing mode.

- Only one-in-twenty Mexican international travellers claims to have heard nothing about Canada in the past twelve months. This indicates the existing communication channels are likely strong in terms of achieving reach. Travellers heard about Canada from a variety of sources. Friends and family, websites and social networks are most popular and most influential. Travel agents continue to be used by nearly half of Mexican international travellers and continue to be extremely influential.

4. Market Health and Outlook

Background

The Mexican economy

Mexico is a key emerging market and is the world's 13th largest economy. Mexico experienced moderate growth and reduced unemployment in 2014 (Destination Canada, 2015) but economists have reduced their expectations for economic growth in 2015 (Flannery, How Will Mexico's Economy Perform in 2015, 2015).

At the beginning of 2015, Mexico's economy was hurt by a weak peso, historically low oil prices and lukewarm consumer confidence (Flannery, 2015). Mexico's economy has been struggling to gain momentum in 2015. Second quarter GDP growth was low; suggesting a vigorous rebound in economic activity in the coming months is unlikely (Focus Economics, 2015).

Mexico is facing a difficult economic climate. According to estimates from The United Nation's Economic Commission for Latin America and the Caribbean (ECLAC), Mexico's economy will grow at 2.4% in 2015 falling short of the ECLAC's previous projection of 3 to 3.2% (Flannery, More Bad News for Mexico's Economy, 2015).

Travel Outlook

While the current economic climate is difficult, the Mexican travel outlook is quite positive. Optimism related to outbound travel grew considerably in 2015, with Destination Canada's Market Outlook Indicator increasing from +38 in 2013 to +53[2]. Furthermore, close to half (47%) of Mexican international travellers believe they will spend *more* on travel *outside* of Mexico in the next twelve months. Both very encouraging signs for Canada, especially given optimism skews higher among those interested in travel to Canada.

Travel trends

The following section is a review of the key trends related to the Mexican tourism market identified through secondary research conducted for this report.

Mexican economic growth in recent years has been lower than anticipated and as result many consumers were more conservative with their spending. Many consumers prioritized basic

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[2] The Market Outlook Indicator measures the number of Mexican international travellers who say they will travel more, compared to those who say they will travel less, in the next twelve months (compared to the last twelve months).

expenses and reduced, postponed or eliminated expenditures on international vacations in favour of less expensive domestic trips (Euromonitor, 2014).

In 2013, consumer conservativism relaxed slightly due to improved economic performance and the recovery of the peso. Mexico experienced a small increase (+3%) in outbound tourism largely driven by long-haul travel within North America (Mintel, 2013).

Mexican residents spent 9.1 billion (USD) on international tourism in 2013, representing 17 million outbound visits (Visit Britain, 2014). Long-haul travel departures are the driving force in the outbound market in Mexico. The US accounted for approximately 90 per cent of outbound travel in 2011 (Mintel, 2013). Expenditures by Mexican residents on outbound travel are estimated to grow by 8.5% in 2015 and continue to grow through to 2025 (World Travel and Tourism Council, 2015).

In 2014, Canada experienced a large increase in Mexican arrivals – up 14.4%, though still below peak levels achieved in 2008 prior to the imposition of visa restrictions. Mexicans made 173,000 overnight trips to Canada and spent an estimated $252 million while they were here (Statistics Canada, 2015).

Much of the increase in Mexican inbound travel to Canada in 2014 can be attributed to Canada's introduction of a 10 year visa and the CAN+ Visa program. Both programs make obtaining a visa significantly easier than in the past. Canada is also expanding eligibility for the electronic Travel Authorization (eTA) to low-risk travellers making it easier and faster for low-risk travellers to come to Canada. Furthermore, during the recent election, Justin Trudeau made a campaign promise to remove entry visa requirements for Mexican citizens (Valiante, 2015). It is expected that the greater ease of obtaining a visa along with new direct flights to Mexico will drive Mexican outbound growth to Canada in the short-term (Destination Canada, 2015) while the eventual removal of visa requirements will also drive growth.

As one of the fastest-growing areas in Latin America, and indeed the world, rising consumerism will bring more Mexicans into the travel market. Existing Mexican travellers will become more adventurous, eager to travel to places outside of the main capitals and away from key attractions (Mintel, 2013). Recent research shows a number of key trends among Latin American travellers which includes Mexican travellers:

- Luxury travel is becoming more popular among Latin American travellers and has shown double digit growth in 2014 (Shillinglaw, 2015).

- Luxury travel has changed to more experiential adventures. Younger luxury travellers have different expectations than those of the past. They care about connectivity, interesting design, local food and unique experiences. They want exclusivity, uniqueness and customization. They are looking for immersion and experiences that are unique to them (Scott, 2014).

- Multi-generational travel continues to be popular. Latin American travellers will be travelling more frequently as families and especially multi-generational families (Scott, 2014).

- Growing interest is beginning to emerge in long-haul and cruise leisure choices (Shillinglaw, 2015).

- Latin Americans are spending more on travel in their own country and increasingly seeking out luxury travel within their own country. Mexican luxury travellers, in particular, demand the best domestically and especially when it comes to dining (Scott, 2014).

Despite economic conditions, Mexico continues to be an important tourism market for Canada. There is strong growth potential in the Mexican outbound market. Mexico is one of the fastest growing consumer markets in the world which will bring more Mexicans into the travel market over the long-term. Improved visa services and the impending removal of visa requirements altogether are making Canada increasingly accessible to the Mexican international traveller. Moreover, Canada is well placed to deliver on a number of emerging trends. These include experiential luxury travel, customized or individualized luxury travel, multi-generational travel and/or high end dining.

5. Market Potential

Mexican market potential has remained largely unchanged since 2013. Exhibit 5-1 provides an estimate of the size of the potential market for Mexico 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 Mexican international travellers (market size estimate derived from the 2010 omnibus study of the Mexican 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 3.3 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 2.1 million travellers with more immediate potential for conversion.

It should be noted that the estimates of market and immediate potential simply define the population from which Canada can draw Mexican visitors. Since the size of this pool is much greater than actual volume from Mexico over the last couple of years, there is obviously potential for growth, and this is consistent with the travel trends previously described. Whether Canada actually realizes at least some of this latent potential will depend on conversion success. The easing and/or the eventual removal of the visa requirement will certainly help, but, this in itself will not facilitate long-term growth or allow Canada to reach its fullest potential. This can only be achieved through continual improvement with respect to the rate at which interest is converted into actual trips. And, that sort of sustained improvement can only be accomplished with the aid of effective marketing efforts on behalf of Canada's tourism industry.

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

Measure	Size Of Potential Market To Canada
Total potential Mexican international pleasure travellers (aged 18 plus)	3,949,000
Target market for Canada:	
Definitely / very / somewhat interested in visiting Canada in the next two years	84%
Size of the target market	3,317,000
Immediate potential for Canada:	
Will definitely / very likely visit Canada in the next two years[3]	54%
Immediate potential	2,132,500

Base: International pleasure travellers (n = 1,500)
Notes: Interest and consideration numbers shown are from the 2015 GTW results. Potential market size is from the random telephone omnibus survey undertaken in 2010, among the general population aged eighteen years or older.
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 vacation trip of four or more nights to Canada in the next two years? And, how likely are you to take a vacation trip of one to three nights to Canada in the next two years?

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

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 summarizes the 2015 KPIs for Canada.

Exhibit 6-1 Mexican travellers' Key Performance Indicators (KPIs) for Canada – summary

		All Mexican International Travellers	Recent Visitors To Canada[4]	Interested In Canada[5]
Key Performance Indicator	Definition	n = 1,500	n = 200	n = 512
Destination awareness:				
Aided awareness of travel opportunities in Canada	% with excellent / very good knowledge of travel opportunities in Canada	47%	67%	70%
Past visitation:				
Overall market penetration	% who have ever visited Canada for pleasure	27%	84%	36%
Intentions:				
Unaided destination consideration	% who mentioned Canada or a destination in Canada on their consideration list	16%	37%	30%
Competitive positioning on destination consideration	Rank on the consideration list relative to competitors (roll-up)	2nd	2nd	2nd

Base: International pleasure travellers (n = 1,500), Recent visitors to Canada (n = 200) and those interested in visiting Canada (n = 512)
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 international competitors).
Market penetration (ever visited) (Q11b) – "Which of the following countries have you ever visited while on a vacation trip?" (Aided list of international destinations).
Unaided destination consideration (Q2) – "Which destinations are you seriously considering for your trips in the next two years?" (Open-ended, coded responses).

KPIs for Canada have remained largely unchanged since 2013. Canada has experienced a gradual decline in unaided destination consideration since 2010 (- 6%) yet has maintained its

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

competitive positioning of second place. The fall in unaided consideration is almost certainly a function of the change in visa requirements that were implemented in 2009. Presumably Canada will show some recovery as the new easing and potential removal of visa requirements become better known in the coming months and years.

Exhibit 6-2 Mexican travellers' Key Performance Indicators (KPIs) versus 2013

Key Performance Indicator - Mexico	2013 (n=1,549)	2015 (n=1,500)	YOY Change +/-
Aided awareness of travel opportunities in Canada	48%	47%	-1%
Overall market penetration	28%	27%	-1%
Unaided destination consideration	16%	16%	-
Competitive positioning on destination consideration	2nd	2nd	-

Base: International pleasure travellers.

Awareness of travel opportunities

When it comes to Mexican international pleasure travellers' knowledge of travel opportunities, Canada comes in a distant second to the US.

Close to one-half (47%) of Mexican international pleasure travellers rate their knowledge of travel opportunities in Canada as either 'excellent' or 'very good', this is quite far behind the US (62%) and only a few points (6%) ahead of France and Spain.

For the most part, awareness of Canadian travel opportunities is similar regardless of cohort with the exception of two EQ segments and those 35-54 years – all of which demonstrate increased awareness. It is of no surprise to find Free Spirits and Cultural History Buffs reporting increased knowledge of Canadian travel opportunities - a finding that supports the continued targeting of Free Spirits and Cultural History Buffs in Mexico.

However, to realize more opportunity generally, Canada must do a better job of overcoming the hurdle represented by the US. While, perhaps, Canada cannot expect to compete toe-to-toe with the US in all arenas, there may be specific areas of competitive advantage that should be more clearly profiled in its offer and more widely understood among Mexican travellers.

Visitation to Canada

Interest in visiting Canada remains high. However, turning interest into action is a major challenge that the US – Canada's top competitor – does not experience to the same degree.

Interest in visiting Canada in the next two years has remained high in 2015 (84%) and continues to be on par with the US, Italy and France and well above Brazil and Argentina. Interest is notably higher among those 35-54, those with children, women, those with friends or family in Canada, and among Free Spirits.

Although interest in Canada is high, follow-through is substantially lower. Similar to 2013, a little more than half (54%) of Mexican international travellers are likely[6] to visit Canada in the next two years and only one-quarter (27%) have ever been to Canada. While a similar situation exists for most countries in the competitive set, this is not the case for the US. The US has similar interest levels yet enjoys a penetration rate of 75 per cent. Some of the large scale penetration can be explained by the competitive advantages of proximity and an increased incidence of friends and family in the United States compared to Canada. These findings suggest that a visit to Canada (and other competitor destinations) is more aspirational and not necessarily backed by real commitment. These findings also suggest marketers need to find a way to move Mexican international travellers with good intentions further along the path to purchase to commitment and ultimately purchase. Moving Mexican travellers further along the path will require presenting compelling offers that include the activities that most Mexican tourist desire as well as those which make Canada such a strong aspiration like active natural pursuits which are discussed in more detail later in the report. But, this will only have the power to motivate if the offer Canada puts forward is demonstrably better or meaningfully different than what might be obtained in the US. At least implicitly, Canada does have to use the US as a foil for its efforts in Mexico.

Destination consideration and penetration are notably higher among those 35-54 years of age suggesting they are ideal targets of marketing efforts. Results also suggest the continued targeting of Free Spirits and Cultural History Buffs, given their increased consideration and their inclination to be further down the path to purchase for Canada when compared with other travellers.

Advertising recall

Advertising recall for Canada is better than recall for all other competing international destinations with the exception of the US, which enjoys a substantial lead.

Forty-four per cent of Mexican international pleasure travellers could recall an advertisement for Canada, well ahead of all competitive destinations except for the US (70%). Canada's communication efforts have undoubtedly played some role in helping it achieve, or approach, leadership among second-tier countries. The US advertising voice however, is powerful and dominates the media space, making it more challenging for Canada to get its message across.

Although not specifically shown in the table below, it should be noted that recall is notably stronger among older travellers (55+) and among those with a connection to Canada (friends or family in Canada). This may be a function of the media buy, and suggests opportunity for fine-tuning to achieve better reach among the more youthful cohorts who express more interest to begin with and are the intended target. The fact that advertising is better remembered among those who have friends and family in Canada would seem to be simply a

[6] Definitely or very likely.

function of greater pre-existing attentiveness to anything Canadian. Nonetheless, it does speak to the power of advertising to reaffirm existing predilections.

Exhibit 6-3 Mexican travellers advertising awareness for travel destinations

	All Mexican International Travellers	Recent Visitors To Canada[7]	Interested In Canada[8]
Advertising Awareness	n = 1,500	n = 200	n = 512
US	70%	73%	75%
Canada	44%	55%	60%
Brazil	34%	40%	38%
Spain	33%	42%	33%
France	28%	38%	32%
Argentina	23%	31%	23%
Italy	23%	27%	24%
None of the above	10%	6%	7%
Don't know	3%	0%	1%

Base: International pleasure travellers (n = 1,500), Recent visitors to Canada (n = 200) and those interested in visiting Canada (n = 512)
QB4: For which of the following travel or holiday destinations have you seen or heard an advertisement and / or a promotional article in the last three months? (Select all that apply)

[7] Visited Canada in the past three years for a pleasure trip of one or more nights with one or more nights in paid accommodations.
[8] Definitely interested in visiting Canada in the next two years. Data represents destination of most recent trip, not all trips within the past 3 years.

7. Perceptions of Canada

To be successful, a destination must be perceived as offering value, relevant experiences, and unique tourism opportunities to travellers. To assess value and price perceptions respondents were asked to evaluate Canada relative to competing destinations on a number of attributes.

Value perceptions

Mexican international travellers' perceptions of Canada's value are generally positive. Canada is ahead of most competitive destinations except Italy and France.

Exhibit 7-1 shows Canada's competitive position, based on Mexican travellers' impressions of each of the competing international destinations on a number of value-related attributes. It reveals that Canada takes third place among its competitors on all value attributes, and the scores have remained virtually unchanged since 2013. Canada moved up one position to third place in relation to uniqueness since 2013.

It should be noted, that while Canada enjoys third place on the value front in 2015, the gap between third and first place is relatively narrow and, consequently, small improvements to perceptions can move Canada ahead of both France and Italy. By the same token, Canada does not enjoy large enough margins to ensure it can maintain its existing position in future years. The market is currently quite congested and, potentially, volatile with respect to competitive value impressions.

It was surprising to find the US, despite the large penetration advantage it enjoys, ranked 5th or 6th among the competitive set for value. Mexican travellers believe Canada has much value to offer and even more value than the US on all measures. Yet, they still travel to the US three times more often than to Canada. The increased penetration suggests the advantages of proximity and increased incidence of friends and family that the US enjoys strongly outweigh the advantages of perceived value. One should not discount the importance of perceived value, however, as it will undoubtedly play an increasingly important role in dictating behavior as the Mexican long-haul market continues to evolve and mature. Factors beyond VFR and proximity will emerge as more important as Mexican travellers broaden their travel horizons, exercise some desire for variety and bring larger travel budgets to the table.

From this perspective, the US is in a vulnerable position. Canada could assertively leverage its exchange rate advantage to promote more attractive price points to Mexican travellers relative to alternative US vacations. This would likely deliver some benefit over the short-term. More importantly, though, in concert with the easing of visa restrictions, Canada could focus on communicating a unique and compelling Canadian offering to key target segments. This focused approach would be affordable and also underscore three key benefits that have considerable power in combination – price, ease of access and unique points of appeal. As a consequence, Canada could quickly rise above its immediate competitors while diverting some traffic from the US. Much of this will hinge on defining those unique points of appeal that desired Mexican long-haul travellers find highly compelling and that Canada is well positioned to offer – some direction on this front can be found in the following section of this report.

Value perceptions are notably stronger among those who have deeper understanding of what Canada has to offer, such as those with family and friends living in Canada. This suggests that conveying deeper appreciation of what already exists in Canada has value in its own right. It also, incidentally, suggests one means of identifying potential advocates via familial or social relations.

Exhibit 7-1 Mexican travellers' value perceptions

Value Perception by Mexican International Traveller	1#	2#	3#	4#	5#	6#	7#
A destination with the travel experiences I am specifically looking for	ITA 80%	FRA 72%	CAN 69%	SPN 67%	USA 63%	BRZ 54%	ARG 43%
A place with unique features that other destinations don't offer	ITA 81%	FRA 76%	CAN 75%	SPN 70%	BRZ 69%	USA 65%	ARG 48%
A dream destination that I would visit if money were no object	ITA 82%	FRA 78%	CAN 70%	SPN 69%	USA 62%	BRZ 56%	ARG 46%
A destination I would pay a little more for	ITA 72%	FRA 64%	CAN 59%	SPN 57%	USA 56%	BRZ 47%	ARG 37%

Base: International pleasure travellers (n = 1,500)
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, and a 1 to 10 scales of agreement with each statement.

In 2015, average value perceptions for all competitive countries were relatively stable or improved slightly. Canada remained relatively stable (+0.1) while the US and Spain, Canada's biggest competitors in Mexico, enjoyed small improvements (0.6 and 0.3 respectively). The US and Spain are slowly closing the gap that Canada once enjoyed.

Exhibit 7-2 Mexican travellers' year-on-year change in average rating for value attributes

Value Perception by Mexican International Traveller	2013	2015	2013/2015 YOY change
Italy	8.3	8.5	+0.2
France	8.2	8.1	+0.1
Canada	7.9	8.0	+0.1
Spain	7.5	7.8	+0.3
Brazil	7.7	7.2	-0.3
US	6.9	7.5	+0.6
Argentina	6.4	6.5	+0.1

Base: International pleasure travellers (n = 1,500)
Note: Average ratings for all *value* attributes, based on a ten-point scale on agreement with the statements presented to them.

Price perceptions

Canada now ranks second on all price perceptions, outperformed by the US, yet ahead of all other competitive destinations. Canada's price perceptions have remained relatively stable from 2013 while the US, has enjoyed small improvements. The US improvements are likely a function of the increased strength of the peso compared to the US dollar. The relative weakness of the Canadian dollar compared to the US dollar means that Canada currently enjoys an even greater price advantage in Mexico when compared to the US. While the lost value of the US dollar is likely to be known in Mexico it is unlikely the Mexican traveller is aware that the comparative price points for travel have improved to an even greater extent for Canada. It will be up to Canada to promote the price advantage that Canada currently enjoys.

As one might expect, patterns of value and price perceptions closely align. As with value, perceptions of the prices offered by Canada are notably stronger among those 35-54 years of age and those who have better appreciation of Canada, such as those with past experience, existing future interest and those with friends and family in Canada.

Exhibit 7-3 Mexican travellers' price perceptions

Price Perceptions by Mexican International Traveller	1#	2#	3#	4#	5#	6#	7#
A destination that is affordable to get to by air	USA 76%	CAN 66%	ITA 57%	FRA 53%	SPN 52%	BRZ 49%	ARG 41%
A destination with reasonable prices for food, entertainment and accommodation	USA 69%	CAN 63%	SPN 60%	ITA 58%	BRZ 53%	FRA 50%	ARG 49%
A place that offers good value for money	USA 69%	CAN 68%	ITA 62%	SPN 62%	FRA 57%	BRZ 52%	ARG 46%

Base: International pleasure travellers (n = 1,500)
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, and a 1 to 10 scales of agreement with each statement.

Exhibit 7-4 Mexican travellers' year-on-year change in average rating for price attributes

Price Perception by Mexican International Traveller	2013	2015	2013/2015 YOY change
US	7.7	8.0	+0.3
Canada	7.8	7.9	+0.1
Italy	7.4	7.5	+0.1
Spain	7.2	7.4	+0.2
Brazil	7.4	7.1	-0.3
France	7.1	7.1	-
Argentina	6.8	6.8	-

Base: International pleasure travellers (n = 1,500)
Note: Average ratings for all *price* attributes, based on a ten-point scale on agreement with the statements presented to them.

8. Trip Profiles

Most recent destination visited

The US dominates Mexican international travel. On their most recent trip, 60 per cent of Mexican international travellers went to the US while only 10 per cent went to Spain and seven per cent went to Canada, putting Canada in third place similar to 2013.

Those who travelled to Canada on their most recent trip skew to the wealthier traveller (+75,000 peso) and those with friends or family in Canada. Given their increased propensity to travel to Canada, both cohorts might be targeted in marketing efforts although, admittedly, the VFR pool is quite small in absolute terms and offers limited growth potential.

Type of vacation taken

Mexican international travellers like to engage in a variety of vacations. Visiting their friends and family, touring and city vacations are most popular overall. Unlike other countries, few factors impact the type of vacation taken. Interest in vacation type appears to be similar among all Mexican international travellers with only a few exceptions. Visiting friends and family tends to skew towards older travellers (55+) and not unexpectedly, the destination plays an important role in the type of vacation taken.

When travelling to Canada, *touring vacations* are decidedly more popular, followed by *city vacations* and then v*isits to see friends or family*. This finding suggests that Mexican travellers come to Canada to explore - they want to discover Canada through their journey. In Canada, the journey is the destination - a good fit with Canada's USP of "personal journeys through land, water and air".

While visiting friends and family is the third most popular type of trip among Mexican travellers to Canada, it is important to remember that the Mexican Canadian population is quite small (approximately 96,000) (Wikipedia, 2015). As previously noted, while Canada can encourage travel to see friends and family, this will have limited impact and would require extremely precise and targeted marketing. It also stands to reason that the relatively high profile of VFR among the types of trips taken to Canada, suggests that Canada has not come close to reaching its potential in Mexico with respect to trips taken for purely touristic reasons (not involving family or friends). This is attested to by the fact that VFR has prominence despite its small base.

The type of vacation taken in Canada is markedly different from the type taken in the US, where visiting friends and family dominates travel, shopping is more popular and touring is much less common. Mexican travellers go to the US for very different reasons than they come to Canada. This leaves Canada some scope for carving out a unique positioning relative to the US. While the US can accommodate some travel needs like no other destination, Canada does not have to compete directly in this space and can offer something quite distinctive.

Exhibit 8-1 Mexican travellers' most recent trip: type of vacation (Top 5)

Type of Vacation	All Mexican International Travellers n = 1144	Recent Visitors To Canada[9] n = 200	Recent Visitors to the US[10] n = 581
Visit to friends or relatives	21%	14%	24%
Touring vacation	18%	30%	11%
City vacation	16%	15%	18%
Shopping vacation	8%	1%	14%
Combined business and leisure vacation	7%	6%	6%

Base: Those who have taken an international pleasure trip in the past 3 years (n = 1,144)
QPT1: Which of the following best describes your most recent vacation.

Activities participated in

Mexican international travellers enjoy a combination of urban and nature based activities. The most popular activities that Mexican travellers enjoy include guided tours (both in and around the city), cycling, hiking and wild or marine life viewing.

When comparing visitors to Canada with Mexican travellers generally, the top-five interests are in fact the same in general terms. However, looking at the detail a little more closely it is evident that those who had recently been to Canada were more likely to engage in active nature based activities such as hiking, camping, fishing, kayaking, etc., as well as day cruising and flightseeing. This suggests that Canadian overtures to Mexicans can focus on some of their most common interests but can apply uniquely Canadian nuances that highlight active participation as a point of distinction.

Active natural pursuits are especially distinctive for Canada when compared to the activities undertaken when travelling to the US. Hiking, camping, fishing and wildlife viewing all take place at two-to-three times the rate in Canada relative to the US.

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

These findings further support Destination Canada's decision to market Canada as a destination with "vibrant cities on the edge of nature" as well as "personal journeys by land, water and air" especially to Mexican international travellers. These results show that such travellers have strong interest in both urban and nature based activities as well as interest in touring activities such as day cruising and flightseeing.

Exhibit 8-2 Mexican travellers' most recent trip: activities participated in (Top 10)

Activity Participated In	All Mexican International Travellers n = 1144	Recent Visitors To Canada[11] n = 200	Recent Visitors to the US[12] n = 581
Guided city tour	45%	48%	40%
Guided excursion beyond the city	25%	26%	18%
Cycling or biking	23%	27%	20%
Hiking	16%	26%	10%
Wildlife viewing	13%	20%	8%
Camping	11%	18%	8%
Day cruise	11%	20%	8%
Marine life viewing (whale watching or other sea life)	11%	11%	9%
Fishing	9%	18%	6%
Flightseeing (by plane or helicopter)	8%	15%	5%

Base: Those who have taken an international pleasure trip in the past 3 years (n = 1,144)
QPT2: Did you participate in any of the following activities during your last vacation? Please select all that apply.

Attractions

The three most popular attractions visited on the last vacation include museums, city parks and/or a historic site or building. While the top three attractions were the same for all Mexican international travellers, botanical gardens, wineries and art galleries over-indexed among those who had been to Canada recently. These findings suggest it will be important for Canada to present an offer that contains the key attractions that interest Mexican travellers such as

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

museums, city parks and historic sites or buildings but also offers experiences that can distinguish Canada such as botanical gardens, art galleries and wineries.

Recent travellers to the US visited similar attractions to those who had visited Canada. This further attests to the need for Canada to find means of differentiating in meaningful ways from the US in order to achieve growth traction.

When taken together, these findings seem to suggest that Canada's point of divergence is in the area of the outdoors and nature – more specifically, pristine nature unlike that existing elsewhere in North America and offering prospects for active engagement. The relatively high profile of provincial and national parks as attractions in Canada provide some evidence of this. Canada's "natural advantage" should, therefore, be an integral part of any offer put forward to the Mexican international traveller.

Exhibit 8-3 Mexican travellers' most recent trip: places visited (Top 10)

	All Mexican International Travellers	Recent Visitors To Canada[13]	Recent Visitors to the US[14]
Places Visited on Vacation	n = 1144	n = 200	n = 581
Museum	59%	64%	48%
City park	52%	56%	48%
Historic site or building	50%	51%	41%
National or state park	40%	53%	35%
Amusement or theme park	36%	28%	48%
Art gallery	30%	41%	19%
World heritage site	28%	27%	16%
Brewery	22%	20%	15%
Casino	22%	17%	29%
Botanical garden	19%	32%	11%

Base: Those who have taken an international pleasure trip in the past 3 years (n = 1,144)
QPT3: Did you visit any of the following types of places during your last holiday? Please select all that apply.

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

Vacation experiences

When focusing specifically on vacation experiences in Canada there is some indication that a number of niche experiences seem to be compelling in Canada – train tours, spas, wellness centres, agri-tourism and, expectedly, experiencing the Northern Lights. This is especially true when compared to travellers to the US. Travellers to the US undertake similar activities but to a much lesser extent than those who travel to Canada. It could be argued, then, that the targeted promotion of multiple and niche activities might have greater persuasive power in Canada and provide a point of differentiation. This may be particularly true when these niche activities are linked to more broadly appealing "universals" such as localized culinary experiences, especially if such experiences can be aligned with the ambiance of the niche activity itself. This approach also fits well with Destination Canada's target of wealthy travellers who enjoy high end trips.

Exhibit 8-4 Mexican travellers' most recent trip: experiences

	All Mexican International Travellers	Recent Visitors To Canada	Recent Visitors to the US
Experience	n = 1144	n = 200	n = 581
Tried local cuisine	69%	77%	61%
Dined at a highly-regarded restaurant	42%	49%	37%
Took a tour or visited a museum to learn about Aboriginal people	35%	47%	26%
Rented a car	31%	35%	31%
Attended a music festival	24%	26%	19%
Participated in a guided tour by train	16%	28%	9%
Visited a spa or wellness centre	15%	24%	10%
Attended a live show (e.g. comedy musical or theatre show)	14%	11%	13%
Northern (or Southern) lights	7%	24%	2%
Tried agri-tourism (e.g. visited a farm)	6%	16%	3%
None of the above	6%	1%	11%

Base: Those who have taken an international pleasure trip in the past 3 years
QPT4: Did you see or experience any of the following during your last holiday? Please select all that apply.

Type of accommodation

Mexican international travellers stay mostly in hotels or with friends and family while travelling internationally. The popularity of friends and family is likely understated as those who did not stay in at least one night of paid accommodation were excluded from the sample of this study.

Mid-priced hotels were most popular (37%) followed closely by the homes of friends and family (27%) then luxury (20%), resort (17%) and budget (16%) hotels.

When focusing specifically on Canada, the homes of friends and family drop somewhat in the ranking, with mid-priced hotels and resort hotels rising to the top.

Packages that include accommodation are of considerable appeal to Mexican travellers. This point of interest might be leveraged by Canada's destination marketers more assertively in the future.

Travel party

Mexican international travel continues to be dominated by couples. More than half of out-of-region travellers (57%) took a vacation with their spouse or partner, while one-quarter (25%) travelled with children under the age of 18.

Booking travel

Bricks and mortar travel agencies continue to be used by close to half of Mexican international travellers to either gather information or book flights and accommodation. Recent visitors to Canada used a travel agent to book flights and/or accommodation more frequently than those who had travelled elsewhere, suggesting the travel trade continues to be a lucrative and key target in the Mexican market, especially for Canada.

Among those who did not need the help of a travel agent, 32 per cent booked their flight and 30 per cent booked their accommodation on the internet through a travel agency or online retailer, while the remainder booked directly with the airline (55%) or directly with the accommodation (36%).

These findings stress the continued importance of the travel agent (in-person and online) and suggest Destination Canada should continue to target the travel trade to promote Canada at least in the short-term. Results also indicate more than half no longer require the services of a travel agent and as such marketing efforts over the long-term will need to address such booking independence as well.

9. Attraction of Canada

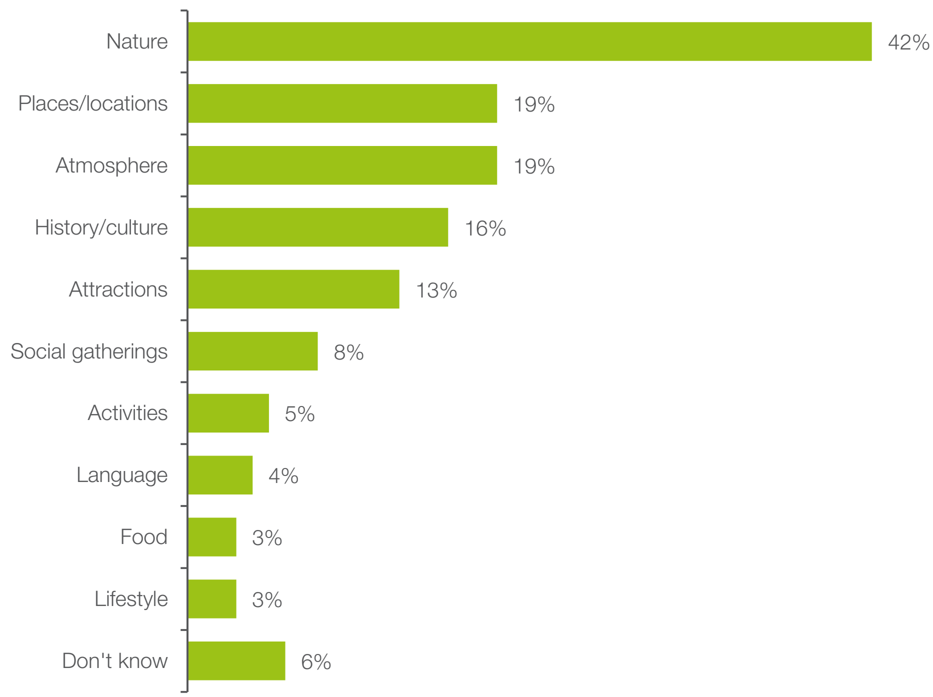
Most appealing aspects of a trip to Canada

When it comes to things that excite or intrigue Mexican travellers about Canada, nature dominates, with the allure of specific regions and the general atmosphere or ambiance of Canada placing a distant second.

Mexican travellers are excited by Canada's beautiful scenery and landscapes, its nature and the snow. They are intrigued by Canada's climate, the cool weather and winter. They find the variety of locations Canada has to offer appealing and the Maritimes of particular interest.

These findings support Canada putting forward a touring offer with touchpoints on key areas of scenic beauty. The findings also align well with Canada's USPs of "vibrant cities on the edge of nature" and "active adventure among awe-inspiring natural wonders".

Exhibit 9-1 Most intriguing or exciting aspect of a trip to Canada - Top-10



Base: Respondents considering a trip to Canada (n = 914)
QTI1: "What intrigues or excites you most about a potential visit to Canada?"

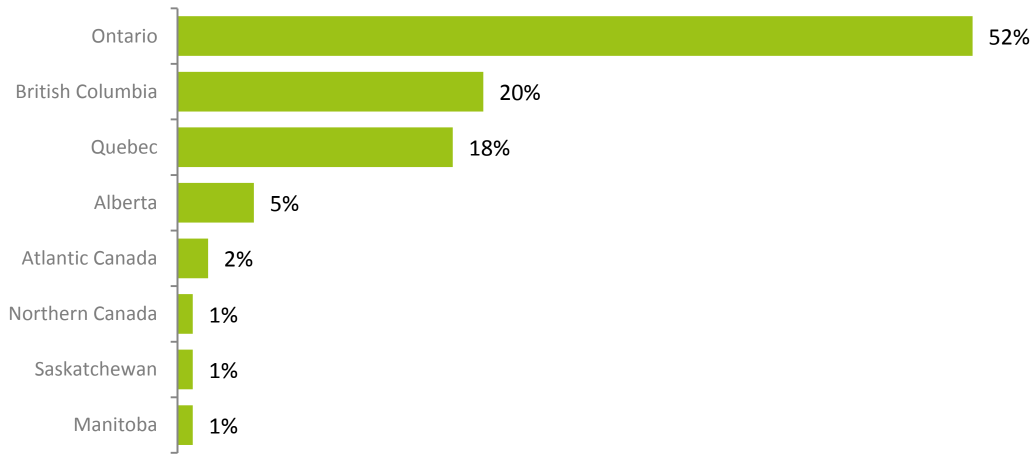
Canadian regions of interest

While Mexican international travellers who are considering a visit to Canada consider Atlantic Canada to be the most intriguing location, those with an interest in Canada are still considerably more likely to visit Ontario (in the next two years) followed by BC and Quebec. These findings suggest that Atlantic Canada is an aspiration to the Mexican traveller, but unlikely, on its own, to move them further along the path to purchase.

The challenge here is to present an offer that caters to both the reality and the aspiration. To do this, Atlantic Canada should receive some reference, along with other regions, in aspirational image-building material, as a means of stimulating topline interest in Canada. However, it should be less prominently featured in more specific packaging closer to point of purchase.

Given the Mexican traveller's predisposition to touring and desire for Canadian nature, a long-distance touring package that includes key natural focal points of Ontario and Quebec with add on options for Atlantic Canada may prove effective in addressing the reality but also appeal to the aspiration. The connection to "personal journeys by land, water and air" and "active adventure among awe-inspiring natural wonders" is clear.

Exhibit 9-2 Region Mexican international traveller likely to visit in Canada



Base: Those likely to visit Canada in the next 2 years (n = 1,154)
Q17: "And, which region of Canada would you be most likely to visit?"

10. Barriers to Visiting Canada

There are a number of barriers to visiting Canada for the Mexican international traveller. Cost concerns, including “too expensive” and “unfavorable exchange rates” are the most prevalent. Poor weather and hassles at the border/airport are also common.

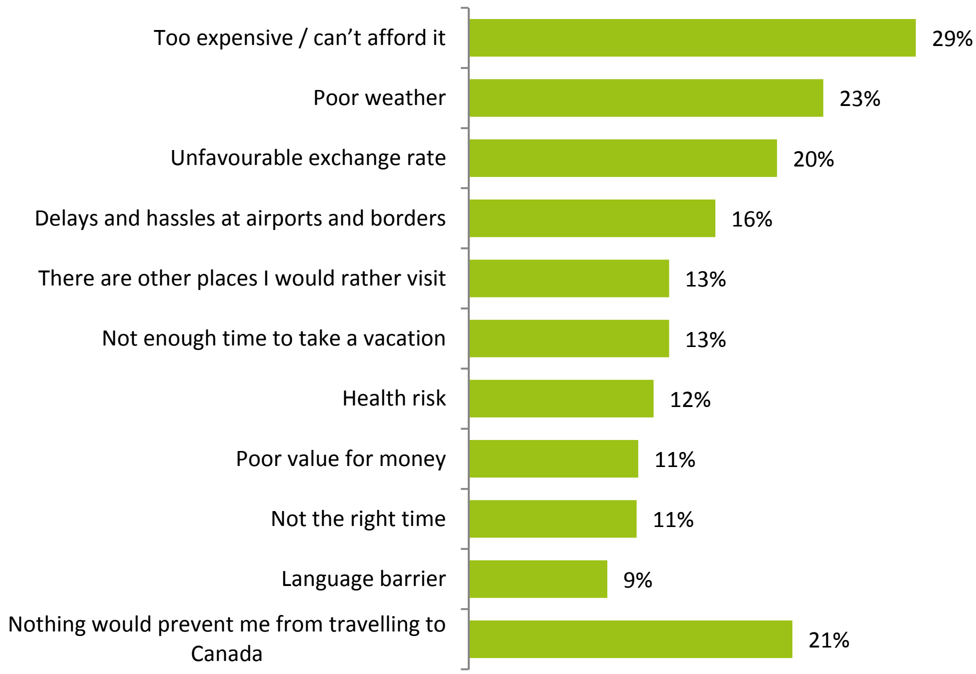
Canada’s weather is obviously polarizing. While considered an attractive feature by some Mexicans interested in experiencing a true winter climate and snow-based outdoor activities, Canada’s cooler climate is a source of concern for others. This means that depictions of Canada’s weather needs to be targeted. For some travellers and types of experiences active outdoor winter activities should be prominent, but for others the advantages of Canada’s cooler summer climate should be featured.

In reality, many of the impediments to visiting Canada put forward by Mexican travellers are generic or even stereotypical. They speak to a lack of full understanding about Canada, its distance from Mexico the real cost of a trip or other structural or amenity-related negatives. Undoubtedly, the easing of visa restrictions will remove some real barriers related to administrative and border-related hassles, particularly if tied to improved air service. As well the current currency exchange rate regimen should place Canada in a more advantageous price position relative to the US, if current differentials persist for some time, as they are expected to thorough 2016. This will reduce some of the cost/value concerns some Mexican travellers may have.

Younger travellers (18-34) cite more barriers to visiting Canada than do their older counterparts – only 13 per cent believe nothing would prevent them from travelling to Canada. They are more concerned about the expense of Canada, the language barrier, health risks and have a much larger malaise for Canada finding it more boring and lacking in excitement. Among those who travelled somewhere other than Canada, language and expense were cited more often as the main barriers to Canada suggesting Canada will need to focus on value and accessibility to win over travellers. Again, this ties to more forcefully underscoring differentiating, uniquely Canadian experiences, particularly for the younger age cohorts.

The question wording and answer list related to barriers to visiting Canada changed slightly from 2013 and as such direct comparisons should not be undertaken. That said, many of the top barriers such as expense, poor weather and delays and hassles at the border have remained the same.

Exhibit 10-1 Top 10 barriers to visiting Canada for Mexican international traveller



Base: International pleasure travellers considering a trip to Canada (n = 914) QTI3: Which of the following factors might discourage you from visiting Canada?

11. Sources of Information on Canada

Source of awareness

In the past twelve months, Mexican travellers who are considering a trip to Canada have heard about Canadian destinations in a variety of ways. Friends and family is most common with half having heard about Canada this way, followed by websites (34%) and social networks (32%). Only four per cent of Mexican international travellers have not heard about Canada through any of the twenty channels they were asked about. This finding suggests Canada has achieved fairly wide reach among Mexican international travellers over the past twelve months[15]. These findings also lend support to Destination Canada's marketing strategy for 2015 that focused on advocacy to create word of mouth about Canada as well as PR and advertising campaigns that included websites and social networks. All of these are currently top touchpoints in the context of Canada as a travel destination.

Not unexpectedly, younger travellers (18-34) are more likely than their older counterparts to recall hearing about Canada through social networks, websites, school and movies, suggesting that these are particularly good avenues for reaching the younger cohort.

Hearing about other international vacation destinations occurs in a similar fashion with friends and family (in person 43% or social media 36%) and websites (29%) being the most popular. With respect to other international destinations only 5% said they had not heard anything about destination opportunities outside of Mexico, in the past year. The breadth of the competitive presence is clearly significant.

Most influential sources

Friends and family, travel agents (in-person) and online sources (tourist website, personal blog, and traveller review sites) are the most influential sources of information about travel. The importance of travel agents (in-person) increases when we take into consideration that nearly half of Mexican international travellers continue to use bricks and mortar travel agents for gathering information or booking. This further supports the notion that travel agents continue to be a primary focus for marketing initiatives in the Mexican market.

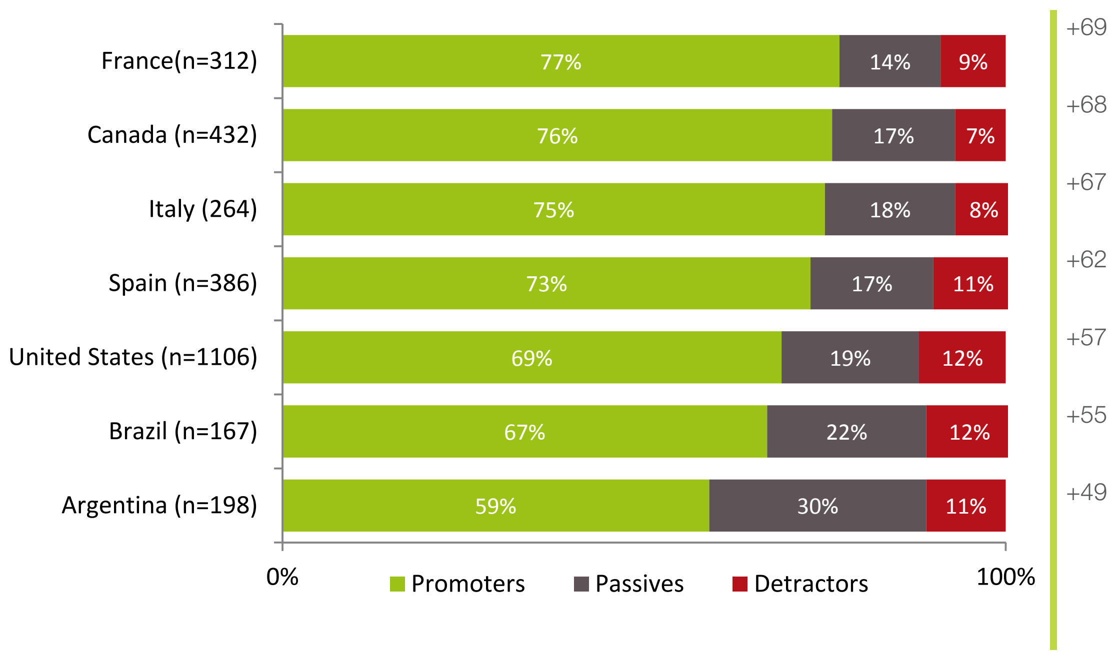
[15] Selected 'none of the above' when presented with twenty different means through which they may have heard about Canada.

12. Net Promoter Score (NPS)

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

Of the Mexican international travellers who have ever travelled to Canada, 76 per cent would recommend Canada to friends, family and colleagues, while 7 per cent would not – resulting in an NPS score of +68.

Exhibit 12-1 Mexican 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.

Canada’s NPS score for 2015 (+68) remained stable, up on the previous year by one point and continues to maintain second position. The large gap that Canada once enjoyed between the US, Spain and Argentina has narrowed substantially in 2015.

Furthermore, three quarters of Mexican travellers, who have visited Canada (ever), would recommend it to a friend or family member – a similar proportion to France and Italy but higher than Brazil, the US, Spain and Argentina.   This finding not only acts as a barometer of their level of satisfaction with their trip to Canada, it also has implications for promoting Canada through advocacy, given that friends and family are the most influential sources of information. Comparatively, Canada is doing well in this regard however it still has room for improvement.

Among all Mexican travellers, whether they have been to Canada or not, our biggest advocates are wealthy travellers (+75,000 peso), Free Spirits and those with friends and family in Canada.

Past visitors to Canada are far more likely to recommend a visit there, in keeping with Canada’s ability to meet or exceed expectations. The family segment is particularly vocal and prone to advocacy and may therefore be an ideal target for advocacy programs.

This sort of advocacy is also important from the perspective of generating viral amplification beyond recent visitors themselves. While past visitors are, by far, the most likely to recommend, the impact of their voice on the much larger traveller population and their potential to encourage “second hand advocacy” within this group could be quite significant when the Canadian experience has exceeded expectations.

13. Path to Purchase

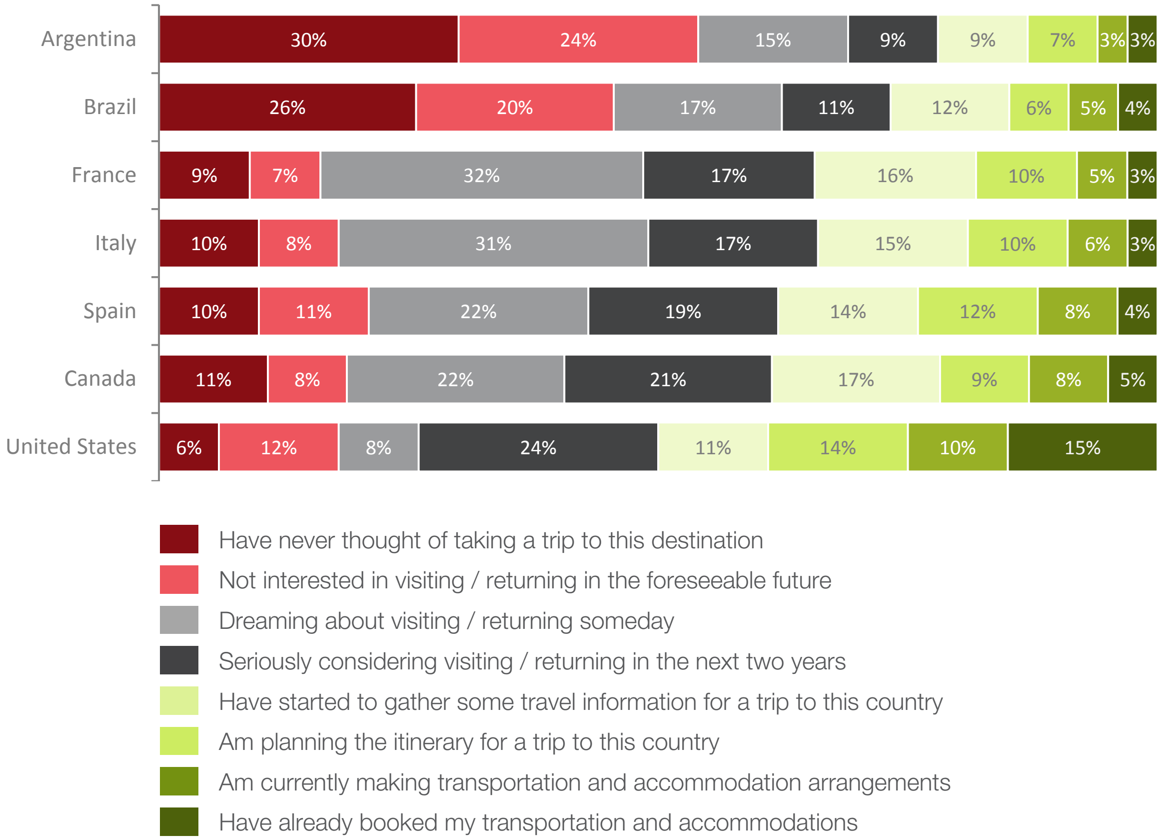
Like any other expensive and discretionary consumer product, there is a purchasing or decision-making cycle associated with travel: consumers move through various stages from not knowing anything about a destination to actually booking a trip.

Through additional research, Destination Canada has developed a Path to Purchase (P2P) model for international travel and has 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 one's itinerary, travel and accommodations.

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

Exhibit 13-1 Stage in the path to purchase for Mexican international traveller



Base: International pleasure travellers (n = 1,500).
Q6: 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.

Almost four-in-ten (39%) Mexican international travellers have started gathering information, are planning an itinerary or have booked/are booking their travel and accommodation for a trip to Canada. This puts Canada in second place in this regard, with only the US faring better (50%). A similar sized pool exists for those considering Canada. It will be a challenge to move them further along the path to purchase in light of the very strong competition from the US and the competitive advantages the US currently enjoys. But, at the same time, it is Canada's success at countering this competitive advantage that will lead to significant volume growth.

Looking beyond those at the information gathering, planning and booking stages, nearly one-in-five (19%) have either never considered taking a trip to Canada, or have no interest in visiting, or returning, in the foreseeable future[16], but 21 per cent are seriously considering visiting / returning in the next two years. Converting those who are seriously considering will require creating meaningful differentiation and excitement by stimulating more detailed awareness, targeting product and experiences appropriately to key segments and by offering opportunities to move quickly from exploration to more serious planning and booking.

[16] This includes those who have never been to Canada, and are not interested in doing so, or may have already been, but have no intention of returning in the foreseeable future.

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