Canadian Tourism Commission | Commission canadienne du tourisme

Global Tourism Watch Year 1

Germany – Key Findings

Canadian Tourism Commission (CTC)

Canada

www.canada.travel

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introduction

Background

The shocks of 2001 and 2003 were strong reminders for the tourism industry regarding the speed of which consumer perceptions and decision-making processes can change based on a single event.

While there has not been a major shock to the tourism industry since 2004, a myriad of technological, social, environmental, and policy changes have occurred, affecting consumer perceptions, attitudes, motivations and travel intentions. Such changes include:

- Escalation of social media websites and their popularity across many age groups;
- Desire for healthier and more sustainable lifestyles;
- Climate change and related advocacy efforts by high-profile personalities; and
- Entry rules such as the Western Hemisphere Travel Initiative (WHTI).

To stay on top of and to adjust to the changes that are occurring, an annual research monitor was initiated to keep a pulse on consumer changes in CTC key markets.

Objectives

In 2007, the Canadian Tourism Commission, in conjunction with a partnership group that included Ontario, British Columbia, Manitoba, the Atlantic and the North, engaged Harris/Decima to conduct the Global Tourism Watch (GTW) tracking research. The program was implemented in eight global markets – the US, Mexico, the UK, France, Germany, Australia, Japan and South Korea.

The research objectives are to collect market intelligence (across all markets in a consistent way) related to four over-arching themes:

- Monitoring key performance indicators;
- Tracking response to Brand Canada;
- Identifying and tracking product opportunities; and
- Providing input into marketing activities and strategic plans.

Methodology

The target population for the survey consisted of residents, aged 18 and older, who have taken a long-haul pleasure trip where they stayed at least one night in paid accommodations in the past three years or who plan to take such a trip in the next two years.

A total of 1,592 German respondents completed the online survey. A quota was set to reach n=300 past travellers to Canada. Fieldwork was conducted in November 2007.

The online survey sample was weighted by region, age and gender to align it with the long-haul traveller population in each market based on data collected through a random telephone Omnibus (n=2,000).

what is the outlook for travel to canada and the regions in the next 2 years?

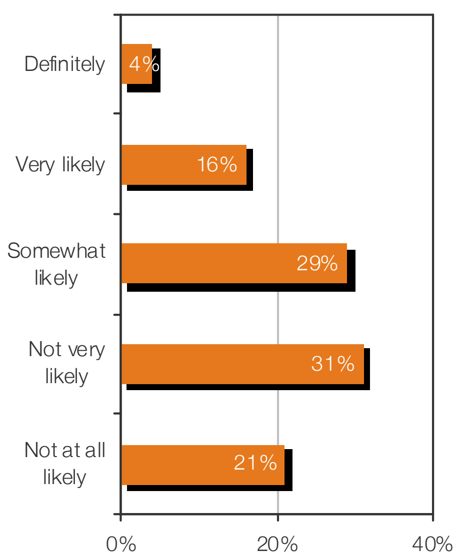
Likelihood of Visiting Canada

The likelihood of visiting Canada in the next two years was assessed for both shorter stays of one to three nights and longer stays of four or more nights (see Exhibit 1). In total, almost a quarter (24%) of German long-haul pleasure travellers say they are either definitely or very likely to visit Canada in the next two years, providing a solid base of receptivity for Canada's marketing efforts in this country.

Interestingly, the proportion who say they are definitely / very likely to take a shorter trip to Canada (19%) equals the proportion who are considering a longer trip (20%). This points to good opportunities to market Canada as a short-break destination or add-on to more popular US travel.

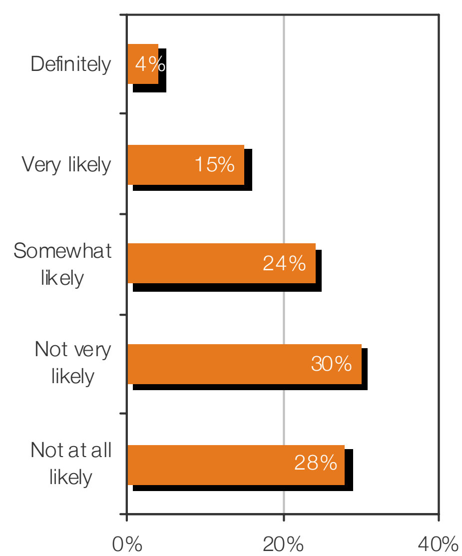
Exhibit 1– Likelihood of Visiting Canada in the next 2 years

Likelihood of Taking a Trip of Four or More Nights (n=1,592)



Overall, 24% are definitely or very likely to visit Canada in the next 2 years

Likelihood of Taking a Trip of One to Three Nights[1] (n=1,592)



Base: Long-haul pleasure travellers.

Note: [1]Including trips to other countries (e.g. the US) that involve a stay of one to three nights in Canada.

Size of the Potential Market to Canada

Exhibit 2 provides two different estimates of the size of the potential market for Canada – the target market and the immediate market.

The target market is a broader estimate of the market size based on expressed interest (very or somewhat) among German travellers interested in visiting Canada in the next two years. This yields a target market of more than 11 million travellers with some affinity for Canada.

The immediate potential — a more conservative estimate based on those who say they will definitely or very likely visit Canada in the next two years — indicates there are close to 3.6 million travellers with immediate potential for conversion. This ranks Germany fourth among the CTC's key long-haul markets in terms of immediate potential, behind the US, the UK and France.

Exhibit 2 – Size of the potential market to Canada (next 2 years)

	Size of Potential Market to Canada
Total potential long-haul pleasure travellers (aged 18 plus)	14,916,000
Target Market for Canada	
Very/somewhat interested in visiting Canada in the next 2 years	75%
Size of the target market	11,187,000
Immediate Potential for Canada	
Will definitely/very likely visit Canada in the next 2 years	24%
Size of the immediate potential	3,580,000

Base: Long-haul pleasure travellers (n=1,592)

Canadian Destinations Likely to Visit

Exhibit 3 shows that German travellers likely to visit Canada are interested in exploring many regions of the country. By province, Ontario (88%), and British Columbia (79%) and Quebec (72%) are the three most favoured destinations. About half say they will visit the Atlantic provinces (52%). While the North and Manitoba are niche destinations in many of the CTC's other markets, in Germany, interest is fairly healthy (at 44% and 30%, respectively), which suggests that these regions could benefit from ramped up marketing efforts in Germany.

Unsurprisingly, of GTW partner destinations, Niagara Falls is the most popular holiday spot in Canada, with around three-quarters of travellers saying they would like to visit this natural landmark. In terms of cities, Vancouver and Toronto are the most appealing to German travellers (with roughly 60% to 70% interest).

About 20% to 30% say they will visit Ottawa, Halifax, St. John's and Victoria. This shows a desire to move beyond the largest cities.

Exhibit 3: Destination Interest and Market Potential for the Regions[1]

	BC	MB	ON	ATL	North
Likely to visit region	79%	30%	88%	52%	44%
Size of immediate potential for the regions*	2,828,000	1,074,000	3,150,000	1,862,000	1,575,000
Most popular destinations within region	Vancouver (70%)	n/a	Niagara Falls (76%)	Halifax, Nova Scotia (29%)	Yukon (36%)
	Victoria (21%)		Toronto (57%)	Saint John's, NFLD (26%)	NWT (17%)
	Whistler (7%)		Ottawa (31%)	Charlottetown (12%)	Nunavut (8%)

1 Of partner regions.

what are german awareness levels of canada?

Unaided Performance Indicators

The Global Tourism Watch measured three unaided (or top-of-mind) indicators[2] – unaided awareness of Canada, unaided awareness of Canadian travel advertising, and unaided destination consideration.

In terms of unaided destination awareness, Canada ranked third, with 22% of long-haul respondents mentioning Canada as a destination which comes to mind for a long-haul vacation.

For top-of-mind Canadian travel advertising, Canada ranked 3rd, with 12% of long-haul respondents mentioning that they had seen or heard Canadian advertising relating to travel or holidays within three months of the survey.

Regarding unaided destination consideration, Canada ranked 3rd, with 16% of long-haul respondents mentioning that they are seriously considering Canada and Canadian destinations for their holiday trips in the next 2 years.

[2] All results include Canadian sub-destinations.

what do recent and potential visitors from germany look like?

Target Market for Canada

Exhibit 4 provides demographic profiles of recent travellers to Canada and travellers interested in visiting Canada.

Potential travellers to Canada tend to be older, with over a third who are 55 plus. Interestingly, their earning power does not appear to be all that high by North American standards, with only 22% who have household incomes in excess of 4,000 euro per month (roughly CDN$70,000 per year). This may help to explain why they view Canada travel as expensive. About 1 in 5 (22%) of potential travellers to Canada have friends and relatives living in Canada.

Recent visitors to Canada stand out from potential visitors to Canada in that they are more likely to be working (71%), better educated (62% university educated) and well off (37% with monthly household incomes in excess of 4,000 euro). Since Germans perceive travel to Canada as being pricey, it is not surprising that those who end up making the trip are more affluent. This suggests that Canada should target the high-end of the long-haul travel market and/or make more budget-conscious packages available.

At 42%, recent visitors are more than twice as likely as the market overall to have close friends or relatives living in Canada, which suggests that VFR continues to be a major pull factor for German travel to Canada.

Exhibit 4 – Target market demographics for Canada

	Recent Travellers to Canada (n=332)	Interested in Canada (n=740)
Gender		
Female	49%	49%
Age		
18 to 24	10%	8%
25 to 34	19%	20%
35 to 44	25%	23%
45 to 54	18%	17%
55 or older	29%	32%
Close Friends or Relatives Living in Canada		
Yes	42%	22%
Have Children in Household Under 18		
Yes	28%	25%
Marital Status		
Married / partnered	68%	65%
Single / never married	24%	22%
Other (e.g. separated, divorced, widowed)	8%	13%
Education		
High school or less	25%	36%
Technical / vocational	10%	15%
Completed college / university	62%	48%
Employment Status		
Employed full-time/part-time	71%	67%
Housewife / homemaker	2%	3%
Retired	14%	16%
Unemployed	1%	2%
Student	10%	7%
Occupation		
Self employed or cooperative farmer	3%	6%
Self-employed academic or professional	4%	3%
Self-employed (sales, handicrafts, industry, services)	15%	12%
Civil servant, judge, career military	14%	9%
Salaried employee, white-collar worker	52%	52%
Labourer, blue-collar worker	4%	8%
Other	8%	10%
Average Monthly Household Income		
Less than 2000 Euro	19%	30%
2000 to under 3000 Euro	31%	31%
3000 to under 4000 Euro	14%	17%
4000 to under 6000 Euro	21%	13%
6000 Euro or more	16%	9%

Target Market for Canada's Regions

Exhibit 5 shows the demographic profile of travellers who are likely to visit Canada in the near-term (or are considering a trip there), as well as those who plan to visit each of the regions (only GTW regional partners are included). The profiles for BC and Ontario are based on those who say they are *most* likely to visit the region, while the other profiles are based on those who express an interest in visiting the region, given the fairly low proportion of travellers who say they are most likely to visit these regions.

Across the regions, the most notable differences relate to the North. Aspiring northern travellers are predominantly well-educated men who are relatively less likely than travellers to other regions to have friends and relatives in Canada. This paints the picture of a group of male travellers, possibly drawn to the North for outdoors adventure and similar pursuits. Those interested in BC exhibit similar tendencies although not as extreme, and are also more affluent. The only other notable difference is an older demographic skew (50% aged 55+) among potential travellers to Manitoba.

Exhibit 5 – Target market for Canada's regions

	TOTAL (n=871)1	BC[3] (n=208)	MB[2] (n=216)	ON[3] (n=416)	ATL[2] (n=428)	North[2] (n=66)4
Gender						
Female	46%	37%	48%	52%	53%	28%
Age						
18 to 24	9%	11%	4%	8%	9%	9%
25 to 34	19%	18%	13%	20%	17%	12%
35 to 44	23%	28%	19%	21%	22%	26%
45 to 54	15%	12%	15%	15%	13%	20%
55 or older	34%	31%	50%	36%	39%	32%
Close Friends or Relatives Living in Canada						
Yes	20%	23%	22%	19%	19%	10%
Have Children in Household Under 18						
Yes	25%	25%	25%	25%	26%	23%
Marital Status						
Married / partnered	64%	62%	66%	64%	62%	73%
Single / never married	22%	26%	15%	21%	23%	20%
Other	14%	12%	19%	15%	16%	6%
Education						
High school or less	33%	31%	33%	34%	34%	23%
Technical / vocational	15%	11%	15%	17%	16%	10%
Completed college / university	51%	58%	52%	48%	49%	67%
Employment Status						
Employed full-time/part-time	70%	67%	70%	70%	66%	71%
Housewife / homemaker	3%	2%	2%	3%	2%	4%
Retired	14%	17%	20%	14%	16%	13%
Unemployed	2%	2%	2%	2%	3%	3%
Student	7%	6%	3%	7%	7%	6%

	TOTAL (n=871)1	BC[3] (n=208)	MB[2] (n=216)	ON[3] (n=416)	ATL[2] (n=428)	North[2] (n=66)4
Occupation						
Self employed or cooperative farmer	6%	6%	10%	6%	5%	6%
Self-employed academic or professional	5%	8%	7%	4%	8%	6%
Self-employed (sales, handicrafts, industry, services)	13%	18%	13%	13%	11%	14%
Civil servant, judge, career military	11%	9%	11%	10%	12%	14%
Salaried employee, white-collar worker	50%	52%	45%	49%	46%	51%
Labourer, blue-collar worker	7%	6%	4%	8%	8%	3%
Other	8%	1%	10%	11%	10%	5%
Average Monthly Household Income						
Less than 2000 €	29%	26%	29%	30%	34%	14%
2000 to under 3000 €	28%	27%	37%	29%	27%	36%
3000 to under 4000 €	18%	14%	15%	20%	18%	20%
4000 to under 6000 €	16%	22%	13%	13%	12%	16%
6000 € or more	9%	11%	6%	9%	9%	13%

Notes:

[1] Those likely to visit Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a trip there.

[2] Those likely to visit the region.

[3] Those most likely to visit the region.

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

what is the impact of the 2010 Olympic Games on travel to canada?

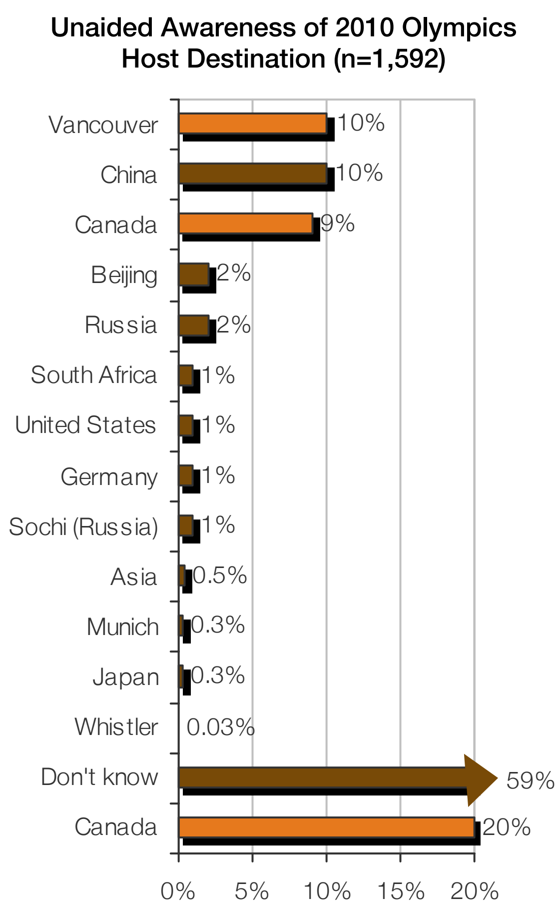
Impact of 2010 Winter Olympics on General Interest in Canada

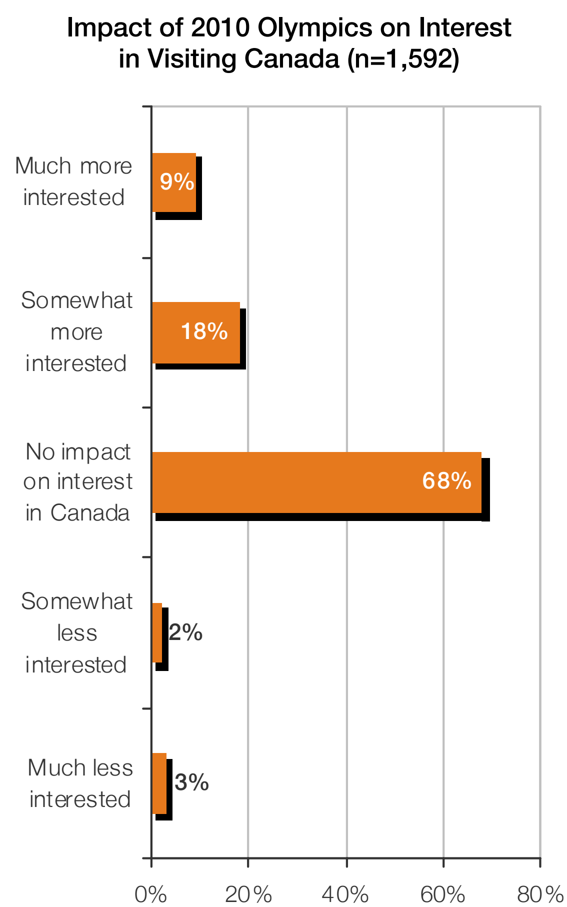
One in five German travellers are able to correctly identify Canada as the host country for

One in five German travellers are able to correctly identify Canada as the host country for the upcoming 2010 Winter Olympics (see Exhibit 6), with roughly half who specifically name Vancouver as the host city. As a baseline, awareness levels are not especially high, but will doubtlessly increase over time, especially following the 2008 Summer Olympics in China.

While the majority say that hosting the Olympics has no impact on their interest in visiting Canada, over a quarter say that it has enhanced their desire to visit the country.

Exhibit 6 – Impact of 2010 Winter Olympics on General Interest in Canada





Base: Long-haul pleasure travellers.

Note: [1] Includes all mentions of Canada, British Columbia, Vancouver and Whistler.

what are canada's product strengths and weaknesses?

Canada's Product Strengths and Weaknesses

Exhibit 7 presents a product strengths and weaknesses map for Canada in Germany, which looks at impressions of Canada's product offerings vs. the importance of these products to German travellers on their long-haul trips. The purpose is to identify products of importance to the German market where Canada is either favourably or unfavourably perceived.

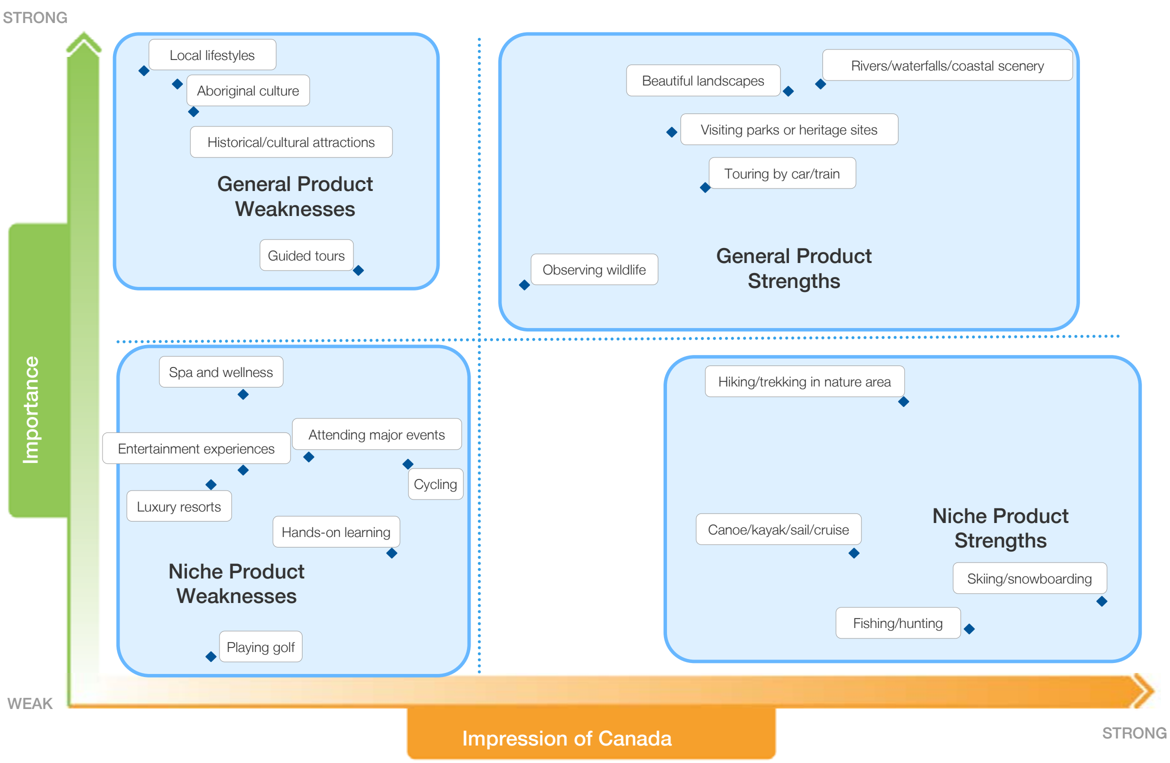
General product strengths for Canada are products that are both important in the minds of travellers in planning their long-haul trips and for which Canada is favourably viewed. As expected, nature is Canada's key product strength, including rivers/waterfalls and coastal scenery, as well as beautiful landscapes and national parks. Wildlife edges in as a marginal strength, but just barely, indicating room for improvement. Related to perceptions of the country's scenic beauty, perhaps, touring by car or train is viewed as a good way of seeing Canada.

Niche product strengths appeal to smaller groups of travellers and represent potential niche markets to be developed or targeted. For Germany, these centre on outdoors activities. Not surprisingly, skiing is Canada's real strong suit, but fishing, hunting, hiking, and canoeing/kayaking are also niche strengths.

General product weaknesses are products that are important to travellers, but for which Canada is not favourably rated, pointing to possible issues (perceptual or actual) to be mitigated. Within the German market, Canada faces some real challenges in positioning itself as a destination for cultural experiences. In fact, product weaknesses relate almost exclusively to cultural offerings. That Canada has little to offer with respect to local lifestyles, aboriginal culture and cultural attractions is clearly a misperception that should be countered given that culture is one of the two primary interests of German travellers. The high level of interest in aboriginal culture, in particular, suggests a real opportunity for Canada to invest in strengthening and promoting these offerings in Germany. Guided tours are another possible area for improvement.

Niche marketing weaknesses are unfavourably rated activities that appeal to smaller groups of travellers. As such, a considerable investment may be required to improve product perceptions for a lower return. In particular, Canada is not really seen as being a luxury travel destination (e.g., it is weak on entertainment, luxury resorts, spas/wellness and golf). Major events (e.g., exhibitions, festivals and sports) is currently perceived as a weakness, but could improve as the 2010 Olympics draw near.

Exhibit 7 – Product Strengths and Weaknesses Map



Base: Long-haul pleasure travellers (n=1,592).

Top-Rated Products for Canada

Decima conducted a competitive exercise that asked respondents to select the best places to visit for a variety of travel products from amongst six competitors – Australia/New Zealand, the US, China, South Africa, Thailand, and Brazil.

German travellers see Canada as the long-haul destination for niche outdoors activities such as skiing, fishing/hunting, hiking and kayaking/canoeing. It is also viewed as being strong on scenery and nature (e.g., landscapes, rivers/waterfalls), with lesser strengths in the areas of national parks and train tours.

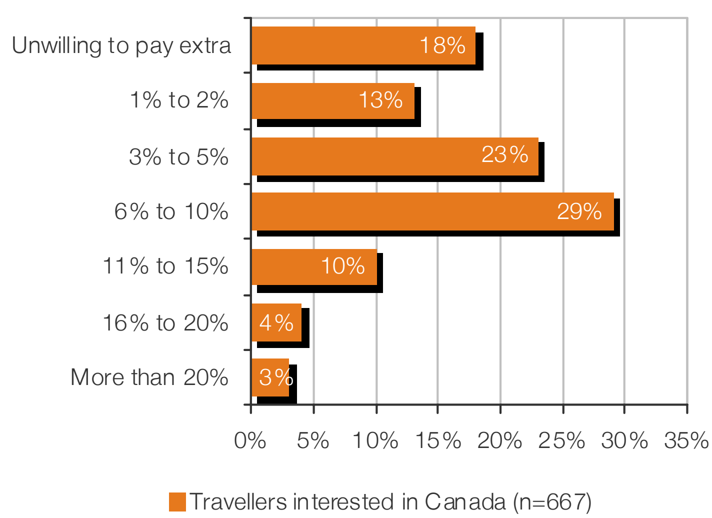
what are german views on environmentally-friendly travel products?

Prompted by growing public awareness of the environmental impact of travel and an increasing focus on responsible tourism in many countries, the GTW survey examined the attitudes of travellers towards eco-friendly tourism and travel products. Survey results show that over three-quarters (76%) of German travellers feel that environmentally-friendly travel is important, and almost half (46%) say they consider it when deciding on a holiday destination.

Although these figures may seem high at first, and much commentary has been made by the travel industry about the importance of green tourism to German travellers, the truth is, when compared to other markets, they are in the middle of the pack. And, while consciousness of the issues may be nudging into the mainstream, only about a third (36%) say that they are actively putting these principles into practice by making environmentally-conscious choices, like renting fuel-efficient cars when they travel.

The good news is that potential travellers to Canada are more concerned about eco-friendly travel and more likely to actively make environmentally-conscious travel choices, with significantly higher ratings on all the tested measures. They are also more likely to be willing to pay a premium for "green" travel products. Exhibit 8 shows a total of 82% of German travellers interested in Canada said that they were willing to pay a premium for environmentally-friendly travel products. 17% said that they are willing to pay a surcharge of more than 10%.

Exhibit 8: Willingness to Pay a Premium for Environmentally-friendly Travel Products



how is canada perceived?

Unaided Brand Personality Perceptions

Brand personality often serves as a good metaphor for understanding travellers' perceptions of a destination. As such, respondents were asked to indicate three personality traits or characteristics that come to mind when they think of Canada as a person. The responses were coded into a number of personality dimensions, each comprised of a group of related personality traits. These included the eight dimensions encompassed by Brand Canada: Authentic, Confident, Informal, Intriguing, Open, Warm, Witty and Youthful, as defined by the CTC.

Exhibit 9 shows that, on an unaided basis, German perceptions are not strongly aligned with the "personality dimensions" of the new Canadian brand. In fact, only 45% of travellers mentioned any of the eight Brand Canada personality traits – the lowest of any CTC market.

The dimensions that Germans think are the best fit for Canada (i.e., mentioned by around 10% to 15% of travellers) include:

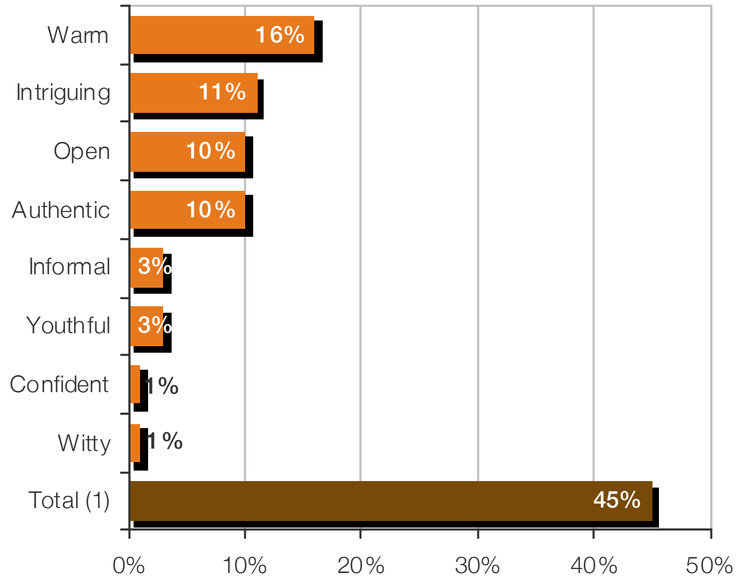
- **Warm** (e.g., friendly, hospitable, welcoming, warm-hearted, kind);
- **Intriguing** (e.g., fascinating, interesting, exciting, appealing, engaging);
- **Open** (e.g., accepting, liberal, open-minded, flexible, accessible); and
- **Authentic** (e.g., genuine, sincere, honest, down-to-earth, trustworthy).

Three of these dimensions suggest a perception of Canada as friendly and real, but perhaps a little laid-back or mild-mannered. However, the mentions of "intriguing" suggest that there is at least some association of Canada with exploration and excitement in the minds of German travellers.

The other more gregarious or lively dimensions, however, are currently quite weak and associated with Canada by relatively small numbers (i.e., 3% or under):

- **Youthful** (e.g., energetic, lively, young at heart, vigorous, fun, vibrant, peppy);
- **Confident** (e.g., self-assured, sure, secure, poised, positive); and
- **Witty** (e.g., humorous, quick, entertaining, clever, bright, intelligent).

Exhibit 9 – Unaided Brand Personality Perceptions



Base: Long-haul pleasure travellers (n=1,592).

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

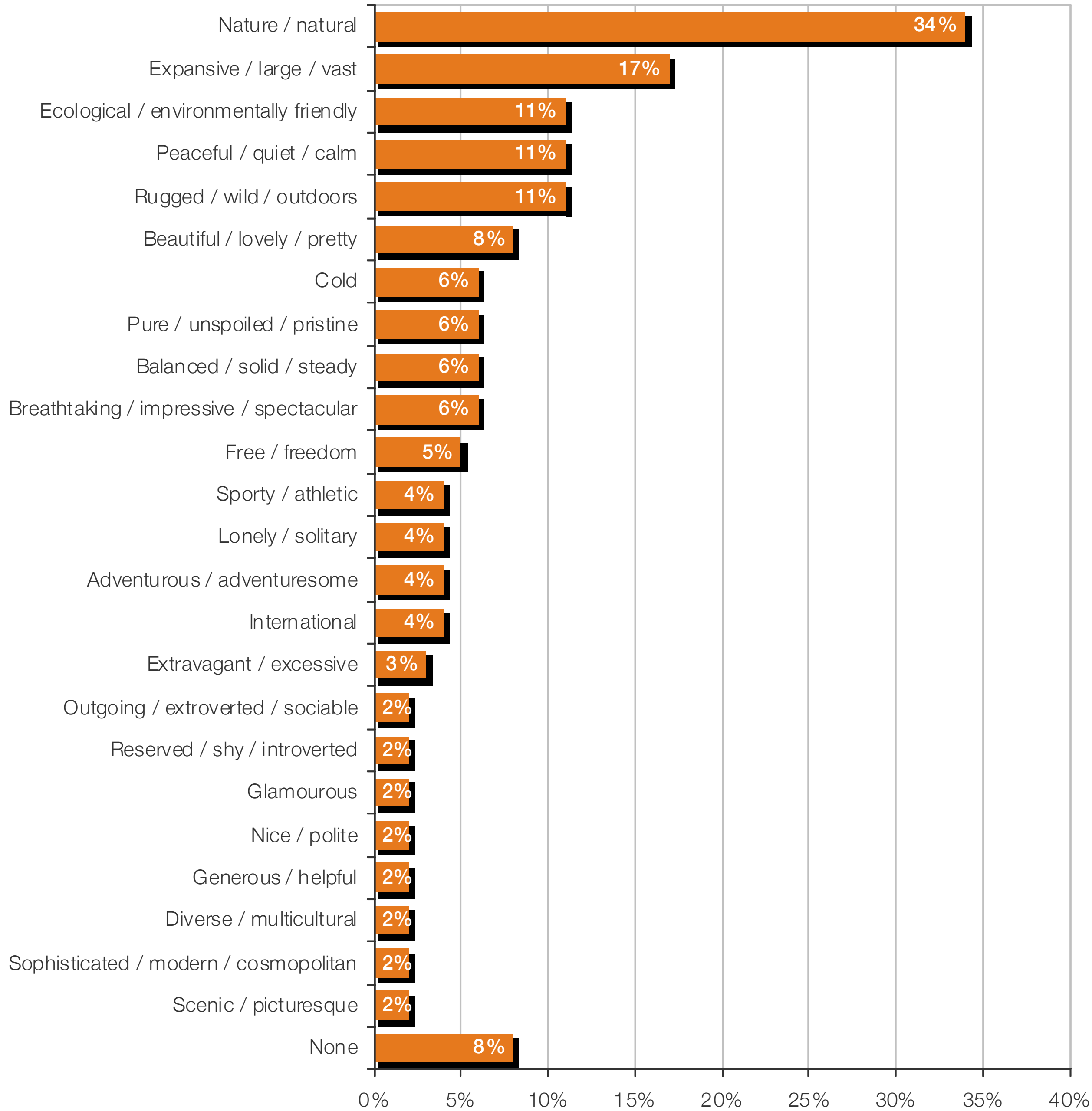
Exhibit 10 shows other personality traits that are associated with Canada by German travellers. Nature in general continues to dominate the picture, mentioned by over a third of respondents (34%), followed by a variety of specific descriptors like vast (17%), peaceful (11%), rugged/wild (11%), beautiful (8%), unspoiled (6%) and breathtaking (6%). In addition, just over 10% consider being ecological or environmentally friendly a part of the Canadian travel brand personality. Green tourism has long been of importance to Germans, so this is good news for Canada.

On the other hand, cultural and urban mentions are few and far between and include traits such as "international," "glamorous," "multi-cultural" and "cosmopolitan" (each cited by 2% to 4%). Clearly, more time and effort will be required to shift current brand perceptions of Canada toward greater diversity of experience and offerings beyond nature and the outdoors.

In the middle of the list are several noteworthy traits that are more prominently mentioned by Germans than by travellers in other markets:

- Being free / freedom (5%) is more frequently mentioned by Germans, perhaps because of Germany's history. This surfaced in the unaided slogan mentions as well, and suggests that, to some extent, Canada, like Switzerland, is viewed as a symbol of freedom;
- Balanced / solid / steady (6%) is a fairly unique German mention, and suggests that Canada is perceived as being stable and safe;
- At 4%, mentions of lonely / solitary may indicate a perception of isolation.

Exhibit 10– Unaided Brand Personality Perception – other mentions



Base: Long-haul pleasure travellers (n=1,592).

Value Perceptions

For a destination to have value, it should:

- Have an inherent desirability or appeal;
- Offer high quality experiences and travel products;
- Be relevant to travellers, with the experiences they are specifically looking for; and
- Offer a unique product relative to other destinations.

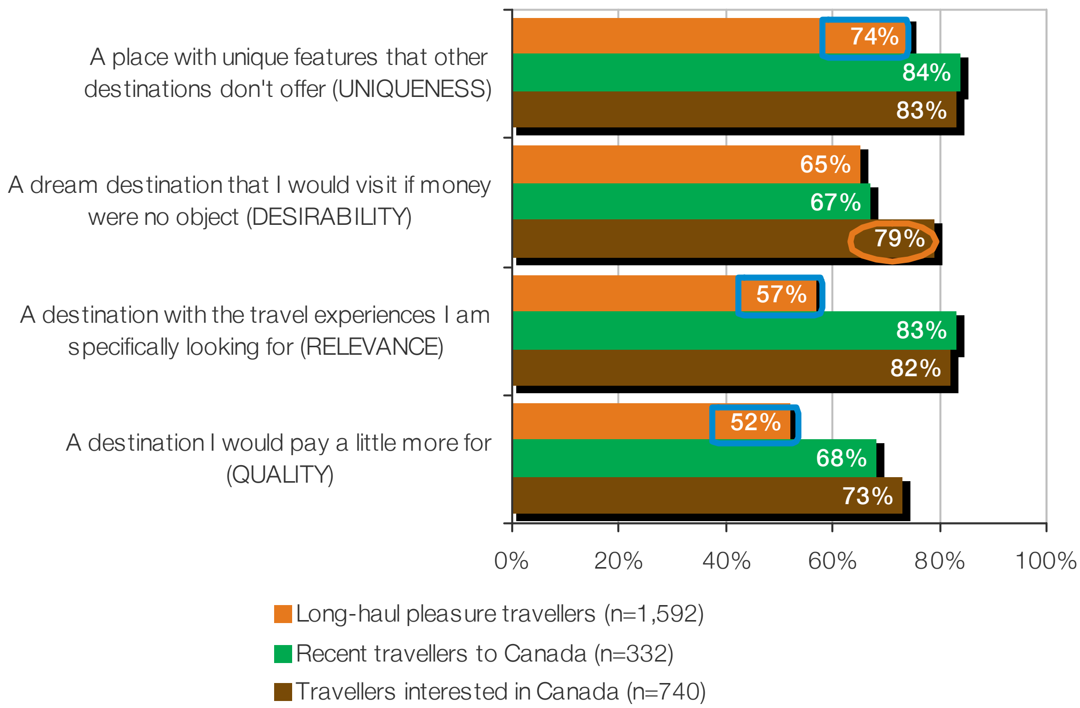
To assess value perceptions of Canada in Germany, respondents were asked to rate Canada on four value-related statements that embody each of the above criteria. Exhibit 11 shows that, of the four, Canada performs best on the *uniqueness* dimension. With about three-quarters agreement, this measure is fairly strong, particularly when compared with the other markets. Being seen as offering a unique product is obviously an important strength for Canada in the German market.

Just under two-thirds (65%) view Canada as a highly *desirable* destination, and more than half feel that it offers travel experiences that are both *relevant* and of high *quality*.

Among recent visitors to Canada and those interested in visiting in the future, there is clearly a much better appreciation of the value of the Canadian travel experience. Both groups rate Canada higher than the Germany market as a whole across all four dimensions, but particularly on *relevance*.

Interestingly, recent visitors give Canada a lower rating as a dream destination than potential visitors do – perhaps having already been there, it no longer qualifies as a “dream” for them.

Exhibit 11 –Value Perceptions



Base: Long-haul pleasure travellers.

Notes: Top 2 Box refers to a rating of 4 or 5 on a 5-point scale. **Blue squares** *indicate a result that is significantly* ***lower*** *than another group;* **orange circles** *indicate a result that is significantly* ***higher*** *than another group.*

Recent Travellers to Canada: those who have visited Canada in the past 3 years (pleasure trip, 4 or more nights, 1 or more nights in paid accommodations).

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

Price Perceptions

In addition to brand image and destination value, cost obviously plays a major role when it comes to destination decision-making. Exhibit 13 shows how Canada is perceived by

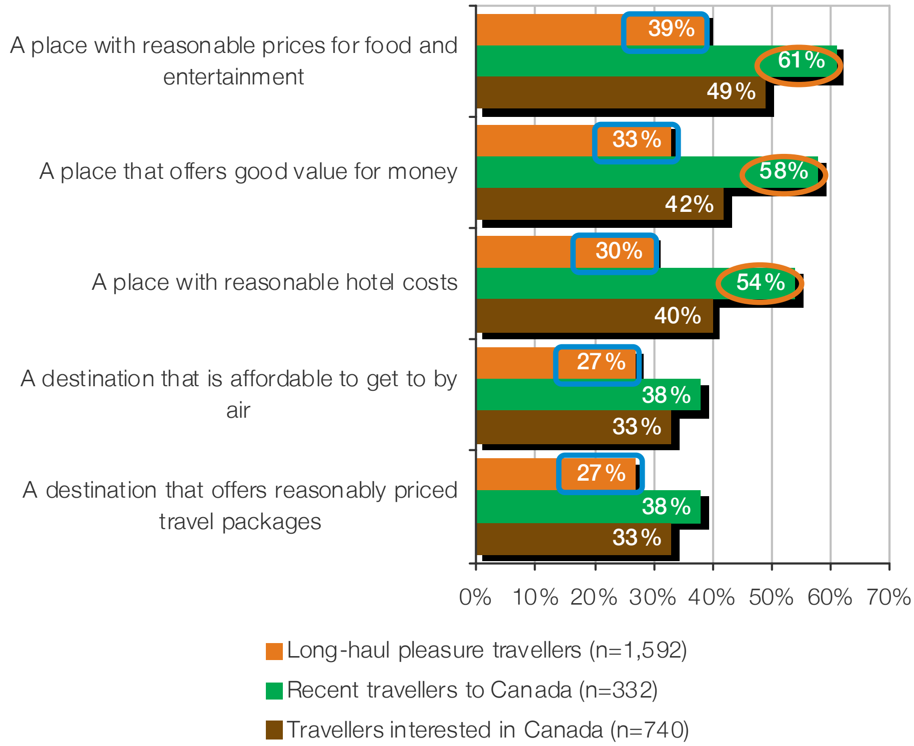
German travellers on various travel cost components.

The agreement levels are quite low across the board, ranging from a high of 39% for reasonable food and entertainment costs down to 27% for both airfare and package costs.

Although travellers interested in visiting Canada have better perceptions of cost than the market as a whole, this group still feels that cost is a constraint. Recent visitors also view Canada significantly more favourably on cost, with agreement ratings in the range of 40% to 60%.

Clearly, Canada is viewed as an expensive destination among German travellers, even among those who have made the trip. This sentiment has emerged in numerous other studies as well, indicating that cost continues to be a show-stopper for Canada in Germany. Over the last decade, the country's economic woes have resulted in a very price-conscious travel market, and the fact that domestic hotel rates and restaurant prices are very reasonable may also contribute to the problem. To stimulate market growth, Canada will need to address these issues aggressively by focusing on value for money in its marketing, combined with price-conscious offers.

Exhibit 12 –Price Perceptions



Base: Long-haul pleasure travellers.

Notes: Top 2 Box refers to a rating of 4 or 5 on a 5-point scale. **Blue squares** *indicate a result that is significantly* ***lower*** *than another group;* **orange circles** *indicate a result that is significantly* ***higher*** *than another group.*

Recent Travellers to Canada: those who have visited Canada in the past 3 years (pleasure trip, 4 or more nights, 1 or more nights in paid accommodations).

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

why do germans visit canada and the regions?

Key Motivations for Visiting Canada

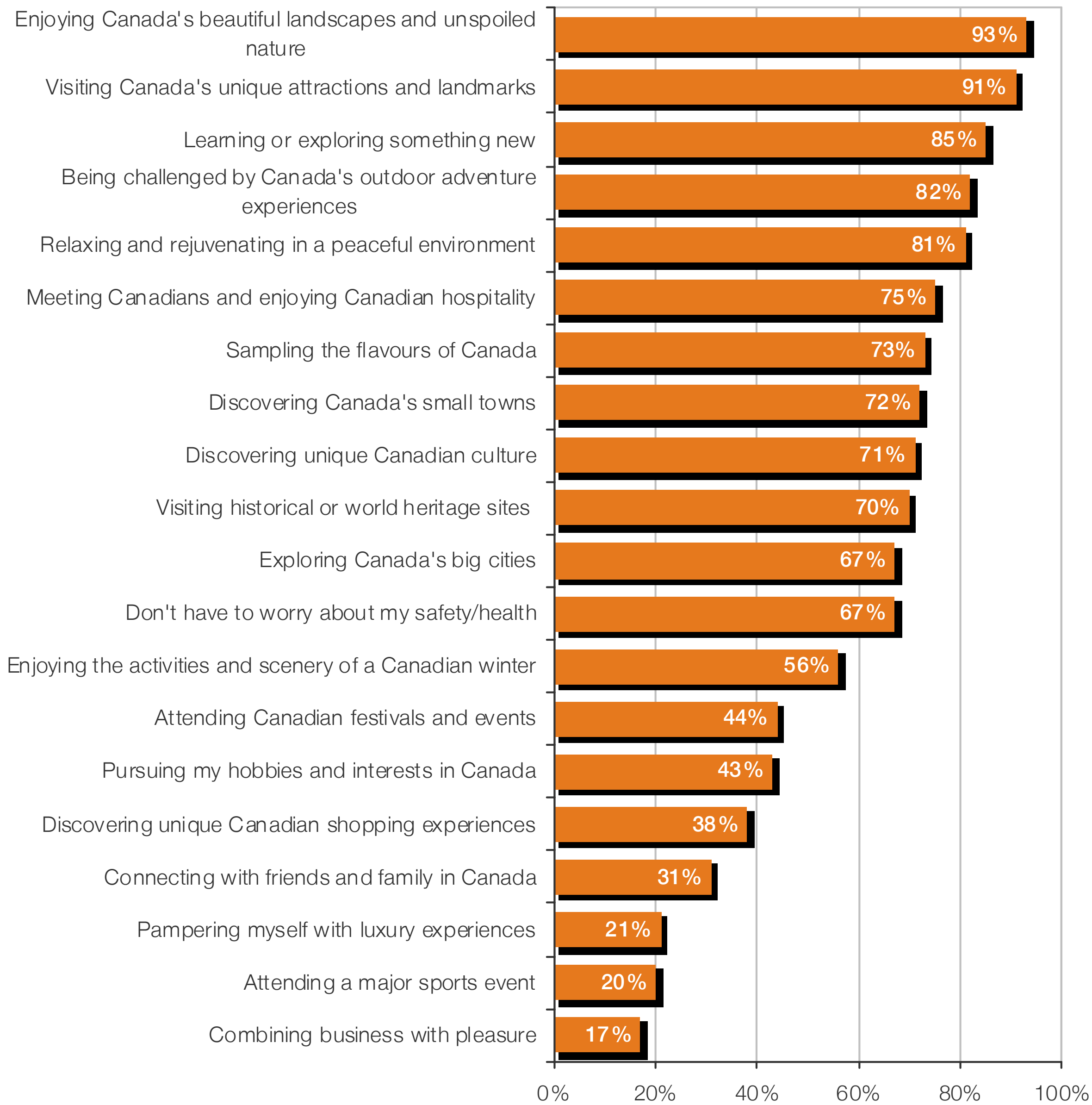
Among those likely to visit Canada (or are considering a trip there), nature/scenery and unique attractions/landmarks such as Niagara Falls are the primary motivations for travelling to Canada. Both are mentioned by over 90% (see Exhibit 13).

Learning or exploring something new is also a key motivator for the vast majority (85%) of likely visitors to Canada, which suggests that the main thrust of the new brand – Canada as a place for exploration and discovery – will resonate well with the German market. Potential travellers to Canada are also widely looking for outdoor adventure experiences (82%), although an equal number also want to relax and rejuvenate in a peaceful environment (81%). This indicates an opportunity to position the Canadian travel experience at both ends of the activity spectrum.

Over 70% of likely travellers are looking to experience the people and flavours of Canada, as well as the country's small towns, unique culture and historical sites. This suggests fairly wide-spread receptivity to cultural exploration, especially as it relates to diversity and local or rural lifestyles in Canada.

A desire for a worry-free vacation and exploration of big cities are other motivations mentioned by more than two-thirds of the market.

Exhibit 13 – Key Motivations for Visiting Canada



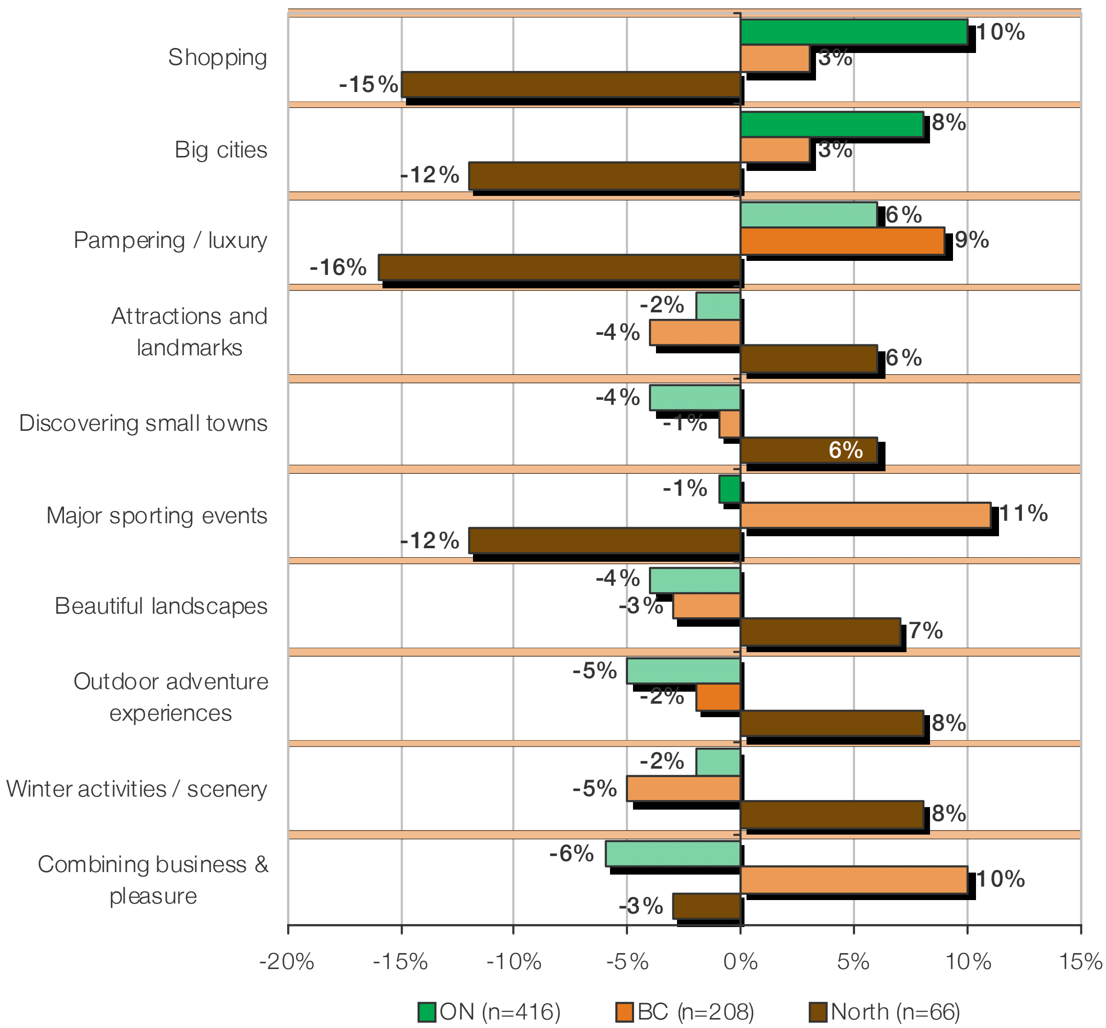
Base: Those likely to visit Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a trip there (n=916).

Note: Top 2 Box refers to a rating of 4 or 5 on a 5-point importance scale.

Regional Motivations[3]

Exhibit 14 shows how travellers that are likely to visit each of the GTW partner regions are differentiated from each other in their motivations for visiting Canada. Note that motivational scores have been re-calibrated to remove "group and attribute" effects to better emphasize the differences between the regions. In essence, this involves a two-way normalization of scores across both regions and attributes to pull out the differentiating motivations for travellers likely to visit each of the regions.

Exhibit 14 – Regional Motivations



Base: Travellers most likely to visit ON, BC and Northern Canada. Sample sizes for other regions were too small to be included.

Notes: High positive values represent motivations that are of greater relative importance for a region; High negative values represent motivations that are of lesser relative importance for a region.

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

[3] Motivations of GTW regional partners with sufficient sample size.

In the exhibit, high positive values indicate motivations that are of greater *relative* importance for a region, while high negative values represent motivations that are of lesser *relative* importance. The exhibit shows that:

- Travellers likely to visit **Ontario** are more likely to be motivated by shopping and city experiences.
- Likely visitors to the **North** tend to be more outdoors-oriented, being driven by outdoor adventure experiences, landscapes and nature, winter activities/scenery and landmarks/attractions (which are arguably nature-related). They are also more likely to be seeking small town experiences.
- With **BC** set to host the 2010 Winter Olympics, it is perhaps not surprising that those likely to visit the province are more likely to be motivated by major sporting events. Along with Ontario, BC is seen as a good destination for pampering/luxury experiences.
- None of the other GTW partner regions had a sufficiently large sample size (of those most likely to visit) to be included in this analysis.

what barriers does canada face in attracting visitors from germany?

Barriers for Travel to Canada

Exhibit 15 shows why German long-haul pleasure travellers are unlikely to visit Canada in the near-term. These results are important because, more likely than not, travellers that are likely to visit may have similar concerns that could ultimately lead them to select alternate destinations.

Those unlikely to visit Canada in the near future specify cost as a major barrier, along with a preference for other destinations (industry reports suggest that competition from relatively new destinations such as Qatar and Vietnam is particularly intense). More than three-quarters of respondents cite these factors as barriers and almost half identify them as major barriers, making them far and away the biggest challenges for Canada in encouraging Germans to consider Canada as a travel option.

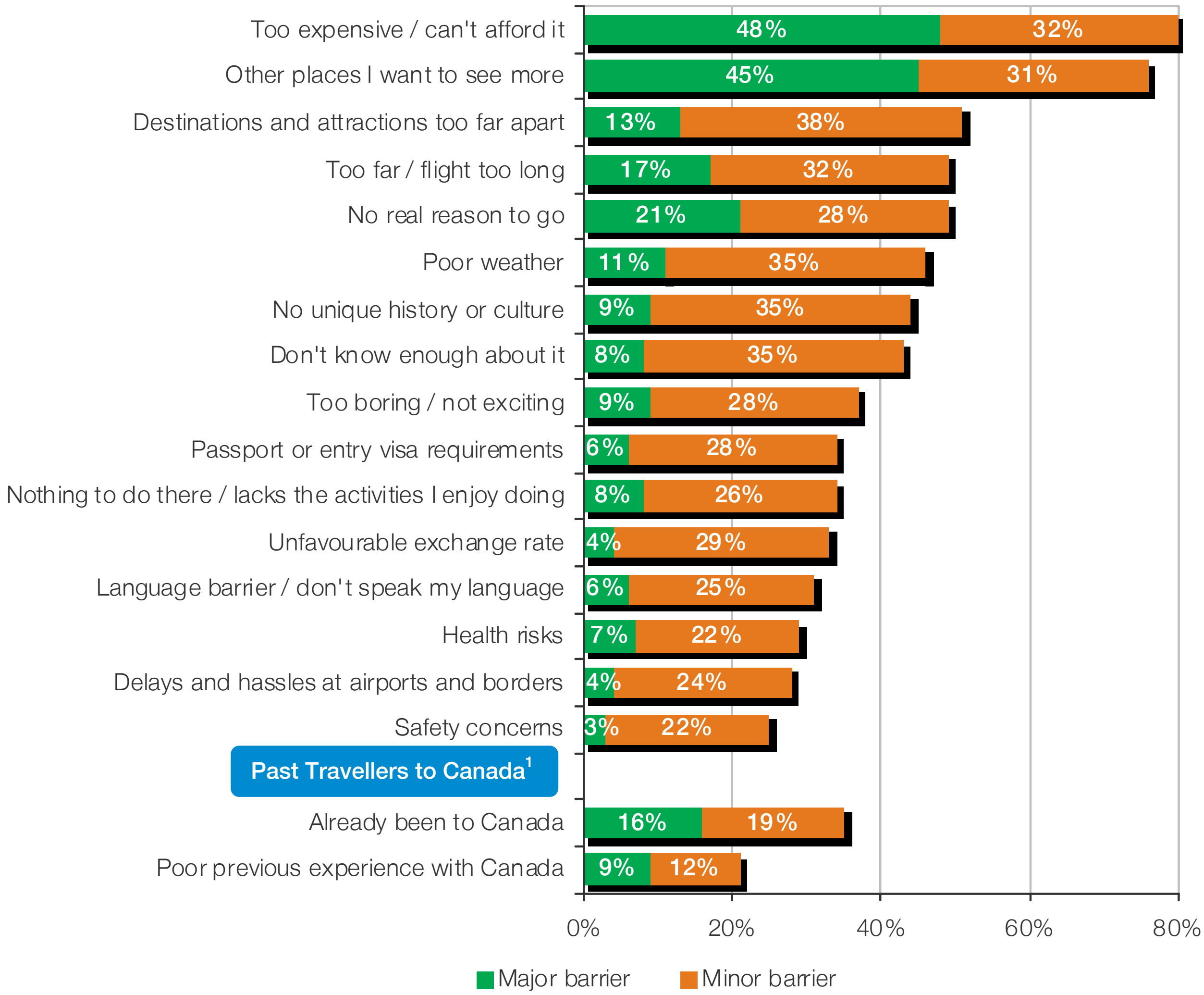
Geographical distances also play a role. Just over half (51%) feel that the destinations and attractions in Canada are too far apart, and just under half (49%) say that Canada is too far from Germany. In terms of degree, however, respondents are much more likely to classify these as minor, rather than major, barriers. This suggests that sufficient pull factors could overcome these concerns, especially as they relate to diversity of offerings within regions of Canada.

Other barriers include a lack of incentive, concerns about the weather, a general lack of information about the country and a specific perception that Canada lacks unique history or culture. Clearly, these are gaps that could be addressed by making more detailed information available to German travellers, particularly information relating to distinctive and exciting things to see and do in Canada.

At the bottom tier are practical concerns, like safety and health risks, language barriers and airport delays. These are primarily minor barriers that affect relatively small segments of the market.

Among past visitors to Canada who say they are unlikely to return, just over a third cite the fact that they have already been there as a reason for not wanting to visit in the near-term. This is the lowest of any market, which suggests there is good potential for repeat travel.

Exhibit 15 – Key Barriers for Visiting Canada



Base: Long-haul pleasure travellers who are unlikely to visit Canada in the near future (n=676).

Note: [1] Base is long-haul pleasure travellers who have previously visited Canada and are unlikely to re-visit in the near future (n=100).

where do german travellers see or hear information on canada?

Sources of Information on Canada

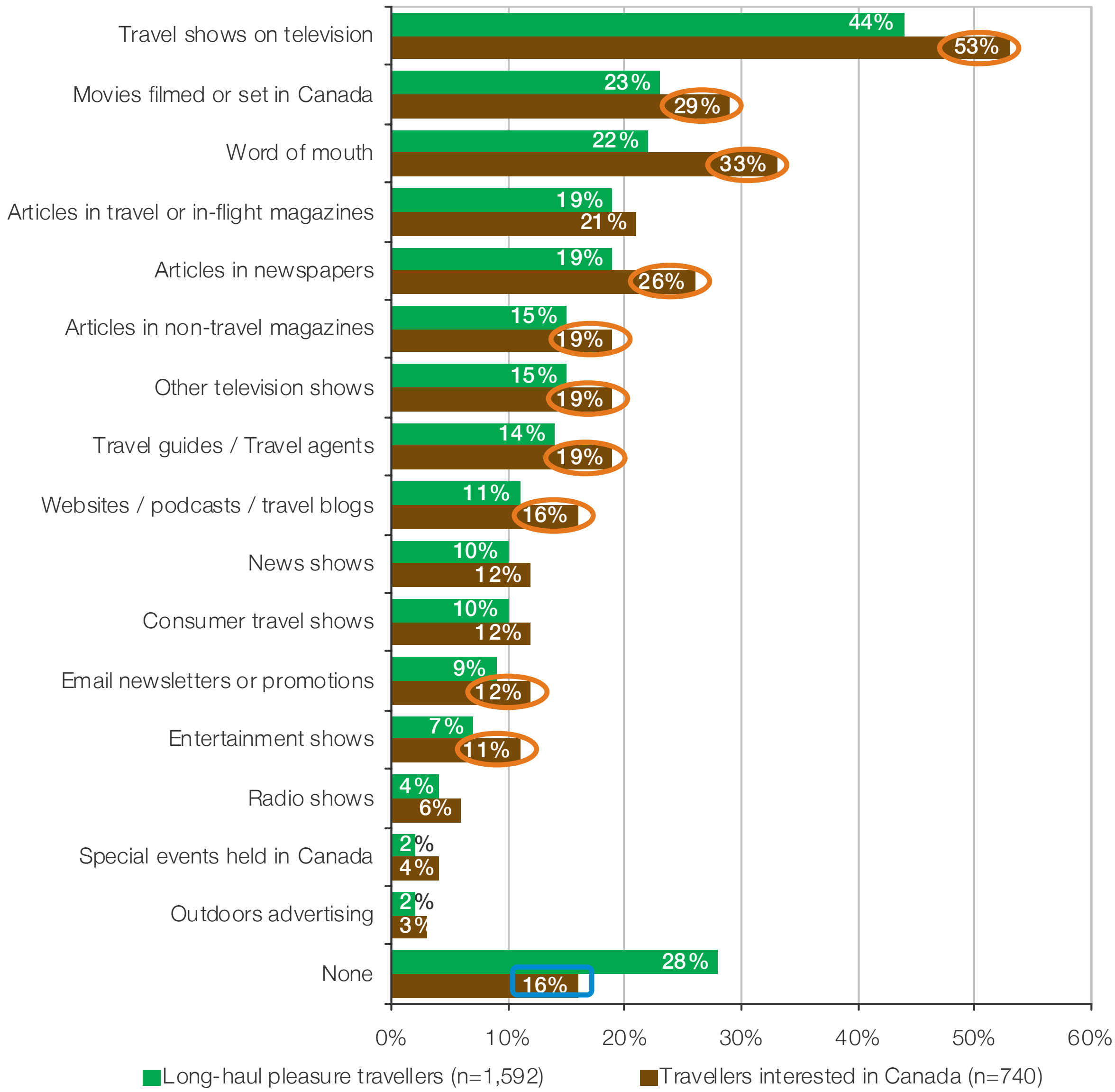
Approximately three-quarters (72%) of all German long-haul pleasure travellers, and a stronger majority (84%) of potential travellers to Canada, recall seeing or hearing information on travel to Canada in the past three months. These results suggest that the German market is somewhat attuned to Canadian travel information.

As shown in Exhibit 16, television is by far the leading source of information on Canada for German travellers. Over 40% of the long-haul market, and more than half (53%) of potential travellers to Canada, cite television travel shows as a source of information on Canada. This suggests that both television features on Canada and advertising placed during travel shows have significant potential for reaching German travellers.

There may also be some good opportunities to promote Canada through movie tie-ins in Germany, as movies are cited as the second leading source of information on Canada. Viral marketing may also prove effective, given that word of mouth ranks third among the broader group of long-haul travellers (22%) and second among potential travellers to Canada (33%).

Newspaper articles are also an important source of information on Canada, especially among potential travellers to Canada (26%). Other leading sources include articles in both travel (19%) and non-travel (15%) magazines, non-travel television shows (15%) and travel guides/agents (14%). While electronic channels may be growing, they are cited by just 11% of long-haul travellers as a source of information on Canada. Notably, however, 16% of potential travellers to Canada say they are getting information on Canada through websites, podcasts and travel blogs.

Exhibit 16 – Sources of Information on Canada in the Past 3 months



Base: Long-haul pleasure travellers.

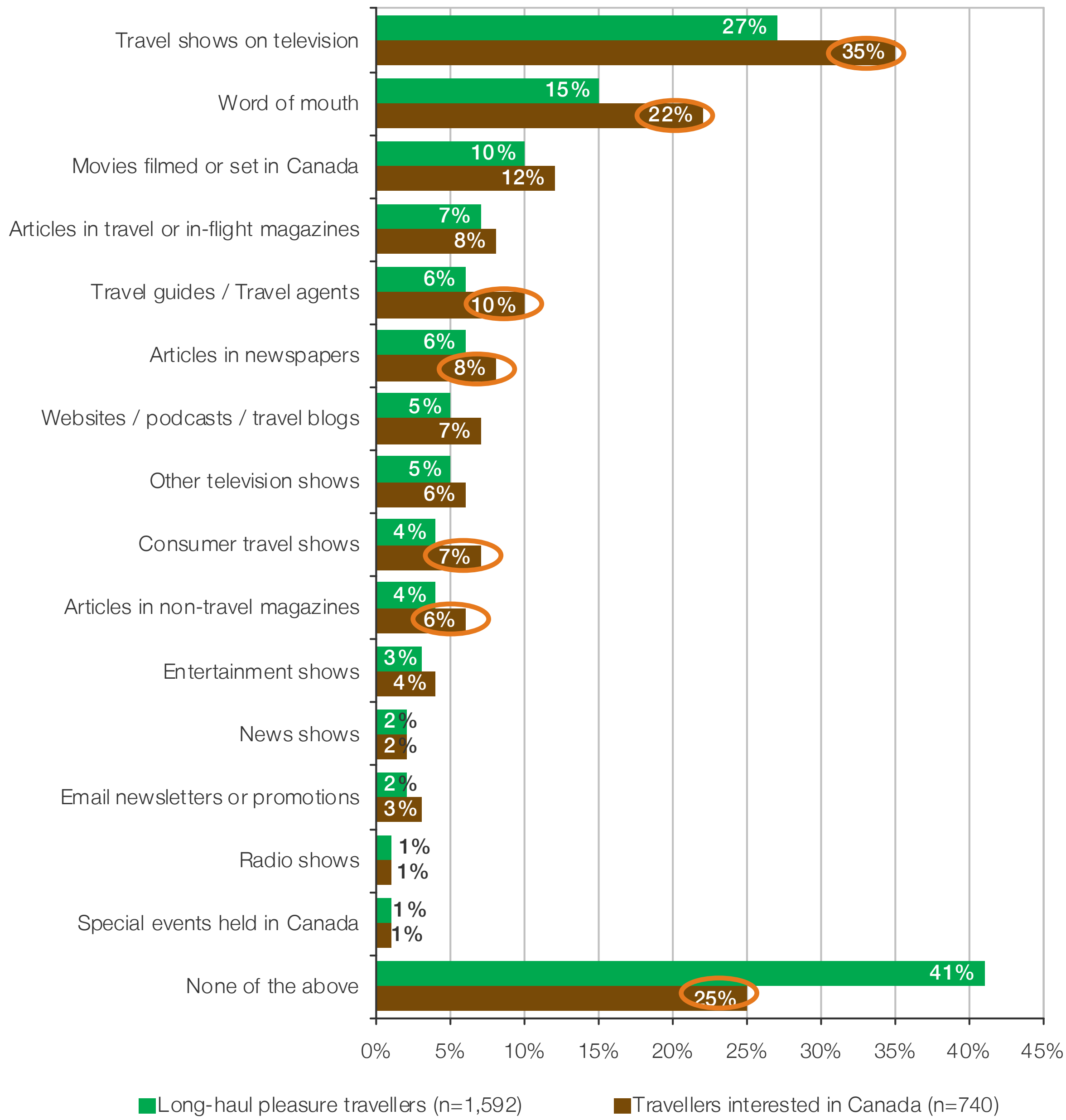
Notes: **Blue squares** *indicate a result that is significantly* ***lower*** *than another group;* **orange circles** *indicate a result that is significantly* ***higher*** *than another group.*

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

Top Information Sources for Increasing Canada's Appeal

As shown in Exhibit 17, potential travellers to Canada feel that television travel shows are the best way to increase their knowledge on Canada, followed by word of mouth, films, travel guides/agents, and articles in newspapers.

Exhibit 17 – Top Information Sources for Increasing Canada's Appeal



Base: Long-haul pleasure travellers.

*Notes: Blue squares indicate a result that is significantly **lower** than another group; orange circles indicate a result that is significantly **higher** than another group.*

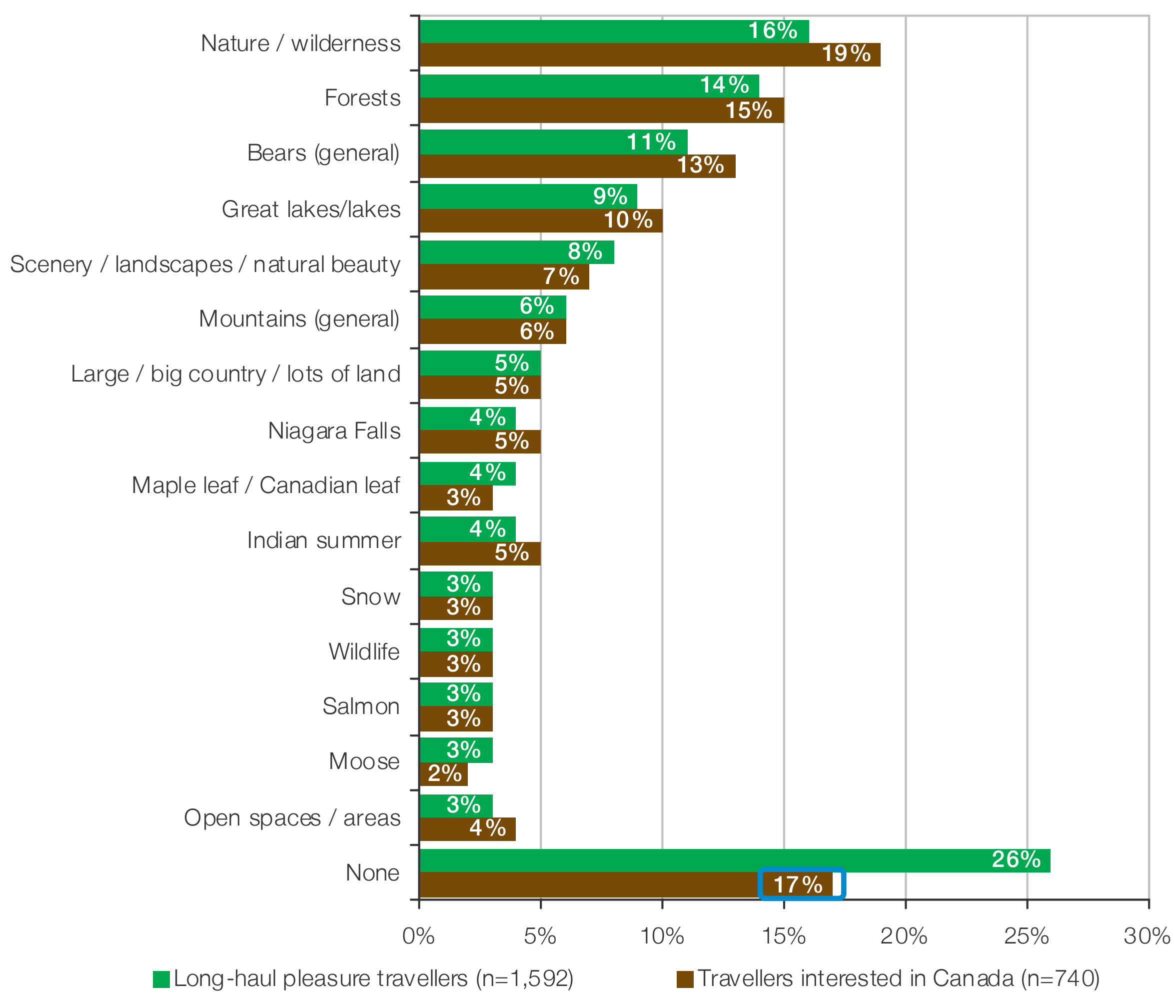
Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years.

what icons or images inspire interest in canada?

Exhibit 18 shows the images and icons that inspire interest in Canada among German travellers. Although nature imagery is prevalent across most markets, it is even more so in Germany, with high mentions of forests, lakes, scenery/landscapes and nature in general. Mentions of wildlife are also extraordinarily high in Germany, particularly bears, but mentions of moose and salmon are also above the norm. Similar findings emerged in the focus groups conducted in Germany for the CTC by Harris/Decima in 2007.

What is also significant is what is missing, with very few mentions relating to cities, events, culture/history or aboriginal culture.

Exhibit 18- Icons or Images that Inspire Interest in Canada



Base: Long-haul pleasure travellers.

Notes: **Blue squares** *indicate a result that is significantly* ***lower*** *than another group;* **orange circles** *indicate a result that is significantly* ***higher*** *than another group.*

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

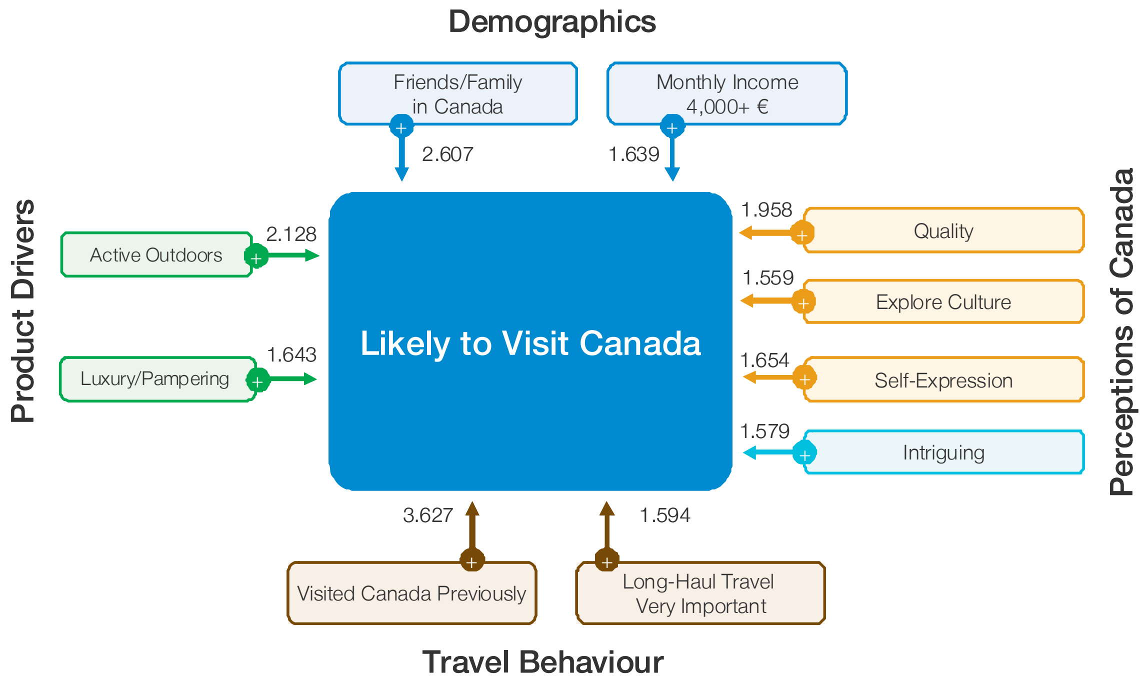
what are the key drivers for visiting canada?

A key drivers model was developed with the dependent variable being whether or not travellers are likely to take a pleasure trip of four or more nights to Canada in the next two years. The independent variables that were modelled against likelihood of visiting included demographics, travel attitudes and motivations, perceptions of Canada, product interests and travel behaviour (previous visitation of Canada, importance of long-haul travel, etc).

The results of the key drivers model and key findings are discussed below and shown in Figure 19:

- Past travel to Canada is unquestionably the strongest predictor of future travel intentions. In fact, everything else being equal, those who have visited Canada in the past are more than three and half times as likely to say they will visit Canada in the next two years than those who have never been to Canada.
- Not surprisingly, having close friends and relatives in Canada is another key driver of travel intentions, which is consistent with previous findings relating to VFR.
- In terms of other demographics, Canada tends to appeal to more affluent Germans. As earlier results showed, Canada is seen as being a high-end destination, and those who actually make the trip tend to be of higher financial means.
- Niche interests emerge as fairly strong pull factors for Canada. Not surprisingly, those looking for outdoors activities are more than twice as likely to say they will visit. And, while luxury products are not a strength for Canada per se, those who do view it more strongly are significantly more likely to visit.
- Perceptions of Canada have a strong influence on the purchase decision as well. In particular, those who associate the Canadian travel experience with premium quality are almost twice as likely to visit.
- As seen previously, having a distinct cultural identity is of immense importance to German travellers, and those who view Canada as a place for cultural exploration are more likely to want to make the trip. This again underlines the critical importance of strengthening perceptions of Canada’s cultural offerings in Germany.
- Intrigue emerges as a key driver of intentions to visit. This suggests that excitement and fascination are key elements of the Canadian travel brand that provide a good opportunity to connect with German travellers on an emotional level.

Exhibit 19 – Key Drivers for Likelihood to Visit Canada



Base: Long-haul pleasure travellers.

Notes: Numbers are odds ratios. Odds ratio is the exponentiated value of B. If >1, the odds ratio is the factor by which the odds of being likely to visit Canada increase as the independent variable increases; if <1, it is the factor by which the odds of being likely to visit Canada decrease.

conclusion and considerations

Dampened by a protracted weakness of the German economy over the last decade, Germany is no longer the vigorous long-haul market that it used to be. Compared with other CTC markets, the incidence of long-haul travel among German residents is relatively low at 16%. Moreover, the recent recovery of the German economy has done little to improve the market outlook, with the likelihood of long-haul travel in the next two years remaining at an unremarkable 15%.

Among long-haul travellers themselves, the outlook is cautiously optimistic, as over a third of German travellers say they will travel more over the next three years than they have in the last three years. However, Germany is one of the weaker of the CTC's markets on this measure, and with signs of an economic slowdown once more on the horizon, long-haul travel from Germany is unlikely to see a strong growth trend.

Despite the lack of market growth, Germany continues to be an important overseas market for Canada. The fifth largest of the eight markets, Germany offers up more than **11 million long-haul travellers** with an interest in Canada.

The results of the GTW study suggest that Brand Canada is a good fit for this market, overall, and reaffirm many of the CTC's current marketing strategies in Germany. Key marketing implications arising from this study that the CTC may wish to consider, depending on their mandate, priorities and budgets are as follows:

Key Performance Indicators

- ***Improve realization of potential travel.*** Canada has clearly captured the interest and imagination of German travellers. Unaided awareness of Canada (22%) and interest in visiting (75%) are both reasonably high, with many who have it on their travel radars. Moreover, the vast majority of Germans view Canada as being both intriguing and unique. Despite this, realization of potential travel remains low in this market, as only 7% of German long-haul travellers have visited Canada in the past three years, and even fewer have made a firm decision for future travel (4%). Canada could do more to move these "cautious" travellers along the purchase cycle and get them to commit by delivering more compelling reasons to visit through one-time events, best-in-class products, and must-do experiences. However, attractively-priced offers could have the most impact in opening up the market as the perception of Canada as an expensive destination continues to be the primary barrier to market development.
- ***Promote awareness of Canada's regions and major cities.*** While unaided awareness of "Canada" itself is relatively high in Germany, provincial and city brands are not top of mind. The CTC and its regional partners could increase awareness of the specifics of where to go and what to see to help convert the nebulous interest in Canada into firm travel plans.

- ***Target repeat travellers.*** Recent visitors to Canada offer good opportunities for repeat travel as they are already sold on Canada. In fact, having visited in the past is the single greatest determinant of future travel to Canada, and a remarkable 95% of recent visitors are interested in making a return trip in the next two years. In targeting this segment, Canada should promote new travel experiences (e.g., lesser-known destinations, niche products, unique new attractions and popular events) to persuade travellers to return, keeping in mind that the perceived high cost of a Canada trip is also a formidable barrier among this group.

Brand Performance

- ***Strengthen the Culture and People brand pillars.*** While Canada is very well-positioned on the geographic attributes of the brand, it may wish to strengthen perceptions of its culture and people for a more well-rounded brand image. At the moment, there is little top of mind association with either the people or the culture when thinking about Canada, and only limited acceptance of these dimensions as part of the Canadian brand. Not only are culture and people the most important points of interest for German travellers, but perceptions of Canada as a place for cultural exploration is a key driver of travel to Canada. More and more, German travellers are looking to immerse themselves in the culture of a place, get to know the people there and delve into the associated cultural and social issues. As a result, strengthening the cultural and people dimensions is pretty well a prerequisite for future market growth.
- ***Position People and Culture within current strengths.*** In efforts to better balance the brand to include People and Culture, Canada may be able to leverage the third brand pillar – Geography – given the degree to which nature/outdoors connects with German travellers and influences their perceptions of Canada as a unique and intriguing destination. Traditional peoples and more rural cultures that live off the land are an obvious complement to current perceptions, and may be especially relevant to German travellers who not only show a penchant for cultural authenticity (e.g., local/aboriginal culture), but whose perception of "authentic" Canada is strongly tied to the land.
- ***Strengthen cost perceptions of Canada.*** While perceptions of value and brand are above the average for the CTC's global markets, perceptions of cost are well below average. Canada is seen as being expensive for virtually every element of the trip, from packages and airfare, down to accommodations and food. Because cost represents 28% of the impact on the decision to visit Canada in this budget-conscious market, controlling price perceptions is critical. This could mean introducing shorter duration products or other measures to bring the price-point down, combined with promoting the higher value-for-money of travel to Canada.

Product Opportunities

- ***Promote "active outdoors" leadership.*** One of the biggest advantages for Canada in the German market is its clout in the outdoors/nature arena. Canada is viewed as the destination for outdoor activities like skiing, hiking, hunting/fishing and kayaking/canoeing, as well as a market leader for natural scenery. In fact, the widespread perception in this market of Canada as "unique" is no doubt driven in part by these distinctive strengths. Either combined with nature or separately, outdoors activities clearly set Canada apart from other destinations on what are strong niche interests in the German market. Consequently, the CTC could consider actively marketing other outdoors and nature products, with national parks, cycling and scenic drives/rail tours all representing good opportunities for Canada to pull further ahead of competitors.
- ***Develop and promote Northern adventure travel.*** There is a significant niche interest in Canada's North among German travellers, especially within a segment of well-educated men. Not surprisingly, motivation for Northern travel is driven by a desire for outdoors adventure and winter experiences, but also by an interest in exploring the region's unique local culture and scenic landscapes. All told, the North offers a well-rounded vacation experience that plays directly into German travel interests.
- ***Enhance awareness of cultural products.*** German travellers have a distinctive cultural bent, placing local lifestyles, aboriginal culture and historical/cultural attractions at or near the top of their list of things to do on a long-haul trip. In these key areas of interest, however, Canada is notably weak. This gap in its product offerings undermines Canada's ability to attract German travellers and compete with more well-rounded destinations like Australia and the US, and culturally-rich destinations like China and Thailand, and emerging new destinations like Qatar and Vietnam. Canada's weak competitive positioning belies the fact that it has some unique cultural products – communities and neighbourhoods, festivals and events, historical and cultural attractions – as well as some distinctive communities and lifestyles (Francophone, Acadian, Maritime, etc.) to offer German travellers. However, some investment may be necessary to ensure these products are market-ready, and to package and market them better to an international audience.
- ***Ramp up promotion of aboriginal tourism.*** The German predilection for aboriginal culture is well known, so unsurprisingly, it emerges as one of the leading product interests for long-haul travel. What is surprising is the almost complete lack of association with Canada as a destination of choice for this kind of cultural experience. As such, there are opportunities to work with regional partners, and aboriginal groups to promote Canadian aboriginal culture and tourism in the German market.
- ***Leverage nature to promote other offerings.*** The strong positive emotions that German travellers associate with Canada's nature and outdoors offerings suggest that they can be used as a lever to add distinctiveness and excitement to other product offerings where Canada is weaker. Examples of nature combinations that may serve to diversify Canada's product offering to appeal to German travellers might include nature-culture (e.g., small towns, aboriginal culture and rural lifestyles), nature-urban (e.g., cities as a gateway to nature); and nature-luxury (e.g., world class resorts and spa holidays in spectacular natural settings).

Strategic Marketing

- ***Target the more affluent segments of the market.*** German long-haul travellers are generally not that affluent by North American standards. This, combined with perceptions of the high cost of Canada travel, means that Canada should continue to target the more upscale market segments (in addition to controlling cost perceptions in the market as a whole).
- ***Leverage the 2010 Olympic Games.*** That a quarter of the market says their desire to visit is enhanced by Canada's hosting of the Olympics suggests there are already some opportunities to leverage the Games to enhance Canada's positioning in the international arena and enrich image perceptions globally. According to the Australian Tourist Commission, hosting the 2000 Games was the single most beneficial event in the history of Australian tourism, and accelerated the development of Brand Australia by 10 years. The CTC should continue to collaborate with Tourism BC, Olympic sponsors and the international media to build excitement in the years leading up to the Games and ensure that everything is ready for the few weeks in 2010 when the eyes of the world will be on Canada.
- ***Use TV travel shows to reach potential travellers to Canada.*** In addition to advertising in traditional media, the CTC could consider the use of travel-related television shows, as this is the number one non-advertising information source for increasing visibility, knowledge and appeal of Canada among potential travellers to Canada. Movie tie-ins may also provide a good way of reaching and engaging German travellers when the opportunity arises.
- ***Continue to use nature and wildlife imagery.*** The CTC should continue to use nature and wildlife imagery in its marketing initiatives as German travellers find this imagery enormously appealing and nature continues to be a major marketing strength for Canada. With respect to nature, the focus should be on images of forests and lakes, while wildlife imagery could include shots of brown/black bears and other distinctively Canadian wildlife like moose and salmon. However, in keeping with the new brand, static images should be avoided and nature imagery used in combination with people and activities to get across the concepts of exploration, discovery and the creation of personal stories.