Canadian Tourism Commission | Commission canadienne du tourisme

Global Tourism Watch 2010

France - Summary Report

Canada

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1. Research Objectives

Driven by the launch of a new global brand and ongoing challenges in Canada's priority markets, the Canadian Tourism Commission initiated a Global Tourism Watch (GTW) program in 2007 to expand the consumer-based intelligence in its key markets. The overall objectives of the GTW study are:

- To monitor awareness, travel intentions and other key market indicators for Canada and the regions;
- To assess perceptions of Canada and track brand performance over time;
- To identify the general experiences sought by travellers, assess Canada's competitive positioning on key products and identify growth opportunities;
- To identify motivators and barriers for travel to Canada, as well as media sources and images that lift Canada's appeal.

2. Methodology

The target population for the online survey was residents aged 18 and older, who had taken a pleasure trip where they stayed at least four nights paid in accommodation in the past three years, or who plan to take such a trip in the next two years.

Pleasure trips included vacation or holiday trips, trips to visit friends and relatives and combined business-pleasure trips. In France, the target national sample was n=1,500 long-haul pleasure travellers, with a quota of 200-300 for recent travellers to Canada in the past three years.

3. Market Health & Outlook

Based on the travel patterns in the past three years or plans to travel in the next two years, the incidence of French long-haul international travel is 32%, translating into a total market potential of 15.3 million. The immediate potential - those that will definitely or very likely visit Canada in the next two years - is 38% or 5.8 million travellers, the second largest market among the nine international GTW markets after the US. **Exhibit 3.1** shows the regional preference, with strong immediate potential for Ontario and British Columbia.

Exhibit 3.1 Size of the immediate potential long-haul pleasure travel market

	CDA	BC	AB	ON	YK	NT
Immediate Interest[1]	38%	64%	30%	75%	15%	17%
Potential (M)	5.8	3.7	1.7	4.4	0.9	1.0

Base: Long-haul pleasure travellers (n=1,519).
[1]Base for percentages is those likely to visit Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a trip there (n=1,060).
Note: Regional estimates are not additive since travellers may visit more than one region in a single trip.

The importance placed on long-haul travel by French travellers improved by one percentage point to 93% in 2010.

4. Unaided Destination Awareness

To measure Canada's brand awareness, respondents were asked about their top-of-mind destinations for a long-haul vacation. While Canada's key competitors lost ground in 2010, its unaided awareness among French travellers remain unchanged, ranking closely behind Australia in third place.

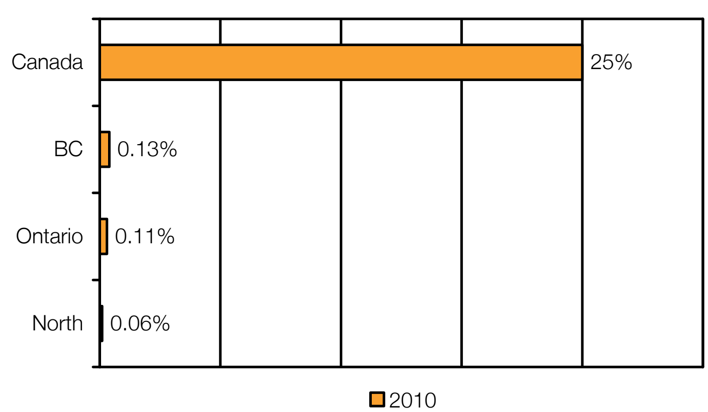
Exhibit 4.1 Unaided Destination Awareness

	2007	2008	2009	2010
1. US	37%	32%	38%	34%
2. Australia	31%	31%	31%	26%
3. Canada	25%	26%	26%	25%
4. Mexico	13%	18%	15%	17%
5. China	14%	14%	15%	14%

Q. In general what destinations come to mind for a long-haul holiday outside of [L-H definition]?
Base: Long-haul pleasure travellers (n=1,519).

As illustrated in **Exhibit 4.2**, as a general rule, Canada's regions do not have top-of-mind awareness in France.

Exhibit 4.2 Unaided AWARENESS OF Canada's regions

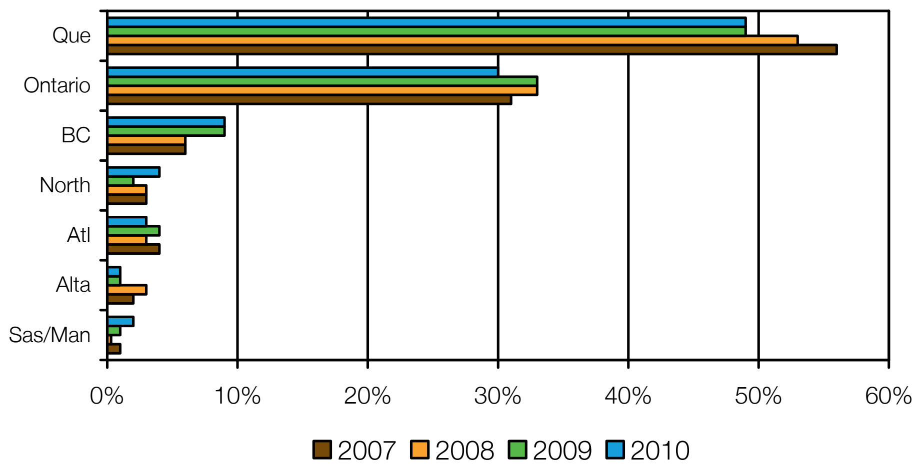


Base: Long-haul pleasure travellers (n=1,519).
Note: Only GTW region partners are included.

France is registered a moderate economic recovery in 2010, with travel intentions improving up two percentage points to 38%. Overall, 35% of those surveyed indicated that they are definitely or very likely to visit Canada in the next two years for a trip of four or more nights. This represents a three-point increase in trips of four-plus nights, while trips of one to three nights saw a moderate one-point decline over 2009 (25%).

- The improvement in travel intentions for trips of four or more nights confirms the positive outlook for the French market.

Exhibit 4.3 Canadian Destination Likely to Visit



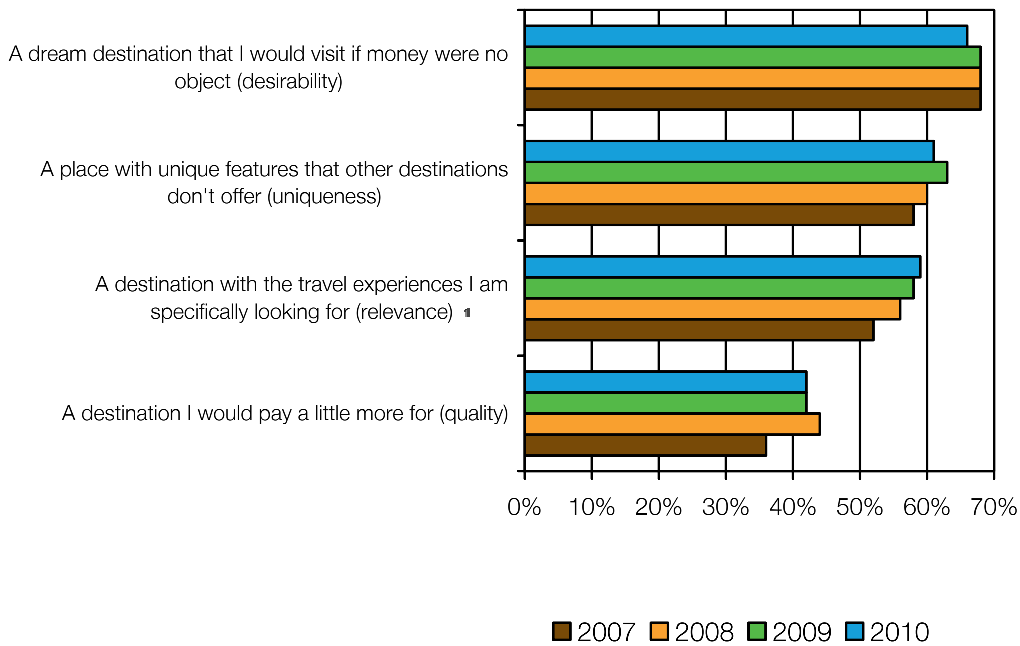
Base: Those likely to visit Canada in the next 2 years and/or those who are have decided to visit or have booked a trip there.

Quebec continues to be the top destination in Canada for French travellers, despite a significant decline that began in 2009 and continued into 2010. British Columbia was able to maintain its gain in popularity, while Ontario saw a dip in interest.

5. Canada's Value & Price Perception

Canada's success as a travel destination cannot be measured only by the degree to which its brand has established itself. It is important for Brand Canada to be perceived as offering value at a good price.

Exhibit 5.1 Value Perceptions

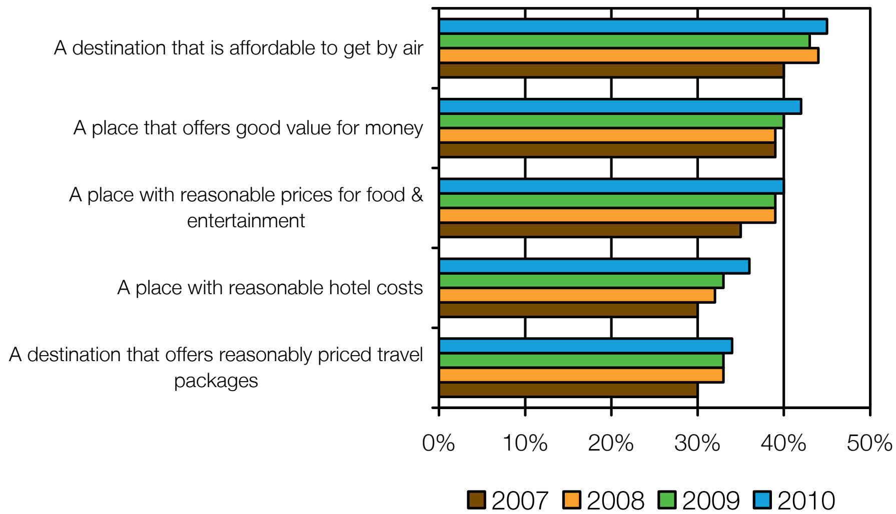


Base: Long-haul pleasure travellers.
Notes: Top 2 Box refers to a rating of 4 or 5-point scale where 1 is "Strongly Disagree" and 5 is "Strongly Agree".
[1]*Item not comparable in 2007.*

This year Canada's overall value perceptions measures remained stable, despite desirability posting its first decline in four years. However 66% is still a relatively strong measure. Canada's relevance measure continues to post year-over-year gains, in 2010 seeing a one-point increase to 59%.

Cost also plays a major role when it comes to travel destination decision-making. **Exhibit 5.2** shows how Canada is perceived by French travellers on various travel cost components.

Exhibit 5.2 Price Perceptions



Base: Long-haul pleasure travellers.
Note: Top 2 Box refers to a rating of 4 or 5-point scale where 1 is "Strongly Disagree" and 5 is "Strongly Agree".

French price perceptions of Canada as a travel destination have reported overall improvements in 2010. This is especially good news given that many GTW markets saw downward pressure on price perceptions in 2010, and the depreciation of the Euro against the Canadian dollar.

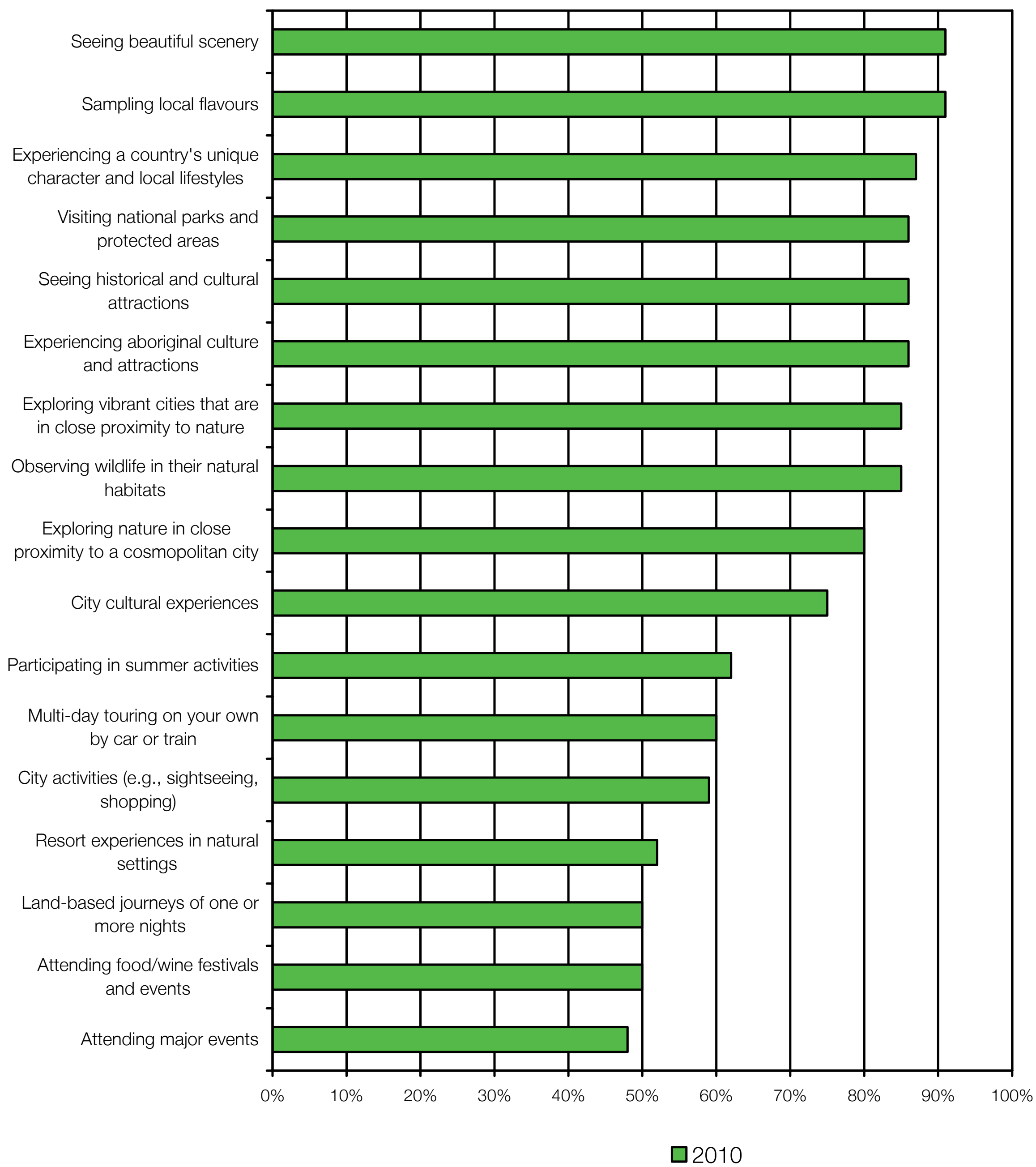
All of the price perception measures posted gains in 2010, marking new all-time highs in each category. There were notable improvements posted in the perception of hotel affordability (up three-points) and that Canada is a place that offers good value for money (up two-points) relative to 2009.

6. Product Interest

While scenery is at the top of the list for experiences for French travellers, cultural interests are also highly popular. Despite being seen as a destination leader for seeing beautiful scenery, this product could be further highlighted given the high percentage (91%) of French travellers who value this travel experience. Unfortunately, when looking at cultural interests, there appears to be some significant gaps, with Canada ranking poorly for sampling local flavours, experiencing local lifestyles and seeing historical and cultural attractions. These products rank among the top five most important travel experiences for those surveyed.

While nature and culture products make up the majority of top experiences, city-related experiences round out the bottom of the top 10 list. This could be seen as an opportunity for Canada to improve its rankings for these products.

Exhibit 6.1 Product Interests



Base: Long-haul pleasure travellers.
Note: Top 2 Box refers to a rating of always or often important on a 4-point importance scale.

7. Competitive Product Positioning

Exhibit 5.5 shows how Canada ranks against its six competitors by product. France is one of the top GTW markets in terms of product offerings, with Canada ranking No. 1 in 10 categories. This reflects Canada success and popularity among French travellers.

Similar to other GTW markets surveyed, Canada is a strong leader for ski vacations and winter activities with the next best destination (the US) more than 50 percentage points behind. Canada shows leadership in outdoor activities (e.g. land-based journeys, water-based journeys, and summer activities). Canada is also seen as a leader for exploring vibrant cities that are in close proximity to nature and for exploring nature in close proximity to cosmopolitan cities.

While 91% of French travellers are interested in sampling local flavours, Canada faces strong competition from Thailand, Mexico and China, with only 22% of those surveyed identifying Canada as the leading destination for this product.

Canada also faces stiff completion in regards to experiencing local lifestyles from Thailand, China, Mexico, Australia and South Africa.

Exhibit 7.1 Competitive Positioning

	1	2	3	4	5	6	7
Participating in other winter activities	**CAN**	USA	AUS	CHN	SAF	THA	MEX
Ski and snowboard vacations	**CAN**	USA	AUS	CHN	SAF	THA	MEX
Seeing beautiful scenery	**CAN**	AUS	USA	SAF	THA	MEX	CHN
Water-based journeys of one or more nights	**CAN**	AUS	USA	SAF	MEX	THA	CHN
Exploring vibrant cities that are in close proximity to nature	**CAN**	AUS	SAF	THA	MEX	USA	CHN
Land-based journeys of one or more nights	**CAN**	AUS	USA	SAF	THA	MEX	CHN
Resort experiences in natural settings	**CAN**	USA	AUS	SAF	THA	MEX	CHN
Participating in summer activities	**CAN**	AUS	USA	SAF	MEX	THA	CHN
Visiting national parks and protected areas	**CAN**	USA	AUS	SAF	MEX	THA	CHN
Exploring nature in close proximity to a cosmopolitan city	**CAN**	AUS	USA	SAF	MEX	THA	CHN
Multi-day touring on your own or by car or train	USA	**CAN**	AUS	MEX	THA	SAF	CHN
City activities (e.g., sightseeing, shopping)	USA	**CAN**	AUS	CHN	THA	MEX	SAF
City cultural experiences	USA	**CAN**	CHN	AUS	MEX	THA	SAF
Attending major events	USA	**CAN**	SAF	AUS	CHN	MEX	THA
Entertainment experiences	USA	**CAN**	AUS	THA	MEX	CHN	SAF
Observing wildlife in their natural habitats	SAF	AUS	**CAN**	USA	THA	MEX	CHN
Attending food/wine festivals and events	AUS	USA	**CAN**	SAF	MEX	CHN	THA
Sampling local flavours	THA	MEX	CHN	**CAN**	SAF	AUS	USA
Seeing historical and cultural attractions	CHN	MEX	USA	THA	**CAN**	AUS	SAF
Participating in culinary learning experiences	THA	CHN	MEX	USA	**CAN**	AUS	SAF
Experiencing a country's unique character and local lifestyles	THA	CHN	MEX	AUS	SAF	**CAN**	USA
Multi-day guided group tours by bus or train	CHN	MEX	THA	SAF	USA	**CAN**	AUS
Experiencing aboriginal culture and attractions	THA	MEX	CHN	AUS	SAF	**CAN**	USA

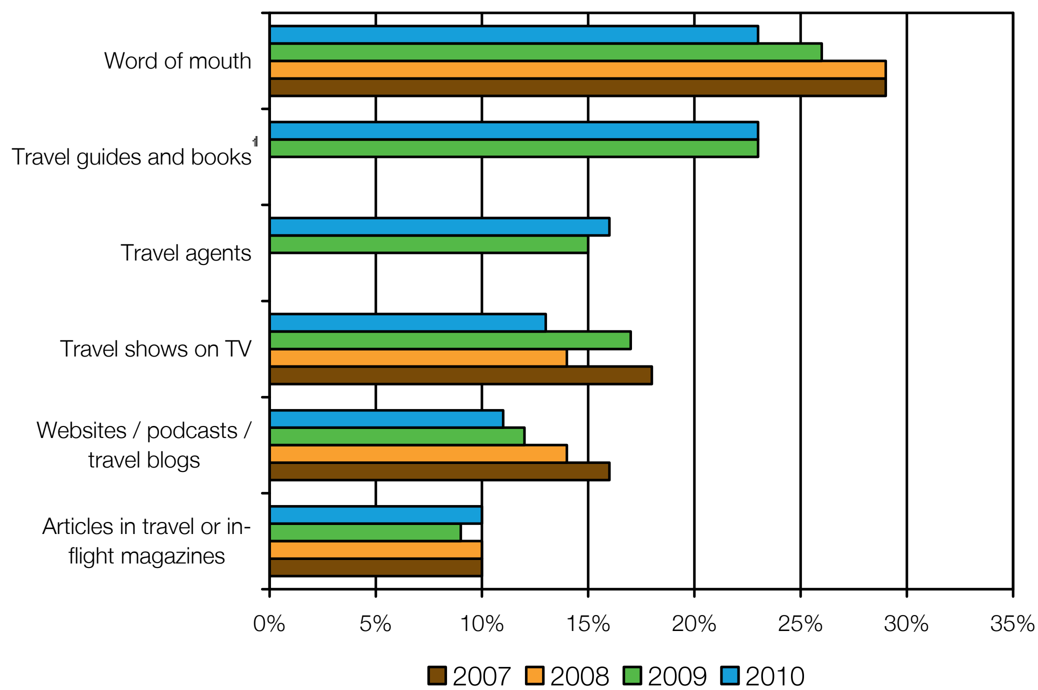
Base: Long-haul pleasure travellers (n=1,519).
Notes: Figures represent the percentage of respondents choosing the destination among the top 3 places to go for each attribute.
Legend: CAN = Canada, AUS = Australia, USA = United States, CHN = China, SAF = South Africa, THA = Thailand, MEX = Mexico.

The US continues to be a close competitor in terms of city and entertainment experiences, along with multiday touring on your own or by car or train.

8. Sources of Information for Increasing Canada's Appeal

In 2010, word of mouth and travel guides/ books were the most effective ways of influencing travel to Canada among French visitors (23% respectively). There was an improvement in travel agents as a source of Canada travel information, while travel shows and websites/ podcasts/ travel blogs saw declines.

Exhibit 8.1 Top sources of information



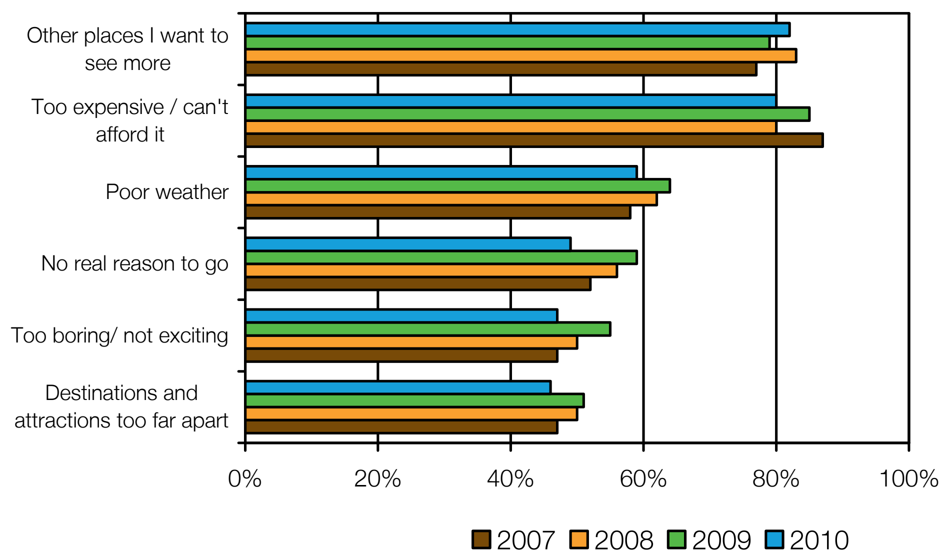
Base: Long-haul pleasure travellers.
[1]Item changed in 2009.

9. Key Barriers for Travel to Canada

It's important to know barriers to travel to Canada, as these concerns of those interested in visiting Canada could lead them to select alternative destinations.

Other destinations and affordability are the two most noted barriers for travel to Canada at 82% and 80% respectively. However, the majority of barriers posted declines in 2010, with "no reason to go" and "too boring" posting significant declines of 10 points and eight points respectively. It is also interesting to note the affordability barrier declined by five points, returning to 2008 levels.

Exhibit 9.1 Key Barriers for Visiting Canada



Base: Long-haul pleasure travellers who are likely to visit Canada in the near future.
Notes: Percentage is the sum of major barrier and minor barrier responses.

10. Conclusions: Key Take-Aways

France has reported a steady recovery in inbound travel to Canada in 2010 up 6.8% year-to-date November, despite moderate economic growth and a deprecating Euro.

- Among CTC key markets, France represents the second strongest immediate potential with 5.8 million or 38% of its long-haul travellers planning to definitely or very likely visit Canada in the next two years;
- While Canada did post a one-point decline in unaided destination awareness in 2010, its primary rivals. It is also worth noting that while the US and Australia ranked ahead of Canada for unaided destination awareness, both destinations posted more severe declines, down four points and five points respectively;
- The French market represents a group of avid travellers with 93% placing a high importance on long-haul travel;
- While Quebec continues to be by far the most popular destination for French visitors, British Columbia made a strong gain in 2008 with the interest in visiting this province increasing by 50% and this increase being maintained in 2010 signifying a lasting trend;
- Canada posted its first decline in desirability in four years, slipping two-points to 66%. This decline in desirability corresponded with the key barrier “other places I want to see more” increasing to 82% this year. This highlights the importance of continually promoting Canada as a new and exciting destination;
- Despite the Euro depreciating against the Canadian dollar, improvements were made in all of Canada’s price perceptions and there was a five-point decline in “too expensive” being mentioned as a key barrier to travel;
- While Canada is a leader among its competitors for seeing beautiful scenery and visiting national parks, there is an opportunity to further promote both these products as French interest is significantly higher than their awareness of Canada offering these experiences;
- When looking at product interests, there is a clear opportunity to improve the perception of Canadian cultural experiences. Canada ranks poorly for sampling local flavours, experiencing local lifestyles and seeing historical and cultural attractions, while these products rank among the top five most import travel experiences for those surveyed;
- Canada should address key barriers for travel by highlighting unique and distinctly Canadian experiences that are affordable and easy-to-get-to.