



Canadian Tourism
Commission

Commission canadienne
du tourisme

Global Tourism Watch

UK Summary Report - 2011



Canada

Table of Contents

1. Research Objectives	1
2. Methodology	1
3. Market Outlook and Potential	1
4. Unaided Destination Awareness	3
5. Canada's Value & Price Perceptions	4
6. Product Interest	6
7. Competitive Product Positioning	8
8. Sources of Information on Canada	10
9. Key Barriers for Travel to Canada	11
10. Conclusions: Key Take-Aways	12

1. Research Objectives

The Canadian Tourism Commission initiated a Global Tourism Watch (GTW) program in 2007 to expand the consumer-based intelligence in its key markets; the Canadian domestic market was later introduced in 2009. 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 or more nights with one night in paid accommodations in the past three years or plan to take such a trip in the next two years. Trips had to be outside of Europe, North Africa and the Mediterranean.

Pleasure trips included vacation or holiday trips, trips to visit friends and relatives, and combined business-pleasure trips. In UK, the target was n=2,000 long-haul pleasure travellers, with a quota of n=300 recent travellers to Canada. The survey was conducted in May 2011.

3. Market Outlook and Potential

After spiking in 2009 due to the increased proportion of avid travellers in the marketplace, those who felt that long-haul travel is very or somewhat important to them held steady between 2010 and 2011 at 86%. Notably, with the exception of 2009, there has been a distinct upward trend in the proportion of travellers who feel that long-haul travel is very important (from 35% in 2007 to 41% this year).

Despite the universal belt-tightening that occurred as a result of what has been the worst recession in recent UK history, these figures jive with a recent report by the ABTA (Association of British Travel Agents) suggesting that, while UK travellers may be looking for ways to get more value for their money, travel itself remained a priority in 2011.

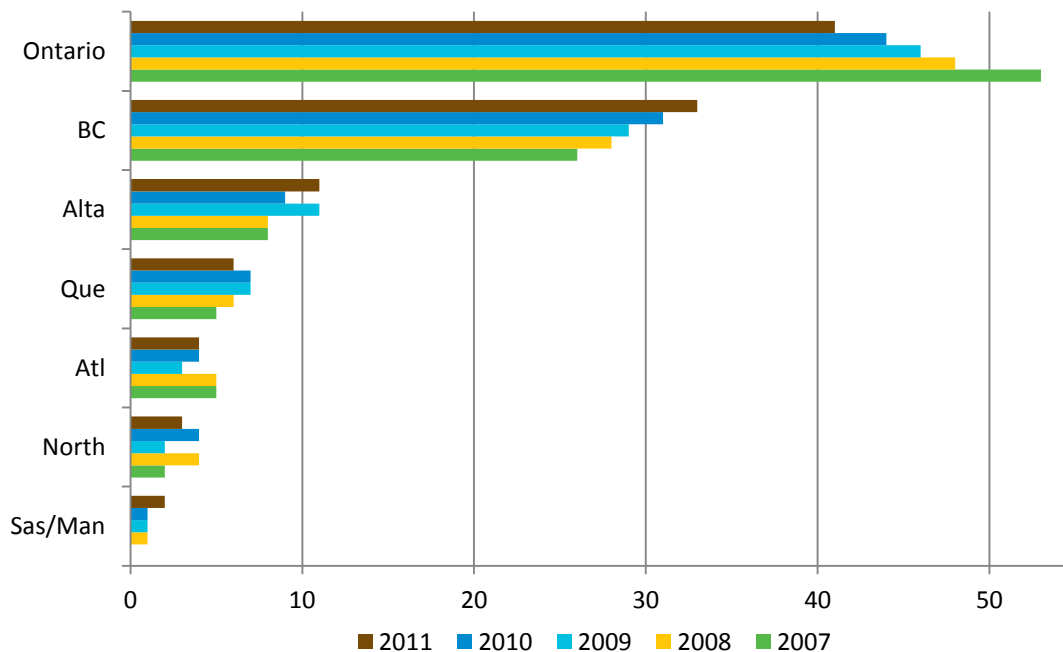
Generally, the GTW market outlook indicator (percentage difference between "will travel more" and "will travel less" in the next 3 years vs. the last 3 years) for the UK has been deteriorating, falling from +27 in 2007 to +19 in 2011. Although the market has rebounded from the +11 anomaly recorded in 2009 at the height of the recession, this indicator has continued on the downward path that began prior to the downturn, with a further decrease of 3 ppt this year. The drop in the outlook indicator is at odds with some of the other GTW markets where this measure has returned to full health (e.g., Australia, Germany, France) or is at least seeing a strong upward trend (e.g., the US, Canada). While there is a hint of good things to come, the

hard hit to the UK during the global economic crisis has taken its toll, with recovery to pre-recession levels expected to take some time.

The overall two-year outlook for Canada, however, remains strong, with 23% of long-haul pleasure travellers indicating that they are definitely or very likely to visit Canada in that timeframe. This is essentially unchanged since 2008. However, a closer look shows a mixed bag of results. On the positive side, the propensity to take a longer vacation to Canada, like the overall likelihood, has been stable over the past five years and currently sits at 20%. But the trend for shorter trips has been more volatile, experiencing a surge in the lead up and year of the Olympic Games, and then subsequently dropping back down to baseline levels in 2011. With UK travellers more value-conscious than ever before, fewer may be considering short side trips to Canada on vacations to the US in order to keep their costs down, particularly without a major event like the 2010 Winter Olympic Games to draw them there.

Exhibit 3.1 shows that there have been no major shifts in terms of the regions that UK travellers are most likely to visit since the inception of the GTW, with Ontario being the primary destination of choice, followed by British Columbia and Alberta. In keeping with overall visitation intentions, however, British Columbia has been trending upward as a must-see destination, while Ontario has been veering steadily downward. What was once a 27 ppt lead for Ontario has diminished to only 8 ppt in 2011, with British Columbia poised to overtake Ontario within a couple of years if current trends continue.

Exhibit 3.1 Canadian Destination Most Likely to Visit



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.

Exhibit 3.2 shows the immediate potential for the regional partners of the GTW study based on current levels of interest. The immediate potential for the top four regions (British Columbia, Ontario, Québec and Alberta) is obviously considerable, with each at over 2 million travellers.

However, the potential for the other partners is also strong, ranging from close to 300,000 for Nunavut to well over half a million travellers for both Manitoba and Yukon.

Exhibit 3.2 Size of the immediate potential for Canada

	CDA	BC	ON	QC	AB	YK	MB	NU
Immediate Interest¹	23%	77%	73%	46%	44%	13%	11%	6%
Potential (M)²	4.8	3.7	3.5	2.2	2.1	0.6	0.5	0.3

Base: : Long-haul pleasure travellers (n=2,011)

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.

² Results are from the random telephone omnibus survey undertaken in 2010. Base is general population aged 18 plus.

Note: Regional estimates are not additive since travellers may visit more than one region on a single trip.

4. Unaided Destination Awareness

To measure top-of-mind awareness for Canada, respondents were asked to name destinations that come to mind for an international vacation. Despite some fluctuations in unaided awareness levels, the top ten destinations for UK travellers have been the same for the past five years. In fact, the rank order of the top five destinations has remained consistent since 2007, with the US leading the way, followed by Australia, New Zealand, Canada and China. The US and Australia are in a class of their own, maintaining a lead of more than 16 ppt over New Zealand since 2007. Similarly, Canada appears to be in no danger of losing its fourth place spot, as it has out-performed China by 7 ppt or more in four of the last five years. Jostling for positions six to ten in all five years are Thailand, India, South Africa, Mexico and Japan.

In 2009, the US and China were the only two of the top five destinations to hold their ground in terms of awareness as the recession struck the UK. However, both destinations have since joined the others in the top five with sinking awareness levels. Over the past three years, there has been a modest, but steady, decline in awareness for the US (from 56% to 54% to 53%) and China (from 19% to 17% to 16%). For China, this may be related to a waning presence now that memories of the 2008 Summer Olympics have faded.

With the 2010 Winter Olympic Games held in Vancouver, it isn't surprising that Canada experienced a significant uptick in top-of-mind awareness in 2010 (up 6 ppt to 27%). Unfortunately, these gains were short-lived, with awareness of Canada falling to 23% this year. Clearly, major events such as the Olympics can create significant awareness for a destination, however, like a marketing campaign, the buzz generated has a limited lifespan.

New Zealand experienced a steady decline in awareness from 2007 (33%) to 2009 (28%). Following a slight uptick in 2010 (31%), which could be due to marketing buzz around the 2010 ticket sales for the 2011 Rugby World Cup, the downward trend has resumed, with awareness falling further to 27% in 2011.

Exhibit 4.1 Unaided Destination Awareness
(showing top 5 countries only)

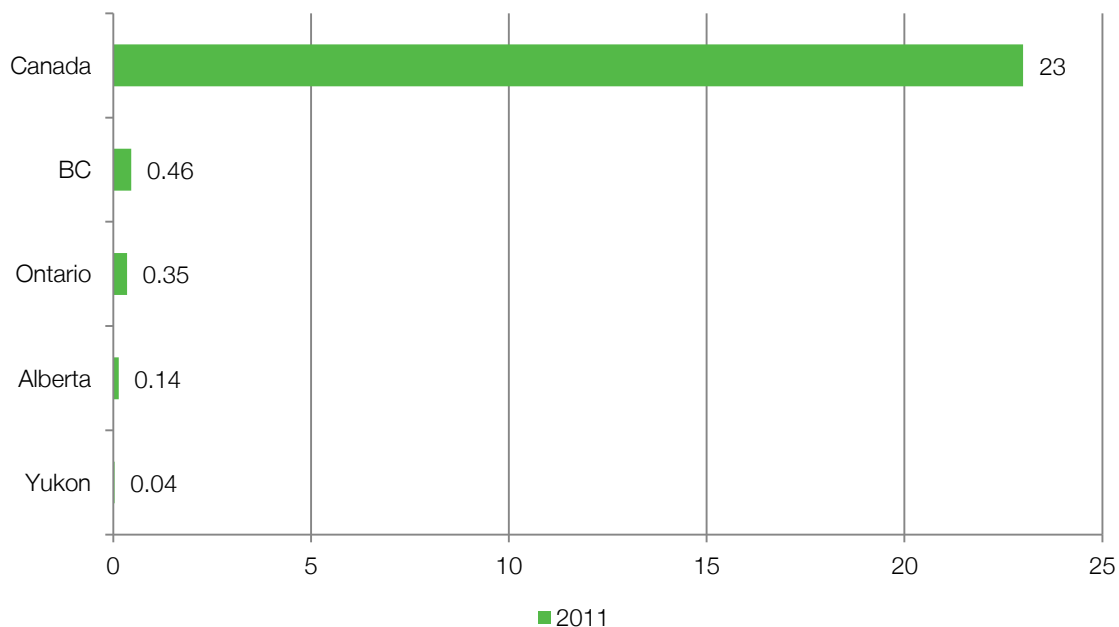
	2007	2008	2009	2010	2011
1. United States	57%	56%	56%	54%	53%
2. Australia	55%	52%	48%	48%	48%
3. New Zealand	33%	31%	28%	31%	27%
4. Canada	28%	26%	21%	27%	23%
5. China	19%	18%	19%	17%	16%

Base: : Long-haul pleasure travellers (n=2,011)

Roll-up of brand mentions by country, e.g., percentage who said Canada or any destination in Canada.

As illustrated in [Exhibit 4.2](#), specific mentions of destinations within Canada are very low and add only one percent to Canada’s overall awareness among UK travellers. Aside from Yukon and three destinations in Ontario (Toronto, Niagara Falls and the province itself), all of the specific mentions are British Columbia and Alberta.

Exhibit 4.2 Unaided Awareness of Canada’s regions



Base: : Long-haul pleasure travellers (n=2,011)

Note: Only GTW regional partners are included.

5. Canada’s Value & Price Perceptions

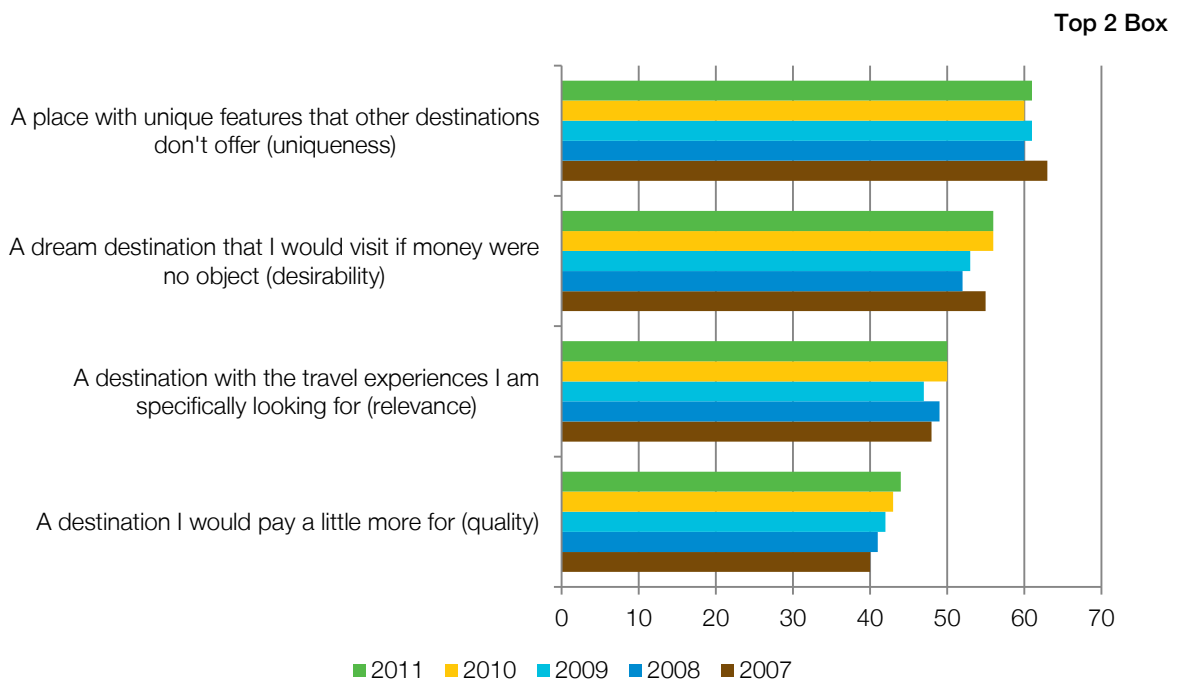
Canada’s success as a travel destination cannot be measured only by the degree to which its brand has established itself. It is important for Brand Canada to be perceived as offering value at a good price.

The Value Perceptions measures have not seen any significant shifts in the five years of the GTW. While none of the individual value components are particularly strong, there is good

news on the Quality attribute, which has been rising steadily since 2007 to hit a record high (44%). After a drop in 2008, Desirability also saw improvement up to 2010, before leveling out in 2011.

Overall, Value Perceptions of Canada among UK travellers continue to be unimpressive. With the devaluated pound and continued economic uncertainties, UK travellers have become substantially more value-conscious, underscoring the need to improve the Value Perceptions as a key part of any marketing strategy that Canadian destinations could use to entice UK travellers. As a mature market, those in the UK have a plethora of viable destination options, and those offering the best value are likely to be the big winners.

Exhibit 5.1 Value Perceptions



Base: : Long-haul pleasure travellers (n=2,011)

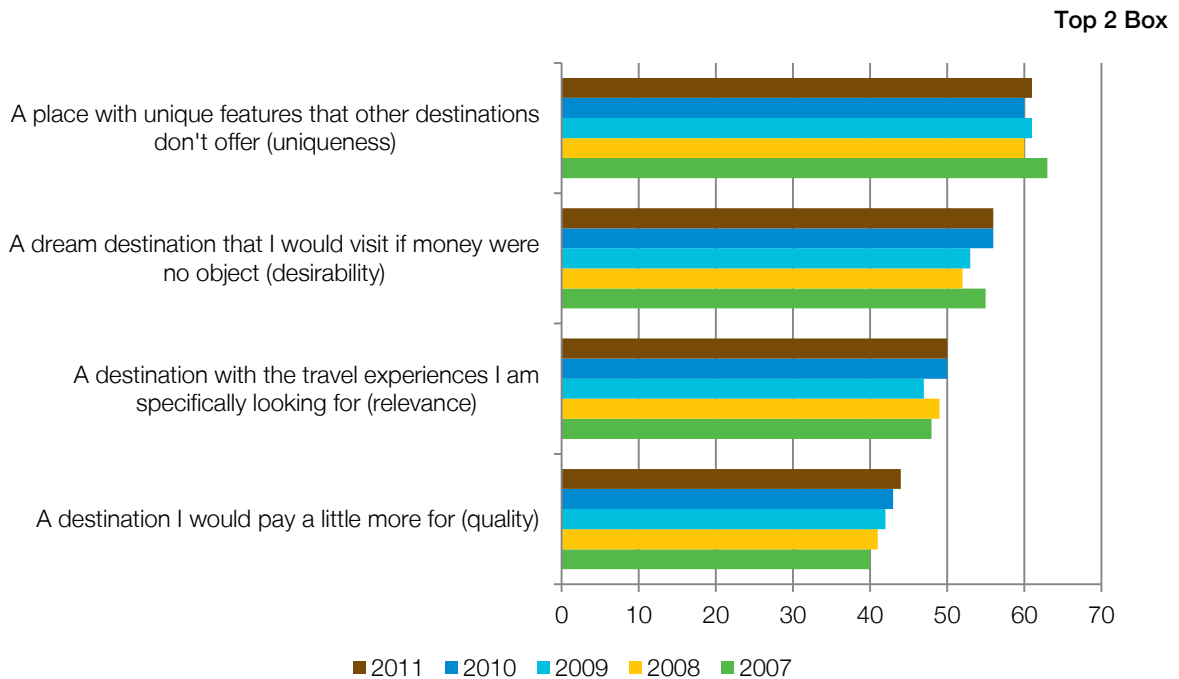
Note: Top 2 Box refers to a rating of 4 or 5 on a 5-point scale where 1 is "Strongly Disagree" and 5 is "Strongly Agree".

In addition to brand image and value perceptions, cost obviously plays a major role when it comes to destination decision-making. [Exhibit 5.2](#) shows how Canada is perceived by UK travellers on various travel cost components.

On the whole, the Price Perceptions measures have yet to recover from their recession-induced downhill slide between 2007 and 2009 and there were no further improvements in 2011. The strong Canadian dollar, combined with a beleaguered British pound, will only serve to throw fuel on the fire.

While all of the individual price attributes mirrored the overall trend, with significant drops between 2007 and 2009, all attributes with the exception of "air costs" have managed to rebound and stabilize over the last two years, albeit at levels below the 2007 baseline. High fuel costs and the reduction of air taxes for airlines in competing destinations (e.g., the US), will only increase the challenge for Canada as it seeks to improve its image on this key attribute.

Exhibit 5.2 Price Perceptions



Base: : Long-haul pleasure travellers (n=2,011)

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

6. Product Interest

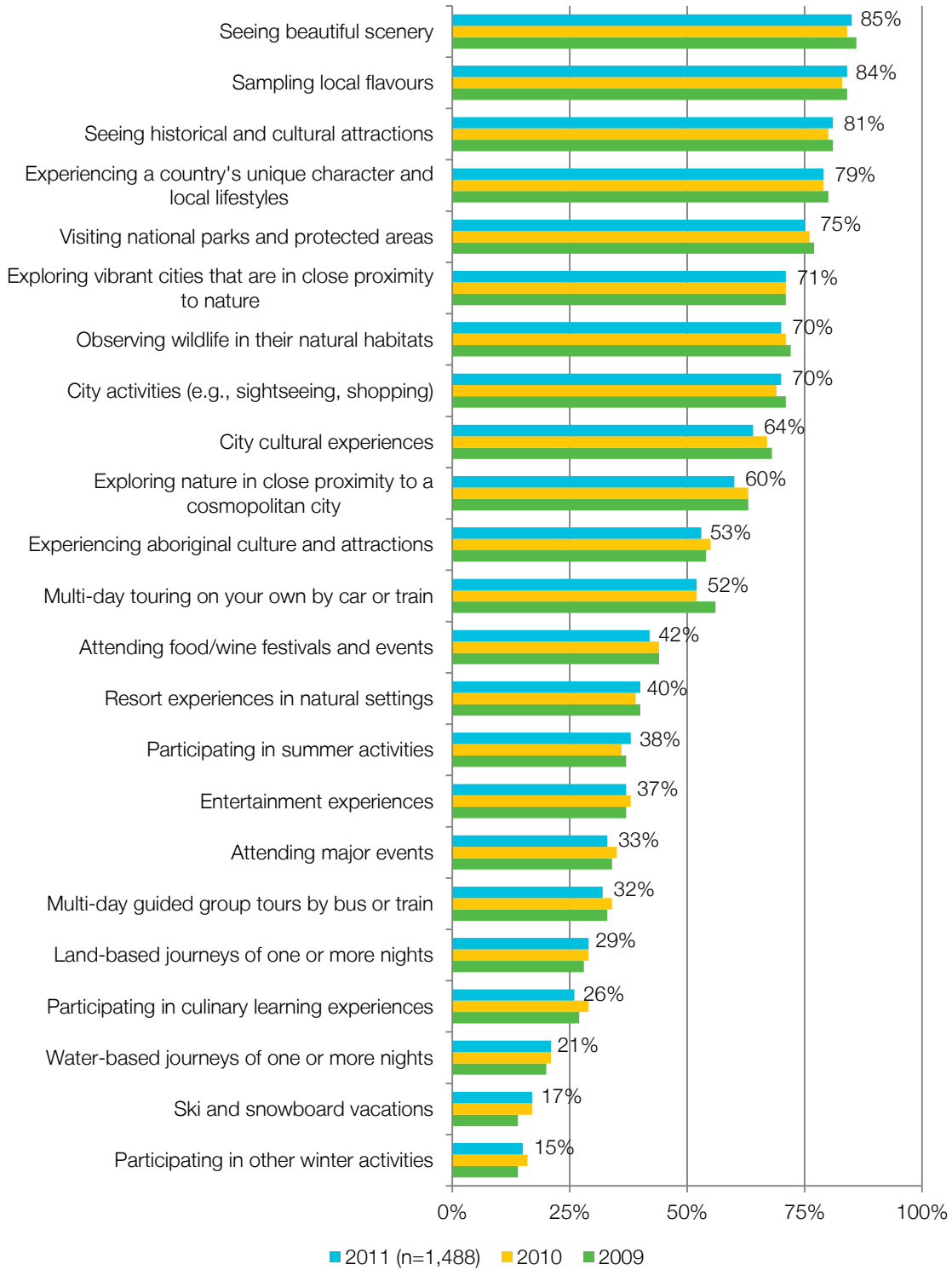
Exhibit 6.1 shows that, on the whole, the travel interests of UK travellers have generally remained the same since 2009. In fact, there have been very few changes to the rank order of the 23 attributes tested, and the only significant trend to emerge is a weakened interest in city cultural experiences.

Nature and culture still rule when it comes to vacation pursuits for UK travellers. Seeing beautiful scenery and visiting national parks are both among the top five products, with sampling local flavours, historical/cultural attractions and local lifestyles also ranking as omnipresent interests. The bottom half of the top ten tends to be dominated by city interests, e.g., cities close to nature, city activities, city culture and nature close to cities, with wildlife rounding out the mix.

An ongoing challenge for Canada is that four of its key product areas continue to languish at the bottom of the product chart, with winter activities, ski vacations and both water- and land-based journeys occupying four of the five bottom spots. While outdoor activities such as these are seeing a popularity surge in many of the CTC's global markets, the same trend is not evident in the UK. Aside from a 3 ppt increase in ski vacations in 2010, none of the outdoor products have shown any real growth in terms of interest since 2009. This is not surprising given that previous waves of the GTW have shown that outdoor adventure typically has less appeal to UK travellers than to those from most other international markets.

Exhibit 6.1 Product Interests

Top 2 Box



Base: : Long-haul pleasure travellers

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

Results not comparable to years prior to 2009 due to changes to the product list in that year.

7. Competitive Product Positioning

Exhibit 7.1 provides more detailed results showing how Canada ranks against its six competitors on each specific product.

For the most part, Canada's competitive position has changed very little since 2010. In fact, none of the product ratings shifted by more than 2 ppt this year. However, Canada has managed to move up one notch on certain items. Small changes in the scores for both countries have enabled Canada to oust Australia from second place on resorts in natural settings, although the US is in no danger of losing its hefty lead. The only other upshift for Canada was a move to third place for major events, the result of a more than 10 ppt plunge for South Africa post World Cup. South Africa's lost market share was picked up by the two market leaders, i.e., the US (up 6 ppt) and Australia (up 5 ppt).

While South Africa saw a significant decline in the area of major events, it has made inroads on many other products, particularly those relating to nature and the great outdoors (e.g., scenery, national parks, wildlife, resorts in natural settings, summer activities and the two nature-city hybrid products). In addition, gains on culture and cuisine (e.g., aboriginal culture, local lifestyles, historical/cultural attractions, local flavours and culinary learning) have helped to broaden out its image. All in all, South Africa has had a highly successful year, improving its ranking vs. competitors on 8 individual products.

The US was also a big mover in 2011, with significant upward shifts accelerating its lead over Canada in some areas and closing the gap on others. While it is still well back, the US is closing in on Canada on both water-based journeys and beautiful scenery. It has also strengthened its position on ski vacations and other winter activities, although Canada continues to have a formidable lead in these areas. In addition, the US has advanced its lead over Canada on both national parks and resorts in natural settings. Moreover, it has generally improved its standing on several city and cultural-related activities this year.

For every winner, there is a loser, with New Zealand seeing some of its rankings slide in 2011. While none of these shifts specifically benefitted Canada, they did permit Canada to pull away from New Zealand on key nature products like national parks and resorts in natural settings.

Exhibit 7.1 Competitive Positioning

	1	2	3	4	5	6	7
Ski and snowboard vacations	CAN 80%	USA 51%	NZ 23%	AUS 7%	SAF 4%	IND 3%	THA 2%
Participating in other winter activities	CAN 79%	USA 49%	NZ 21%	AUS 7%	SAF 4%	THA 3%	IND 3%
Water-based journeys of one or more nights	CAN 48%	NZ 43%	USA 38%	AUS 34%	SAF 12%	THA 11%	IND 5%
Seeing beautiful scenery	NZ 57%	CAN 53%	AUS 35%	USA 34%	SAF 27%	THA 19%	IND 13%
Visiting national parks and protected areas	USA 55%	CAN 40%	AUS 38%	SAF 38%	NZ 32%	IND 9%	THA 8%
Exploring vibrant cities that are in close proximity to nature	AUS 42%	CAN 33%	SAF 31%	NZ 30%	USA 30%	IND 24%	THA 22%
Resort experiences in natural settings	USA 57%	CAN 33%	AUS 30%	SAF 26%	NZ 24%	THA 17%	IND 7%
Multi-day touring on your own by car or train	USA 60%	AUS 44%	CAN 42%	NZ 35%	SAF 13%	IND 10%	THA 9%
City activities (e.g., sightseeing, shopping)	USA 73%	AUS 42%	CAN 38%	NZ 17%	THA 16%	SAF 11%	IND 10%
City cultural experiences	USA 62%	AUS 36%	CAN 33%	IND 19%	NZ 18%	THA 14%	SAF 12%
Exploring nature in close proximity to a cosmopolitan city	AUS 40%	SAF 33%	CAN 32%	USA 30%	NZ 30%	IND 18%	THA 17%
Observing wildlife in their natural habitats	SAF 58%	AUS 40%	CAN 31%	NZ 24%	IND 23%	USA 21%	THA 13%
Attending major events	USA 69%	AUS 46%	CAN 27%	NZ 17%	SAF 17%	IND 10%	THA 5%
Entertainment experiences	USA 80%	AUS 31%	CAN 22%	THA 19%	SAF 12%	NZ 9%	IND 4%
Land-based journeys of one or more nights	AUS 42%	NZ 41%	USA 38%	CAN 37%	SAF 16%	THA 12%	IND 10%
Participating in summer activities	AUS 52%	NZ 48%	USA 43%	CAN 34%	SAF 23%	THA 11%	IND 7%
Multi-day guided group tours by bus or train	USA 40%	IND 32%	SAF 27%	CAN 27%	AUS 27%	THA 25%	NZ 19%
Attending food/wine festivals and events	AUS 47%	USA 41%	SAF 35%	NZ 31%	CAN 15%	THA 12%	IND 11%
Seeing historical and cultural attractions	IND 51%	USA 36%	THA 35%	AUS 30%	SAF 20%	CAN 19%	NZ 17%
Experiencing a country's unique character and local lifestyles	IND 50%	THA 48%	AUS 30%	SAF 28%	NZ 24%	USA 21%	CAN 17%
Participating in culinary learning experiences	IND 32%	THA 31%	USA 30%	AUS 28%	SAF 23%	NZ 19%	CAN 14%
Sampling local flavours	THA 62%	IND 59%	SAF 30%	USA 22%	AUS 19%	NZ 13%	CAN 12%
Experiencing aboriginal culture and attractions	AUS 71%	NZ 34%	IND 19%	SAF 19%	THA 14%	USA 11%	CAN 9%

Base: Long-haul pleasure travellers (n=2,011).

Notes: Figures represent the percentage of respondents choosing the destination among the top 3 places to go for each attribute.

Legend: CAN = Canada, USA = United States, AUS = Australia, NZ = New Zealand, THA = Thailand, IND = India, SAF = South Africa.

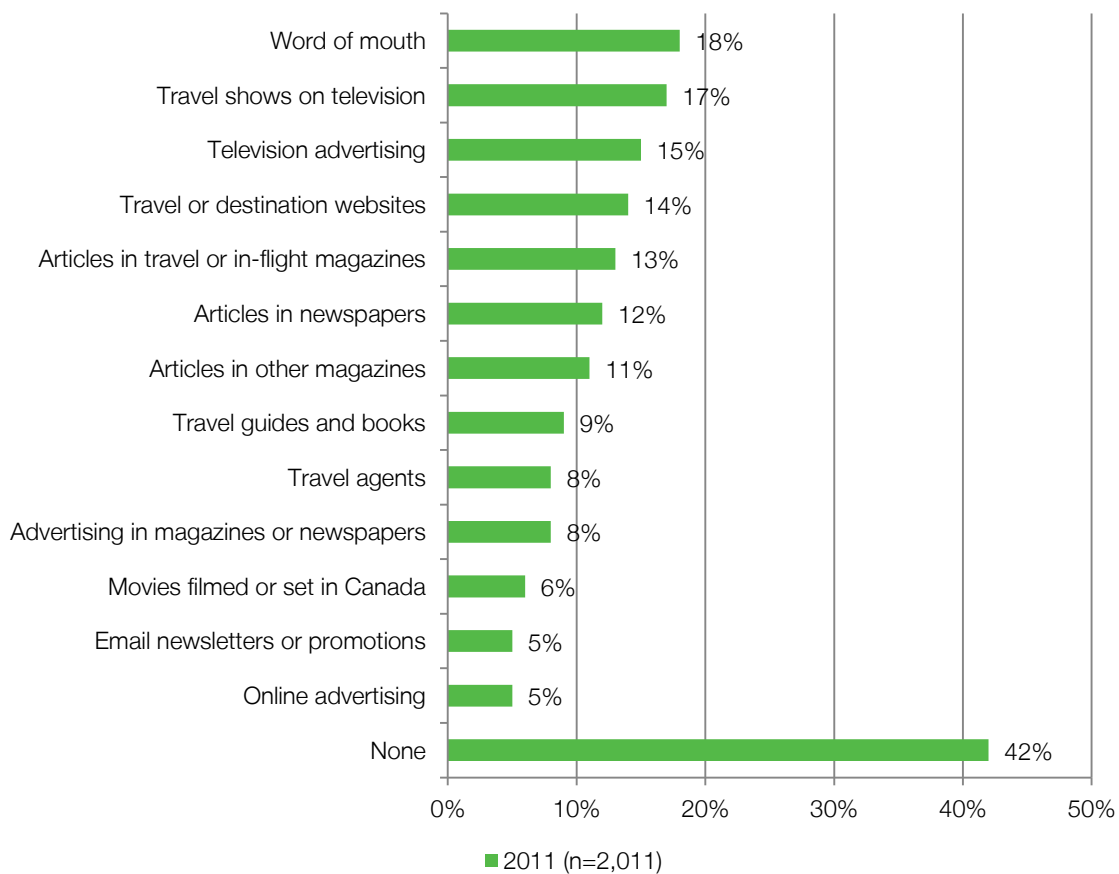
8. Sources of Information on Canada

As shown in [Exhibit 8.1](#), the proportion of UK travellers who report seeing information on Canada in the past three months sits at just under 60%. This is up from 2010 (53%), but about the same as in 2009 (60%).

The top source of information on Canada among UK travellers is word of mouth (18%), followed closely by travel shows on television (17%). Television advertising, travel/destination websites and articles in travel magazines round out the top five sources (ranging from 13% to 15%). Print media would also serve as excellent vehicles to reach UK travellers, including newspapers, non-travel related magazine, travel guides/books and magazine/newspaper advertising.

Despite the ever increasing transition to online media, outside of travel/destination websites, online methods do not rate very highly as sources for information about Canada. In fact, online advertising and email promotions top the list at only 5% each, pointing to their suitability for more targeted campaigns.

Exhibit 8.1 top sources of information on Canada in the past three months
(showing top 13 sources only)



Base: : Long-haul pleasure travellers (n=2,011)

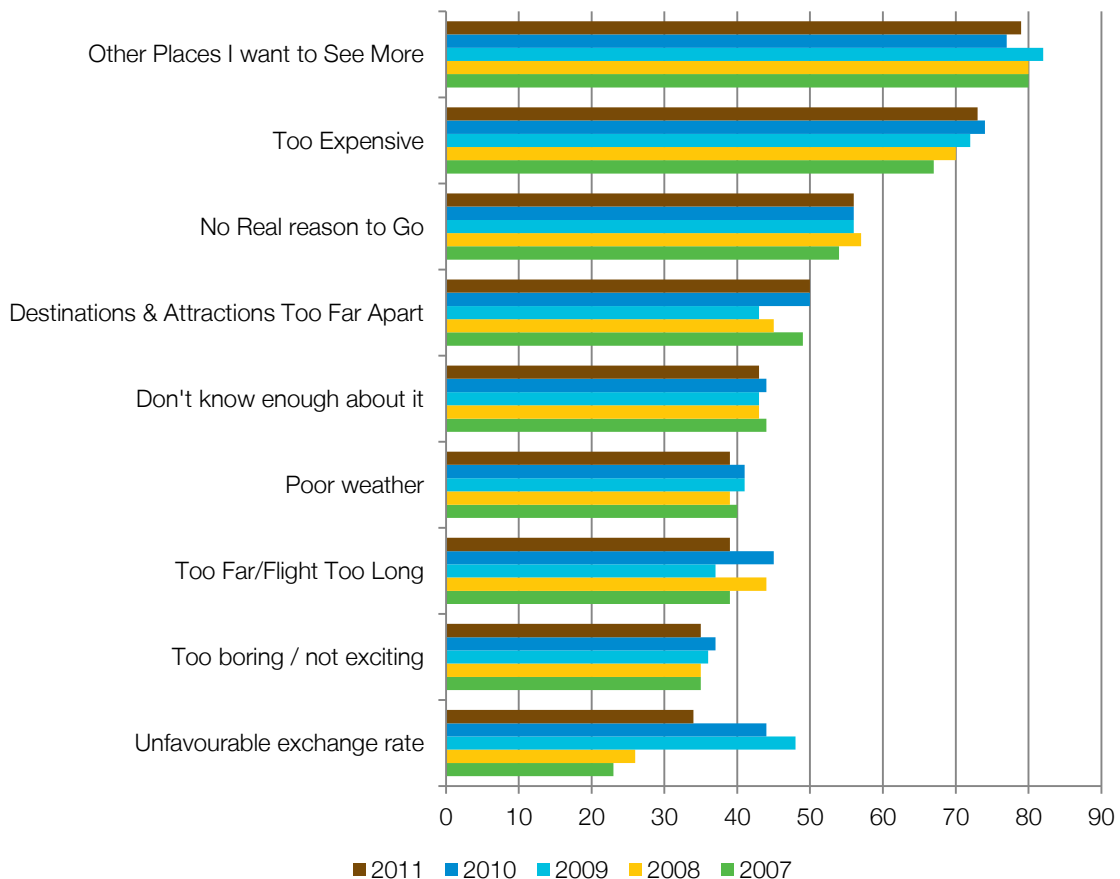
Note: Question changed in 2011, so results are not comparable to previous years.

9. Key Barriers for Travel to Canada

Exhibit 9.1 shows why long-haul travellers from the UK 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.

As in many of the international markets conducted to date, the barriers to visiting Canada have eased. Following the same path as the general travel barriers, “unfavourable exchange rates” as a measure has dropped significantly in 2011. Other practical travel barriers are also down, including travel time to get to Canada, distance between key destinations and attractions, and airport/border hassles. From an image standpoint, Canada should benefit from declines in the perception that there is not enough to do there. In addition, there has been a steady decline in the proportion of past visitors who feel that they’ve “been there and done that,” boding well for repeat visits.

Exhibit 9.1 Key Barriers for visiting to Canada
(showing top 9 barriers only)



Base: : Long-haul pleasure travellers who are unlikely to visit Canada in the near future.

Note: Percentage is the sum of major barrier and minor barrier responses.

10. Conclusions: Key Take-Aways

The UK market was among the hardest hit by the global economic meltdown, and most indicators suggest it will be some time before it digs itself out of its weakened position and restores the economy to pre-recession levels.

- In addition to sluggish GDP growth, several factors are contributing to the poor travel sentiments in this market. The continued weakness of the British pound is taking its toll on travellers, while an increase in the VAT, high inflation and sweeping austerity measures to counter the UK's massive national debt are reducing discretionary income. Add to all of this the economic and political unrest in Europe, the Middle East and Africa, striking airline workers, bankrupt air carriers and rising fuel and air travel prices, and it is little surprise that long-haul tourism continued to be dampened in 2011.
- The lingering effects of the downturn continue to affect outbound tourism in 2011, with the size of the long-haul pleasure travel market down markedly from 2007. Not surprisingly, the market outlook indicator continues to veer downward, with affordability and the poor economy emerging as the top two long-haul travel barriers this year. The good news is that, despite a slippage in the likelihood of taking short getaways to Canada and add-on trips from the US, the likelihood of taking longer vacations remain stable, as does overall travel intentions.
- The Value Perceptions have remained flat for the duration of the GTW. The Price Perceptions have yet to recover from recession-induced declines as they remain well below the 2007 high. Restoring the Price Perceptions (particularly perceptions of airfare costs) will be critical for the Canadian tourism industry, although the struggling British pound, soaring loonie and escalating fuel costs will make this a formidable challenge that needs to be addressed with creativity and ingenuity.
- The true key to improving Canada's brand health in the UK, however, is to boost the components of the Value Perceptions, particularly quality and relevance. Canada continues to be seen as a relatively costly destination that hasn't necessarily earned the reputation of delivering enough value to justify the price. While the proportion is rising, well under half of UK travellers currently rate Canada as a destination they would pay a little more for (i.e., quality). The relevance of Canada's tourism experiences also continues to be a challenge, but is important to address given its ongoing influence as a driver of travel intentions. As with all Canadian exporters, the tourism sector needs to grasp the realities of a higher dollar and find ways to improve perceived quality, relevance, and ultimately value. UK travellers are travelling less today, and when they do, they are looking for more bang for their buck.
- While Canada continues to hold onto the top spot on the "Active Adventure" category, its leadership position is being challenged by the US, who is on the verge of catching up to it. Canada's position on this product category continues to be largely propped up by a dominating position on ski and winter vacations, products that hold only a niche appeal in the UK. These results suggest a need to improve Canada's position on attributes beyond skiing and winter activities, with good places to start being overtaking New Zealand on scenery, and re-entrenching summer activities and resorts in natural settings as general product strengths.

- Multi-day touring on one's own and land-based journeys are both viewed as product strengths for Canada that could be more aggressively marketed to improve Canada's current positioning. With city activities having already shifted into a general strength, the next steps for Canada might be a similar push for nature close to cities and cities close to nature (as these are currently bordering on general strengths). Not only is Canada in a fairly good competitive position on these products, but they are differentiators where Canada may have a leg up on its competitors in terms of its product inventory.