Canadian Tourism Commission

Commission canadienne du tourisme

Global Tourism Watch

2012 US Summary Report

Canada

Table of Contents

1. Introduction

The Canadian Tourism Commission (CTC) began conducting the annual Global Tourism Watch (GTW) program in 2007. The primary purpose of this research program is to expand the base of consumer-based intelligence in 12 key markets.

The study approach has changed slightly for 2012 and 2013, the sixth and seventh years of the program, with the GTW being conducted in approximately one half of the markets in one year and the other half in the next. This new cycle will allow the CTC and its partners to maintain an up to date pulse on all key markets, while, at the same time, focusing on fewer individual countries in any given year creating some cost efficiencies. Eight markets were included for 2012: Canada, the US, the UK, Germany, Australia, China, South Korea, and Brazil. In 2013, the study will be conducted in six countries – Japan, France, Mexico and India in addition to Canada and the US.

The overall objectives of the GTW study are to:

- Monitor awareness, travel intentions, and other key market indicators for Canada and the regions;
- Assess perceptions of Canada and track brand performance against the competitive set over time;
- Identify the general experiences sought by travellers, assess Canada's competitive positioning on key products and identify growth opportunities;
- Identify motivators and barriers for travel to Canada; and,
- New for 2012: Explore the role of social media and advocacy in the tourism context.

In response to a rapidly changing travel marketplace, the CTC and TNS worked together to substantially revise and update the questionnaire prior to the 2012 fieldwork. This was done to better reflect current travel realities and to gather more in-depth information on Canada's competitors in each market. The new GTW data permits direct comparison of Canada to those competitor countries unique to each market. The CTC has designated the UK, Australia, Germany, France, Italy and Mexico as the competitive set for Canada in the US market.

Methodology

In 2012, a web-based panel survey was conducted by TNS. The US target population for the online survey was residents aged 18 years and older, who had taken an international pleasure trip where they had stayed at least 1 night in paid accommodation in the past 3 years or plan to take such a trip in the next 2 years.

Data was gathered from 3,062 respondents in the US, including 1,066 recent visitors to Canada. Regional quotas were also in place. Data was collected in June 2012.

2. Key Take-Aways

The US was hard hit by the economic downturn and has been slow to recover. Economic conditions are slowly beginning to stabilize with GDP growth of 2.2% in 2012 and forecasted growth of 3.1% by Q3 of 2013. Unemployment is also expected to fall. The US is the second largest travel market globally with expenditures of $79 billion in 2011. Outbound travel from the US has been on a downward trend since the economic crisis began, declining an average at 2% per year (down from 64 million trips in 2007 to 58.7 in 2011). Modest increases are expected in 2013 as overall economic conditions improve.

- Improving economic conditions have led to a slight improvement in the market outlook indicator this year as more US travellers believe they will travel more in the coming 2-3 years than they did in the past 2-3 years. The indicator stands at +29 in 2012, up from +28 in 2011. This indicator is now equivalent to 2008.
- Despite signs the economy is on the rebound, Americans remain jittery as evidenced by the most cited possible barriers to future international travel – affordability and adverse economic conditions. US travellers also express concern about personal safety and international conflict. Canada can capitalize on these concerns by emphasizing the price advantages of a vacation close to home and the relative safety of a Canadian holiday.
- When US travellers think of international travel, Canada is well down the list (unaided), typically behind major Europe destinations, Mexico and Australia. Canada fares better on aided measures, coming 1st on aided awareness and 2nd (behind Italy) on aided consideration.
- Canada is the #1 past destination of US travellers with 56% having visited sometime during their lifetime. Since a slight majority of US travellers have visited previously helps to explain the lack of urgency to visit Canada.
- While the South region is the most populous and has considerable interest in Canada, particularly Western and Northern Canada, realistically the Border states represent the best opportunity for the Canadian tourism industry. Travellers residing in the Border states have an higher incidence of international travel, are considerably more likely to have been Canada previously, as well as higher than average awareness and consideration of Canada on both aided and unaided measures.
- US travellers see Canada as “Friendly” (behind Australia) and “Liberal” (behind France). Canada finished 3rd for “Beautiful”, “Informal”, and “Energetic” (behind a combination of Australia, Italy, and Mexico). Given Canada’s relatively strong association with these traits suggests they can be leveraged successfully in future marketing efforts.
- In the minds of US travellers, Australia dominates in the brand and value realms while Mexico and Canada are the clear leaders on price. Price perceptions show Canada is 1st in affordable air travel and in 2nd place to Mexico in reasonable land costs and value for money. Given that US travellers are nervous about the economy and their ability to travel, Canada can play up the cost advantages of a Canadian vacation. As brand and value perceptions are important in destination preference, Canada must continue to work to improve in these areas to rebuild US visitation.

- US travellers seek nature, culture, and unique / local experiences on international trips. They also value urban experiences with an emphasis on entertainment and cultural activities.
- Canada captures 1st place in five categories associated with nature and winter activities. Most notably, Canada is strongly associated with beautiful scenery, the #1 tourism experience of US travellers. Canada is also linked with cities close to nature and national parks. Australia is a formidable competitor on all nature-based experiences while European destinations are valued for culture experiences. To see greater success in the US market, the Canadian tourism industry needs to emphasize the diversity of outdoor experiences to be found in close proximity to urban areas.
- US travellers have a moderately long trip-planning process (5.4 months) and booking cycle (3.9 months). Traditional US travel periods more or less align with Canada's, therefore promotional activity in the spring months, to capture the peak summer market, and in the fall for the winter market are warranted.
- Canada tends to draw a relatively homogeneous market – 55+ years, well educated, retired, and from high income households. Future visitors are slightly more diversified, but the challenge for Canada is to broaden the destination's appeal beyond traditional markets.
- The top barrier to visiting Canada was that other destinations hold more appeal and a further 18% just do not feel compelled to visit. As past visitation to Canada is high, results suggest Canada may be experiencing destination fatigue. Perceived high prices in Canada are also a barrier with more than a quarter of respondents citing expense, especially gasoline which 20% of respondents mentioned. This is a critical factor as a large percentage of trips north are by vehicle.
- Results show that the majority of US travellers pick the destination first, while budget considerations are of primary concern to a smaller portion of the market. This is particularly true for recent visitors to Canada suggesting that getting Canada on US travellers' short list of destinations is key to further success in this market.
- 65% of respondents recall information on travel opportunities to Canada within the past year. Personal recommendations are the primary information source, followed by traditional off-line sources such as TV shows, magazine articles, television advertising and travel guides. Information obtained via social networks is currently the 7th most cited source on Canadian travel opportunities.
- The most popular activity during a trip to Canada was online trip planning research while one-quarter of recent visitors used social networks to share experiences. Nearly a quarter mailed postcards. A trend to watch is the increasing use of mobile phones to share information.
- Post-trip sharing is heavily focused on in-person interactions now, although sharing through social networking is likely to grow and will be monitored.

3. Market Health and Outlook

US Market Conditions & 2013 Outlook

The US is the second largest outbound travel market with expenditures of $79 billion in 2011, preceded only by Germany. Outbound travel from the US has been on a downward trend since the economic crisis hit in 2008, declining on average at 2% per year (down from 64.0 million trips in 2007 to 58.7 million in 2011). This market contraction is prolonged by the slower than expected economic recovery.

Despite its premier economic standing in the world, economic conditions in the US are sensitive to overall global economics. The US presidential election in late 2012 also caused more uncertainty which impacted economic recovery and travel. Despite these challenges, economic conditions are slowly beginning to stabilize with GDP growth of 2.2% forecast for 2012 and increases of 3.1% by Q3 of 2013. In addition, the unemployment rate is projected to fall to 7.8% in 2013.

Over half of Americans' international trips were within North America, with Mexico being the top destination and Canada receiving approximately 20% of the traffic. Unfortunately, Canada's share has steadily declined over the past decade (Canada received 28% of the total outbound travellers in 2002). Despite the declines in visitation, the US remains Canada's largest source market accounting for 62% of visitor volume (estimated 11.9 million visitors in 2012).

As economic conditions improve, US international travel is expected to experience increases as already witnessed in Q2 of 2012 when outbound travel was up 3.4% over the previous year. US travel to Canada was up 2.2% during the same period. This positive movement is expected to continue into 2013 as overall economic conditions brighten.

Some key trends related to economic uncertainty are evident in the 2012 GTW results. This year's result show a moderate decline in international travel incidence with 73% of respondents reporting an international trip in the past 3 years, down from 79% in 2011. The proportion of frequent travellers (3+ long-haul trips in the past 3 years) dropped slightly to 22% this year (down from 23% in 2011).

US travellers appear marginally more optimistic about the country's economic future this year as reflected in the market outlook results (difference between those who say they will travel more in the coming 2-3 years versus the past 2-3 years). This indicator rose to +29 in 2012, up from +28 last year.

In 2012, all respondents were asked what factors they could foresee curtailing future long-haul travel. Concerns over the economy predominate with almost half fearing they will not be able to afford an international trip and one-third citing the poor economy as a possible reason not to travel. Related to this concern are the perceived lack of good deals (21%) and unfavourable exchange rates (13%). The prevalence of these fears illustrate the impact of the slow economic recovery and perceived fragility of the US economy on Americans' psyche. Safety is also top of mind for US travellers with safety concerns being cited by one-quarter of respondents and almost as many mentioning international conflicts and war. Clearly emphasizing the relative affordability and safety of a Canadian vacation should resonate with jittery US travellers.

4. Market Potential

Exhibit 4.1 provides an estimate of the size of the potential market for Canada in two ways – the macro target market and immediate potential.

The target market is a broader estimate of the market size based on expressed interest among all US international travellers (market size estimate derived from the 2010 omnibus study of the US adult population). The proportion of GTW respondents who are definitely, very interested, or somewhat interested in Canada in the next 2 years is applied to broader traveller population to come up with an target market estimate of 65.2 million.

The immediate potential is a more conservative estimate based on GTW respondents who say they are definitely or very likely to visit Canada in the next 2 years. This translates into a market of 35.7 million travellers with more immediate potential for conversion. While the immediate market estimate is up by approximately 7 million from 2011, the result is not directly comparable to previous years due to a change in the question wording.

Exhibit 4.1 – Size of the Potential Market to Canada (Next 2 Years)

	Border (n=1,020)	Mid-Haul (n=1,006)	South (n=1,036)
Total potential international pleasure travellers (aged 18 plus)	13,169,000	22,453,000	45,287,000
Target Market for Canada			
Definitely / very / somewhat interested in visiting Canada in the next 2 years	82%	83%	79%
Size of the target market	10,799,000	18,636,000	35,777,000
TOTAL		**65,212,000**	
Immediate Potential for Canada			
Will definitely / very likely visit Canada in the next 2 years [1]	52%	46%	41%
Immediate potential	6,848,000	10,328,000	18,568,000
TOTAL		**35,744,000**	

Base: International pleasure travellers (n=3,062)
[1] Includes respondents likely to visit Canada on a trip of one to three nights or a trip of four nights or more.

Exhibit 4.2 shows the immediate potential for the regional partners of the GTW study based on stated levels of interest expressed by those intending to visit Canada in the next 2 years. The immediate potential for the most popular regions (Ontario, British Columbia, and Quebec) is considerable, with each of these regions of interest to over 18 million travellers.

In terms of destination preferences, US travellers intending to visit Canada are most inclined to visit Vancouver, Niagara Falls, Toronto, and Montreal. Interest in Niagara Falls is on the rise, which is in the #2 spot now, up from #3 in 2011.

Exhibit 4.2 – Market Potential for the Regions

	ON	BC	QC	AB	ATL CAN	YK	NWT	MB	SK	NU
Immediate potential for Canada					35,744,000					
Likely to visit region	68%	66%	52%	36%	32%	11%	10%	8%	7%	3%
Immediate potential for the regions (000s)	24,300	23,600	18,600	12,900	11,400	3,900	3,600	2,900	2,500	1,100

Base for percentages is those likely to visit Canada on a trip of 1-3 nights or 4+ nights in the next 2 years trip there (n=2,337).

5. Competitive Environment

The GTW tracks Key Performance Indicators (KPIs) for Canada in areas such as unaided and aided destination awareness, unaided and aided destination consideration, and market penetration.

Exhibit 5.1 summarizes the 2012 KPIs for Canada. On an unaided basis, 20% of US respondents mentioned Canada as a travel destination behind Italy, the UK, Mexico, France, and Australia. On an aided basis, 45% of US travellers claim to be knowledgeable about vacation opportunities north of the border, good enough for 1st place. From a trending perspective, unaided awareness of Canada has risen slowly over the past 6 years, but the country's 6th place ranking remains unchanged over the entire period suggesting other destinations are doing a better job of capturing the attention of American travellers. On an aided basis, Canada consistently places first which may be related to past visitation; more than half of US travellers have been to Canada during their lifetime, good enough for 1st place. Almost as many (49%) have been to Mexico, with the UK a distant 3rd.

On unaided destination consideration, Canada places 3rd behind Italy and Mexico. On an aided basis, Canada places 2nd to Italy, narrowly ahead of Australia. From a trending perspective, unaided consideration of Canada has remained constant at 12% over the past 6 years, yet this is the first year Canada is ranked 3rd overall (up from 4th in past years). Aided awareness jumped to 80% this year, good enough for 2nd place overall, but the increase is largely due to a change in the question scale making this year's result not directly comparable to previous years.

Exhibit 5.1 – Key Performance Indicators for Canada – Summary

Indicator		All International Travellers (n=3,062)
Destination Awareness		
Unaided awareness of Canada (roll-up)	% who said Canada or a destination in Canada	20% (6th)
Aided awareness of travel opportunities in Canada	% with excellent / very good knowledge of travel opportunities in Canada	45% (1st)
Past Visitation		
Overall market penetration	% who have ever visited Canada for pleasure	56% (1st)
Intentions		
Unaided destination consideration	% who mentioned Canada or a destination in Canada on their consideration list (for trips in next 2 yrs)	12% (3rd)
Competitive positioning on destination consideration	Rank on the consideration list relative to competitors (roll-up)	3

One of the key objectives of the GTW study is to measure traveller response to Brand Canada across all key global markets. For 2012, the study focus changed somewhat to measure personality, value, brand, and price perceptions against key competitors rather than Canada in isolation as was done previously.

In terms of personality trait association, Canada's top results were 2nd place finishes for "Friendly" (behind Australia) and "Liberal" (behind France). Canada was awarded 3rd place finishes for "Beautiful", "Informal", and "Energetic", behind a combination of Australia, Italy, and Mexico. Given Canada's relatively strong association with these traits suggests they can be leveraged successfully in future marketing campaigns. Notably, Canada came last in "Authentic" and "Intriguing" most likely due to perceived similarities between the US and Canada.

Exhibit 5.2 – Aided Brand Personality Perceptions

	1#	2#	3#	4#	5#	6#	7#	8#
Friendly[1]	AUS 52%	CAN 51%	ITA 33%	UK 27%	MEX 21%	GER 16%	FRA 13%	NONE 5%
Liberal[1]	FRA 35%	CAN 31%	UK 24%	ITA 23%	AUS 22%	NONE 18%	GER 17%	MEX 12%
Beautiful	ITA 57%	AUS 49%	CAN 39%	FRA 38%	GER 23%	MEX 16%	UK 14%	NONE 3%
Informal	MEX 49%	AUS 40%	CAN 38%	ITA 16%	UK 13%	GER 12%	NONE 11%	FRA 10%
Energetic[1]	AUS 41%	ITA 32%	CAN 22%	MEX 22%	GER 22%	FRA 22%	UK 20%	NONE 12%
Witty	UK 34%	AUS 28%	NONE 26%	ITA 20%	CAN 19%	FRA 17%	GER 13%	MEX 8%
Confident	UK 35%	GER 35%	ITA 29%	FRA 29%	AUS 28%	CAN 26%	NONE 14%	MEX 6%
Inspirational[1]	ITA 49%	FRA 33%	AUS 28%	UK 21%	GER 20%	CAN 18%	NONE 14%	MEX 10%
Authentic	ITA 51%	GER 32%	FRA 32%	AUS 31%	UK 25%	MEX 25%	CAN 20%	NONE 6%
Intriguing	ITA 46%	AUS 43%	FRA 33%	GER 28%	UK 21%	MEX 15%	CAN 14%	NONE 9%

Base: International pleasure travellers (2012 n=3,062)
Q10: We would like you to use your imagination for a moment. Consider the following words and pick up to 3 countries you associate with each word
Red text indicates CTC strategic priorities.
[1] New attributes added in 2012.

To be successful, a destination must be perceived as offering value, relevant experiences, and unique tourism products to travellers. To assess brand, value, and price perceptions, respondents were asked to evaluate Canada relative to competing destinations on four brand-, four value-, and three price-related statements.

In the minds of US travellers, Australia dominates in the brand and value realms while Mexico and Canada are the clear leaders on price. Canada's top brand result is a 3rd place for inspiring geography, but it does not fare well in the other three brand categories ranked well below Australia and European competitors. The story is similar on value perceptions, with Canada trailing Australia and European competitors. Concerning price perceptions, Canada is 1st for affordable air travel and it is in 2nd place to Mexico in reasonable entertainment, food and lodging prices, and in value for money. These results suggest Canada can compete on price, but faces numerous challenges convincing US travellers that the destination offers the types of experiences they seek.

Exhibit 5.3 – Brand, Value, Price Perceptions

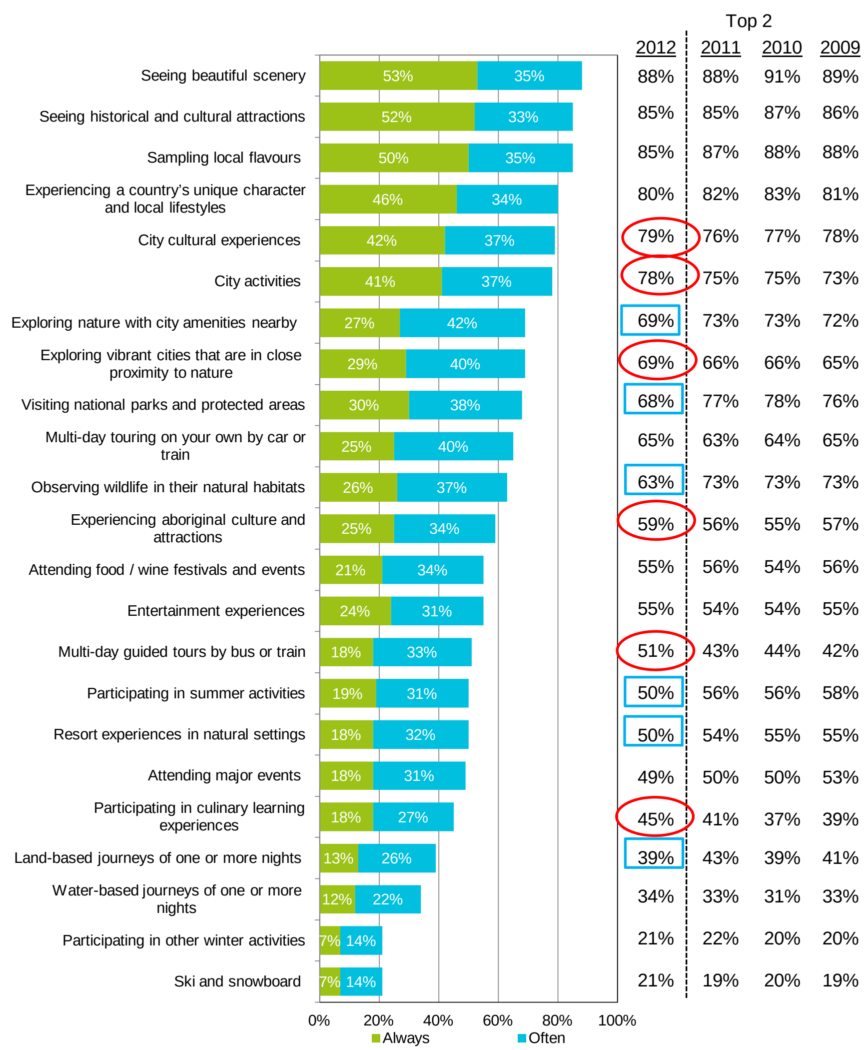
Top-3 Box	Canada	UK	Mexico	Italy	Germany	France	Australia
Brand Perceptions							
A place that inspires me to explore its geography	60%	46%	42%	67%	52%	51%	78%
A place that inspires me to explore its culture	45%	56%	47%	75%	57%	63%	72%
A place that inspires me to meet and engage with its people	51%	52%	40%	66%	49%	45%	72%
A place that offers an authentic experience	52%	57%	52%	73%	58%	64%	77%
Value Perceptions							
A destination I would pay a little more for	32%	39%	24%	56%	37%	44%	60%
A destination with the travel experiences I am specifically looking for	45%	46%	35%	64%	43%	51%	62%
A place with unique features that other destinations don't offer	49%	57%	44%	74%	54%	63%	77%
A dream destination that I would visit if money were no object	42%	51%	29%	70%	47%	57%	73%
Price Perceptions							
A destination that is affordable to get to by air	61%	35%	57%	32%	24%	26%	26%
A destination with reasonable prices for food, entertainment and hotels	53%	35%	59%	42%	30%	26%	40%
A place that offers good value for money	52%	35%	59%	39%	29%	25%	40%

Base: International pleasure travellers (n=3,062)
Q11: We are interested in your general impressions of <Insert country>, as a vacation destination<If country=Canada hide ", even if you have never been there">. On a scale of 1 to 10, where 1 is "strongly disagree" and 10 is "strongly agree," how would you rate <Insert country> on each of the following?
Blue shading shows top performer.

Exhibit 5.4 tracks the product interests of US travellers. It is important to note that the question changed in 2012 to ask about the importance of experiences when choosing a destination rather than when planning a trip. Some of the shifts evident in the 2012 results are attributable to this change and thus, results are not comparable to previous years.

Nature, culture, and unique/local experiences are the top vacation interests of US travellers. However, the urban experiences are also important as are combining city experiences with outdoor activities.

Exhibit 5.4 – Product Interests



Base: International pleasure travellers (2012 n= 3,062)

Q7: We are interested in knowing the types of activities and experiences you are looking for on your international vacations. Please indicate how important each of the following activities is to you when choosing international destinations.

Note: Results not comparable to previous years due to changes in the question wording and to the product list in 2011. Blue squares indicate a result that is significantly lower than 2011. Red circles indicate a result that is significantly higher than 2011.

Exhibit 5.5 shows how Canada ranks against the competition on each product. Canada captures 1st place in 5 categories associated with nature and winter activities. Most importantly, Canada retains 1st place on beautiful scenery, the #1 vacation interest of US travellers. We are also renowned for national parks, another top interest of US travellers. Canada places 2nd in 6 product interests which also involve natural settings and proximity to vibrant cities. Australia is formidable competition on all nature-related experiences. Canada does not fare so well with the activities that Americans can find readily at home, e.g., city activities, festivals, and major events. Nor does Canada do well on highly sought after cultural experiences, which US travellers strongly associate with European destinations.

Canada's best opportunity in the US market is capitalizing on top-ranking activities which are strongly linked with Canada, namely scenery, parks, and nature experiences close to cities. As Australia is strongly associated with these experiences too, the Canadian tourism industry must stress the price advantages of pursuing these activities close to home.

Exhibit 5.5 – Product Interest Associations by Country

	1#	2#	3#	4#	5#	6#	7#	8#
Seeing beautiful scenery	CAN 49%	AUS 47%	ITA 30%	GER 21%	MEX 20%	FRA 20%	UK 13%	NONE 6%
Participating in other winter activities	CAN 47%	GER 24%	ITA 19%	NONE 19%	FRA 17%	UK 11%	AUS 11%	MEX 8%
Visiting national parks and protected areas	CAN 47%	AUS 45%	ITA 16%	GER 15%	UK 14%	MEX 14%	FRA 12%	NONE 12%
Ski and snowboard	CAN 45%	GER 24%	ITA 19%	NONE 19%	FRA 18%	UK 10%	AUS 10%	MEX 8%
Resort experiences in natural settings	CAN 31%	AUS 30%	MEX 26%	ITA 21%	FRA 18%	NONE 18%	UK 14%	GER 13%
Observing wildlife in their natural habitats	AUS 56%	CAN 43%	MEX 17%	ITA 12%	NONE 11%	UK 10%	GER 10%	FRA 9%
Participating in summer activities	AUS 39%	CAN 36%	ITA 25%	MEX 23%	FRA 18%	GER 17%	NONE 15%	UK 14%
Exploring nature with city amenities nearby	AUS 41%	CAN 35%	ITA 24%	MEX 20%	FRA 20%	GER 19%	UK 15%	NONE 13%
Exploring vibrant cities that are in close proximity to nature	AUS 40%	CAN 33%	ITA 30%	FRA 23%	GER 20%	MEX 18%	UK 17%	NONE 11%
Land-based journeys of one or more nights	AUS 36%	CAN 31%	ITA 26%	FRA 22%	GER 19%	UK 18%	MEX 16%	NONE 15%
Water-based journeys of one or more nights	AUS 35%	CAN 31%	MEX 23%	ITA 19%	NONE 19%	UK 12%	GER 12%	FRA 12%
Multi-day touring on your own by car or train	ITA 37%	FRA 32%	CAN 29%	UK 29%	GER 28%	AUS 24%	MEX 11%	NONE 11%
Entertainment experiences	FRA 34%	ITA 31%	UK 28%	CAN 20%	GER 20%	MEX 19%	AUS 19%	NONE 18%
Experiencing aboriginal culture and attractions	AUS 56%	MEX 23%	ITA 19%	CAN 15%	FRA 14%	GER 11%	NONE 11%	UK 10%
City cultural experiences	ITA 56%	FRA 53%	UK 40%	GER 29%	CAN 16%	AUS 16%	MEX 11%	NONE 6%
City activities	ITA 51%	FRA 49%	UK 37%	GER 23%	CAN 21%	AUS 21%	MEX 15%	NONE 7%
Attending food / wine festivals and events	ITA 56%	FRA 50%	GER 32%	AUS 15%	CAN 13%	UK 13%	MEX 12%	NONE 11%
Attending major events	UK 31%	ITA 27%	GER 23%	NONE 23%	FRA 22%	CAN 21%	AUS 19%	MEX 14%
Multi-day guided tours by bus or train	ITA 43%	FRA 36%	GER 30%	UK 29%	AUS 23%	CAN 19%	MEX 12%	NONE 12%
Experiencing a country's unique character and local lifestyles	ITA 47%	AUS 38%	FRA 32%	GER 30%	UK 29%	MEX 22%	CAN 21%	NONE 6%
Sampling local flavours	ITA 63%	FRA 50%	GER 33%	MEX 25%	AUS 19%	UK 15%	CAN 14%	NONE 6%
Seeing historical and cultural attractions	ITA 58%	FRA 47%	UK 40%	GER 35%	MEX 16%	AUS 16%	CAN 13%	NONE 5%
Participating in culinary learning experiences	ITA 56%	FRA 49%	GER 21%	MEX 16%	NONE 13%	UK 12%	AUS 12%	CAN 11%

Base: Always, often and sometimes important in destination selection (Q7)
Q8: Thinking about the following destinations, please select up to three destinations that you personally feel would be the best places to go for each of the following. Your choices can be based on your impressions, or anything that you have seen, heard or read. Select one to three destinations ONLY that you feel are best for each item.

6. Strategic Marketing

US travellers have taken more recent trips to the Caribbean (24%) than to Canadian destinations (20%). Cumulatively, Canada ties with coastal Mexico (17%) and other Mexico (3%) for being the 2nd most visited destination. Within Canada, the top-3 most destinations visits on recent trips were Ontario (9%), British Columbia (5%) and Quebec (3%). The other most visited destinations are in Europe. Interestingly, Australia, which seems to captivate US travellers, places 14th in recent visitation results suggesting that it represents a dream destination for many Americans.

US travellers have a moderately long trip-planning process (5.4 months) and booking cycle (3.9 months). Traditional US travel periods more or less are the same as occur in Canada, therefore promotional activity in the spring months to capture the peak summer market and in the fall for the winter market are warranted. Travel agent consultation is low (34%) and is particularly so among recent visitors to Canada suggesting that the Canadian tourism industry does not need to concentrate on agency relationships. The majority of US travellers travel independently, although 19% went on a cruise and a further 13% went to an all-inclusive resort. Holiday travel predominates, although about one-in-five travellers are visiting friends or family.

Exhibit 6.1 – Most Recent Pleasure Trip Profile

	All International Travellers (n=2,390)
Top Destination(s) Visited	
Caribbean	24%
Canada (net)	20%
Mexico - Coastal Resort Areas (e.g., Acapulco, Cancun, Puerto Vallarta, Los Cabos, Mazatlan, Huatulco, Ixtapa, etc.)	17%
United Kingdom	8%
Italy	7%
Other Europe	7%
France	6%
Germany	6%
Central America (e.g., Costa Rica, El Salvador, Guatemala, Nicaragua, Panama, etc.)	4%
Mexico - Other Regions (e.g., Mexico City, Monterrey, Guadalajara)	3%
Other South America (e.g., Argentina, Chile, Colombia, Ecuador, Paraguay, Peru, Venezuela, etc.)	3%
China	3%
Southeast Asia (e.g., Cambodia, Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam, etc.)	3%
Australia	3%
Amount of Time Before Departure When Trip Planning was Started	
Average months	5.4
Amount of Time Before Departure When Trip was Booked	
Average months	3.9
Trip Type	
Travel independently	50%
Combine independent travel with some guided tours for parts of the trip	12%
A fully escorted or guided tour	7%
All inclusive or semi-inclusive resort stay	13%
A cruise	19%
Trip Purpose	
Holiday	67%
Visited friends or relatives	17%
Personal reasons (e.g. wedding, reunion, etc.)	9%
Business	4%
Study	2%
Travel agent involvement	34%

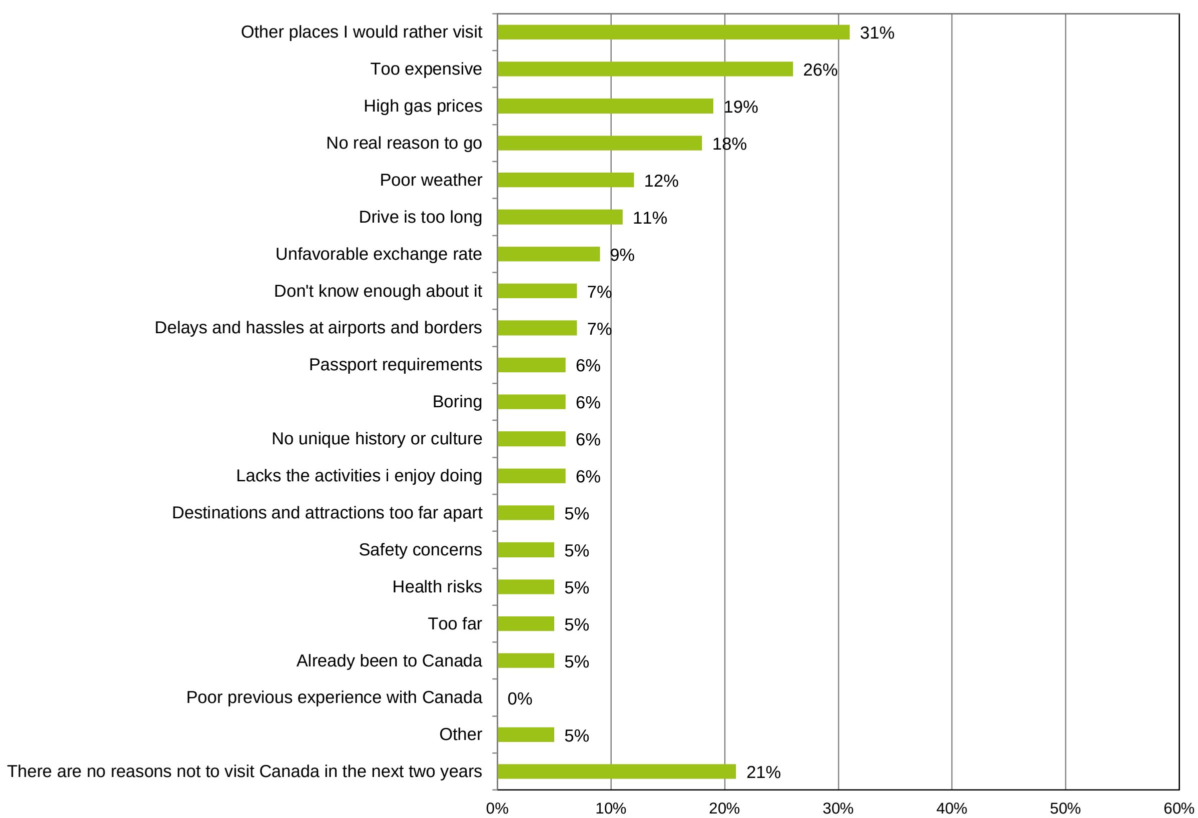
Base: Those who have taken an international pleasure trip in the past three years

Recent visitors to Canada are a relatively homogenous group, with the majority being 55+ years, well educated, retired and from high income households. Having friends and relatives in Canada is a big draw for recent visitors and those considering Canada for a future trip.

All respondents were asked what factors may prevent them from visiting Canada in the short-term. The top reason was that there were other destinations that had more allure. No doubt a large part of this market, because of the proximity, had visited Canada before and may be experiencing destination fatigue. Also, about one-in-five respondents just do not feel compelled to make the trip suggesting that the Canadian tourism industry has to do more to convey relevant experiences to US travellers.

More than a quarter of respondents also find Canada too expensive. Related to this barrier are high gas prices which were referenced by about one-in-five US travellers. This is a critical factor as a large percentage of trips north are by vehicle, some of which require large refills, e.g., RVs. One-fifth of respondents said there was no reason not to visit Canada.

Exhibit 6.2 – Key Barriers for Visiting Canada

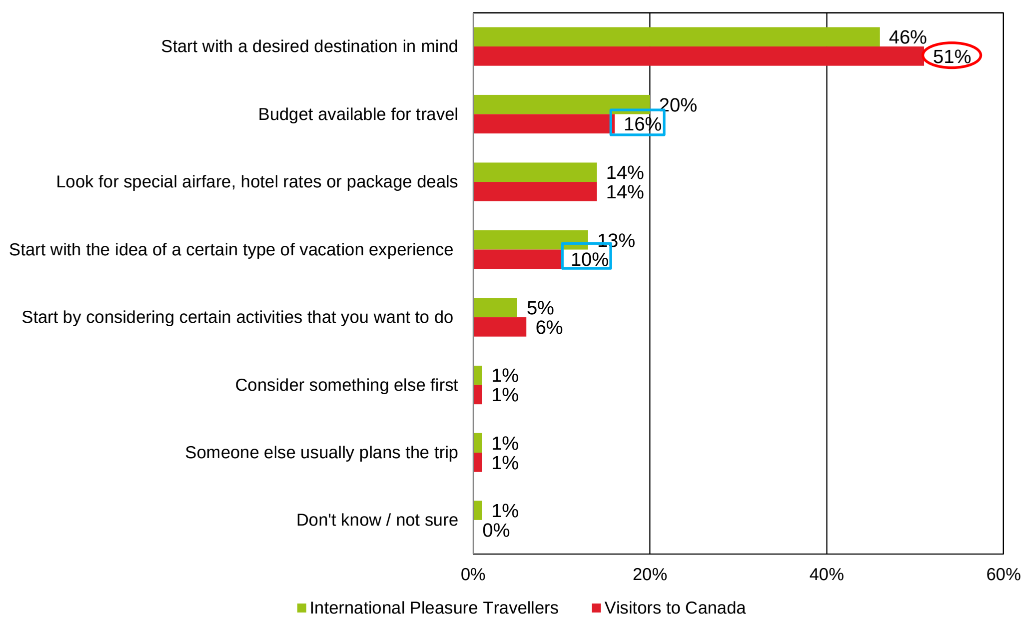


Base: International pleasure travellers (n= 3,062)
Q18: Please indicate which of the following reasons could prevent you from visiting Canada in the next two years.

A new question asked travellers what one factor is the first consideration in trip planning. Results show that the majority of US travellers pick the destination first, while budget considerations are of primary concern to a smaller portion of the market. This result suggest once a US resident has decided they have the means to travel, cost is secondary. This is particularly true for recent visitors to Canada, more than half of whom indicated their first concern was the destination they want to visit.

This result suggests getting Canada on the short list of destinations US travellers are considering is key to seeing greater success in the market.

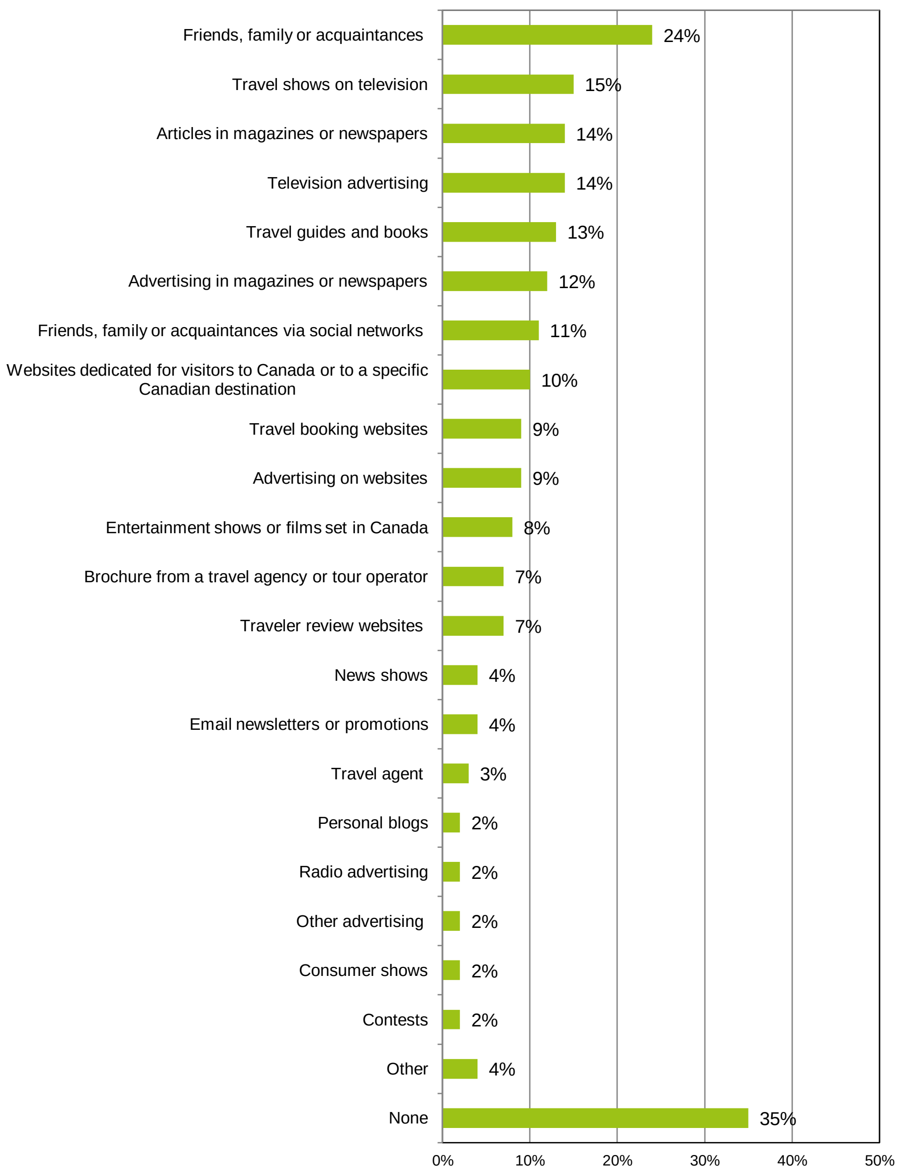
Exhibit 6.3 – One Factor Typically Considered First When Planning a Trip



Base: International pleasure travellers (n=3,062). International pleasure travellers who visited Canada in the past three years (n=1066)
QS9: What one factor do you typically consider first when planning an international trip?

Sixty-five percent of respondents recall information on travel opportunities to Canada within the past year. Friends and family were cited as the primary information source this year, which marks a change from previous years when TV travel shows were the top source. Traditional off-line sources such as TV travel shows, print articles, television advertising and travel guides are also important. Information obtained via social networks is on the upswing and is currently the 7th most cited source. Facebook is the most popular social networking site, with almost three-quarters of US travellers reporting use in the past 3 months, followed by YouTube (43%) and Twitter (22%).

Exhibit 6.4 – Sources of Information on Canada in the Past Year



Base: International pleasure travellers (2012 n= 3,062)

Q20: In which of the following sources, if any, did you see or hear information about travelling to Canada during the past year?

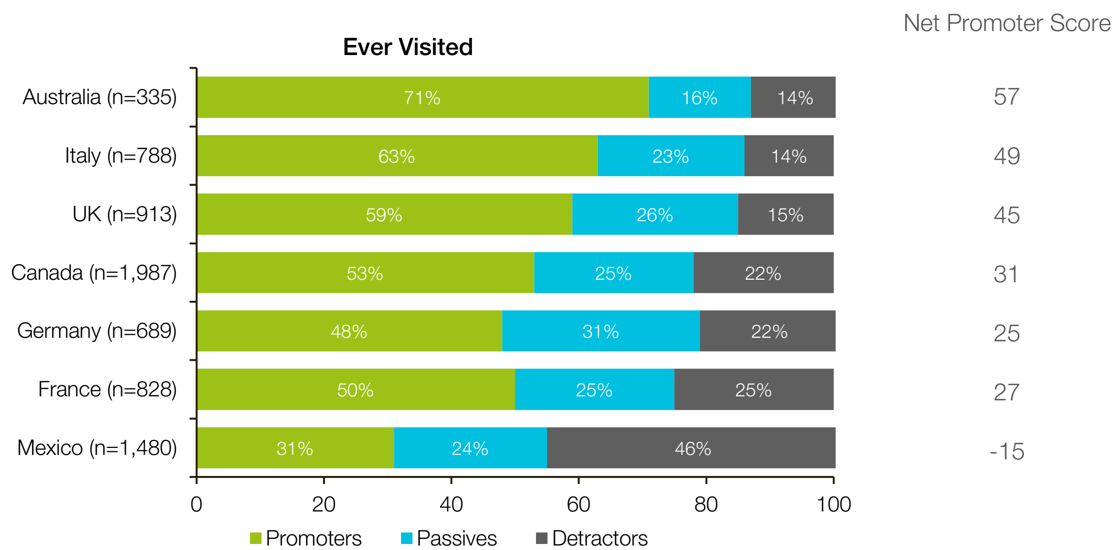
Note: Results not comparable to previous years due to changes to the statement list in 2012.

[1] Travellers Interested in Canada: those who are definitely interested in visiting Canada in the next 2 years (n=879).

A series of questions on advocacy and social media usage were added in 2012 to understand the evolving role these channels are playing in the tourism sphere and uncover ways the CTC and partners can effectively have influence.

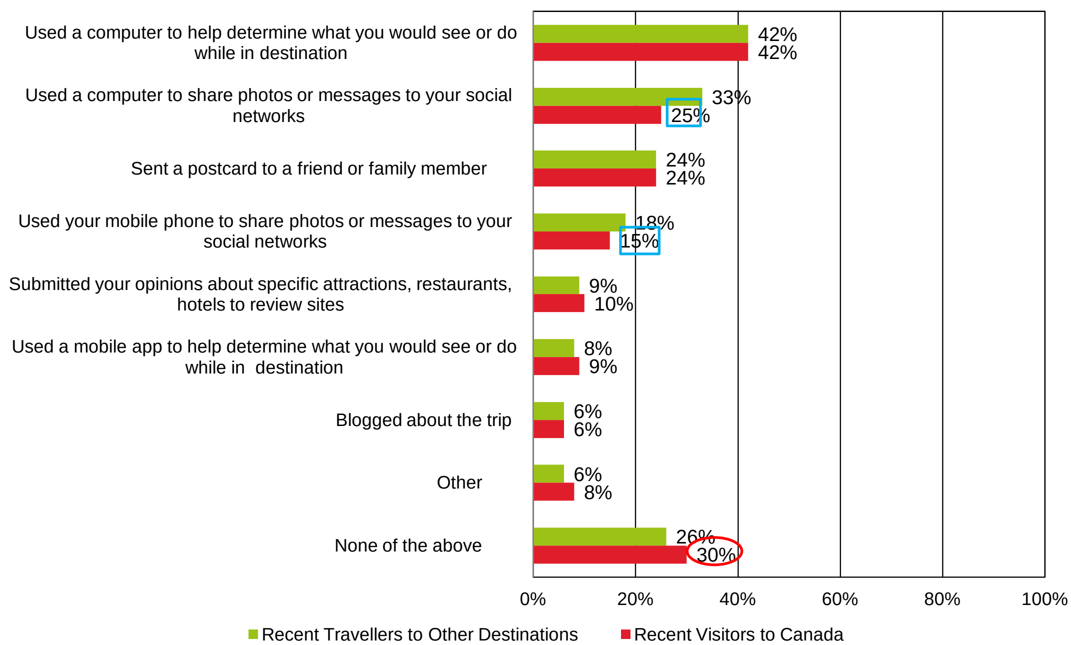
The Net Promoter Score is an established tool to measure a respondent's likelihood to recommend a product or service to friends and family. Data was gathered among all respondents, but results from past visitors to each destination are the most telling and are presented below. Canada scored in the middle of the pack (4th of 7 countries) well behind Australia, Italy and the UK. Further research to explore why top-performing nations outscored Canada may prove enlightening.

Exhibit 6.5 – Net Promoter Score Results



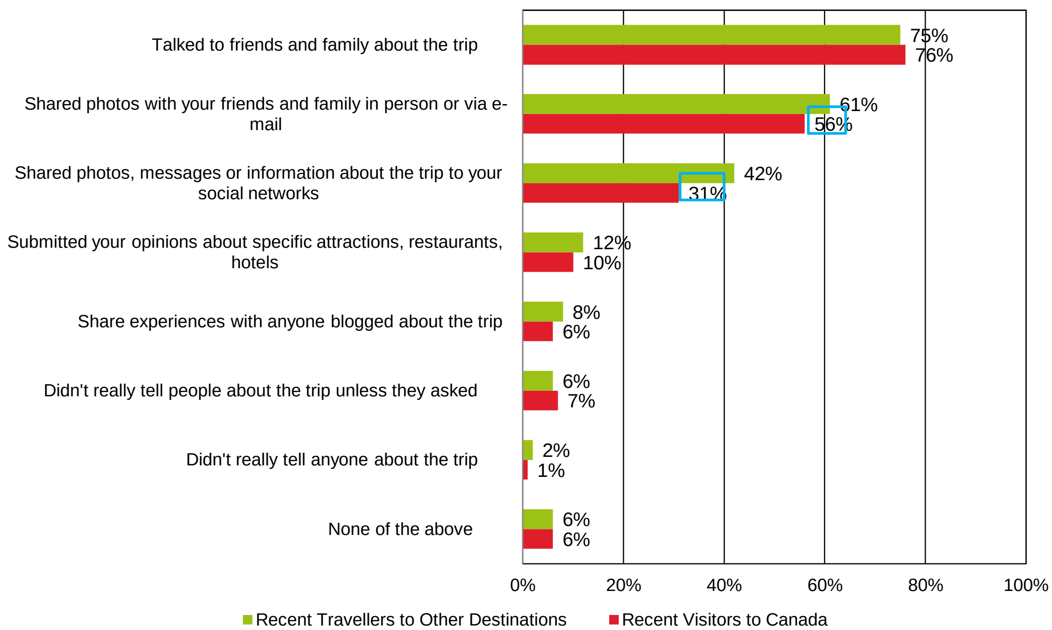
Two new questions asked US travellers about sharing behaviour during and after their trip. During the trip, the most popular activity among all travellers was online trip planning research (42%) while approximately one-quarter used a computer for social networking. Nearly a quarter sent postcards. A trend to watch is use of mobile phones to share experiences via social networks. Visitors to Canada are less likely to report social networking use, which is likely age-related. Also noteworthy is that 25% of respondents did not participate in any sharing behaviour on their recent trip, with this behaviour more prevalent among recent visitors to Canada.

Exhibit 6.6 – During the Trip: Sharing Experiences / Seeking Advice



Post-trip sharing is heavily focused on in-person interactions, although sharing via social networking is likely growing and will be monitored over time. Once again, recent visitors to Canada are less inclined to share through social networking.

Exhibit 6.7 – After the Trip: Sharing Experiences



Base: Recent travellers to other destinations in the past 3 years (n=1,324). Recent travellers to Canada in the past three years (n=1,066)
Q31: During your recent trip to <country>, did you share your trip experiences with anyone or seek advice? (Select all that apply)
Q32: After coming back from your trip did you share experiences with anyone?
Note: Blue squares indicate a result that is significantly lower than the other group; Red circles indicate a result that is significantly higher than the other group.