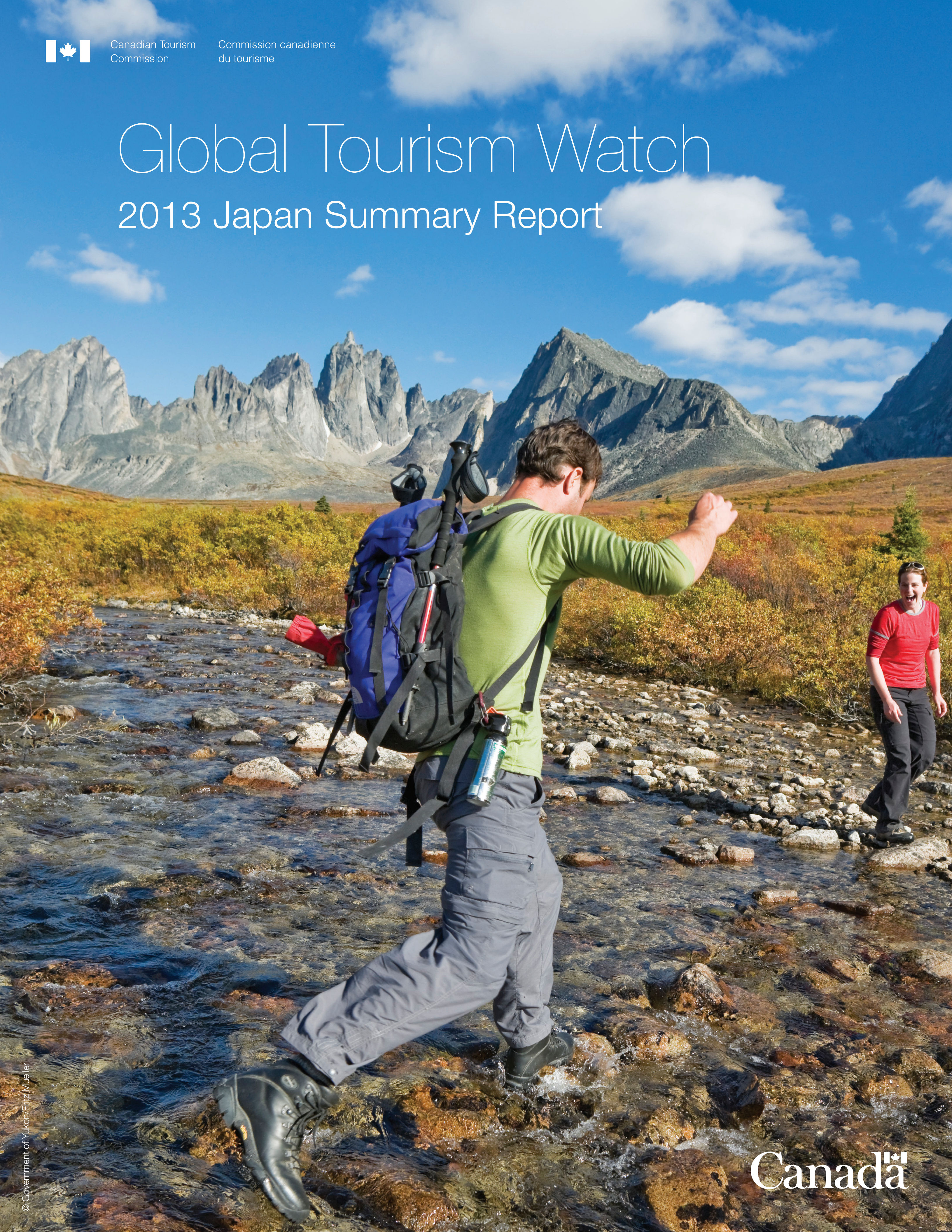
Canadian Tourism Commission
Commission canadienne du tourisme

Global Tourism Watch

2013 Japan 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 was 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,
- 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 US, Australia, New Zealand, France, Italy and Germany as the competitive set for Canada in the Japanese market.

Methodology

In 2013, a web-based panel survey was conducted by TNS. The target population for the online survey was residents aged 18 years and older, who had taken a long-haul pleasure trip outside of Japan where they had stayed at least 4 nights with a minimum of 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 1,533 respondents in Japan, including 200 recent visitors to Canada. Data was collected in June 2013.

2. Key Take-Aways

Outbound travel from Japan peaked in 2000, but then declined in subsequent years due to economic instability, currency fluctuations, safety concerns, health risks, and then the devastating impact of the 2011 earthquake and tsunami. Many long-haul destinations, including Canada, saw a pronounced decline in Japanese visitation during this period. In 2012, the international travel market appeared to be rebounding, with a record 18.5 million departures, however, the trend was short-lived as a regional dispute in late 2012 and a depreciating yen caused the market to contract again.

Japan is the world's 7th largest travel market. Top destinations are the US, Thailand, Germany, and France. Canada is currently the 16th most visited destination. Canada has seen uneven performance out of this market in recent years, peaking at 650,000 arrivals in 1996. In 2012, Canada recorded 190,000 Japanese visitors, up 2% over 2011. Japan is currently Canada's 6th largest overseas market.

- The 2013 survey results show a modest increase in incidence of long-haul travel, with 86% of respondents reporting a trip in the past 3 years, up from 81% in 2011. The bulk of respondents (39%) took a single qualifying trip, with frequent travellers (3+ trips in the past 3 years) remaining unchanged at 27%.

- Japanese travellers are relatively optimistic about their ability to take long-haul trips in the near future, with significantly fewer believing they will travel less in coming years than they did in the recent past. Instead, the bulk of travellers foresee taking a similar number of trips. This shift caused the market outlook indicator to rise to +11, up from +5 in 2011. The positive momentum in the Japanese market is an encouraging sign for Canada.

- Despite cautious optimism about improving economic prospects, the Japanese market remains price sensitive as evidenced by the affordability concerns being the top reason possibly curtailing future long-haul travel. Trip expense is also the top barrier to visiting Canada, underscoring the importance of emphasizing the value a Canadian vacation can offer.

- The US, especially Hawaii, continues to dominate destination awareness and consideration measures. However, the country's dominance is being challenged by European destinations, namely Italy and France, which recorded substantial gains on these measures. A similar pattern is noted for Australia which saw dropping numbers as interest in Thailand surged, presumably as a sun destination. Canada saw disappointing results on these measures in 2013 as interest in European destinations rose. Unaided awareness dropped 8% causing Canada to fall to 6th place, down from 4th in 2011 while unaided consideration dropped to 3% (9th place overall). Aided results are also disappointing, with Canada tied for last place with New Zealand on aided awareness and in 6th spot on aided interest.

- Canada emerges with two top rankings for brand personality perceptions. The country triumphs on "Beautiful" and "Inspirational". Canada has a pronounced lead on "Beautiful" (14% ahead of 2nd place New Zealand) which needs to be capitalized on in marketing efforts. While Canada narrowly outperforms Italy on "Inspirational", this is also a key trait to be emphasized.

- Italy is a powerhouse in the Japanese market in terms of value, brand, and price considerations taking top billing on 9 attributes. Canada's top results are 3rd place finishes for inspiring geography (behind Australia and New Zealand) and an authentic experience (trailing Italy and Australia). Canada places 4th on all value perceptions, being outperformed by Italy, France, and Australia. In the price realm, Canada's best result is 4th for air costs to reach the destination, with lower results seen for value for money and in-destination costs. Poor pricing impressions are an ongoing challenge in the price sensitive Japanese market.

- Consistent with 2011, the top tourism experiences sought by Japanese travellers are cultural and historical attractions, beautiful scenery, and opportunities to experience local lifestyles. This year's results show growing interest in urban experiences, specifically city activities such as shopping and city cultural experiences. Declining interest is noted in outdoor experiences such as park visitation and wildlife observation, which is disappointing for Canada.

- Canada is strongly associated with beautiful scenery, the 2nd most sought after tourism experience of Japanese travellers. However, Canada does not perform well on other experiences prized by Japanese travellers such as historical and cultural attractions, local flavours, and city activities, which Italy, France, and the US are strongly associated with. Other than beautiful scenery, Canada is seen to be lacking in offerings valued by Japanese travellers.

- The US, when Hawaii is included, Southeast Asia (including Thailand) followed by Italy and France are the top destinations of Japanese travellers. Canada is well back in 14th place. Owing to the popularity of the US, Canada may see more success in the Japanese market by offering dual country itineraries.

- Japanese travellers are more reliant on printed material, namely travel guides and travel agent supplied brochures at the destination selection phase than other markets which tend to rely on personal recommendations and online sources. Travel agents are still relevant in the Japanese market, with two-thirds of travellers at least consulting with an agent. This suggests that the Canadian tourism industry should maintain strong ties with the Japanese travel trade.

- Canada tends to attract a specific type of traveller – young females who are well-educated and come from wealthy households. To see greater success in this market, Canada must broaden its appeal by emphasizing its scenic attributes, but also products that appeal to the broader market, namely historical and cultural attractions and urban activities.

- Japanese travellers appear to be more critical of destinations than other travellers with only two countries, New Zealand and Italy, receiving a marginally positive Net Promoter Score. Canada places 5th with a score of – 5, meaning that Detractors outnumber Promoters. This suggests Canada has limited advocacy potential in Japan.

- Close to 40% of Japanese travellers do not share experiences while travelling, however, recent visitors to Canada buck this trend to a degree (they are more likely to share via social networking, blogging, and on review sites). Post trip sharing is more prevalent and tends to place in person.

3. Market Health and Outlook

Japan Market Conditions & Outlook

Japan is the world's 3rd largest economy following the US and China. The country has retained its traditional economic clout despite severe underperformance in the 1990s. Japan was able to weather the recent economic difficulties in the US and Europe as trade with China and other emerging economies became more prevalent. However, in 2011, Japan suffered a devastating earthquake and tsunami which claimed close to 20,000 lives and severely impacted industrial output.

Economic forecasts call for modest short-term growth - 1.4% in 2013 and 1.6% in 2014. Another encouraging sign is rising inflation which suggests Japan may finally be making progress towards ending deflation, which has had a negative impact on consumer spending over the past 2 decades. While economic forecasts are generally positive, two key issues could negatively impact international travel spending: the weakening of the Japanese yen which will support export growth and planned hikes in the consumption tax in 2014 and 2015 which could hamper economic growth.

Despite its strong global economic standing, Japan is the world's 7th largest tourism market. The Japanese outbound travel market peaked at 17.8 million travellers in 2000. Travel spending fell 21% between 2001- 2009 as a response to ongoing economic uncertainty, safety concerns, and health risks. These factors caused Japan to decline from 4th to 7th place overall in international tourism expenditures.

The Japanese outbound travel market appeared to be rebounding in 2012 when a record 18.5 million international trips were recorded, a 9% increase over 2011. However, a reversal became evident in mid-2012 and continued through 2013. Preliminary 2013 data shows 17.4 million international trips, down 6% from the record-breaking 2012 result. Declining international travel may be partially attributable to the dispute over the Senkaku Islands with China (which recorded 3.7 million visits from Japan in 2011) and the dispute over the Takeshima Islands with South Korea (3.4 million visits in 2011) and the declining value of the yen.

Top long-haul destinations for Japanese travellers in 2011 were the US (3.6 million), Thailand (1.3 million), Germany (700,000), and France (600,000). Canada was the 16th most visited destination with a 1.7% share of the Japanese long-haul market. Japanese visitation to Canada peaked at 650,000 in 1996, but has declined ever since. In 2012, Canada attracted 190,000 Japanese travellers, up 2% over the previous year. Japan is Canada's 6th largest overseas market and represents 5% of Canada's overseas (excluding the US) tourism revenue.

While GTW survey results show incidence of long-haul travel is up in 2013 (86%, up from 81% in 2011), international travel is still modest with 39% taking a single trip in the past 3 years. Japanese travellers appear slightly more optimistic about their ability to take long-haul trips in future with fewer travellers expecting to travel less in the coming 2-3 years as they have in the recent past with significantly more (58%, up from 49%) believing they will travel a similar amount. This shift caused the market outlook indicator to rise from +5 in 2011 to +11 in 2013.

The economic turmoil of recent years has had a noticeable impact on Japanese travel habits with affordability concerns being the primary factor possibly limiting future long-haul travel.

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 Japanese long-haul travellers (market size estimate derived from the 2010 omnibus study of the Japanese adult population). The proportion of GTW respondents who expressed interest in Canada in the next 2 years is applied to broader traveller population to come up with an target market estimate of 13 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 3.4 million travellers with more immediate potential for conversion. While the immediate market estimate is up by approximately 500,000 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)

	Size of Potential Market to Canada
Total potential long-haul pleasure travellers (aged 18 plus)	18,051,000
Target Market for Canada	
Definitely / very / somewhat interested in visiting Canada in the next 2 years	72%
Size of the target market	12,997,000
Immediate Potential for Canada	
Will definitely / very likely visit Canada in the next 2 years [1]	19%
Immediate potential	3,430,000

Base: Long-haul pleasure travellers (n=1,533)
[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 current levels of interest. The immediate potential for the most popular regions (British Columbia and Ontario) is considerable, with each of interest to over 2 million Japanese travellers. The potential for Québec and Alberta is strong, as well, with approximately 1 million travellers interested in each. Destinations such as Atlantic Canada represent an opportunity with roughly 600,000 travellers interested in visiting.

Exhibit 4.2 – Market Potential For The Regions

	BC	ON	QC	AB	ATL CAN	NWT	YK	NU	SK	MB
Immediate potential for Canada	3,430,000									
Likely to visit region	70%	60%	37%	29%	19%	7%	4%	2%	2%	1%
Immediate potential for the regions (000s)	2,401	2,058	1,269	995	652	240	137	69	69	34

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 (n=841).

5. Competitive Environment

Exhibit 5.1 summarizes the 2013 Key Performance Indicators (KPIs) for Canada. On an unaided basis, about one-in-ten respondents mentioned Canada (ranked in 6th place) as a long-haul travel destination, well behind the US, Italy, Australia, France, and Thailand. While the US still dominates this measure, the destination's dominance appears to be waning as interest as is interest in Australia. In contrast, interest in European destinations is rising, with 5 countries now in the top 10 list. Most notably, Italy gained 4% to overtake Australia for 2nd place and France jumped 4% to move into 4th spot. Thailand also experienced significant gains, rising from 12th spot in 2011 to 5th place, relegating Canada to 6th spot. On an aided basis, 15% of Japanese travellers claim to be knowledgeable about holiday opportunities in Canada, up 4% from 2011. All competitive set destinations recorded minor increases on this measure in 2013, suggesting growing interest in international travel among Japanese travellers. Unfortunately Canada recorded the smallest increase and falls to 7th and last place on this measure.

From a trending perspective, unaided awareness of Canada as a destination has fallen significantly from 17% to 11% in the past 2 years to reach an historic low. In contrast, aided awareness reached an historic high in 2013, yet Canada sits in 7th spot, suggesting that knowledge of travel opportunities in the competing destinations is also rising.

Twenty-one percent of Japanese travellers have visited Canada in their lifetime, putting the destination in 8th place on past visitation, far behind the US (59%), France (37%), Italy (33%) and Australia (32%).

In terms of destinations under consideration for long-haul trips in the next 2 years, on an unaided basis, Canada ranks 9th with just 3% of respondents naming the country. The US is well ahead of the pack. Once again, growing interest in European destinations is evident, with 5 countries now placing in the top 10. Most notably, interest in Italy and Thailand is on the rise, causing Australia to drop to 4th overall. On the aided consideration measure, Canada is in 6th place with Italy, Australia, and the US in the lead.

Unaided consideration of Canada has significantly slipped since 2011 with this year's 9th place result being a significant drop from 5th spot in 2011 and the lowest recorded in 6 years of monitoring. Canada sits in 6th spot on aided consideration, down from 4th place in 2011.

Exhibit 5.1 – Key Performance Indicators For Canada – Summary

Indicator	Definition	All L-H Travellers (n=1,533)
Destination Awareness		
Unaided awareness of Canada (roll-up)	% who said Canada or a destination in Canada	11% (6th)
Aided awareness of travel opportunities in Canada	% with excellent / very good knowledge of travel opportunities in Canada	15% (7th)
Past Visitation		
Overall market penetration	% who have ever visited Canada for pleasure	21% (8th)
Intentions		
Unaided destination consideration	% who mentioned Canada or a destination in Canada on their consideration list (for trips in next 2 yrs)	3% (9th)
Competitive positioning on destination consideration	Rank on the consideration list relative to competitors (roll-up)	9th

Base: Long-haul pleasure travellers.

One of the key objectives of the GTW study is to measure traveller response to Brand Canada across all key global markets. For 2013, 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 1st place finishes for "Beautiful" and "Inspirational". Canada, with a substantial lead (+14%) over New Zealand on the "Beautiful" attribute, appears to own this trait in the minds of Japanese's travellers, which should be capitalized on in marketing campaigns. Canada shares top billing with Italy on "Inspirational", but this trait can also be capitalized on. Notably, the US ranks last on these two traits.

Canada does not do well on other personality traits, placing 4th for "Intriguing" and 5th for "Friendly" and "Liberal". Canada was ranked 6th on the CTC strategic priorities of "Informal", "Authentic" and "Witty". Last place finishes were recorded for "Energetic" and "Confident". The US recorded six 1st place finishes on this exercise, with France and Italy each recording a single top ranking.

Exhibit 5.2 – Aided Brand Personality Perceptions

	1#	2#	3#	4#	5#	6#	7#	8#
Beautiful	CAN 52%	NZ 39%	AUS 32%	FRA 31%	ITA 29%	GER 23%	USA 8%	NONE 5%
Inspirational[1]	CAN 35%	ITA 35%	AUS 29%	FRA 28%	NZ 26%	GER 18%	USA 16%	NONE 11%
Intriguing	ITA 47%	FRA 44%	GER 25%	CAN 25%	USA 23%	AUS 23%	NZ 19%	NONE 7%
Friendly[1]	USA 42%	AUS 35%	NZ 24%	ITA 23%	CAN 22%	GER 14%	NONE 11%	FRA 11%
Liberal[1]	USA 60%	GER 26%	FRA 21%	NONE 17%	CAN 10%	ITA 10%	AUS 8%	NZ 5%
Informal	USA 35%	AUS 26%	NONE 23%	NZ 20%	ITA 20%	CAN 17%	GER 8%	FRA 8%
Authentic	FRA 47%	ITA 42%	GER 35%	USA 19%	NONE 17%	CAN 13%	AUS 11%	NZ 7%
Witty	USA 34%	ITA 28%	NONE 26%	FRA 24%	AUS 12%	CAN 10%	GER 9%	NZ 7%
Energetic[1]	USA 65%	ITA 19%	GER 17%	AUS 15%	NONE 12%	FRA 11%	CAN 9%	NZ 6%
Confident	USA 53%	FRA 31%	GER 27%	ITA 18%	NONE 17%	AUS 8%	CAN 8%	NZ 5%

Base: Long-haul pleasure travellers (2013 n=1,533)
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.

Canada records mediocre results on this exercise. Italy emerges as a powerhouse with nine 1st place finishes, including all value perceptions. Canada's best results are 3rd place for offering an authentic experience and inspiring geography. Canada sits in 5th and 6th place in the other two brand perceptions. Canada ranks 4th on all four value perceptions. In terms of price, Canada's best result is 4th for cost of air travel to the destination.

Exhibit 5.3 – Brand, Value, Price Perceptions

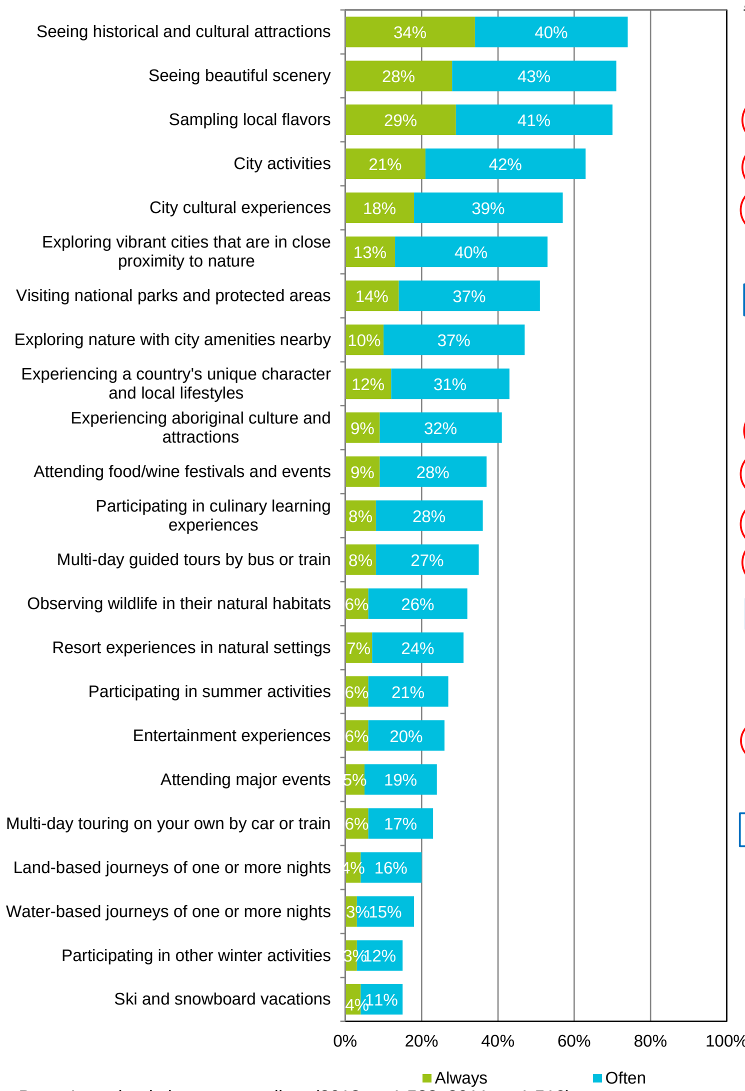
Top-3 Box	1#	2#	3#	4#	5#	6#	7#
Brand Perceptions							
A place that offers an authentic experience	ITA 39%	AUS 39%	CAN 37%	NZ 36%	GER 34%	FRA 34%	USA 29%
A place that inspires me to explore its geography	AUS 36%	NZ 36%	CAN 34%	ITA 28%	USA 23%	GER 22%	FRA 19%
A place that inspires me to meet and engage with its people	ITA 35%	GER 32%	NZ 25%	AUS 24%	CAN 24%	USA 23%	FRA 22%
A place that inspires me to explore its culture	ITA 53%	FRA 49%	GER 42%	NZ 29%	AUS 28%	CAN 25%	USA 23%
Value Perceptions							
A place with unique features that other destinations don't offer (Uniqueness)	ITA 51%	AUS 43%	FRA 43%	CAN 38%	NZ 37%	GER 34%	USA 33%
A destination with the travel experiences I am specifically looking for (Relevance)	ITA 49%	FRA 40%	AUS 36%	CAN 35%	NZ 35%	GER 33%	USA 29%
A destination I would pay a little more for (Quality)	ITA 40%	FRA 36%	AUS 31%	CAN 31%	NZ 31%	USA 30%	GER 30%
A dream destination that I would visit if money were no object (Desirability)	ITA 45%	FRA 38%	AUS 33%	CAN 31%	NZ 30%	USA 29%	GER 27%
Price Perceptions							
A destination that is affordable to get to by air	USA 27%	AUS 24%	NZ 17%	CAN 15%	ITA 14%	GER 14%	FRA 13%
A place that offers good value for money	ITA 50%	FRA 37%	GER 36%	AUS 35%	CAN 35%	NZ 33%	USA 32%
A destination with reasonable prices for food, entertainment and hotels	ITA 34%	USA 29%	AUS 26%	GER 24%	NZ 24%	CAN 20%	FRA 17%

Base: Long-haul pleasure travellers (n=1,533)
Q11: We are interested in your general impressions of <Insert country>, as a holiday 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?

Exhibit 5.4 tracks the product interests of Japanese travellers. It is important to note that the question changed in 2013 to ask about the importance of experiences when choosing a destination rather than when planning a trip. Some of the shifts evident in the 2013 results are attributable to this change and thus, results are not comparable to previous years.

Results show Japanese travellers favour destinations that offer a combination of cultural and historical attractions, beautiful scenery, opportunities to experience local flavours, and city activities. Japanese travellers' interests appear to be shifting to cultural experiences and urban activities and away from are some outdoor activities, which is not good news for Canada. Most notably, interest in national parks and wildlife observation each dropped 10%.

Exhibit 5.4 – Product Interests



Top-2-Box	2013	2011	2010	2009
Seeing historical and cultural attractions	74%	73%	70%	76%
Seeing beautiful scenery	71%	73%	72%	75%
Sampling local flavors	69%	65%	66%	69%
City activities	62%	51%	54%	57%
City cultural experiences	57%	52%	50%	54%
Exploring vibrant cities that are in close proximity to nature	53%	54%	55%	62%
Visiting national parks and protected areas	51%	61%	61%	65%
Exploring nature with city amenities nearby	47%	46%	48%	53%
Experiencing a country's unique character and local lifestyles	43%	44%	42%	49%
Experiencing aboriginal culture and attractions	41%	37%	37%	43%
Attending food/wine festivals and events	38%	30%	33%	36%
Participating in culinary learning experiences	37%	26%	28%	32%
Multi-day guided tours by bus or train	35%	27%	26%	28%
Observing wildlife in their natural habitats	33%	43%	42%	48%
Resort experiences in natural settings	32%	33%	34%	39%
Participating in summer activities	27%	26%	26%	29%
Entertainment experiences	26%	18%	18%	21%
Attending major events	24%	23%	23%	25%
Multi-day touring on your own by car or train	23%	26%	29%	31%
Land-based journeys of one or more nights	21%	22%	22%	27%
Water-based journeys of one or more nights	18%	16%	17%	20%
Participating in other winter activities	15%	13%	14%	16%
Ski and snowboard vacations	14%	14%	16%	19%

Base: Long-haul pleasure travellers (2013 n= 1,533; 2011 n= 1,510)
Q7: We are interested in knowing the types of activities and experiences you are looking for on your long-haul holidays. Please indicate how important each of the following activities is to you when choosing long-haul 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 provides more detailed results and shows how Canada ranks against its six competitors on each specific product. Canada records seven 1st place finishes, but only one product, beautiful scenery, is important in destination selection. Unfortunately, Canada does not fare well on many of the experiences Japanese travellers actively seek on vacations such as historical and culture attractions, local flavours, and urban cultural experiences which are strongly associated with European destinations.

Exhibit 5.5 – Product Interest Associations By Country

	1#	2#	3#	4#	5#	6#	7#	8#
Seeing beautiful scenery	CAN 65%	NZ 40%	AUS 39%	USA 24%	GER 13%	FRA 11%	ITA 10%	NONE 8%
Visiting national parks and protected areas	CAN 55%	AUS 53%	NZ 44%	USA 35%	NONE 7%	FRA 6%	GER 6%	ITA 5%
Ski and snowboard	CAN 50%	NONE 23%	NZ 16%	AUS 16%	USA 15%	FRA 12%	ITA 10%	GER 8%
Participating in other winter activities	CAN 45%	NONE 24%	AUS 16%	NZ 14%	USA 14%	FRA 9%	ITA 8%	GER 7%
Exploring vibrant cities that are in close proximity to nature	CAN 38%	AUS 35%	NZ 30%	USA 22%	GER 16%	ITA 15%	FRA 15%	NONE 14%
Exploring nature with city amenities nearby	CAN 37%	AUS 37%	NZ 30%	USA 23%	FRA 16%	GER 16%	NONE 14%	ITA 13%
Water-based journeys of one or more nights	CAN 35%	NZ 34%	AUS 32%	NONE 24%	USA 15%	FRA 6%	ITA 6%	GER 6%
Observing wildlife in their natural habitats	AUS 55%	CAN 44%	NZ 43%	USA 16%	NONE 13%	GER 6%	ITA 4%	FRA 4%
Resort experiences in natural settings	AUS 43%	CAN 42%	NZ 38%	USA 25%	NONE 17%	GER 7%	ITA 7%	FRA 5%
Participating in summer activities	AUS 40%	NZ 36%	CAN 36%	USA 22%	NONE 19%	GER 8%	FRA 7%	ITA 7%
Land-based journeys of one or more nights	NZ 36%	AUS 34%	CAN 30%	NONE 23%	USA 16%	FRA 9%	GER 9%	ITA 9%
Experiencing a country's unique character and local lifestyles	AUS 31%	NZ 31%	CAN 22%	ITA 21%	NONE 21%	USA 19%	GER 18%	FRA 18%
Multi-day guided tours by bus or train	GER 33%	ITA 32%	FRA 32%	CAN 22%	USA 21%	AUS 20%	NONE 18%	NZ 14%
Experiencing aboriginal culture and attractions	AUS 51%	NZ 36%	USA 24%	CAN 18%	NONE 17%	ITA 7%	GER 7%	FRA 6%
Multi-day touring on your own by car or train	USA 28%	FRA 24%	GER 24%	NONE 23%	CAN 21%	AUS 20%	ITA 19%	NZ 15%
Seeing historical and cultural attractions	ITA 67%	FRA 63%	GER 51%	USA 13%	AUS 10%	CAN 9%	NZ 7%	NONE 6%
Participating in culinary learning experiences	FRA 50%	ITA 49%	GER 24%	NONE 18%	USA 13%	CAN 9%	AUS 9%	NZ 6%
Attending major events	USA 34%	NONE 30%	GER 19%	FRA 19%	ITA 18%	AUS 12%	CAN 11%	NZ 7%
City activities	USA 53%	FRA 47%	ITA 40%	GER 21%	AUS 12%	NONE 10%	CAN 10%	NZ 6%
Sampling local flavours	ITA 65%	FRA 57%	GER 36%	USA 13%	AUS 11%	NONE 9%	CAN 9%	NZ 7%
Attending food / wine festivals and events	FRA 59%	ITA 54%	GER 36%	NONE 12%	USA 11%	AUS 10%	CAN 8%	NZ 7%
City cultural experiences	FRA 62%	ITA 51%	USA 35%	GER 33%	NONE 8%	AUS 7%	CAN 6%	NZ 4%
Entertainment experiences	USA 63%	FRA 21%	NONE 15%	ITA 15%	AUS 11%	GER 8%	CAN 6%	NZ 4%

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

Exhibit 6.1 shows the prevalence of Asian destinations in the Japanese market. When all Asian destinations are combined, over one quarter of recent trips were within Asia, likely attributable to price and distance considerations. Likewise, the US (when Hawaii is included) is the most recent destination of more than one-quarter of Japanese travellers. Europe destinations, notably France and Italy, are also popular. Canada is well down the list in 14th spot, attracting just 3% of the recent trip market. Given the solid performance of the US and the distance to travel to North America, there is considerable opportunity for Canada to promote dual country itineraries to capture a portion of the US-bound market.

Trip planning and booking cycles are moderately short in Japan, underscoring the importance for Canada to be active in the marketplace throughout key times during the year. Two-thirds of travellers seek travel agent advice on their long-haul trips, with more than half booking this way, illustrating the importance of this channel. Long-haul trips are equally split between guided (fully or partially) and independent travel. Over 70% of travellers are travelling for pleasure purpose. VFR is not a primary motivation for this market generally, as less than 10% cite visiting friends or family as the purpose of their trip. However, over one-third of recent Japanese visitors to Canada do have friends or family living here.

Exhibit 6.1 – Most Recent Pleasure Trip Profile By Destination

	All L-H Travellers (n=1,295)
Destination(s) Visited	
Other Southeast Asia (e.g. Cambodia, Indonesia, Malaysia, Philippines, Vietnam)	14%
Hawaii	14%
United States (excluding Hawaii)	13%
France	8%
Thailand	8%
Italy	7%
Australia	7%
United Kingdom	5%
Singapore	5%
Spain	4%
Other Europe	4%
Germany	4%
South Pacific Islands (e.g., Fiji, Solomon Islands, Tonga, Vanuatu, etc)	3%
Canada	3%
Amount of Time Before Departure When Trip Planning was Started	
Average months	3.7
Amount of Time Before Departure When Trip was Booked	
Average months	2.7
Trip Type	
Travel independently	50%
Combine independent travel with some guided tours for parts of the trip	20%
A fully escorted or guided tour	23%
All inclusive or semi-inclusive resort stay	6%
A cruise	2%
Trip Purpose	
Holiday	72%
Visited friends or relatives	9%
Business	6%
Study	3%
Personal reasons (e.g., wedding, reunion, etc.)	10%
Travel agent involvement	68%

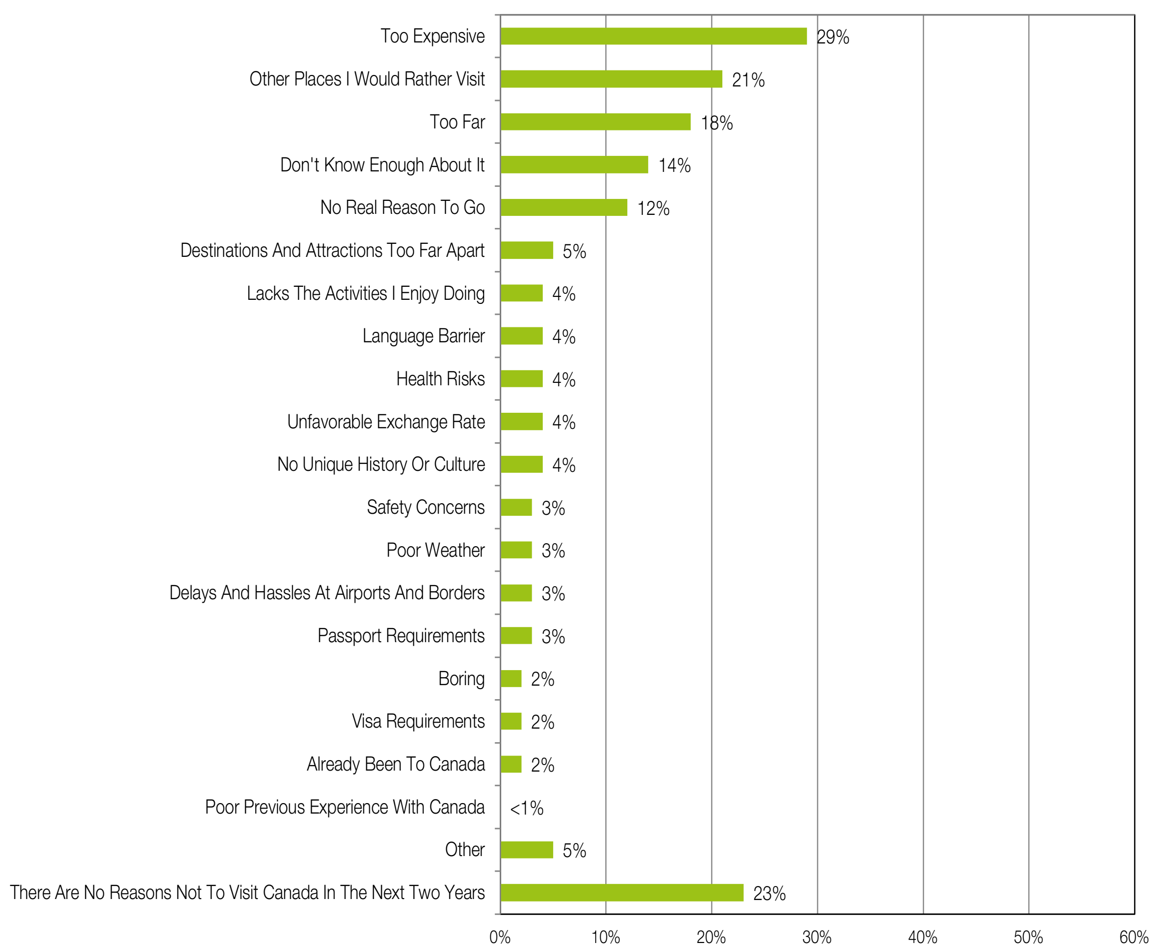
Base: Those who have taken a long-haul pleasure trip in the past three years

Recent visitors to Canada tend to be young (40% are under 35 years), female, well educated, and from wealthier households. Prospective visitors also tend to be female, young, and are more likely to be single, suggesting that Canada is attractive to a specific segment of the Japanese market.

All respondents were asked what factors may prevent them from visiting Canada in the short-term. The top reason by a considerable margin was the perception that a trip to Canada was cost prohibitive, which is likely a reflection of a fragile Japanese economy. The challenge is to convince Japanese travellers of the value of a Canadian vacation. Over one-fifth of responses related to a preference for other destinations and 12% felt there was no compelling reason to visit, which suggests Canada must do more to communicate relevant experiences to Japanese travellers and to change that perception. Almost 20% of responses cited distance to travel, both to Canada and within the country.

Nearly a quarter of respondents said there was no reason not to visit Canada.

Exhibit 6.2 – Key Barriers For Visiting Canada



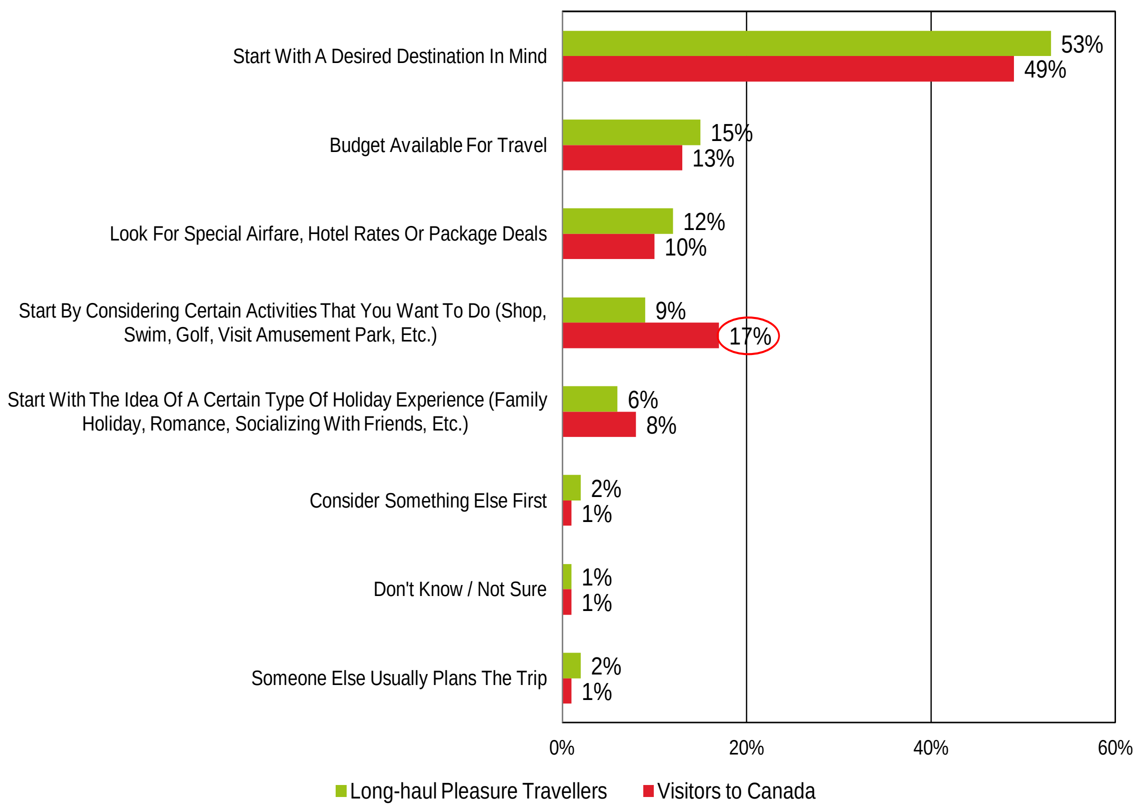
Base: Long-haul pleasure travellers (n= 1,533)

Q18: Please indicate which of the following reasons could prevent you from visiting Canada in the next two years.

While other survey data suggests the Japanese market is price sensitive, a new question asked travellers what one factor is the first consideration in trip planning. Results show that the majority of Japanese travellers see the destination as paramount, while budget considerations are of primary concern to a smaller portion of the market (these are equally true for recent visitors to Canada). Interestingly, recent visitors to Canada cite the availability of particular activities as the 2nd most important factor in their destination choice.

This result suggests once Japanese residents have decided they have the means to travel, cost is secondary and availability of sought-after activities comes into play, especially if they are considering Canada. Therefore, getting Canada on Japanese travellers' short list of destinations by emphasizing the country's merits is key to achieving greater success in this market.

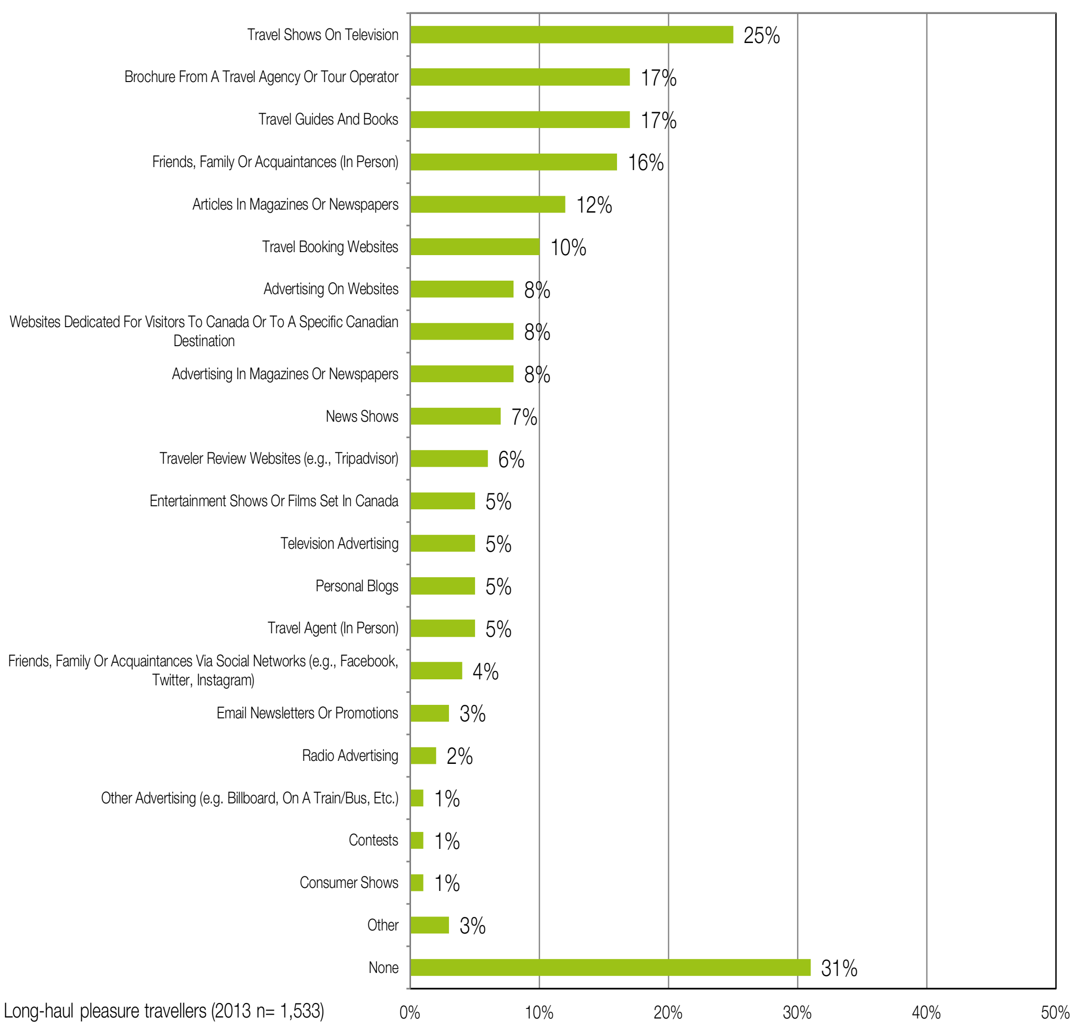
Exhibit 6.3 – One Factor Typically Considered First When Planning A Trip



Base: Long-haul pleasure travellers (n=1,533). Long-haul pleasure travellers who visited Canada in the past three years (n=200)
QS9: What one factor do you typically consider first when planning a long-haul trip?

Two-thirds of Japanese travellers recalled information on travel to Canada within the past year. TV travel shows are the primary information source, followed by traditional off-line sources such as travel agency brochures, and travel guides. Japanese travellers are less reliant on personal recommendations, both at the destination selection phase, and for destination-specific information. Japanese travellers also cite online information sources at a lower rate with travel websites (10%) and social networking (4%) well down the list of influential information sources. This is somewhat perplexing as about two-thirds of Japanese travellers have used social networking sites in the past 3 months. Those who visited Canada recently are more likely to be active social networkers. Most Japanese travellers direct their traffic to Facebook and YouTube; however, nearly a quarter use Mixi, available only to the Japanese.

Exhibit 6.4 – Sources Of Information On Canada In The Past Year



Base: Long-haul pleasure travellers (2013 n= 1,533)

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

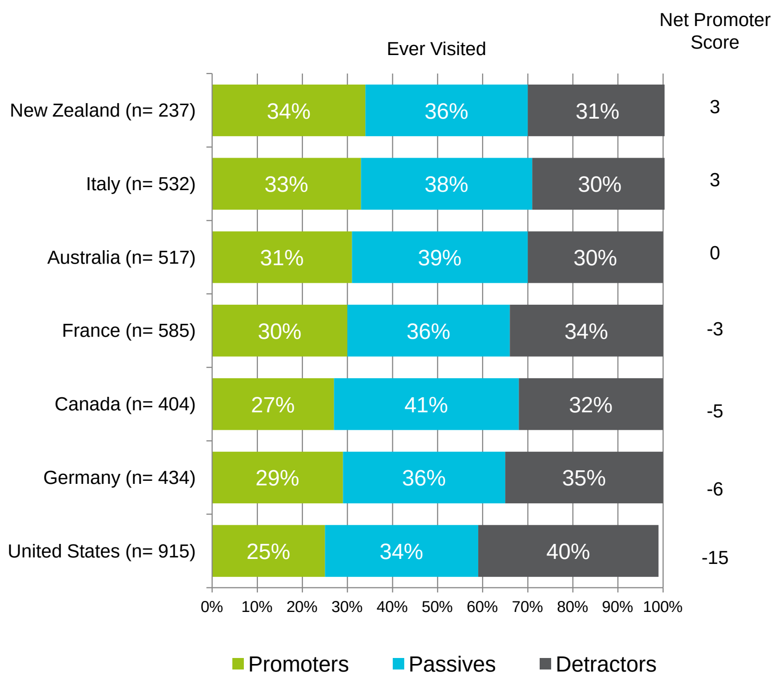
Note: Results not comparable to previous years due to changes to the statement list in 2012.

A series of questions on advocacy and social media usage were added in 2013 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. Japanese travellers tend to evaluate destinations more critically than other cultures, with just two destinations, New Zealand and Italy, receiving marginally positive scores. Canada has more Detractors than Promoters and nets a score of -5, which is 5th overall. Interestingly, the US, the top destination of Japanese travellers, comes last with a score of -15.

This result shows Canada has considerable work to do to increase its advocacy potential in Japan.

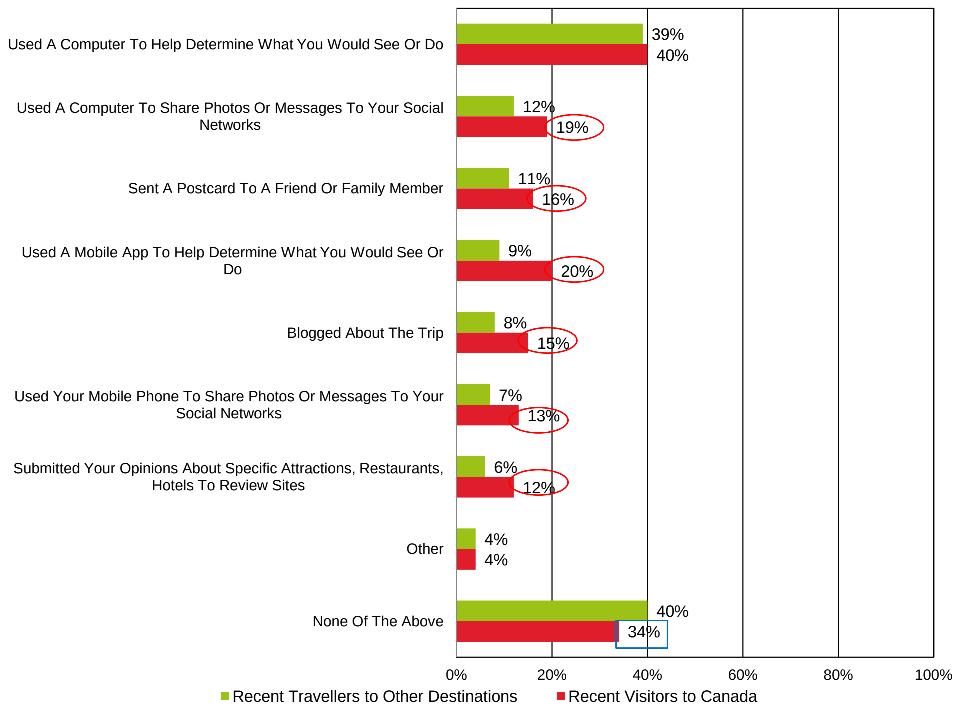
Exhibit 6.5 – Net Promoter Score Results



Q3: Whether you have visited or not, how likely are you to recommend each of the following holiday destinations to a friend, family member or colleague?

Two new questions asked Japanese travellers about sharing behaviour during and after their trip. Approximately one-third of travellers did not engage in any sharing behaviour while in the destination. Among those who did, the most popular activity was online in-destination research followed by social networking. Those who visited Canada were more likely to engage in all forms of online behaviour, which is likely age-related.

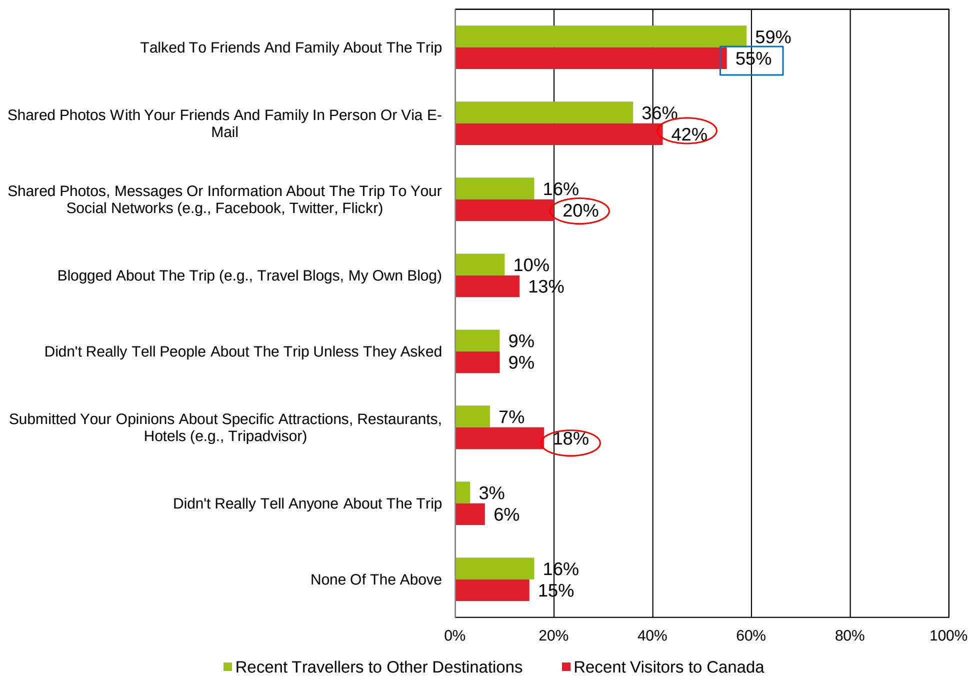
Exhibit 6.6 – During The Trip: Sharing Experiences / Seeking Advice



Q31: During your recent trip to , did you share your trip experiences with anyone or seek advice? (Select all that apply)

Japanese travellers prefer to share post-trip, with 85% sharing experiences. Post-trip sharing is done largely in-person. Submitting opinions via online review sites is noticeably higher among recent visitors to Canada. The Canadian tourism industry is advised to monitor Japanese review sites to see what is being shared about Canada.

Exhibit 6.7 – After The Trip: Sharing Experiences



Base: Recent travellers to other destinations in the past 3 years (n=1,095). Recent travellers to Canada in the past three years (n=200)
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.