DESTINATION CANADA

Global Tourism Watch

2016 Brazil Summary Report

Canadä

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1. Introduction

Destination Canada began conducting the annual Global Tourism Watch (GTW) program in 2007. The primary purpose of this research program is to provide consumer-based intelligence in 12 core markets around the world: Australia, Brazil, China, France, Germany, India, Japan, Mexico, South Korea, the United Kingdom, the United States, and the domestic Canadian market.

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 competitors over time;
- Identify the general experiences sought by travellers and identify growth opportunities;
- Identify motivators and barriers for travel to Canada; and,
- Determine the influence of various information sources on destination selection.

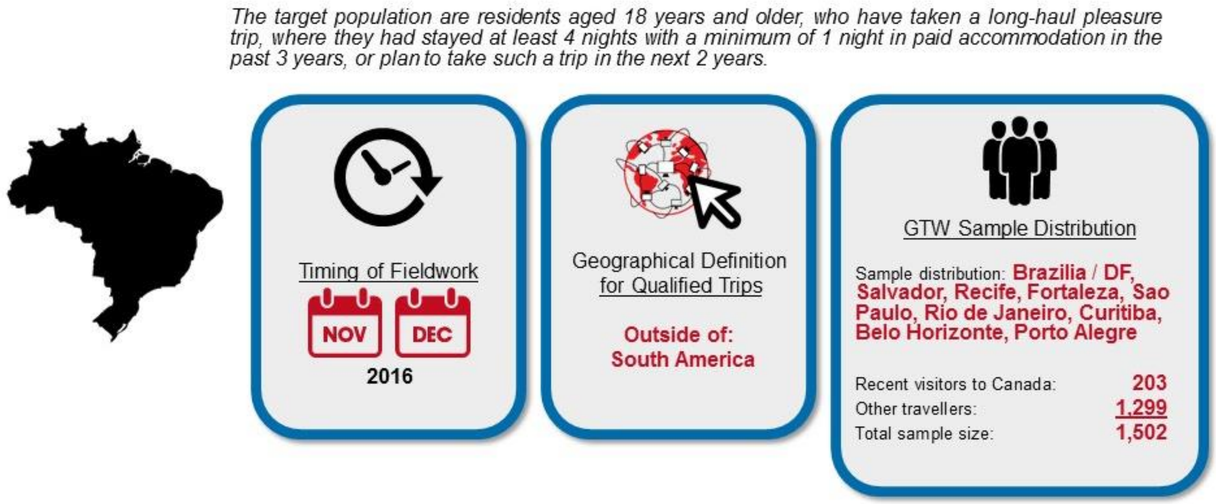
The GTW permits direct comparison of Canada to competing destinations in each market. Destination Canada has designated the following destinations as competitors in the Brazilian market: the US, China, Belgium, France, Germany, Italy, Portugal, Spain, Switzerland and the United Kingdom.

Methodology

Data was collected via an online survey and has been weighted to represent the Brazil long-haul travel population within the mid and upper SEC classifications (ABC). The target population in Brazil was residents aged 18 years and older, who have taken a long-haul pleasure trip outside of South America 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. The regions of Brazilia/DF, Salvador, Recife, Fortaleza, Sao Paulo, Rio de Janeiro, Curitiba, Belo Horizonte and Porto Alegre were included in this survey and data has been weighted to represent the long-haul travel population within these regions.

Data was gathered from 1,502 respondents in Brazil, including 203 recent visitors to Canada, in December 2016. In the past, data has been gathered earlier in the year (April through July), which is prime planning season for summer travel to destinations such as Canada. It is believed the timing of data collection impacts results and the later field window this wave may be responsible for some shifts in Key Performance Indicators (KPIs).

Figure 1.1: Study Overview: Brazil Market



Background

Brazil is Latin America's largest economy and the world's 8th largest, according to the IMF GDP Nominal ranking, with 2.7% share of global GDP *(International Monetary Fund, April 2017)*.

The Brazilian economy suffered its deepest recession in decades in 2015 and 2016, with real GDP contracting by 3.8% and 3.3%, respectively. The *Real*, Brazil's currency, hit a 12 year low against the US dollar during 2015; however, the currency recovered during 2016, but then experienced some setbacks towards the end of the year *(Trading Economics, 2017)*.

A bribery scandal at Petrobras, Brazil's state-run oil company, resulted in the impeachment of ex-President Dilma Rousseff in 2016. The troubles at Petrobras have been far reaching, impacting the construction sector, oil industry, and economic output in general, leading to reduced spending, job loss, and the bankruptcy of several companies *(The Guardian, August 2016)*. Rousseff was succeeded by then vice-president Michel Temer, in May 2016, and the new government announced plans to implement a series of economic austerity measures in the hopes of restoring credibility and market confidence as well as boosting investment and economic growth. However, in late 2016, Temer faced corruption allegations as well. Political uncertainty and suspicion related to the Petrobras corruption investigations are expected to continue in the short term, making Brazilians more cautious about spending decisions *(International Monetary Fund, October 2016)*.

The unemployment rate increased dramatically to more than 11% in 2016, with 2.7 million jobs lost. This trend of high unemployment, in the 10% to 11% range, is projected to continue in the near future. Economic outlook is projected to improve gradually, with GDP growth estimated at 0.5% for 2017. Inflation was high in 2016 (9%), but is forecast to decline to 5.4% in 2017 *(International Monetary Fund, October 2016)*.

In response to challenging economic and political conditions, Brazil's Consumer Confidence Index declined from 79.1 in November, to 73.3 in December 2016 *(Focus-Economics, December 2016)*. Consumer confidence is expected to remain at low levels in 2017, in response to high unemployment and an uncertain economic outlook.

Brazil is the 10th largest outbound tourism market in the world, equivalent to US$26 billion. Outbound tourism spending declined during 2015 and 2016, and it is expected to continue in 2017, albeit at a slower rate *(United Nations World Tourism Organization, April 2017)*.

2. Market Potential

GTW data is used to estimate the size of the potential market for Canada. The table below provides an estimate of the size of the potential Brazilian market for Canada in two ways – the macro target market and the immediate potential market.

The long-haul travel market size is derived from a 2010 omnibus study of the Brazilian adult population. The proportion of GTW respondents who are in the dream to purchase stages for Canada (74%) is used to calculate a target market estimate of 2.6 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 two years. This translates into a market of 1.78 million travellers with more immediate potential for conversion.

Among Destination Canada's eleven international markets, Brazil is ranked 10th in immediate potential market size (ahead of Mexico). However, actual visitation from Brazil was 11th among Destination Canada's international markets in 2016[1]. This means that Canada is not doing as well as it could at converting potential travellers to actual visitors in the Brazilian market.

For context, Canada attracted 114,000 visitors from Brazil in 2016, an increase of 2% over 2015[2]. The 114,000 arrivals represent 6% of the immediate potential market suggesting there is considerable growth potential in the Brazilian market.

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1 *Destination Canada, Tourism Snapshot, December 2016.*

2 *Destination Canada, Tourism Snapshot, December 2016.*

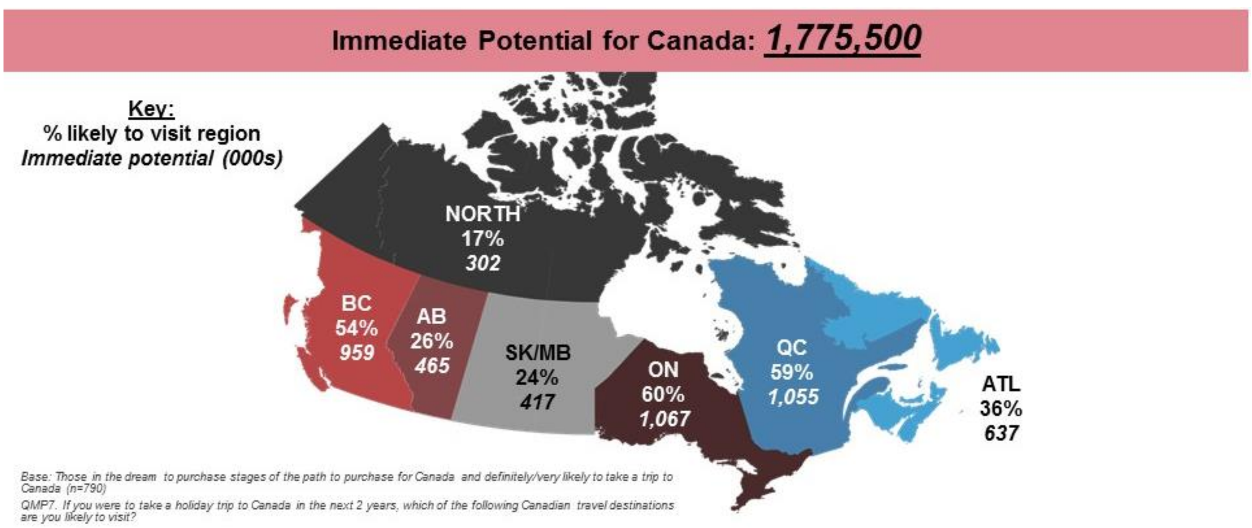
Figure 2.1: Size of Potential Market to Canada (Next 2 Years)

Measure	Size of Potential Market to Canada
Long-haul pleasure travel market	**3.54 million**
Target market for Canada (dream to purchase stage)	**74%**
Size of the target market	**2.60 million**
Immediate potential for Canada (definitely/very likely to visit in next 2 years)	**68%**
Immediate potential	**1.78 million**

Base: Target market for Canada = long-haul pleasure travellers (past 3 years or next 2 years) (n=1,502); Immediate potential for Canada = dream to purchase stages for P2P for Canada (n=1,133)
QMP1. Which of the following best describes your current situation when thinking about each of the following destinations for a holiday trip?
QMP6. Realistically, how likely are you to take a holiday trip to Canada in the next 2 years?

Also of interest is the demonstrated interest in Canada's regions among the Immediate Potential market (1.78 million). Ontario and Quebec hold the greatest appeal (60% and 59% respectively, or 1.1 million potential visitors each) and BC follows closely (54% or just under 1 million potential visitors). The Atlantic provinces are also of interest, appealing to 36% of potential visitors (just over 600,000).

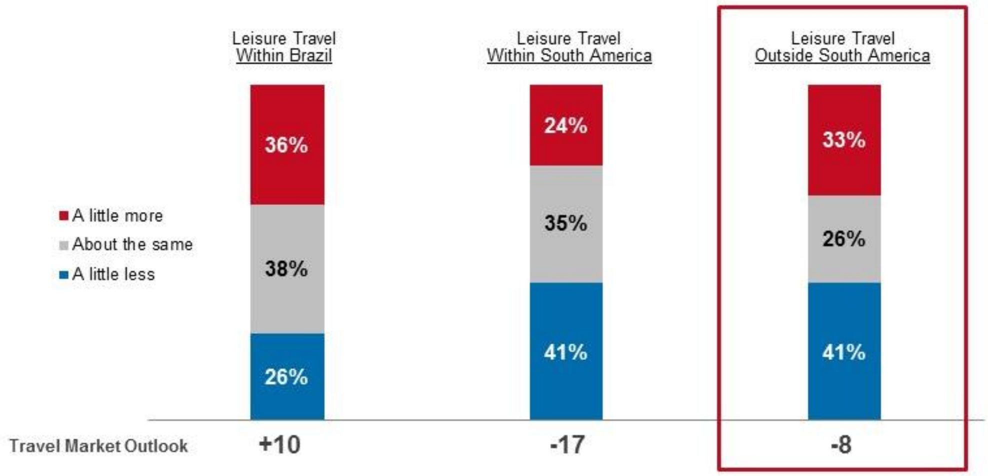
Figure 2.2: Potential Market Size for the Regions



Long-haul travel intentions may be softening along with consumer confidence due to Brazil's weak economy and political instability. The Brazilian Real has lost significant ground against world currencies, and the country continues to struggle to recover from its worst recession in decades.

The proportion of Brazilian travellers saying they will spend less on long-haul travel is considerably higher than those saying they will spend more, resulting in an unfavourable long-haul outlook of -8. The same trend is true about travel within South America (short-haul), where the outlook is even worse (-17). Instead, Brazilian travellers appear more likely to travel domestically (outlook of +10). This is not surprising given economic conditions.

Figure 2.3: Spending Intentions (in the Next 12 Months)



Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1,502)
QS2. How would you describe your spending intentions on the following items in the next 12 months, compared to the last 12 months? Will you spend ...?

3. Competitive Environment – Key Performance Indicators Summary

The outlook for Canada in Brazil is modest, at least in the short-term. Out of the 11 competitive destinations that respondents were asked to evaluate, Canada is 5th on unaided and aided consideration (behind the US, Portugal, Italy, and France) and 3rd on destination knowledge (behind the US and Italy).

The GTW tracks the following Key Performance Indicators (KPIs) for Canada: unaided and aided destination consideration, aided destination knowledge, and past visitation. Canada's performance is tracked against key competitors for the long-haul travel market. The competitive set was updated for 2016 to reflect actual travel patterns from each market. The countries included represent 95% of the outbound travel volume to long-haul destinations which are considered direct competitors to Canada (e.g., non-beach destinations). For Brazil, these destinations are the US, the UK, China, Switzerland, Spain, Portugal, Italy, Germany, France and Belgium. It is also important to note that 2016 data was collected in December versus earlier in the year (April to July) in previous years. Seasonality may have impacted KPI results this year, although it is impossible to know how much the results might have been affected.

Consideration

Unaided consideration represents top-of-mind presence of destinations in the consumer mindset and requires travellers to think of destinations without being prompted. Unaided consideration indicates that a strong impression has rooted in the mind of a traveller for a destination. From a marketing perspective, travellers who have Canada on their unaided consideration list may be easier to attract since they are actively thinking of Canada as a travel destination. On an unaided basis, 13% of Brazilian travellers mentioned Canada as a destination under serious consideration in the next 2 years. Among the competitive set, Canada ranks 5th on an unaided basis, behind France (21%), Italy (21%), Portugal (18%), and trailing the US by a considerable margin (42%). Canada's unaided consideration results are similar to those for Spain (12%) and the UK (10%). Younger travellers aged 18-34 are more likely to mention Canada (18%) as are those who have visited recently (24%). Very few specific places in Canada were mentioned by Brazilian long-haul travellers, with the majority just saying Canada, suggesting knowledge of specific Canadian destinations is low.

Aided consideration represents the proportion of travellers who say they would seriously consider visiting a destination, but only after they are prompted with a list of competitive destinations. Travellers who have aided consideration for Canada may not be thinking of Canada top-of-mind, but they are considering a visit. Continued prompts and cues through marketing efforts could help move these considerers down the Path to Purchase. Canada fares better on an aided basis with 35% saying they are seriously considering a visit in the next 2 years, placing 5th behind the US (54%), Portugal and Italy (46% each), and France (40%). Of note, younger travellers aged 18-34 express stronger than average interest in Canada and also in the US. Older travellers aged 55+ are more likely to mention Portugal. Recent visitors to Canada rank Canada first in aided consideration among all destinations in the competitive set while those considering Canada place Canada second, slightly behind the US. Knowing that recent visitors are more interested in returning, it is important to attract new visitors, with younger Brazilians aged 18-34 representing the best opportunity.

Knowledge

The aided destination knowledge KPI (previously called aided awareness, but changed for clarity purposes) measures knowledge of travel opportunities in each destination. Thirty-four percent of all Brazilian long-haul travellers rate their knowledge of travel opportunities in Canada as either excellent or very good. Among those considering Canada, destination knowledge stands at 52%, which puts Canada in third spot behind the US (60%) and Italy (53%). Efforts to boost knowledge of Canadian travel opportunities could help to move potential visitors along the path-to-purchase.

Visitation

In terms of past visitation, 24% of Brazilian long-haul travellers indicate they have visited Canada on a leisure trip at some point in their lifetime. Younger travellers aged 18-34 are most likely to have visited Canada (29%). Messaging designed to encourage a repeat visit is recommended since past visitors to Canada voice considerably higher interest in returning.

Figure 3.1: Key Performance Indicators

Key Performance Indicators (KPIs) for Canada – Summary

Indicator	Definition	All Long-Haul Travellers (n=1,502)	Recent Visitors to Canada[1] (n=203)	Considering Canada[2] (n=579)
Intentions:				
Unaided destination consideration	% who mentioned Canada or a destination in Canada on their consideration list[3]	13%	24%	25%
Competitive positioning on aided destination consideration	Rank on the consideration list among 11 destinations	5	1	2
Destination knowledge:				
Aided awareness of travel opportunities in Canada	% with excellent/very good knowledge of travel opportunities in Canada	34%	65%	49%
Past visitation:				
Past visitation	% who have ever visited Canada for pleasure	24%	98%	34%

1 Visited Canada in the past 3 years (pleasure trip of 4 or more nights, with at least 1 night in paid accommodations).
2 Those in the consider to purchase stages of the path to purchase for Canada.
3 For trips in the next 2 years.

Base: Long-haul pleasure travellers (past 3 years or next 2 years)

QS8. You mentioned that you are likely to take a long-haul holiday trip outside of South America in the next 2 years. Which destinations are you seriously considering? (Please list up to 3 destinations.)
QBVC1. You may have already mentioned this before, but which destinations would you seriously consider visiting in the next 2 years?
QMP3. How would you rate your level of knowledge of holiday opportunities in each of the following destinations (asked only for destinations in consideration set)?
QRT14a. Approximately, how many times have you been to Canada?

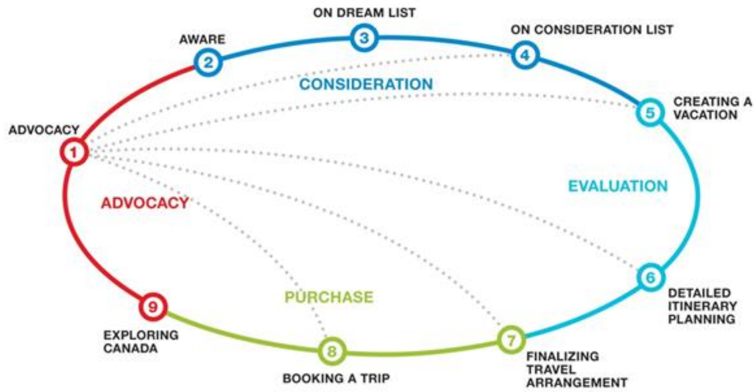
4. Path-to-Purchase

Like any other expensive and discretionary consumer product, there is a purchasing or decision-making cycle associated with long-haul travel: consumers move through progressive stages from not knowing anything about a destination to booking a trip.

Through additional research, Destination Canada has developed a nine stage Path-to-Purchase (P2P) model for long-haul travel, starting with awareness of the opportunity and interest in a destination, through to planning an itinerary, and booking travel and accommodations. The final stage, advocacy, happens during and after the actual visit.

Destination Canada wants to understand where the organization can have the greatest influence in converting those with interest in Canada to actual visitors.

Figure 4.1: DC's Path-to-Purchase Model



In addition to looking at individual stages of the P2P, Destination Canada has identified phases travellers move through in the purchase cycle. Key phases are defined below and are referenced throughout this report.

Figure 4.2: DC's Path-to-Purchase Model

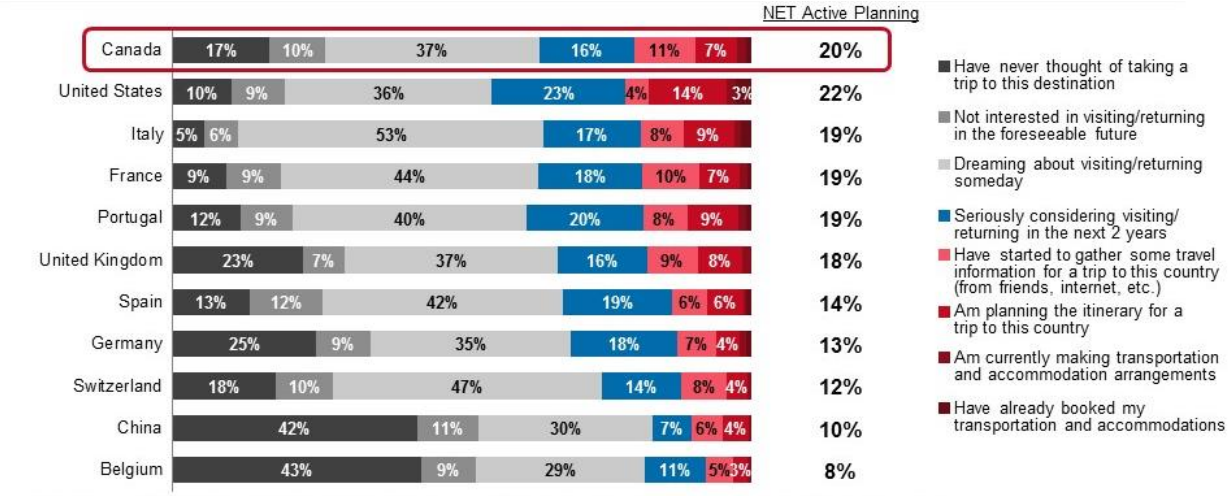
Unaware	Have never thought of taking a trip to this destination
Aware	Not interested in visiting/returning in the foreseeable future
On Dream List	Dreaming about visiting/returning someday
On Consideration List	Seriously considering visiting/returning in the next 2 years
Creating a Vacation Movie	Have started to gather some travel information for a trip to this country
Detailed Itinerary Planning	Am planning the itinerary for a trip to this country
Finalizing Travel Arrangements	Am currently making transportation and accommodation arrangements
Booking a Trip	Have already booked my transportation and accommodations

Dream to Purchase
Consider to Purchase
Active Planning

In looking at the results for Brazil, the US maintains its number one position, with 22% of Brazilian long-haul travellers actively engaged in planning a visit to the country and an additional 23% seriously considering a trip. Encouragingly, 20% of Brazilian travellers indicate they are actively planning a trip to Canada, just ahead of the results for Italy, France and Portugal (all with 19% in the active planning stage). Younger travellers aged 18-34 are more likely to be actively planning a trip to Canada. Once again, results may be impacted by the timing of data collection in 2016 (respondents may be thinking of winter trips). For this reason, 2016 results should not be compared with previous years.

An additional 16% are seriously considering a visit to Canada compared to 20% for Portugal, 18% for France, and 17% for Italy. Most destinations in the competitive set have a large proportion of Brazilian travellers in the dreaming phase, suggesting that long-haul travel is aspirational for a substantial proportion of the market. While there are no significant differences among the age groups in the dream phase for Canada, travellers aged 55+ are most likely to say they are not interested or have never thought about taking a trip to Canada. This underscores that the primary opportunity in Brazil is among the younger 18-34 age group.

Figure 4.3: Stage in the Purchase Cycle by Country



Base: Long-haul pleasure travellers (past 3 years or next 2 years) – note all respondents evaluated Canada plus 2 randomly selected countries from the competitive set (n=varies)
QMP1. Which of the following best describes your current situation when thinking about each of the following countries for a holiday trip?

Getting travellers to move through the purchase cycle to booking a trip is critical. The charts below show Canada’s progress converting travellers at crucial steps in the purchase cycle relative to top competitors (determined by past 3-year visitation) and other destinations in the competitive set. For reference, also shown is the average across the entire competitive set. ‘Strong’ and ‘weak’ conversion ratios were derived through statistical analysis, specifically if a conversion ratio is greater than one standard deviation from the average, then it is considered ‘strong’ and if a conversion ratio is lower than one standard deviation from average, then it is marked as ‘weak’.

At the dreaming stage, Canada is on par with others in the competitive set with the exception of Italy which is the strongest performer. The US excels at the consideration stage while all other competitors see average performance. The US again sees strong performance at the detailed itinerary planning stage while Canada and the other competitors record average results.

At the final stage, booking a trip, Canada has converted 2% of Brazilian travellers into actual visitors, on par with France, Italy, Portugal and Spain. The US is ahead of all other destinations, converting 4% of prospective visitors to actual visitors followed by Italy at 3%.

For context, the US recorded 1.7 million arrivals from Brazil in 2016, while Italy saw 872,000 in 2015. Canada welcomed 114,000 Brazilian travellers in 2016[3].

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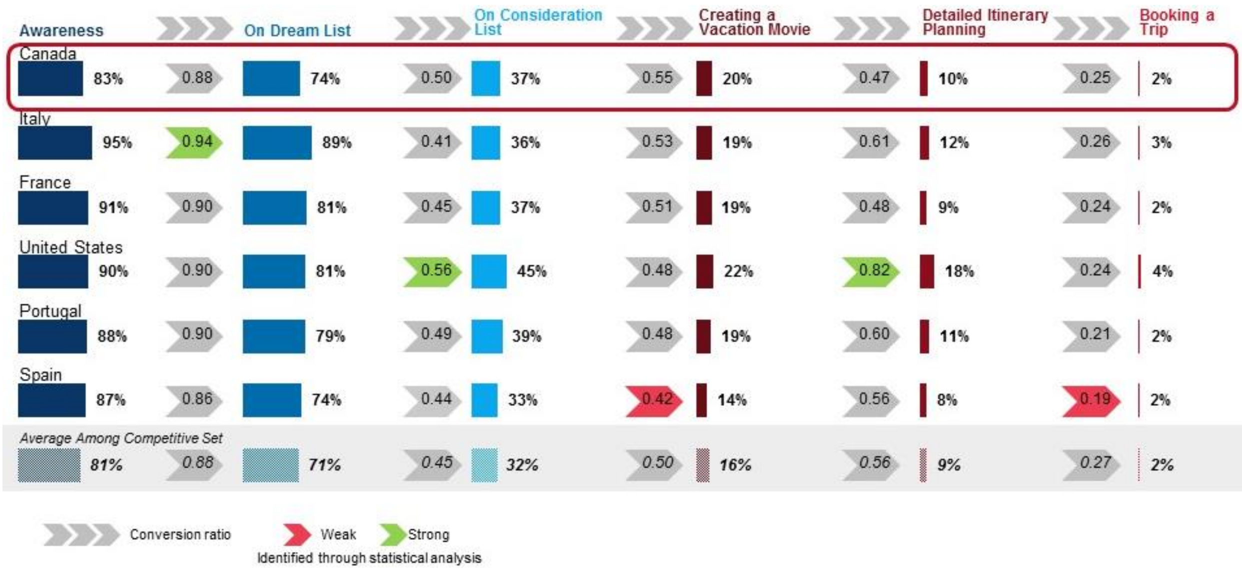
3 Destination Canada, US National Travel & Tourism Office, Agenzia Nazionale Del Turismo- ENITI.

Figure 4.4: Path-to-Purchase Conversion – Top Competitors



Examining purchase cycle results for destinations visited less frequently by Brazilian travellers is also informative. Most notably, Germany is a strong performer at the final stage, seeing conversion ratios between detailed itinerary planning and actual booking above average. Examining what Germany is doing may be a worthwhile exercise to understand how to convince Brazilian travellers to move from planning to booking trips to Canada.

It is important to keep in mind the proportion booking a trip to Germany is equivalent to Canada's result (2%). For context, Germany attracted approximately 800,000 visitors from Brazil in 2015.[4]

Figure 4.5: Path-to-Purchase Conversion – Rest of Competitors

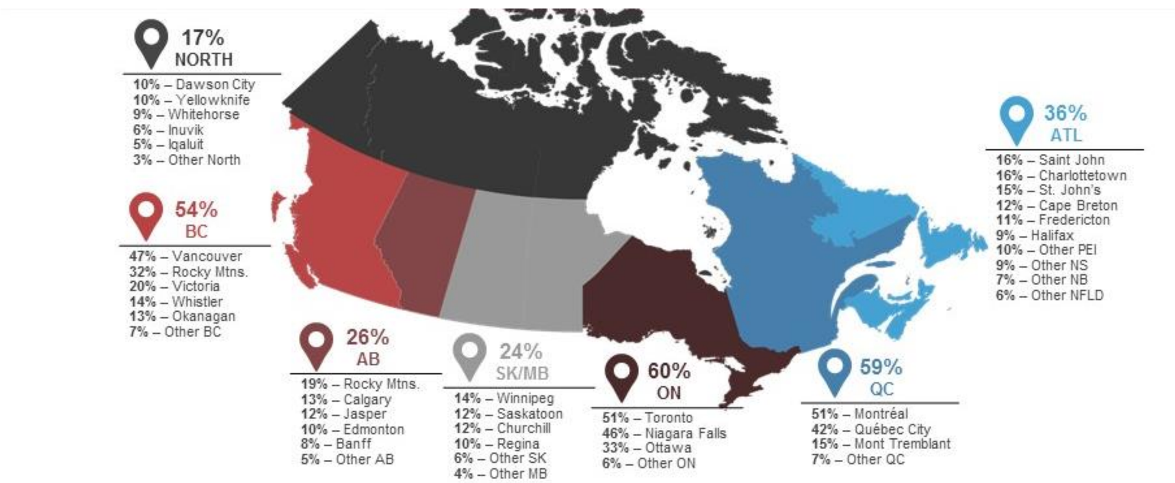
4 *German National Tourism Board.*

Destinations

Brazilian travellers in the dream-to-purchase stages and indicating they are definitely/very likely to visit Canada in the next 2 years were asked which parts of the country they would likely visit. Ontario is the most popular province (cited by 60%), with Toronto (51%) and Niagara Falls (46%) being top destinations. Following closely behind is Quebec (59%), with Montreal (51%) being the primary draw followed by Quebec City (42%). In third place is British Columbia (54%), with Vancouver being a key destination of interest (47%). Atlantic Canada is in 4th spot (36%).

While city destinations are generally of higher interest for Brazilians, iconic natural attractions are also appealing. Thirty-two of potential visitors would go to BC to see the Rocky Mountains and 19% would go to Alberta for this. The relatively high level of interest in ski destinations (Whistler, Banff, Jasper and Mont Tremblant) may be in part linked to the timing of data collection, which occurred in December 2016.

Figure 4.6: Canadian Destinations Likely to Visit (Among those definitely/very likely to visit)



Base: Those in the dream to purchase stages of the path to purchase for Canada and definitely/very likely to take a trip to Canada (n=790)
QMP7. If you were to take a holiday trip to Canada in the next 2 years, which of the following Canadian travel destinations are you likely to visit?
QMP7a-g. Within [province/region], which travel destinations are you likely to visit?

An additional question asked potential visitors to identify the one Canadian destination holding the greatest appeal. Niagara Falls, selected by 19% of potential visitors, is the top draw followed by Vancouver (15%), Montreal (15%), Toronto (12%), the Rocky Mountains (8%), and Quebec City (7%). With the exception of Niagara Falls, Brazilians seem to be drawn more to Canada's major cities than its landscapes.

Figure 4.7: Most Appealing Canadian Destination – Top 10 Mentions

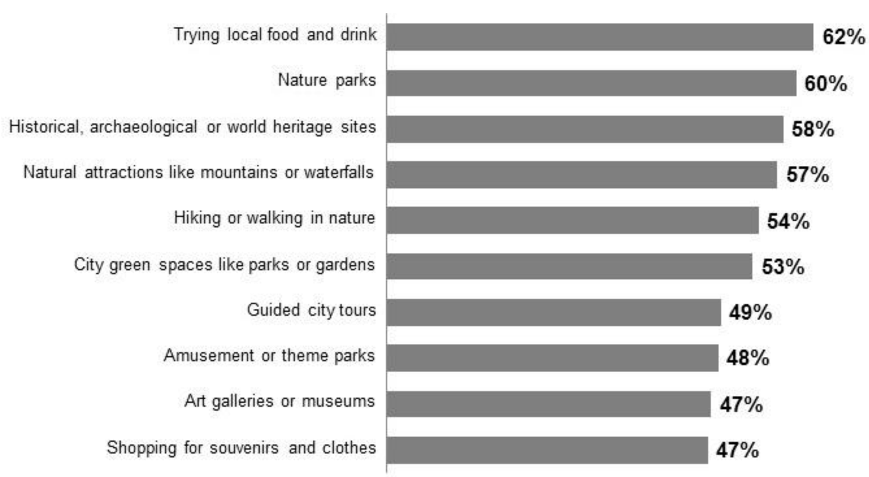
Base: Those in the dream to purchase stages of the path to purchase for Canada and definitely/very likely to take a trip to Canada (n=790)
QMP8. And, which place in Canada most appeals to you?

Jasper	1.2%	Other NS	1.1%
Saint John	0.9%	Other QC	1.1%
Saskatoon	0.8%	Other BC	0.9%
Fredericton	0.8%	Other PEI	0.8%
Victoria	0.7%	Other NB	0.7%
Dawson City	0.6%	Other AB	0.6%
Whistler	0.5%	Other North	0.6%
Halifax	0.5%	Other NFLD	0.2%
Churchill	0.4%	Other ON	0.1%
Edmonton	0.4%	Other MB	0.0%
St. John's	0.4%	Other SK	0.0%
Banff	0.3%		
Yellowknife	0.3%		
Iqaluit	0.2%		
Okanagan	0.2%		
Whitehorse	0.2%		
Regina	0.1%		
Mont Tremblant	0.1%		
Cape Breton	0.1%		

5. Vacation Activities

Brazilian travellers were asked about which activities and experiences they seek while on holidays in general, regardless of the destination. The chance to sample local cuisine and drink is the most sought-after holiday experience. This is followed by visiting nature parks, visiting historical sites, natural attractions like mountains or waterfalls, and hiking or walking in nature. Other top activities are city-based. Trying local food and drink, visiting historical sites, and natural attractions hold a stronger than average appeal for older travellers aged 55+ while those aged 18-54 voice higher than average interest in hiking/walking in nature. These results bode well for Canada, which can offer a blend of outdoor experiences and city activities Brazilian travellers say they seek.

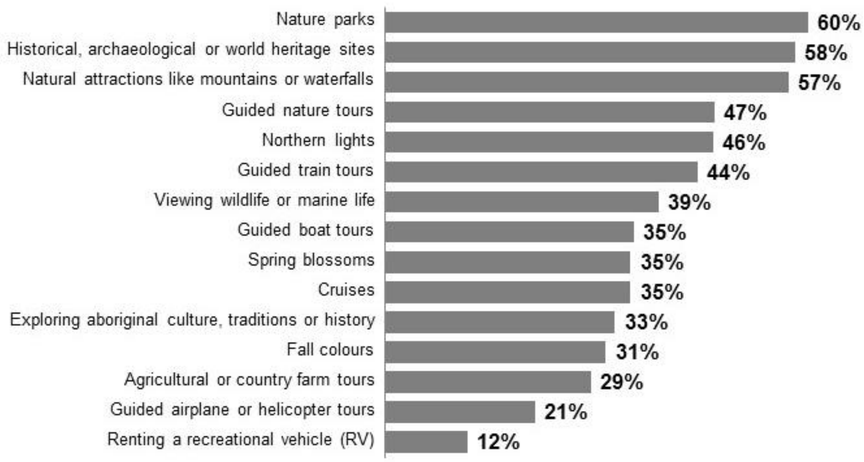
Figure 5.1: General Activities/Places Interested In – Top 10



Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1,502)
QMP10. In general, what activities or places are you interested in while on holiday?

In terms of things to see & do, Brazilian travellers are most interested in outdoor activities and historical experiences. Visiting nature parks (60%), historical sites (58%), and natural attractions such as mountains and waterfalls (57%) are the top three picks. These are followed by guided nature tours (47%), the Northern lights (46%) and guided train tours (44%). Nature parks, guided nature tours, and Northern lights appeal to all age groups, however, visiting historical sites, natural attractions, and guided train tours are more appealing to older travellers aged 55+. While less popular overall, fall colours and renting an RV hold greater interest for younger travellers aged 18-34.

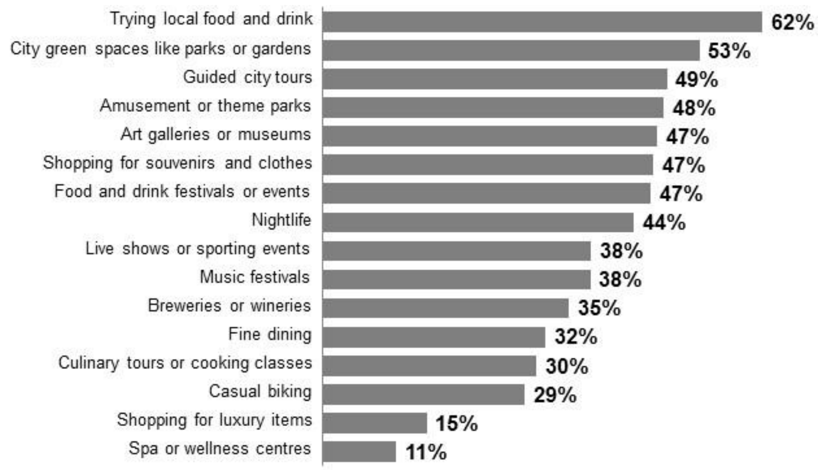
Figure 5.2: General Activities/Places Interested In – Things to See & Do



Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1,502)
QMP10. In general, what activities or places are you interested in while on holiday?

Among city activities specifically, trying local food and drink holds the greatest appeal for Brazilian travellers (62%). The next most frequently selected city activities are exploring city green spaces such as parks or gardens (53%), taking a guided city tour (49%), amusement or theme parks (48%), art galleries or museums (47%), shopping for souvenirs and clothes (47%), and food and drink festivals or events (47%). The appeal of city experiences varies by age with city parks and gardens being of most interest to older travellers aged 55+. Travellers aged 35-54 share interests with older travellers in trying local food and drink, guided city tours, shopping for souvenirs and clothes, and art galleries and museums. Travellers aged 35-54 also share interest in amusement or theme parks with those aged 18-34. While less popular overall, younger travellers aged 18-34 are the most interested in music festivals, shopping for luxury items, spa or wellness centres, culinary tours, and fine dining.

Figure 5.3: General Activities/Places Interested In – City Activities



Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1,502)
QMP10. In general, what activities or places are you interested in while on holiday?

In terms of outdoor activities, Brazilian travellers are most interested in hiking or walking in nature (54%), followed by scuba diving (35%), ziplining (31%), downhill skiing/snowboarding (30%), kayaking/canoeing/paddle boarding (29%), and camping (29%). With the exception of fishing/hunting, all outdoor activities hold stronger than average appeal for younger travellers aged 18-34.

Figure 5.4: General Activities/Places Interested In – Outdoor Activities

Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1,502)
QMP10. In general, what activities or places are you interested in while on holiday?

6. Barriers

All Brazilian long-haul travellers were asked what could prevent them from visiting Canada. Cost is the primary deterrent, followed by the related unfavourable exchange rate, the desire to visit other places, visa requirements, poor weather, and poor value for money. Travellers aged 18-54 are most likely to mention cost, with younger travellers aged 18-34 being the most conscious of the exchange rate. Some of the less cited barriers are more acute among younger travellers including the language barrier, health risks, and lack of time to take a vacation. Travellers aged 35-54 mention visa requirements and safety concerns more often the other age groups. Older travellers aged 55+ are most likely to feel there are other places they would rather visit and there is no reason to visit Canada anytime soon; however, they are also more likely to say nothing will prevent them from visiting Canada.

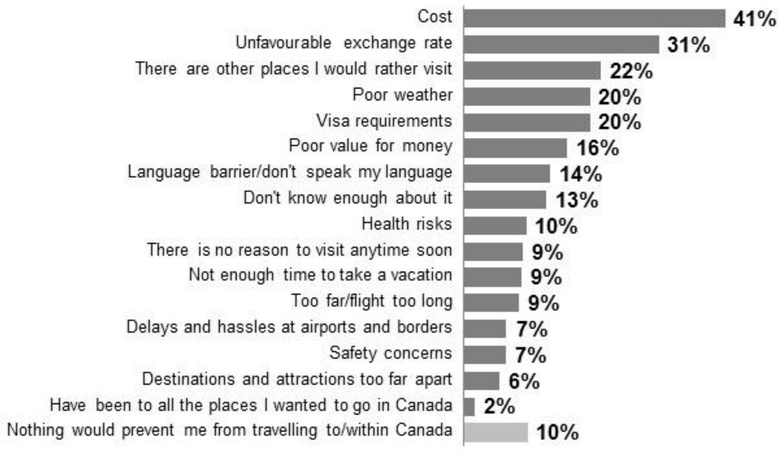
While barriers related to cost (including exchange rate and value for money concerns) are challenging to address, especially in Brazil where currency fluctuations are pronounced, they can be indirectly dispelled through messaging about the value offered by a Canadian vacation experience and the destination's ability to deliver the experiences Brazilians seek.

Secondary barriers such as not knowing enough about Canada and lack of a compelling reason to visit can be addressed through advertising. Other peripheral reasons including visa requirements and hassles at borders and airports are issues for the Canadian government to address.

Younger travellers represent the best immediate opportunity as they have a stronger desire to visit Canada and are farther down the path-to-purchase. From a lifetime value standpoint, younger travellers may require more efforts to attract, but the pay-off can be greater. From a strategic marketing viewpoint, Destination Canada could consider focusing branding awareness efforts on younger travellers aged 18-34.

While cost remains a top barrier among those who visited Canada in the past (26%), they are much less likely to cite it as a barrier compared to those who have never been (46%). However, while cost concerns may dissipate, the top barrier among past visitors is an unfavourable exchange rate, which underscores the challenges a fluctuating currency poses for Canada.

Figure 6.1: Key Barriers for Visiting Canada

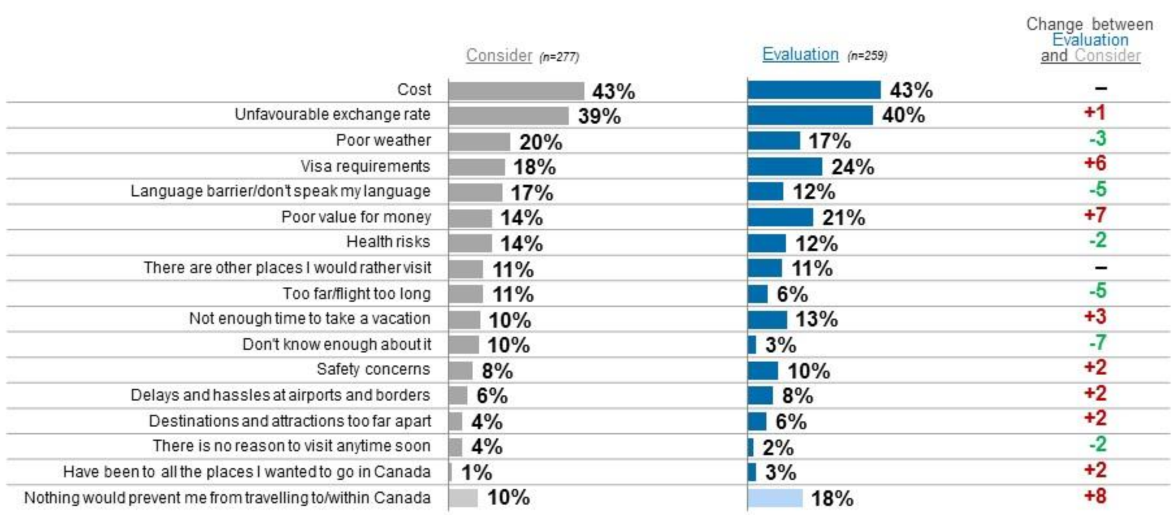


Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1,502)
QMP9. Which of the following factors might discourage you from visiting Canada?

Examining barriers at key path-to-purchase stages provides additional insight. For those considering a visit, cost is the top barrier with an unfavourable exchange rate, a related barrier, in 2nd spot. Canada struggles moving travellers from the consideration phase to latter stages in the purchase cycle, so finding ways to emphasize where Canada can offer value is paramount.

Those at the evaluation stage (gathering information or planning a visit) cost and the exchange rate remain the primary barriers, but value for money concerns intensify (+7). In addition, practical considerations such as visa requirements rise in importance (+6). Notably, the proportion saying nothing would prevent them from visiting Canada is considerably higher among those in the evaluation stage than in the consider stage (+8). This suggests that barriers to visiting Canada generally decrease as Brazilian travellers proceed along the purchase path.

Figure 6.2: Key Barriers for Visiting Canada – by Path-to-Purchase Segments



Base: Long-haul pleasure travellers in specific path-to-purchase segments
QMP9. Which of the following factors might discourage you from visiting Canada?

7. Recent Trip Profile

The following section provides details on the most recent long-haul trip taken by Brazilian travellers to competitive set destinations in the past 3 years (54% took such a trip). If the most recent trip encompassed more than one destination, the data reflects where the most time was spent.

Trip Purpose

The primary reason for travelling among all Brazilian long-haul travellers was for holiday purposes (cited by 68% of all travellers). In Canada's case, slightly fewer cited holiday as the primary purpose (63%). Visiting family and relatives (VFR) is a distant second, cited by 12% of all travellers in general and among visitors to Canada. For trips to Canada, combining business and leisure was equally as common as VFR travel (12%).

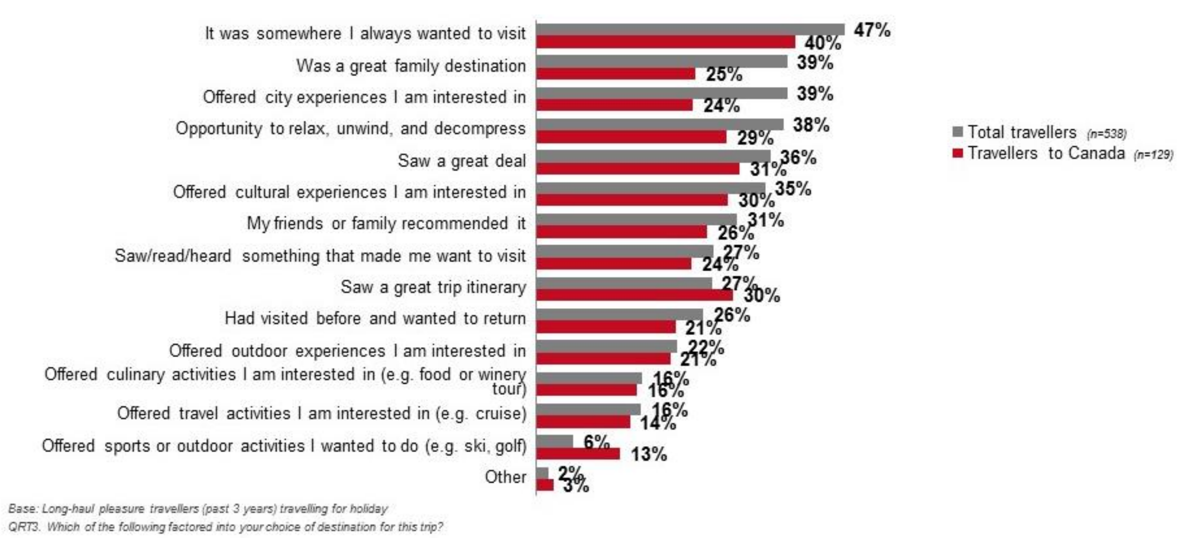
Motivators

Those travelling for holiday purposes were asked about factors which influenced their choice of destination.

A longstanding desire to visit was the primary reason for choosing the destination, both among travellers generally (cited by 47%) and visitors to Canada (40%). Brazilian travellers also look for destinations which are great for families and offers interesting city experiences. These factors were relatively less important for those who travelled to Canada. Instead, visitors to Canada were more likely to cite a great deal (31%), a great trip itinerary (30%), and interesting cultural experiences (30%) as motivating factors.

While not a top consideration, outdoor sports or activities was cited twice as often as a motivation to visit Canada compared to other destinations (13% versus 6% overall).

Figure 7.1: Factors Influencing Destination Selection



Travel Party

Regardless of destination, Brazilian travellers were most likely to be accompanied by their spouse (56%). This is particularly common among travellers aged 35-54 (62% travelled with their spouse). Seventeen percent of Brazilian travel parties contained children under the age of 18 (most common among travellers aged 35-54), which suggests the family market is small. Younger travellers aged 18-34 were the most likely group to have travelled with their parents.

Compared to other markets, organized group travel is not as common among Brazilian travellers. Twenty-seven percent of all Brazilian travellers were on an organized group tour, while 26% of trips to Canada were as part of a group. Group travel is more common among younger travellers aged 18-34.

Booking

Brazilian long-haul travellers have traditionally been heavily reliant on travel agents and this pattern continues in terms of booking flights as 47% were booked with a travel agent (40% for trips to Canada). Twenty-seven percent booked flights directly with the airline, closely followed by use of online travel agencies (26%). Younger travellers aged 18-34 are much more likely to book using online options. Those who recently visited Canada are more likely to use online travel agencies than travellers in general (30% vs. 26%).

For accommodation bookings, online travel agencies are most popular (36%), followed by booking with a travel agent (28%). A smaller proportion booked directly with the provider (18%). Accommodation booking patterns are similar for trips to Canada. Younger travellers aged 18-34 are significantly more likely to book accommodation through a sharing services website, such as Airbnb.

Type of Accommodation

Regardless of destination, Brazilian travellers show a preference for mid-priced hotels (45%) followed by budget hotels (28%). The same pattern is true among recent visitors to Canada (45% opted for a mid-price hotel and 21% for a budget property).

8. Marketing Tactics

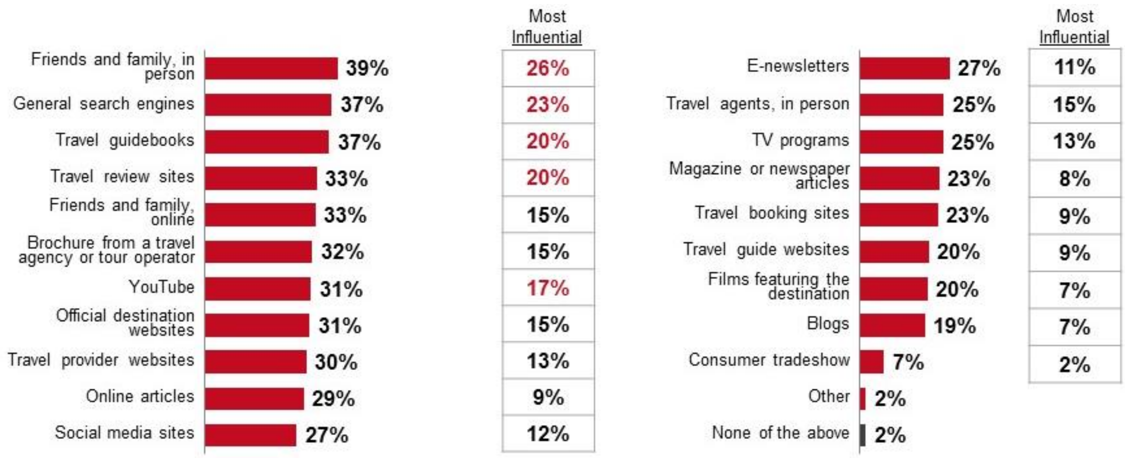
Sources Used to Look for Information

Brazilian long-haul travellers rely on a variety of sources to find information on potential vacation destinations, with recommendations from friends and family, in person (39%), general search engines (37%), travel guidebooks (37%), travel review sites (33%), and friends and family, online (33%) being the most frequently mentioned.

The most influential sources of travel information are a mix of online and offline. Personal interactions with friends and family are viewed as the most influential information source followed by general search engines. Travel guidebooks, travel review sites and YouTube emerge as the next most influential sources.

The influence of information sources varies by age. Older travellers aged 55+ lean towards offline sources, citing personal interactions from family and friends, travel agent brochures, in-person interactions with travel agents, and newspaper/magazine articles more frequently than younger travellers. In contrast, younger travellers aged 18-34 are more likely to see YouTube, social media sites, and blogs as influential information sources. Travellers aged 35-54 are the most likely to see travel guidebooks as influential. These results have clear implications for reaching target audiences in Brazil – concentrate on offline channels for older travellers aged 55+ and online channels for younger travellers aged 18-34.

Figure 8.1: General Source of Destination Information / Most Influential Source



Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1,502)
QMT1. When you research possible vacation destinations for your next trip, what sources do you use to look for information?

Base: Long-haul pleasure travellers (past 3 years or next 2 years) who mentioned an information source (n=1,480)
QMT2. Please select the 3 most influential information sources.

Resources, Devices Used to Plan Recent Trip

As noted above, Brazilian long-haul travellers rely on a mix of online and online resources to research vacation options. Online is the most utilized resource to plan trips, with laptops and desktops being the most prevalent devices, followed by mobile phones, which are more popular among younger travellers aged 18-34.

Aside from online resources, travel agents are also frequently used for planning trips. Usage is significantly higher among travellers aged 18-54. Personal recommendations from friends and family are relied on quite heavily overall, but less so for trips to Canada.

Figure 8.2: Resources and Devices Used to Plan Trip