DESTINATION CANADA

Global Tourism Watch

2017 Australia Public Summary Report

Canada

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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 11 core markets around the world: Australia, 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 Australian market: China, France, Germany, Greece, India, Ireland, Italy, Japan, Netherlands, South Korea, Spain, Switzerland, the UK, and the US. 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).

Methodology

Data was collected via an online survey and has been weighted to represent the Australian long-haul travel population. The target population in Australia was residents aged 18 years and older, who have taken a long-haul pleasure trip outside of Australia, New Zealand and the Pacific Islands 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 1,500 respondents in Australia, including 200 recent visitors to Canada, in July 2017. Results are compared against the previous GTW wave (data gathered in December 2016). In addition, select comparisons are made to the 2017 Pulse Check study conducted in November 2017. The Pulse Check is a shorter version of the GTW study, conducted to monitor movement of key metrics on a more frequent basis.

Throughout the report, statistically significant differences from one wave to the next are denoted by arrows in the charts: green arrows pointing up if the metric has increased and red arrows pointing down if the metric has decreased. Results were also analysed among different segments and demographic cohorts; throughout the report, references are made where there are statistically significant differences compared to the general traveller.

Study Overview: Australia Market

The target population are residents aged 18 years and older, who have taken a long-haul pleasure trip, 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.

Timing of Fieldwork

JUL

2017

Geographical Definition for Qualified Trips

Outside of: Australia, New Zealand, and the Pacific Islands

GTW Sample Distribution

Sample distribution:	**National**
Recent visitors to Canada:	**200**
Other travellers:	**1,300**
Total sample size:	**1,500**

Seasonality

Fielding for the 2017 GTW study was conducted in July, which is different from 2016 timing (December), but consistent with timing for years before 2016. A Pulse Check study was conducted in November 2017, which allows comparison of key metrics across three waves to determine whether seasonality of survey fielding is a factor in results.

The only metric to see significant variation is the proportion actively planning a trip to Canada, which stands at 19% in the Pulse Check, up from 14% and 12% in previous GTW waves. The fact that only one metric was significantly different suggests seasonality of survey fielding does not affect results for Canada in the Australian market.

Key Metrics Tracking

	Pulse Check 2017 (November 2017) *(n=500)*	GTW 2017 (July 2017) *(n=1500)*	GTW 2016 (December 2016) *(n=1506)*
Unaided Consideration of Canada	**6%**	**9%**	**8%**
Aided Consideration – Canada	**31%**	**36%**	**34%**
Destination Knowledge (Top2Box) – Canada *(Among those considering Canada)*	*(n=175)* **45%**	*(n=657)* **42%**	*(n=627)* **36%**
Actively Planning a Trip to Canada	**19%** ▲	**14%**	**12%**
Past Visitation to Canada	**38%**	**38%**	**37%**

▲ / ▼ *Significantly higher/lower than previous wave.*

Background

Australia has the 13th largest global economy, with 1.8% share of global GDP (*International Monetary Fund, October 2017*). The Australian economy, as measured by GDP, improved by 2.5% in 2016. However, the economy is projected to grow more slowly (2.2%) in 2017, due to a softening in housing investment and mining exports which were hit by poor weather during the first half of the year. In 2018, the economy is expected to rebound to 2.9% growth (*International Monetary Fund, October 2017*).

This economic growth is expected to be fuelled by business investment outside of the housing and mining sectors and by exports of new resources such liquefied natural gas. Household consumption growth remains more moderate due to increasing household debt and a cooling housing market (*OECD, November 2017*).

Unemployment rates have gradually declined from 5.7% in 2016 to 5.6% in 2017, and is expected to further decline to 5.4% in 2018 (*International Monetary Fund, October 2017*), After hitting a 10-year low of 1.3% in 2016, inflation is forecasted to reach 2.0% in 2017 and 2.2% in 2018 *(International Monetary Fund, October 2017)*.

While the value of the Australian dollar fluctuated throughout 2017, it was the strongest year in terms of return since 2010 (*Sydney Morning Herald, January 2018*). The surge in the value of the Australian dollar has been closely related to improving commodity prices, but also to the weakness in the US dollar (*ABC News, September 2017*). Forecasts for the value of the Australian dollar in 2018 are mixed with some estimates as low as US$0.65 and others as high as US$0.84 (*Sydney Morning Herald, January 2018*).

In July 2017, the Consumer Confidence Index reached 50.3 which is in line with the score six months prior, but up from 47.8 twelve months earlier (*Thomson Reuters / Ipsos Primary Consumer Sentiment Index, July 2017*).

Australia is the world's 9th largest outbound tourism market with total spending of US$25 billion in 2016, growing by 5% year-over-year from 2015 to 2016. Spending reached over US$1,000 per capita, second only to Hong Kong among the top 10 largest outbound tourism markets *(United Nations World Tourism Organization, April 2017)*.

Market Potential

HIGHLIGHTS

- ✓ *The immediate potential market increased significantly from the previous year: 2.67 million travellers are definitely or very likely to visit Canada in the next 2 years (versus 1.95 million in 2016).*

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 Australian 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 2016 omnibus study of the Australian adult population. Long-haul travel incidence is comprised of travellers who indicate that they have travelled for a long-haul pleasure trip in the past three years, or intend to do so in the next two years.

The proportion of GTW respondents who are in the dream to purchase stages for Canada (75%, versus 72% in 2016) is used to calculate a target market estimate of 5.7 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 (47%, up significantly from 36% in 2016). This translates into a market of 2.67 million travellers with more immediate potential for conversion, up from 1.95 million in 2016.

Among Destination Canada's ten international markets, Australia was ranked 8th in immediate potential market size (behind the US, China, South Korea, Germany, the UK, France, and India). However, actual visitation from Australia was ranked 6th among Destination Canada's international markets in 2017[1]. This means that Canada is doing well at converting potential travellers to actual visitors in the Australian market.

For context, Canada attracted 375,000 visitors from Australia in 2017, significantly more than the 333,000 visitors from Australia in 2016[2]. The 375,000 arrivals represent 14% of the immediate potential market.

Size of Potential Market to Canada (Next 2 Years)

Measure	Size of Potential Market to Canada
Long-haul pleasure travel market	**7.61 million**
Target market for Canada (dream to purchase stage)	**75%**
Size of the target market	**5.70 million**
Immediate potential for Canada (definitely/very likely to visit in next 2 years)	**47%** ▲
Immediate potential	**2.67 million**

▲ / ▼ Significantly higher/lower than 2016.

Base: Target market for Canada = long-haul pleasure travellers (past 3 years or next 2 years) (n=1500); Immediate potential for Canada = dream to purchase stages for P2P for Canada (n=1116)

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 (2.67 million). BC continues to hold the greatest appeal (73% or 1.94 million potential visitors), followed closely by Ontario (63% or 1.69 million potential visitors). Alberta and Quebec are in 3rd and 4th spot, appealing to 48% (1.29 million) and 43% (1.14 million) of potential visitors, respectively. While not a primary destination for Australian travellers, interest in visiting the Prairie provinces is down significantly in 2017 (17%, down from 23%).

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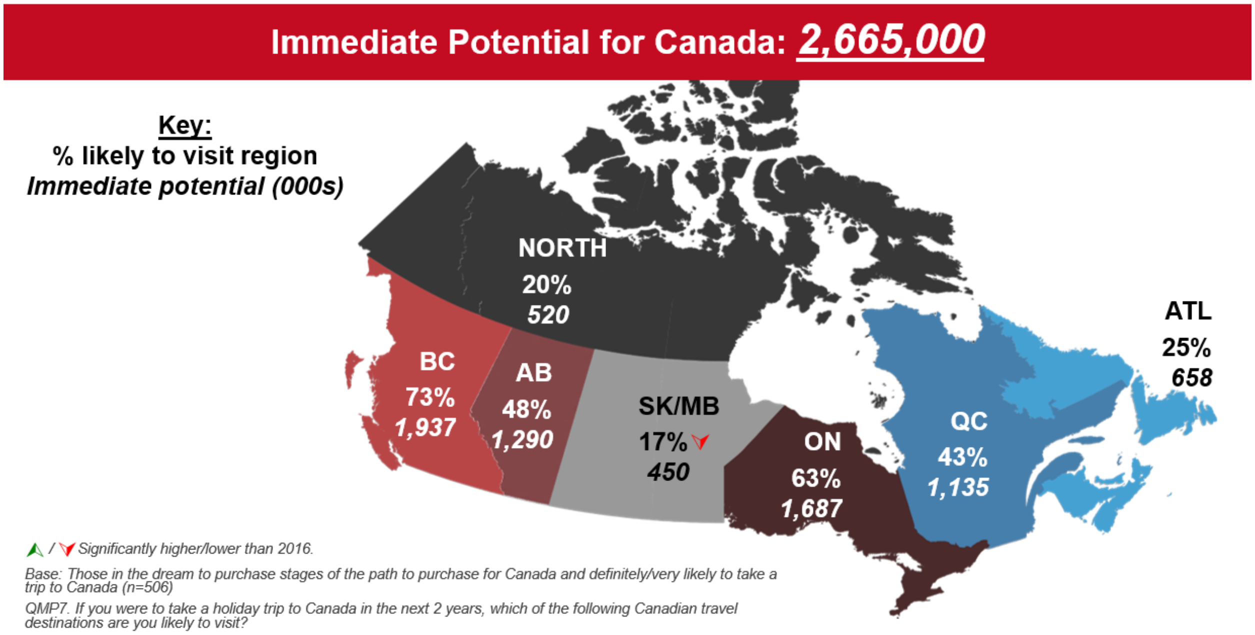
[1] *Destination Canada, Tourism Snapshot, December 2017.*

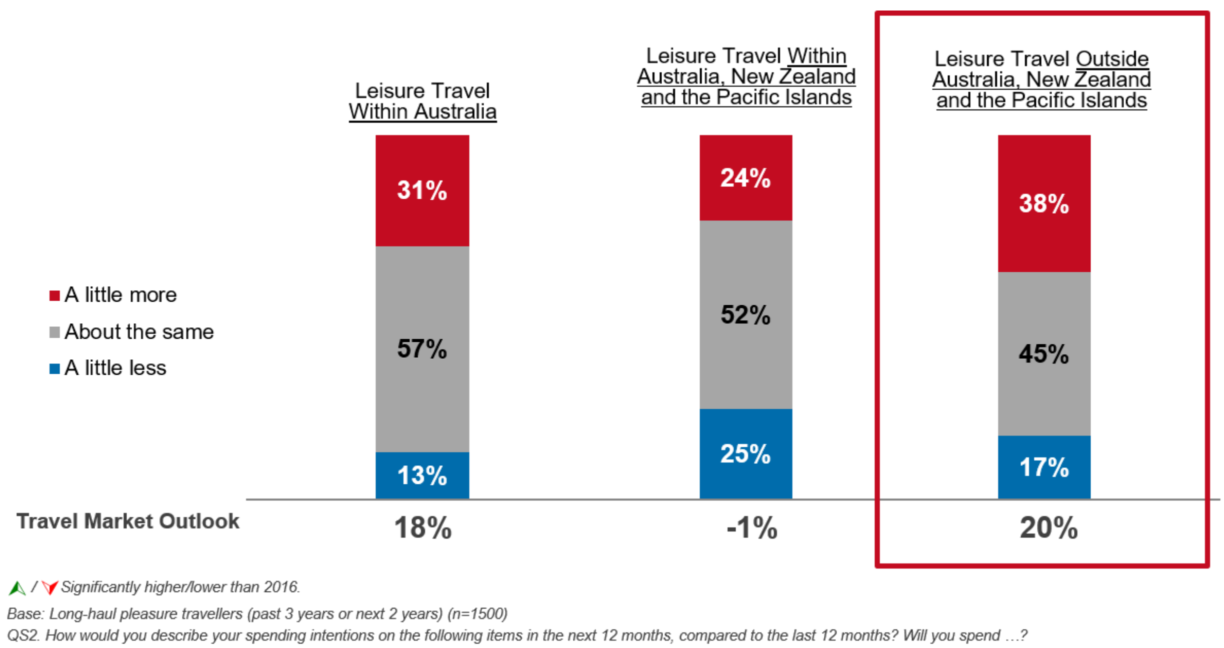
[2] *Destination Canada, Tourism Snapshot, December 2016 & December 2017.*

Potential Market Size for the Regions



The proportion of Australian travellers saying they will spend more on long-haul travel continues to exceed those who report that they will spend less, resulting in a long-haul outlook of +20 in 2017, similar to 2016 (+21). Australian travellers remain more likely to travel within the country (outlook of +18) than to short-haul destinations (outlook of -1).

Spending Intentions (in the Next 12 Months)



Competitive Environment – Key Performance Indicators Summary

HIGHLIGHTS

- ✓ *Although results are consistent to 2016, Canada's ranking on unaided consideration moved from 6th to 4th in 2017. The US remains in 1st position, followed by the UK and Japan. Knowledge of Canada has improved, resulting in a move up from 12th spot in 2016 to 7th place.*

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. For Australia, these destinations are the US, the UK, France, China, Japan, Italy, Germany, India, Netherlands, Greece, Ireland, Spain, Switzerland, and South Korea.

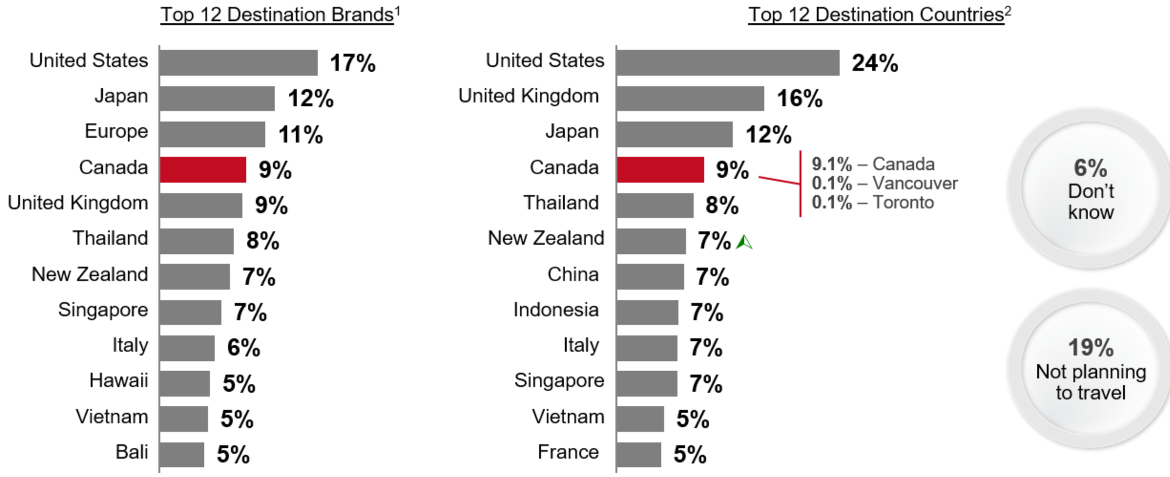
Out of the 15 competitive destinations that respondents were asked to evaluate, Canada is tied with the UK for 2nd place behind the US on aided consideration, and 4th on unaided consideration (behind the US, the UK and Japan). Canada ranks considerably lower on destination knowledge, in 7th place (up from 12th in 2016) behind the UK, the US, France, Japan, Italy and Ireland.

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, 9% of Australian travellers mentioned Canada as a destination under serious consideration in the next 2 years, consistent with 2016 (8%). Canada has moved up two positions on this metric, from 6th in 2016 to 4th. Canada has passed China and Singapore 2017, but remains behind the US, the UK, and Japan. However, results from the November 2017 Pulse Check wave suggests that seasonality of survey field timing may have an effect on unaided consideration rankings, where China and Singapore may be more top-of-mind when surveyed during the winter period.

Those who have visited Canada recently continue to be more likely to mention Canada on an unaided basis (20%). Similar to 2016, very few specific places in Canada were mentioned by Australian long-haul travellers, with the majority just saying Canada, suggesting knowledge of specific Canadian destinations remains low.

Unaided Long-Haul Destination Consideration (Next 2 Years)



/ Significantly higher/lower than 2016.

Note: [1] Responses as mentioned by respondents (e.g., percentage who said "Canada" specifically).
[2] Roll-up of brand mentions by country (e.g., percentage who said "Canada" or any destination in Canada).

Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)

QS8. You mentioned that you are likely to take a long-haul holiday trip outside of Australia, New Zealand and the Pacific Islands in the next 2 years. Which destinations are you seriously considering? (Please list up to 3 destinations.)

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. On an aided basis, 36% say they are seriously considering Canada for a leisure trip in the next 2 years, consistent with 2016 (34%). Canada is now tied with the UK for 2nd place behind the US (42%).

Both recent visitors to Canada and those considering a visit rank Canada first overall among all destinations in the competitive set in aided consideration within the competitive set of destinations. Knowing that past visitors are more interested in returning, it is important to attract new visitors.

Knowledge

Aided destination knowledge measures knowledge of travel opportunities in each destination among those with that destination in their consideration set. Thirty-two percent of all Australian long-haul travellers rate their knowledge of travel opportunities in Canada as either excellent or very good, up significantly from 26% in 2016. Destination knowledge has also increased among those considering Canada (42% versus 36% in 2016). This increase in knowledge has moved Canada from 12th spot in 2016 to 7th spot, behind the UK (58%), the US (56%), as well as France (46%), Japan, Italy and Ireland (at 45% each). Efforts to boost knowledge of Canadian travel opportunities could pay off by helping to move potential visitors along the path-to-purchase.

Visitation

In terms of past visitation, 38% of Australian long-haul travellers indicate that they have visited Canada on a leisure trip at some point in their lifetime, consistent with 2016 levels. Younger travellers aged 25-34 are more likely to have visited previously (46%). Those considering a trip to Canada are also considerably more likely to have visited previously (46%). Messaging designed to encourage a repeat visit is recommended since past visitors to Canada voice considerably higher interest in returning.

Key Performance Indicators

Indicator	Definition	All Long-Haul Travellers (n=1500)	Recent Visitors to Canada[1] (n=200)	Considering Canada[2] (n=516)
Intentions:				
Unaided destination consideration	% who mentioned Canada or a destination in Canada on their consideration list[3]	**9%**	**20%**	**23%**
Competitive positioning on destination consideration	Rank on the consideration list among 15 destinations	**3**	**1**	**1**
Destination knowledge:				
Aided awareness of travel opportunities in Canada	% with excellent/very good knowledge of travel opportunities in Canada	**32%** ▲	**57%**	**46%**
Past visitation:				
Past visitation	% who have ever visited Canada for pleasure	**38%**	**98%**	**46%**

▲ / ▼ Significantly higher/lower than 2016.

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 Australia, New Zealand and the Pacific Islands 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?

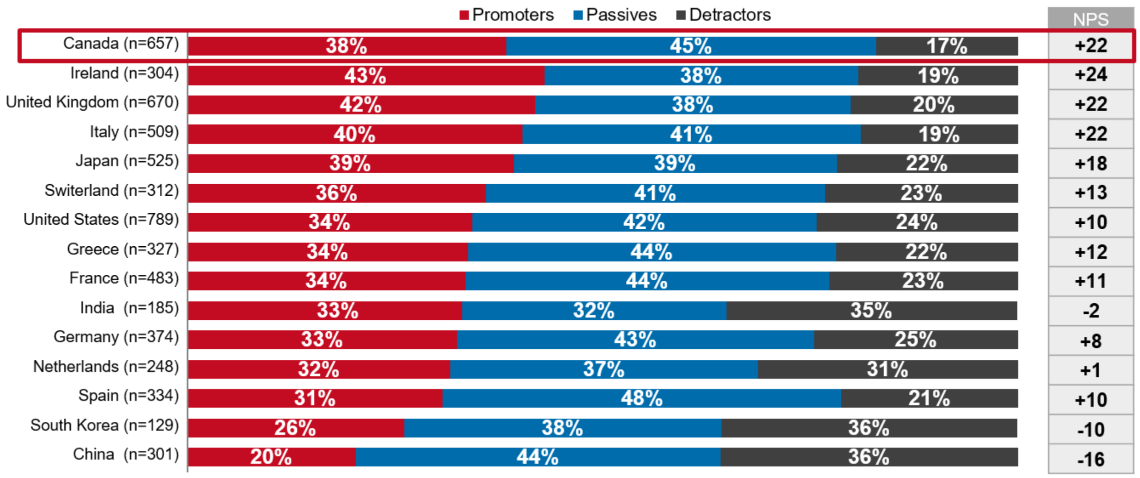
Net Promoter Score (NPS)

The Net Promoter Score (NPS) measure was added in 2017 (previously asked in 2015). NPS measures the likelihood of travellers to recommend a destination. Results are gathered among travellers for each destination in their consideration set (have visited previously and/or considering a visit). The measure has an 11pt scale (0-10). The score is calculated by subtracting Detractors (0-6 rating) from Promoters (9-10 rating). Passives are those who provided a rating of 7-8.

Only Ireland (+24) has a higher NPS result than Canada (+22), which is tied with the UK and Italy, and followed by Japan (+18). While Canada has slightly fewer promoters (38%) than all four competing destinations, it also has the lowest number of detractors (17%) of any destination within the consideration set. Canada has a somewhat higher proportion of Passives (45%) relative to top competitors, suggesting that many Australian travellers do not have as strong an opinion on Canada.

When the results for Canada are examined among recent visitors, the score rises to +32, underscoring the opportunity to capitalize on advocacy from recent visitors as well as encouraging them to return.

Net Promoter Score



+ New question added in 2017 – no trending.
Base: Long-haul pleasure travellers (past 3 years or next 2 years) considering visiting each country
+QMP11. Whether you have visited or not, how likely are you to recommend each of the following destinations to a friend, family member or colleague?

Path-to-Purchase

HIGHLIGHTS

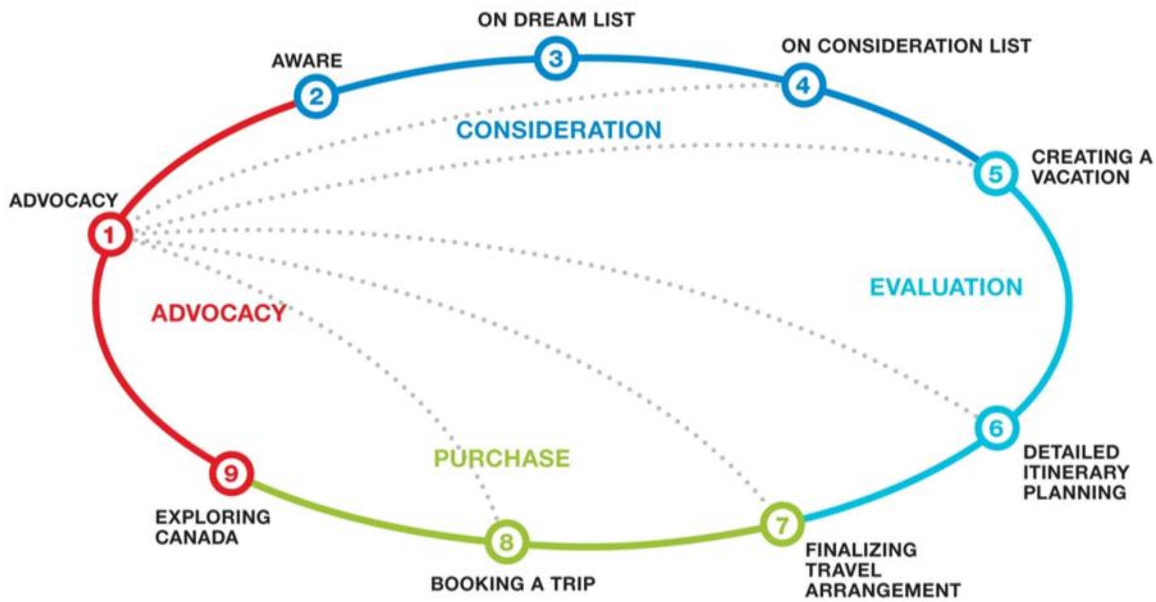
- ✓ *Younger travellers aged 25-34 are more likely to be actively planning a trip to Canada.*
- ✓ *Canada is a top performer when it comes to converting awareness into dreaming, but only average at converting travellers further along the purchase cycle. Additional focus could be placed on moving travellers from creating a vacation movie to itinerary planning, where Canada performs much weaker than the US.*

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.

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.

Destination Canada'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.

Destination Canada'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

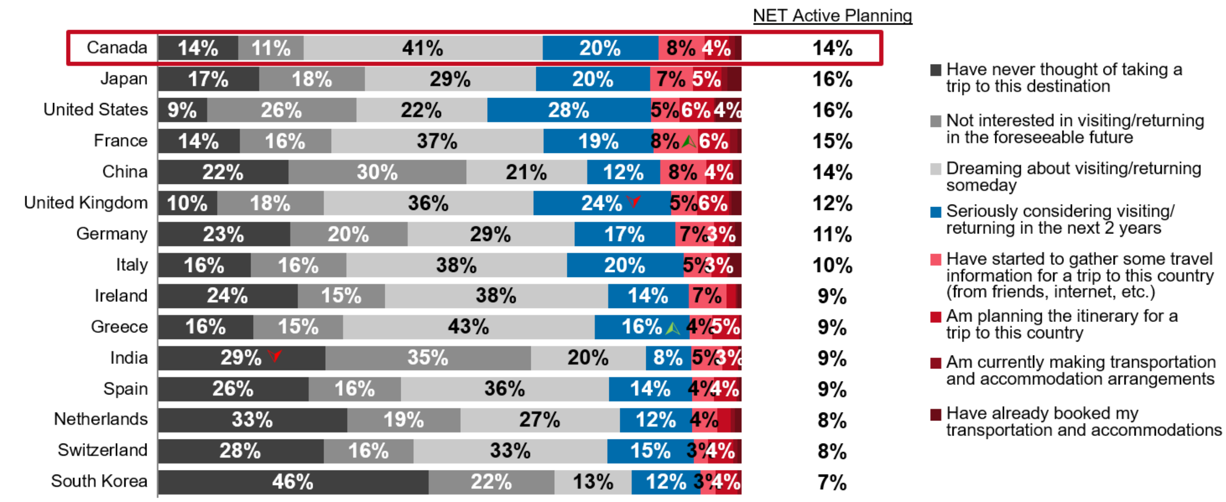
Active Planning

There are some notable shifts evident among top-ranked destinations. Canada continues to be among the most likely destinations to which Australian travellers are actively planning a trip. A similar proportion of Australian travellers as last year are in the active stages of planning a trip to Canada (14% versus 12%), exceeded only by the US (16%), Japan (16%), and France (15%). Younger travellers aged 25-34 are more likely to be actively planning a visit to Canada (18%).

Similar to 2016, Canada has the 2nd highest proportion of travellers in the dream phase (41%), trailing only Greece (43%). This suggests Canada is an aspirational destination for many Australian travellers.

There are some noteworthy shifts among other destinations in the competitive set. A higher proportion of Australian travellers are now seriously considering a visit to Greece (16%, up significantly from 9% in 2016). The UK saw a significant decline in the serious consideration phase (24%, down from 36%), with most of the shift moving down into the dreaming phase. There appears to be growing interest in visiting India, with the proportion saying they have never thought of visiting dropping significantly to 29% from 40% in 2016.

Stage in the Purchase Cycle by Country



Significantly higher/lower than 2016.

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)

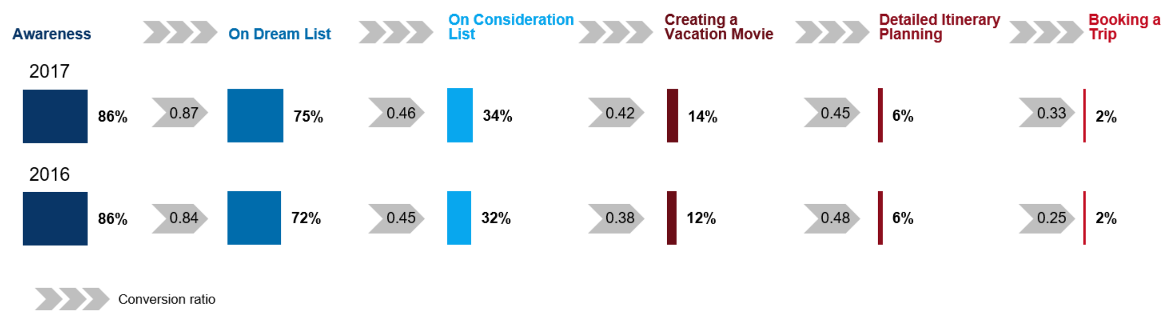
QMP1. Which of the following best describes your current situation when thinking about each of the following countries for a holiday trip?

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 the average, then it is marked as 'weak'.

At the dreaming stage, Canada's performance is above average in 2017 and 2016. However, Canada's performance is only average in converting travellers beyond this stage. In an improvement over 2016, Canada's performance at the booking stage is average, versus weak in 2016 – this is likely due to seasonality since more Australian travellers tend to arrive during the summer. In comparison to the top performing US, Canada's performance is weaker at converting travellers from the creating a vacation movie stage to the detailed itinerary planning phase. This could be a potential area of focus for Canada. At the detailed itinerary planning stage, travellers are primarily self-motivating and will explore the many sources available to build their dream trip; they seek authenticity and real-life experiences in their search for advice.

Australian travellers who are currently in the itinerary planning stage for Canada cite the following as the top sources of information that helped them plan their trip: friends and family, in person (35%), TV programs (31%), travel guidebooks (28%), travel agents/tour operators, in-person (27%), and films featuring the destination (19%).

Path-to-Purchase Conversion – Canada



The US continues to excel at getting on travellers' consideration lists and is also the strongest performer in converting travellers from creating a vacation movie to detailed itinerary planning. In contrast, the UK's performance has slipped in both of these stages of the purchase cycle and it is now, along with Italy, the weakest at moving travellers from consideration to creating a vacation movie. Despite remaining the destination least likely to convert travellers from awareness to the dream stage, China is now the strongest performer when it comes to converting travellers from consideration to creating a vacation movie.

The US, Italy, and Germany are the strongest performers in terms of converting travellers from the detailed itinerary planning stage to booking at trip. At the final stage, booking a trip, the US remains ahead of all other destinations, but converted 5% of prospective visitors to actual visitors, compared to 7% in 2016. Canada has converted 2% of Australian travellers into actual visitors, unchanged from 2016. This is on par with the average among the top competitors, but fewer than Japan (4%) and Italy (3%), both of which converted 2% of travellers into visitors in 2016.

For context, the US recorded 1.34 million arrivals from Australia in 2016 while the UK saw 982,000. In 2017, Canada welcomed 334,000, Japan logged 495,000, while France attracted 1.2 million (includes Oceania) and Italy saw 906,000 (2015).[3]

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[3] *Destination Canada, US National Travel & Tourism Office, Japan Tourist Board, Direction générale des entreprises (France), Visit Britain, and Agenzia Nazionale del Turismo (Italy).*

Path-to-Purchase Conversion – Top Competitors

	Awareness		On Dream List		On Consideration List		Creating a Vacation Movie		Detailed Itinerary Planning		Booking a Trip
Canada	86%	0.87	75%	0.46	34%	0.42	14%	0.45	6%	0.33	2%
United States	92%	0.72	66%	0.66	44%	0.36	16%	0.69	11%	0.45	5%
United Kingdom	90%	0.80	72%	0.50	36%	0.34	12%	0.63	8%	0.28	2%
France	86%	0.82	70%	0.48	34%	0.45	15%	0.50	8%	0.27	2%
Italy	84%	0.80	68%	0.44	30%	0.33	10%	0.52	5%	0.48	3%
Japan	83%	0.78	64%	0.55	35%	0.44	16%	0.54	8%	0.42	4%
China	78%	0.61	47%	0.56	26%	0.53	14%	0.43	6%	0.27	2%
Germany	77%	0.74	57%	0.50	29%	0.40	11%	0.41	5%	0.47	2%
Average Among Competitive Set	*78%*	*0.75*	*59%*	*0.47*	*28%*	*0.40*	*11%*	*0.52*	*6%*	*0.32*	*2%*

Conversion ratio — Weak — Strong
Identified through statistical analysis

Examining purchase cycle results for destinations visited less frequently by Australian travellers is also illuminating. The Netherlands is one of the strongest performers when it comes to converting travellers from detailed itinerary planning to booking a trip. In contrast, India is a strong performer at converting travellers from consideration to creating a vacation movie, but underperforms in subsequent phases of the purchase cycle. Similarly, South Korea is a top performer in moving from dreaming to consideration, and from creating a vacation movie to detailed itinerary planning, but falls short in moving travellers to the final booking stage.

Path-to-Purchase Conversion – Rest of Competitors

	Awareness		On Dream List		On Consideration List		Creating a Vacation Movie		Detailed Itinerary Planning		Booking a Trip
Canada	86%	0.87	75%	0.46	34%	0.42	14%	0.45	6%	0.33	2%
Greece	84%	0.82	68%	0.37	25%	0.35	9%	0.56	5%	0.08	0%
Ireland	76%	0.80	61%	0.37	23%	0.40	9%	0.29	3%	0.38	1%
Spain	74%	0.79	58%	0.39	23%	0.37	9%	0.56	5%	0.19	1%
Switzerland	72%	0.78	56%	0.41	23%	0.36	8%	0.70	6%	0.26	2%
India	71%	0.51	36%	0.45	16%	0.53	9%	0.38	3%	0.18	1%
Netherlands	68%	0.71	48%	0.43	21%	0.41	9%	0.49	4%	0.45	2%
South Korea	54%	0.60	32%	0.59	19%	0.37	7%	0.64	5%	0.16	1%
Average Among Competitive Set	*78%*	*0.75*	*59%*	*0.47*	*28%*	*0.40*	*11%*	*0.52*	*6%*	*0.32*	*2%*

Conversion ratio — Weak — Strong
Identified through statistical analysis

Destinations

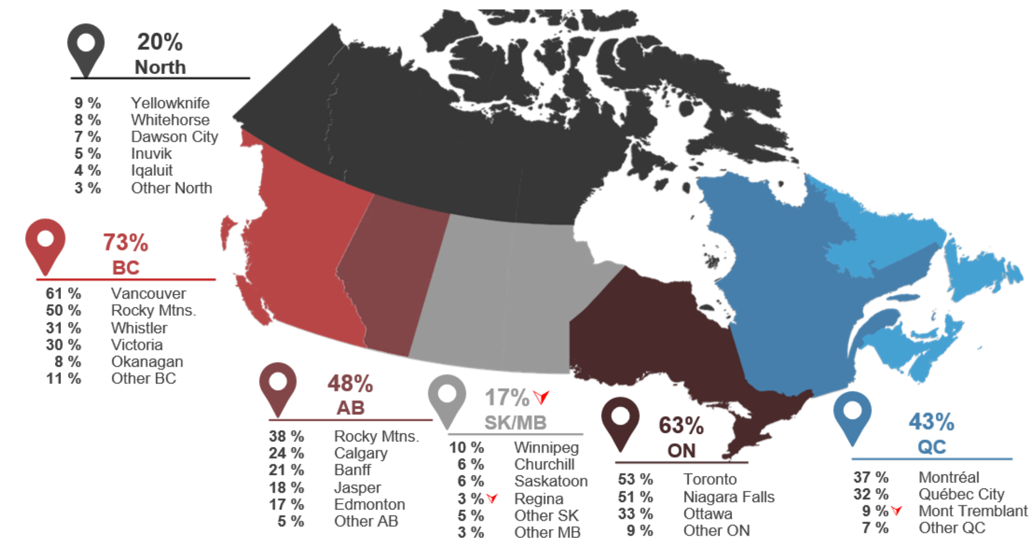
HIGHLIGHTS

- ✓ *There are several significant shifts in likelihood to visit in 2017, with the Prairies, Regina, Mont Tremblant, and Fredericton trending downwards year-over-year.*
- ✓ *St. John's saw a significant increase as the most appealing destination.*

Australian 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. Results are similar to 2016, with British Columbia continuing to be the most popular province (73%), and Vancouver (61%) being the primary draw. Ontario is the 2nd most popular province (63%); Toronto (53%) and Niagara Falls (51%) are the top destinations. Alberta (48%) and Quebec (43%) are the 3rd and 4th most popular provinces for Australian travellers, with Montreal (37%), Quebec City (32%) and Calgary (24%) being the top destinations within those provinces. There are some shifts to note including significant declines for the Prairies (17%, down from 23% in 2016), Regina (3%, down from 8%), Mont Tremblant (9%, down from 16%), and Fredericton (4%, down from 8%).

There is clear interest in visiting the Rocky Mountains, with 50% of probable visitors heading to BC for this experience and 38% saying they would go to Alberta.

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



/ Significantly higher/lower than 2016.

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=506)

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. Similar to 2016, the Rocky Mountains, selected by 21% of prospective visitors, narrowly outperforms Niagara Falls (18%). The top city is Vancouver (13%), followed by Toronto, which has experienced an increase in its appeal (10% versus 6% in 2016), and Montreal (7%). The only significant change is increased appeal for St John's (1%, up from 0% in 2016). Results suggest Canada's landscape-based icons (Rocky Mountains and Niagara Falls) still hold greater appeal for Australian travellers than city destinations and is consistent with low levels of knowledge Australian travellers have of Canadian city based vacation opportunities. There continues to be an opportunity to use well known natural landscapes as anchors and highlight their proximity to cities and lesser known/desirable destinations to attract Australian travellers.

Most Appealing Canadian Destination – Top 10 Mentions

Other SK	0.8%
Other North	0.7%
Other QC	0.7%
Other NFLD	0.6%
Other ON	0.4%
Other PEI	0.4%
Other BC	0.3%
Other AB	0.1%
Other MB	0.1%

Jasper	1.6%
St. John's	1.4% ▲
Edmonton	1.0%
Halifax	0.8%
Winnipeg	0.8%
Saskatoon	0.7%
Whitehorse	0.5%
Okanagan	0.5%
Ottawa	0.4%
Dawson City	0.4%
Cape Breton	0.4%
Churchill	0.4%
Fredericton	0.2%
Yellowknife	0.2%
Inuvik	0.2%
Mont Tremblant	0.1%

Vacation Activities

HIGHLIGHTS

- ✓ *Natural attractions, Northern lights, cruises, historical sites, and local food and drink are the top trip anchor activities Australian travellers.*
- ✓ *Popular activities that Canada could better promote to Australian travellers: historical sites, Northern lights, food and drink festivals, breweries/wineries, exploring places most tourists won't go, fall colours, and spring blossoms.*

Australian travellers were asked about which activities and experiences they seek while on holidays in general, regardless of the destination. The results are similar to 2016 with the exception of food and drink festivals or events, which is now ranked 8th (shopping for souvenirs and clothes was previously 8th, but was split into two separate activities for 2017 and, as a result, shopping for items that help me remember my trip shifted to 10th spot). The chance to sample local cuisine and drink remains the most sought-after holiday experience. This is followed by seeing natural attractions such as mountains and waterfalls, viewing wildlife, visiting parks, historical sites, and seeing the Northern lights. Apart from nature parks, hiking/walking and food/drink festivals, the top activities all hold more appeal for older travellers aged 55+.

These results bode well for Canada, which can offer the full range of experiences Australian travellers say they seek.

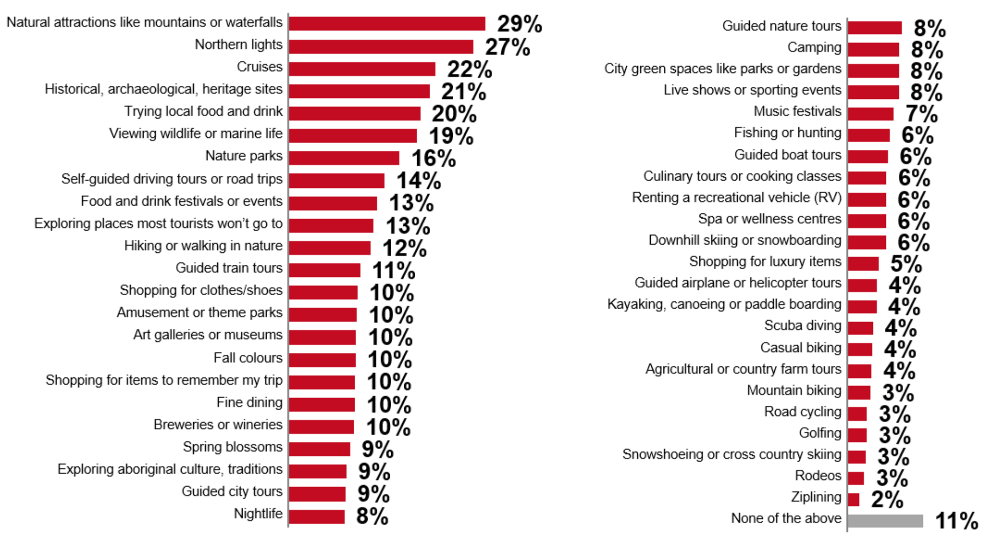
General Activities/Places Interested In – Top 10

+ New response option added in 2017 – no trending.
/ Significantly higher/lower than 2016.
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)
QMP10. In general, what activities or places are you interested in while on holiday?

Trip Anchor Activities

A new question added in 2017 asked Australian travellers which vacation activities are important enough that they would base an entire trip around them. Natural attractions (29%), Northern lights (27%), cruises (22%), historical sites (21%), and local food and drink (20%) are the top trip anchor activities. Apart from cruises, all of these are also among the top activities of interest among Australian travellers. Of note, cruises hold particular appeal for older travellers aged 55+. Given that Australian travellers are willing to anchor a trip around these activities, focus could be placed on messaging about their availability in Canada. These anchors are particularly important to highlight at the creating a vacation movie stage of the path-to-purchase since travellers are looking to build a framework around what their trip could look like.

Trip Anchor Activities



+ New question added in 2017 – no trending.
Base: Long-haul pleasure travellers (past 3 years or next 2 years) answering (n=1483)
+QMP12. Among these activities, are there any that are important enough that you would base an entire trip around that activity?

Activities of Interest & Participation in Canada

Another new question added in 2017 looks at participation in activities among recent visitors to Canada. Actual participation data is presented in tandem with general vacation interests to identify any gaps. The activities are grouped into “Popular” activities (those with above average interest among all activities) and “Niche” activities (those with below average interest.) Gaps in participation are identified by calculating the proportion of recent visitors who participated in an activity versus general interest in an activity. Activities with below average participation are highlighted to indicate the largest gaps.

Generally, participation rates are high for widely available activities such as trying local food and drink, seeing natural attractions, city parks, viewing wildlife, nature parks, shopping for items to remember the trip, and hiking or walking in nature. Activities where participation is higher than general interest (participation rates over 1.0), indicate that Canada is doing well at delivering on the activity. Travellers could be fulfilling their stated activity interests, or travellers could be opportunistic when coming across activities in destination – either way, the activities are accessible to visitors from this market.

Among popular activities for Australian travellers, participation gaps are most pronounced for:

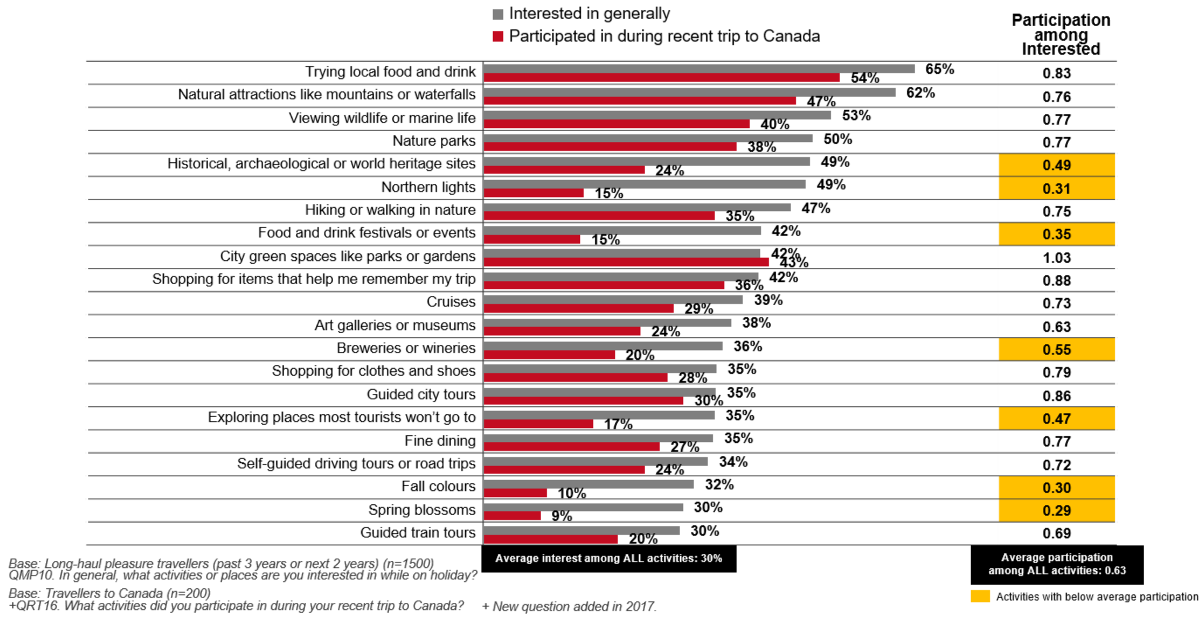
- Spring blossoms
- Fall colours
- Northern lights
- Food and drink festivals
- Exploring places most tourists won’t go
- Historical sites
- Breweries or wineries

There is an opportunity for the Canadian tourism industry to either further develop or more clearly communicate offerings in these areas since there is evident interest that is going unmet.

Northern lights and historical sites are among the top activities that Australian travellers would anchor a trip around. Several communication points could be addressed to increase participation in Northern lights activities among Australian travellers, including improved messaging on accessibility and differentiation of the Canadian experience compared to offerings from European destinations. For historical sites, improved messaging of Canada’s offerings could help highlight potential experiences.

Breweries and wineries and food and drink festivals are two other activities where improved communication and marketing could increase participation. Although they are not among the top trip anchor activities, given the wide availability of marketable products, both are well positioned as add-ons for Australian travellers. In addition, product development for fall colours and spring blossoms could assist in generating increased demand for shoulder season travel and communication about off-the-beaten-path locales could promote further exploration to lesser-known areas.

Popular Activities with Above Average Interest



Among the less popular or niche activities, there are many large gaps in participation among recent visitors to Canada and general interest. Most notable are niche activities with large gaps in participation and wide availability of marketable products. These activities fall into two groups, soft and active activities; there is opportunity to better position these activities as add-ons for different types of Australian travellers.

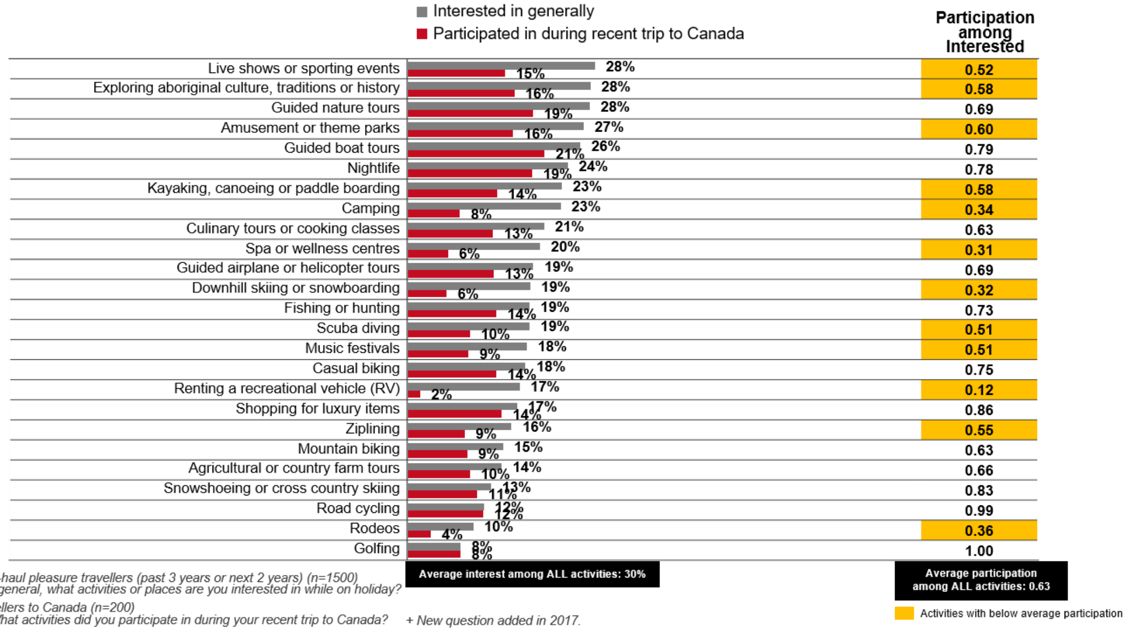
Soft Activities:

- Spa or wellness centres
- Music festivals
- Live shows or sporting events
- Exploring Aboriginal culture/traditions/history

Active Activities:

- Downhill skiing or snowboarding
- Ziplining
- Kayaking/canoeing/paddle boarding

Niche Activities with Below Average Interest



Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)
QMP10. In general, what activities or places are you interested in while on holiday?
Base: Travellers to Canada (n=200)
+QRT16. What activities did you participate in during your recent trip to Canada? *+ New question added in 2017.*

Barriers

HIGHLIGHTS

- ✓ *Cost remains the key barrier to visiting Canada, followed by distance to travel.*
- ✓ *Concerns about safety and delays/hassles at airports and borders are up significantly in 2017.*
- ✓ *For younger travellers aged 25-34, concerns about lack of vacation time and language barriers are higher.*
- ✓ *Older travellers 55+, have fewer barriers to visiting and are most likely to say nothing will prevent them from travelling to Canada.*

All Australian long-haul travellers were asked what could prevent them from visiting Canada. Cost remains the primary deterrent, followed by flight length. A desire to visit other places, poor weather, and an unfavourable exchange rate are the next closest impediments. Travellers aged 35-54 are most concerned about cost. Destination Canada's target market, younger travellers aged 25-34, are more likely to mention lack of time for a vacation and language as barriers. Older travellers aged 55+ are most likely to say there are other places they would rather visit. Travellers aged 35+ are also significantly more likely than younger travellers to say nothing will prevent them from visiting Canada.

Of note, two barriers are up significantly in 2017, delays and hassles at airports and borders (8%, up from 6%) and safety concerns (8%, up from 5%). Safety is an important attribute to focus on for Australians and is also a perceived strength for Canada, so communicating the safety a Canadian vacation can offer is important.

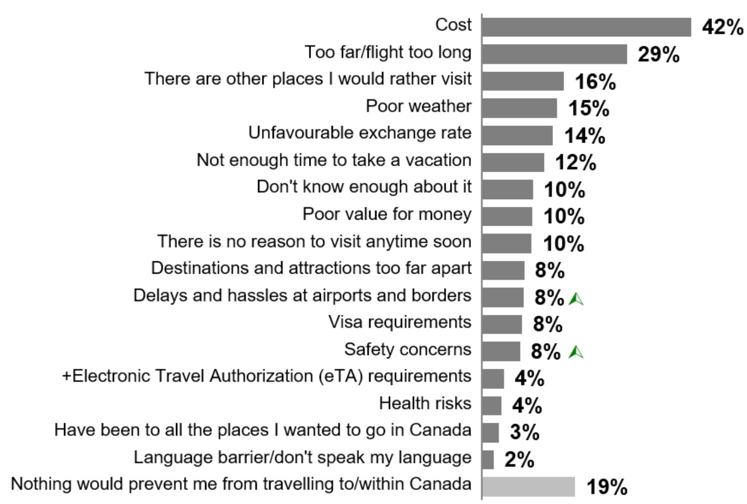
While the cost barrier is challenging to address, it can be indirectly dispelled through messaging about the value offered by a Canadian vacation experience. Highlighting the increasing availability of direct flights between Australia and Canada (up 28.6% over 2016[4]) may help address issues around travel distance.

The Electronic Travel Authorization (eTA) requirement was included as a response option for 2017, yet only 4% saw it as a possible barrier. An additional question asked respondents about the impact of entry requirements on booking. It appears this is an important consideration for Australian travellers, with 93% saying securing an entry visa before booking is important. Note this question is not destination specific.

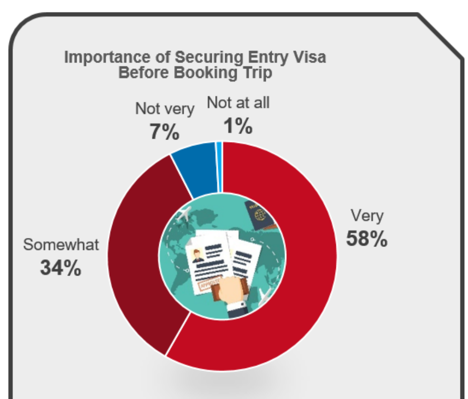
Older travellers represent a strong immediate opportunity as they have the strongest desire to visit Canada. From a lifetime value standpoint, the pay-off for attracting younger travellers can be greater. While travellers aged 18-34 are more likely than older travellers generally to have visited Canada in the past, attracting them will take more effort as their greatest barrier to visiting the country, after cost and distance, is a lack of vacation time. From a strategic marketing viewpoint, Destination Canada could consider focusing branding awareness efforts on younger travellers and split tactical efforts in collaboration with partners between the younger and older generation.

While cost and distance remain the top barriers among those who visited Canada in the past (27% and 23%, respectively), past visitors are much less likely to cite them as barriers compared to those who have never been (51% and 33%, respectively). A preference for other destinations and not knowing enough about Canada are also more significant barriers for non-visitors (19% versus 12%, respectively) than to past visitors (13% versus 6%).

Key Barriers for Visiting Canada



+ New response option added in 2017 – no trending.
▲/▼ Significantly higher/lower than 2016.
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)
QMP9. Which of the following factors might discourage you from visiting Canada?



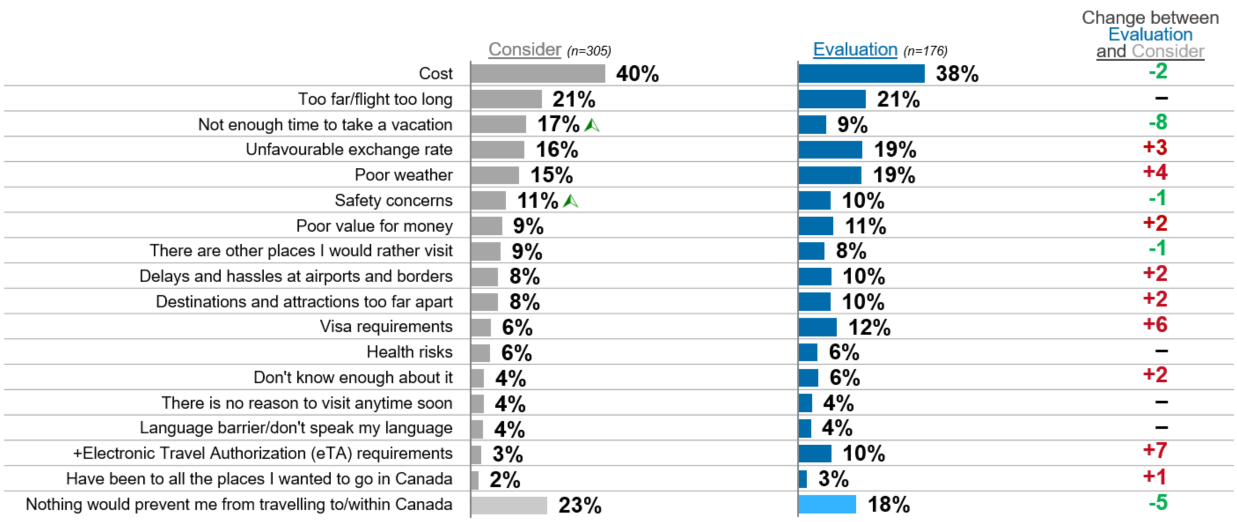
+ New question added in 2017 – no trending.
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)
+QMP14. If you are thinking about visiting a country where you require an entry visa, how important is it for you to properly secure a visa before you start booking flights, accommodation or other trip components?

4 *Destination Canada, Tourism Snapshot, December 2017.*

Examining barriers at key path-to-purchase stages provides additional insight. Those in the evaluation stage (gathering information or planning a visit) are further along the path-to-purchase than those in the consideration stage. For those considering a visit, cost remains the top barrier, followed by flight length.

In a change from 2016, when cost was more of a barrier for those in the consideration stage than at the evaluation stage, it is equally a barrier at both stages in 2017. Distance remains an equal disincentive at each stage. Lack of vacation has increased significantly as a barrier at the consideration stage (17%, up from 9% in 2016) as have safety concerns (11%, up from 3%). Visa and the Electronic Travel Authorization (eTA) requirements become more of a barrier as travellers move from consideration to evaluation. Consistent with 2016, the proportion saying nothing would prevent them from visiting Canada is lower among those in the evaluation stage in than in the consider stage. This suggests the cumulative effect of increased barriers are putting some Australian travellers at risk of changing their minds about visiting Canada as they proceed along the path-to-purchase. Stressing the value that a Canadian vacation can offer, an increase in direct flights, and messaging explaining the process and ease of acquiring an eTA may help alleviate these concerns.

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



+ New response option added in 2017 – no trending.

▲/▼ Significantly higher/lower than 2016.

Base: Long-haul pleasure travellers in specific path-to-purchase segments

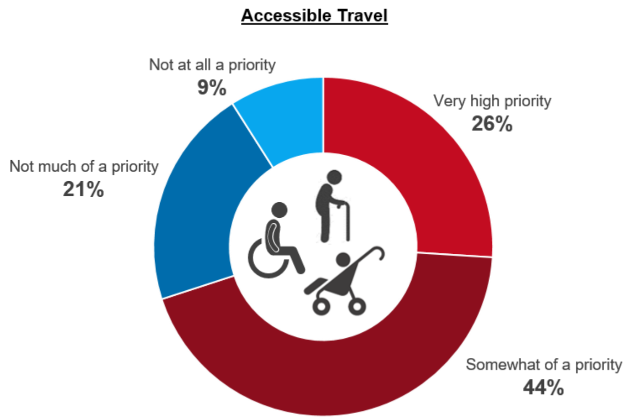
QMP9. Which of the following factors might discourage you from visiting Canada?

Niche Markets

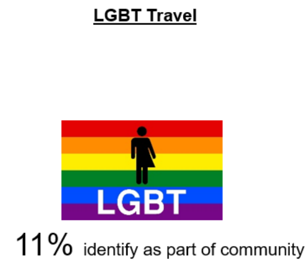
Additional questions were added for 2017 to size particular niche markets. Accessible tourism, which strives to make a destination accessible to everyone, regardless of physical limits, disability, or age, is relevant for 70% of Australian travellers, with 26% seeing it as a very high priority. Interestingly, younger travellers aged 25-34 and those with children in the home are more likely to see accessibility as a priority. Those in the evaluation stage for Canada are also more likely to see accessibility as a priority, which suggests communicating Canada's commitment to accessible tourism could be a draw for Australian travellers.

Another niche market of interest is the LGBT market. Eleven percent of Australian travellers self-identify as being a member of the LGBT community. They are more likely to be male, aged 18-54, and are more likely to have visited Canada previously. Those in the evaluation stage for Canada are more likely to identify as LGBT, which suggests communicating Canada's offerings for LGBT travellers may prove compelling to move these travellers down the path-to-purchase.

Niche Market Sizing



+ New question added in 2017 – no trending.
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)
+QMP13. Accessible tourism strives to make tourist destinations, products and services accessible to everyone regardless of physical limits, disability or age. How much of a priority is having accessible travel options for you and your companions?



+ New question added in 2017 – no trending.
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)
+QD7. We recognize these are personal questions, but many of our clients are interested in supporting a diversity of lifestyles, and it is for this reason that we are interested in the opinions of people of all sexual orientations and gender identities. We would also like to remind you that all of your responses will be kept strictly confidential. Do you identify as part of the LGBT community?

Recent Trip Profile

HIGHLIGHTS

- ✓ *A long-standing desire to visit and safety (a strength for Canada) are primary motivators for travel to destinations in general, and to Canada specifically.*
- ✓ *67% of Australian visitors to Canada consulted a travel agent/tour operator and use is higher among younger travellers aged 18-34. Travel agents/tour operators are most likely to be used at the booking stage.*

The following section provides details on the most recent long-haul trip taken by Australian travellers to competitive set destinations in the past 3 years (66% 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

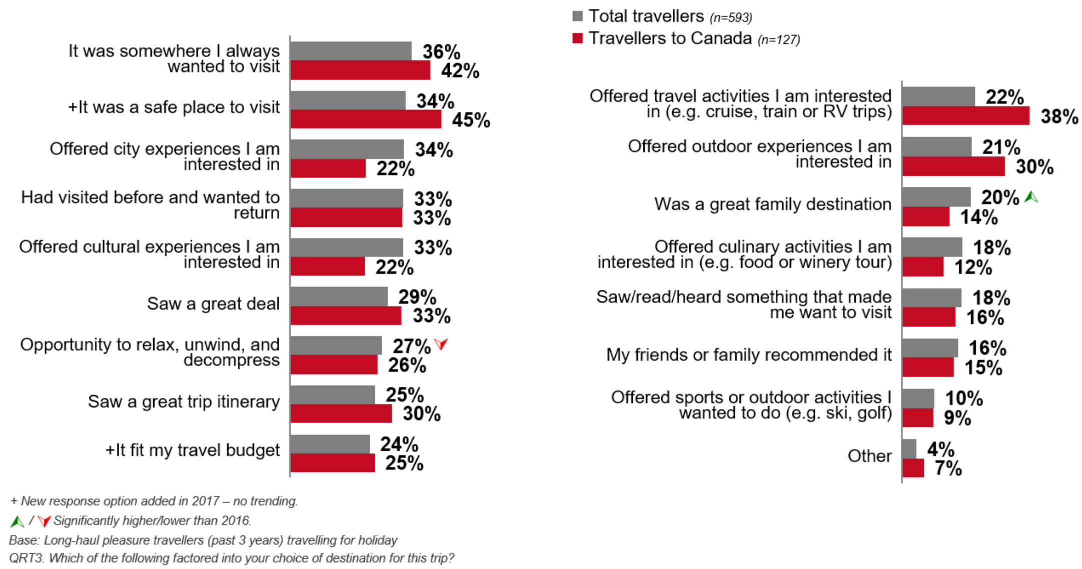
Unchanged from 2016, the primary reason for travelling among all Australian long-haul travellers was for holiday purposes (cited by 57% of all travellers). Also the same as in 2016, 60% cited holiday as the primary purpose for a trip to Canada, while 24% mentioned visiting friends and relatives as their primary purpose.

Motivators

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

The main motivators for destination choice among travellers generally include a longstanding desire to visit, safety, city experiences, previous visits, and cultural experiences. The opportunity to de-stress was significantly less important in 2017 (27% compared to 33% in 2016). Among visitors to Canada, safety was the top reason followed by a longstanding desire to visit. Compared to travellers in general, travellers to Canada were less motivated by opportunities for city or cultural experiences and more by other travel activities (cruise, train, RV trips) or outdoor experiences. Previous visits and seeing a great deal or trip itinerary were important secondary factors in the choice of Canada.

Factors Influencing Destination Selection



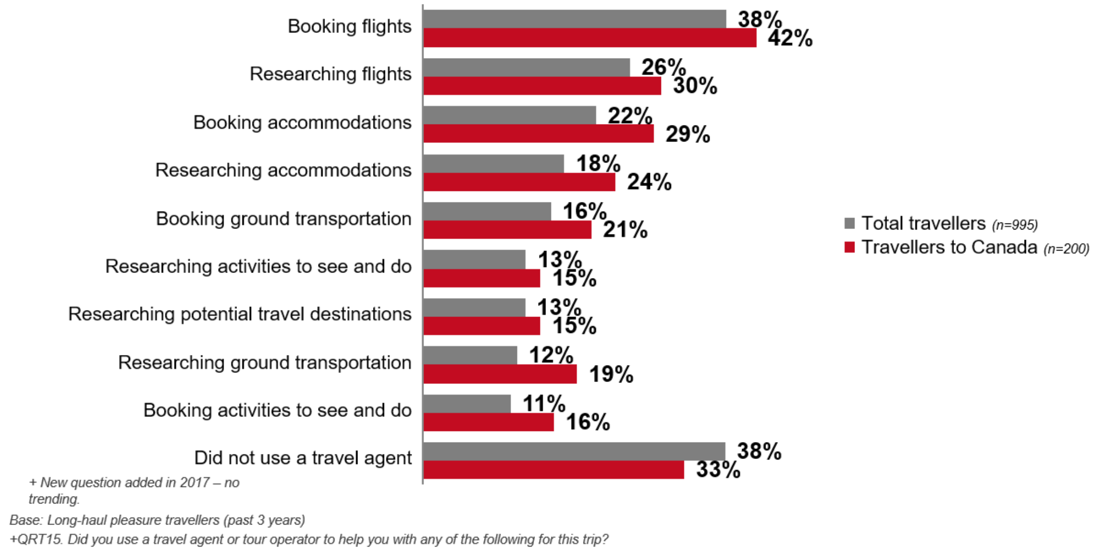
Travel Party

Regardless of destination, Australian travellers were most likely to be accompanied by their spouse (57%) which is in line with 2016. This is particularly common among older travellers aged 55+ (67% travelled with their spouse). Nineteen percent of Australian travel parties included children under the age of 18, which suggests the family market is limited. Younger travellers aged 18-34 were the most likely group to have travelled with their parents or other family members. Travel party composition was similar among those who visited Canada.

Booking

Sixty-two percent of all Australian travellers reporting consulting a travel agent/tour operator on their most recent long-haul trip for either planning or booking purposes. Travellers aged 35-54 are less likely to consult a travel agent/tour operator (56%), while younger travellers aged 18-34 report higher use (70%). The incidence of travel agent/tour operator use is higher among those who visited Canada (67%). An additional question added in 2017 shows that travel agents/tour operators are most likely to be used at the booking stage rather than earlier in the planning cycle.

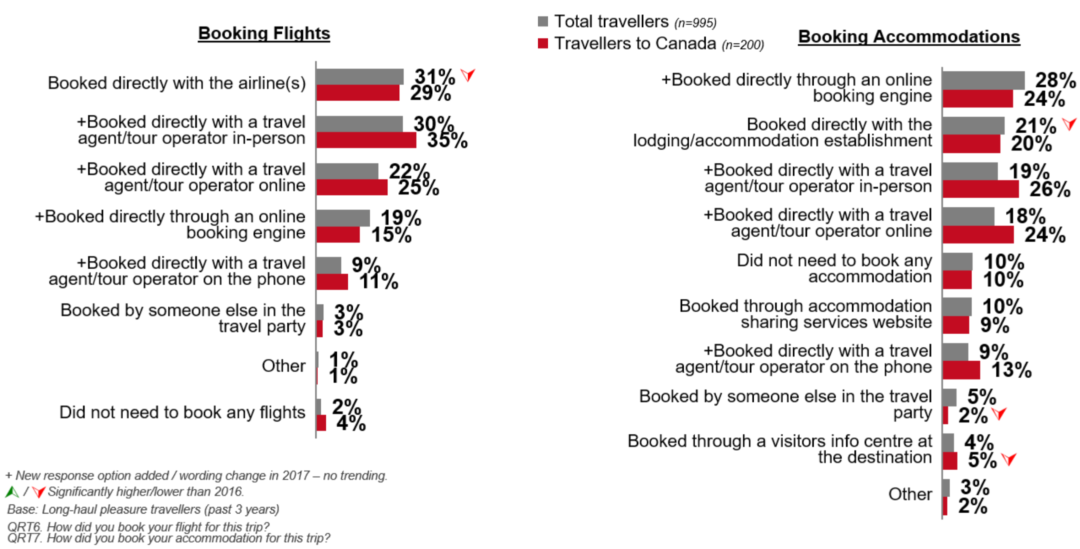
Travel Agent/Tour Operator Usage



Travel agent/tour operator use is still high in Australia, especially for visitors to Canada. Australian travellers are as likely to book a flight through a travel agent/tour operator in-person (30%) as they are to book directly with the airline (31%, down significantly from 39% in 2016). Travellers are less likely to book flights using travel agents/tour operators online (22%) or online booking engines (19%). Travel agents/tour operators in-person (35%) are the top method of booking flights to Canada.

For accommodation, online booking engines are the most popular (28%), followed by booking directly with the provider (21%, down significantly from 27% in 2016), and directly with a travel agent/tour operator in-person (19%) or a travel agent/tour operator online (18%). Again, travel agents/tour operators in-person (26%) are the top method of booking accommodation for a trip to Canada.

Booking of Flights and Accommodations



Organized group travel is common among Australian travellers who visited Canada (52% indicated at least a portion of their trip was part of an organized group). Booking group travel directly with a travel agent/tour operator either in-person (44%) or online (40%), is the most common way to arrange organized group tours.

Type of Accommodation

Consistent with 2016, regardless of destination, Australian travellers continue to show a preference for mid-priced hotels (45%), followed by luxury hotels (31%). A similar pattern continues among recent visitors to Canada where 43% opted for a mid-price hotel and 34% for a luxury property.

Information Sources

HIGHLIGHTS

- ✓ *Personal recommendations from friends and family are cited as a top information sources throughout the purchasing cycle. Encouraging past visitors to Canada to advocate and share their experiences, both online and in-person, with their personal networks is key.*
- ✓ *TV programs are influential from the dreaming to itinerary planning stages.*
- ✓ *Brochures from travel agencies/tour operators are an influential information source during several stages, but especially when making travel arrangements*
- ✓ *In-person travel agents/tour operators appear as an influential source during the itinerary planning stage and become the primary source at the booking stage.*

Examining information sources by path-to-purchase stages is informative. TV programs and personal interactions with friends and family are the most influential sources during the initial stages of the purchase cycle, although TV is more important at the dreaming phase. When making travel arrangements, friends and family remain important sources, but brochures from travel agencies or tour operators rise as a key source. In-person travel agents/tour operators appear as an influential source during the itinerary planning stage and become the primary source at the booking stage. Owing to the importance of personal recommendations throughout the purchase cycle, there is a need to encourage past visitors to Canada to advocate and share their experiences, both online and in-person, with their personal networks.

Top Information Sources for Canada – by P2P Stage

Information sources that…	**Dreaming** *…inspired you to think about a trip to Canada*	**Seriously Considering** *…encouraged you to seriously consider visiting Canada*	**Started Gathering** *…helped you gather some information for a trip to Canada*	**Planning Itinerary** *…helped you plan your itinerary for a trip to Canada*	**Making Arrangements** *…helped you make transport and / or accom arrangements for a trip to Canada*	**Already Booked** *…helped you book your transportation and / or accom for a trip to Canada*
	(n=600)	(n=305)	(n=111)	(n=65)*	(n=13)***	(n=22)***
Top 5 Sources	TV programs **42%**	Friends and family, in person **42%**	Friends and family, in person **30%**	Friends and family, in person **35%**	Friends and family, in person **49%**	Travel agents, in person **41%**
	Friends and family, in person **41%**	TV programs **33%**	TV programs **28%**	TV programs **31%**	Brochure from travel agency/tour operator **40%**	Travel booking sites **29%**
	Films featuring the destination **21%**	Friends and family, online **20%**	Brochure from travel agency/tour operator **27%**	Travel guidebooks **28%**	Travel review sites **28%**	Travel guidebooks **28%**
	Friends and family, online **20%**	Travel guidebooks **19%**	Travel review sites **25%**	Travel agents, in person **27%**	Travel agents, in person **26%**	Official destination websites **26%**
	Travel guidebooks **19%**	Brochure from travel agency/tour operator **16%**	Travel guidebooks **24%**	Films featuring the destination **19%**	General search engines **13%**	Friends and family, in person **23%**

+ New question added in 2017 – no trending.

** Small base size (<100), interpret with caution.* **** Extremely small base size (<30), directional finding only.*

Base: Those in the dream to purchase stages of the path to purchase for Canada (n=1116)

+QMT3. Earlier you mentioned that you [insert P2P stage for Canada]. Where did you see, read or hear information that [inspired/encouraged/helped in P2P stage for Canada]?