Global Tourism Watch

2017 Canada Public Summary Report

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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 within 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 Canadian market: the US, France, Italy, Spain, Netherlands, Germany, the UK, China, India, and Japan. The countries included represent 95% of the outbound travel volume to 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 Canadian travel population. For this survey, trips are defined as travel to any destination outside of a respondent's own province, or region for Atlantic Canada. The target population for the online survey in Canada was residents aged 18 years and older, who have taken an out-of-region pleasure trip where they had stayed at least 2 nights with a minimum or 1 night in paid accommodation in the past 3 years, or plan to take such a trip in the next year.

Data was gathered from 4,003 respondents in 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 for shifts that are of at least +/-3 percentage points 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: Canada Market

The target population are residents aged 18 years and older, who have taken an out-of-region pleasure trip where they had stayed at least 2 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 year.

Timing of Fieldwork

JUL

2017

Geographical Definition for Qualified Trips

Outside of: Province/Region

GTW Sample Distribution

Sample distribution:	**National**
Total sample size:	**4,003**

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.

Aided consideration is the only metric to see significant variation wave-over-wave, increasing from 59% in the 2016 GTW wave to 62% in the 2017 GTW wave, and then dropping back down to 58% in the Pulse Check. The fact that only one metric experiences significant differences, suggests seasonality of survey fielding does not affect results for Canada in the Canadian market.

Of note however, the proportion actively planning a trip within Canada increased from 25% in the 2016 GTW wave to 29% in the 2017 GTW wave and was maintained at the same level in the Pulse Check. The results for active planning are more an indication of a true shift in the market, with more Canadian travellers planning a trip within Canada over the past year than previously.

Key Metrics Tracking

	Pulse Check 2017 (November 2017) *(n=500)*	GTW 2017 (July 2017) *(n=4003)*	GTW 2016 (December 2016) *(n=4005)*
Unaided Consideration of Canada	**36%**	**36%**	**34%**
Aided Consideration – Canada	**58%**	**62%** ▲	**59%**
Destination Knowledge (Top2Box) – Canada *(Among those considering Canada)*	*(n=359)* **66%**	*(n=2955)* **62%**	*(n=2825)* **62%**
Actively Planning a Trip within Canada	**29%**	**29%** ▲	**25%**

▲ / ▼ *Significantly higher/lower by 3 percentage points or more than 2016.*

Background

Canada's economy is the 10th largest economy in the world with a 2.1% share of global GDP *(International Monetary Fund, October 2017)*.

Canada's GDP growth was moderate in 2016 at 1.6%, but is projected to be more robust with 3.0% growth in 2017 and 2.1% growth in 2018. Growth forecasts for 2017 have strengthened throughout the year from 1.9% in April to 2.5% in July to 3.0% in October. These increasing forecasts are reflective of reduced impacts as a result of lower oil and gas prices and of adaptive fiscal and monetary policies *(International Monetary Fund, October 2017)*.

From March to mid-September 2017, the value of the Canadian dollar increased by 6% to reach US$0.82, its highest level since June 2015 *(Global News, September 2017)*. The appreciation of the dollar is driven by stronger than expected growth and higher interest rates *(International Monetary Fund, October 2017)*. Specifically, the federal government raised its policy rate by ¼ of a percentage point, in both July and September, to stand at 1% *(Global News, September 2017)*.

With the ongoing uncertainty around NAFTA renegotiations, Canada has continued to pursue other trade deals to diversify trade away from the United States. The Canada-European Union Comprehensive Economic and Trade Agreement (CETA) which was signed in late 2016 comes into application in September 2017. Canada has also reached a new deal for the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (TPP) with 10 other countries around the Pacific Ocean, including Japan and Mexico but excluding the United States, which was signed in March 2018 *(The Globe and Mail, January 2018)*. In addition, Prime Minister Trudeau visited China in December 2017 to increase trade and investment with China. While formal trade talks were not launched, some smaller trade initiatives and agreements were signed, including one to increase air transport services between the two countries *(Prime Minster Office Press Release, December 2017)*.

In 2016, inflation pressure was weak at 1.4%, and is projected to be relatively similar in 2017 and 2018 at 1.6% and 1.8% respectively *(International Monetary Fund, October 2017)*. The unemployment rate was 7% in 2016, but is expected to decline moderately to 6.5% in 2017 and 6.3% in 2018 *(International Monetary Fund, October 2017)*.

Consumer confidence was at 53.7 in July 2017, up from 50.8 six months prior *(Thomson Reuters / Ipsos Primary Consumer Sentiment Index, July 2017).*

Travel spending by Canadians on domestic travel grew by 2.0% in Q3 2017 following increases of 1.9% in Q2 and 0.9% in Q1 *(Statistics Canada, January 2018)*. Domestic tourism increased due to several factors, including growing consumer confidence, a growing economy, and major events like the 150th anniversary of Confederation and Montreal's 375th anniversary.

Canada is the 6th largest outbound tourism market in the world, accounting for US$29 billion in spending in 2016, down about 3% from 2015 *(United Nations World Tourism Organization, April 2017).*

Market Potential

HIGHLIGHTS

- ✓ *The immediate potential market has increased significantly: 9.57 million travellers are definitely or very likely to travel within Canada in the next year, outside of their province or region (up from 8.73 million in 2016).*
- ✓ *British Columbia continues to hold the greatest appeal, followed by the Atlantic region and Alberta, which has moved into 3rd place, just ahead of Ontario.*
- ✓ *Canadian travellers appear more likely to travel within their own province or region, with the proportion saying they will spend more on leisure travel within their province or region exceeding those who say they will spend less (travel outlook of +6, up significantly from +1 in 2016).*
- ✓ *The travel outlook for leisure travel outside of Canada has dropped from +2 in 2016 to -1 in 2017, while the travel outlook within Canada remains stable (0, versus +1 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 domestic travel market for Canada in two ways – the macro target market and the immediate potential market.

The domestic market size is derived from a 2016 omnibus study of the Canadian adult population. Out-of-region travel incidence is comprised of travellers who indicate that they have travelled outside of their province or region for a pleasure trip in the past three years, or intend to do so in the next year.

The proportion of GTW respondents who are in the dream to purchase stages for Canada (89%, versus 87% in 2016) is used to calculate a target market estimate of 15.26 million.

The immediate potential is a more conservative estimate based on GTW respondents who say they are definitely or very likely to travel within Canada in the next year, outside of their province or region. This has increased significantly to 63% (up from 58% in 2016) and translates into a market of 9.57 million travellers with more immediate potential for conversion (up from 8.73 million in 2016).

Size of Potential Market to Canada (Next Year)

Measure	Size of Potential Market to Canada
Long-haul pleasure travel market	**17.25 million**
Target market for Canada (dream to purchase stage)	**89%**
Size of the target market	**15.26 million**
Immediate potential for Canada (definitely/very likely to visit in next year)	**63%** ▲
Immediate potential	**9.57 million**

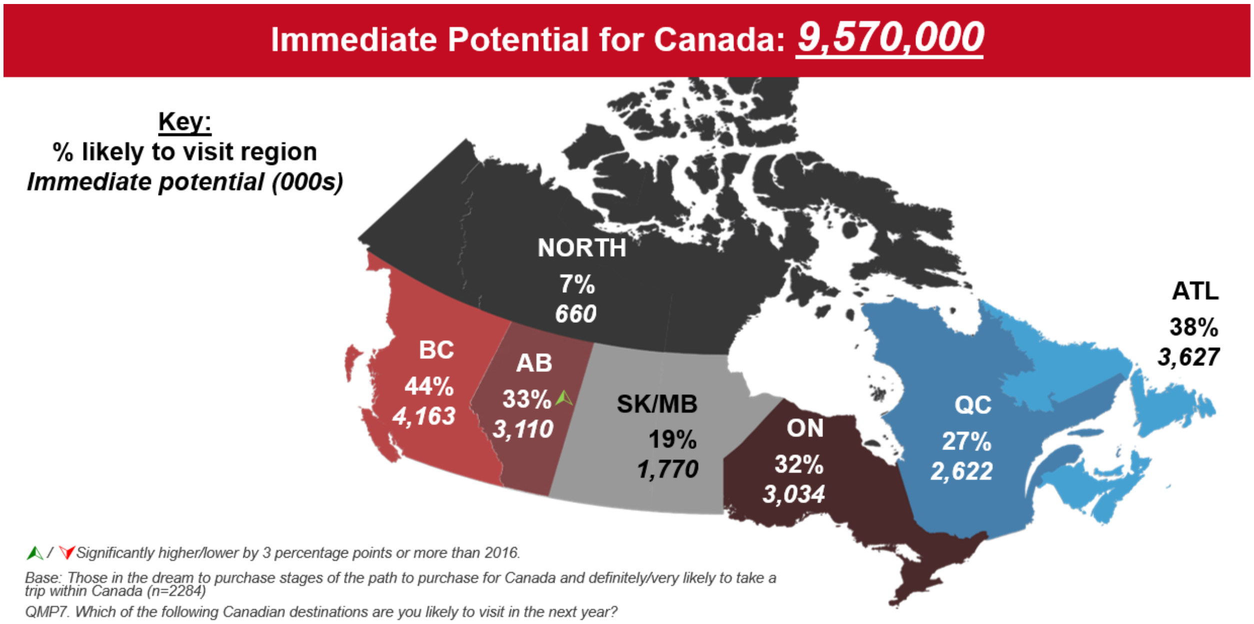
▲/▼ Significantly higher/lower by 3 percentage points or more than 2016.

Base: Target market for Canada = out-of-region pleasure travellers (past 3 years or next year) (n=4003); Immediate potential for Canada = dream to purchase stages for P2P for Canada (n=3573)

QMP1. Which of the following best describes your current situation when thinking about each of the following destinations for a vacation trip?
QMP6. Realistically, how likely are you to take a vacation trip within Canada [beyond your own province / Atlantic Canada] in the next year?

Also of interest is the demonstrated interest in Canada's regions among the Immediate Potential market (9.57 million). British Columbia continues to hold the greatest appeal (44% or 4.16 million potential visitors), followed by the Atlantic region (38% or 3.63 million potential visitors). Alberta (33% or 3.11 million potential visitors) has seen a significant increase (up from 28% in 2016) and has moved into 3rd place, marginally ahead of Ontario (32% or 3.03 million potential visitors).

Potential Market Size for the Regions



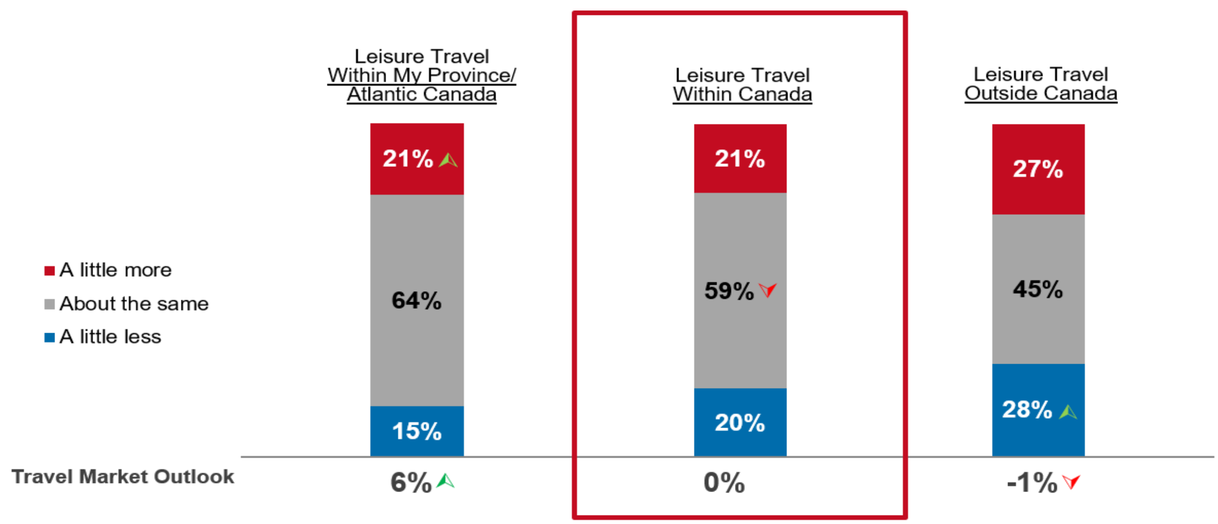
/ Significantly higher/lower by 3 percentage points or more than 2016.

Base: Those in the dream to purchase stages of the path to purchase for Canada and definitely/very likely to take a trip within Canada (n=2284)

QMP7. Which of the following Canadian destinations are you likely to visit in the next year?

The proportion of Canadian travellers saying they will spend less on leisure travel outside of Canada narrowly exceeds those who say they will spend more, resulting in a travel outlook of -1 in 2017, down significantly from +2 in 2016. Leisure travel within Canada remains stable with a travel outlook of 0. Instead, Canadian travellers appear more likely to travel within their own province or region, with a travel outlook of +6, which has increased significantly from +1 in 2016, spurred by an increase in travellers saying they will spend more (21%, up from 18%).

Spending Intentions (in the Next 12 Months)



/ Significantly higher/lower by 3 percentage points or more than 2016.

Base: Out-of-region pleasure travellers (past 3 years or next year) (n=4003)

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 …?

Competitive Environment – Key Performance Indicators Summary

HIGHLIGHTS

- ✓ *Aided mentions of Canada increased significantly in 2017, an indication that more Canadians are considering a trip within Canada in the next year, outside of their province or region.*
- ✓ *Canada and Italy achieve the highest NPS results among Canadian travellers (+35).*

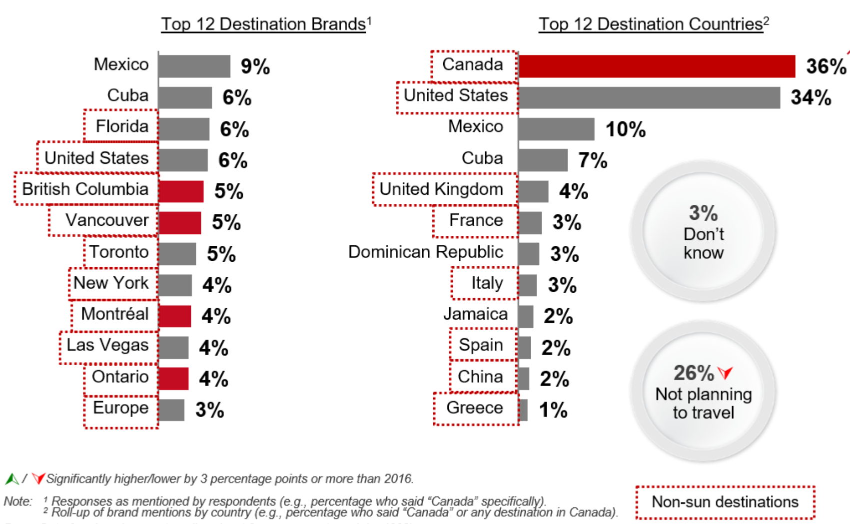
The GTW tracks the following Key Performance Indicators (KPIs) for Canada: unaided and aided destination consideration, and aided destination knowledge. Canada's performance is tracked against key competitors. For Canada, these destinations are the US, France, Italy, Spain, Netherlands, Germany, the UK, China, India, and Japan.

The outlook for domestic tourism remains favourable. Out of the 11 competitive destinations that respondents were asked to evaluate, Canada is 1st on both unaided and aided consideration, as well as destination knowledge.

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, 36% of Canadian travellers mentioned Canada as a destination under serious consideration in the next year (versus 34% in 2016). Unaided mentions of Canada were consistent across all age groups.

Unaided Destination Consideration (Next Year)



British Columbia	5.4%	Gaspe	0.3%
Vancouver	5.1%	Vancouver Island	0.3%
Toronto	4.5%	Yukon	0.3%
Montréal	3.9%	Eastern Canada	0.3%
Ontario	3.6%	Cape Breton Island	0.2%
Alberta	3.0%	Niagara	0.2%
Québec	2.9%	Charlottetown	0.2%
Nova Scotia	2.8%	Regina	0.2%
Calgary	2.7%	Mont Tremblant	0.2%
New Brunswick	2.3%	Okanagan	0.2%
Prince Edward Island	2.2%	Kingston	0.2%
Ottawa	2.2%	Canada	0.2%
Newfoundland	1.9%	St. John's	0.1%
Edmonton	1.5%	Gatineau	0.1%
Banff	1.2%	Canmore	0.1%
Saskatchewan	1.2%	Lethbridge	0.1%
Halifax	1.1%	Tofino	0.1%
Manitoba	0.9%	Nanaimo	0.1%
Winnipeg	0.9%	Kamloops	0.1%
Victoria	0.9%	Lake Louise	0.1%
Niagara Falls	0.7%	Whitehorse	0.1%
Kelowna	0.5%	Moncton	0.1%
Québec City	0.5%	Medicine Hat	0.1%
Maritimes	0.5%	Yellowknife	0.1%
Saskatoon	0.4%	Northwest Territories	0.1%
Jasper	0.4%	Western Canada	0.1%
Whistler	0.3%		

▲ / ▼ Significantly higher/lower by 3 percentage points or more 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: Out-of-region pleasure travellers (past 3 years or next year) (n=4003)

QS8. You mentioned that you are likely to take a vacation trip of 2 or more nights outside of [your own province/Atlantic Canada] in the next year. Which destinations are you seriously considering for your trips in the next year? (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, 62% say they are seriously considering Canada for a leisure trip in the next year (up significantly from 59% in 2016), distancing itself further from 2nd place US (52%, versus 55% in 2016), and well ahead of any other competitor including the UK in 3rd place (17%). Of note, older travellers aged 55+ are less likely to consider Canada on an aided basis compared to their younger counterparts.

Knowledge

Aided destination knowledge measures knowledge of travel opportunities in each destination among those with that destination in their consideration set. Fifty-six percent of all Canadian travellers rate their knowledge of travel opportunities in Canada as either excellent or very good (consistent with 55% in 2016). Despite older travellers aged 55+ being less likely to consider Canada on an aided basis, travellers 55+ who are considering a trip within Canada indicate a higher level of knowledge (66%) compared to those aged 18-54 (60% among 18-34 year olds, 61% among 35-54 year olds). Efforts to boost knowledge of Canadian travel opportunities, especially for younger travellers, could pay off by helping to move potential visitors along the path-to-purchase.

Key Performance Indicators

Indicator	Definition	All Out-of-Region Travellers (n=4003)	Recent Travellers Within Canada[1] (n=1972)	Considering Canada[2] (n=2590)
Intentions:				
Unaided destination consideration	% who mentioned Canada or a destination in Canada on their consideration list[3]	**36%**	**48%**	**49%**
Competitive positioning on destination consideration	Rank on the consideration list among 11 destinations	**1**	**1**	**1**
Destination knowledge:				
Aided awareness of travel opportunities in Canada	% with excellent/very good knowledge of travel opportunities in Canada	**56%**	**66%**	**64%**

1 Visited Canada in the past 3 years (pleasure trip of 2 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 year.

▲ / ▼ Significantly higher/lower by 3 percentage points or more than 2016.

Base: Out-of-region pleasure travellers (past 3 years or next year)

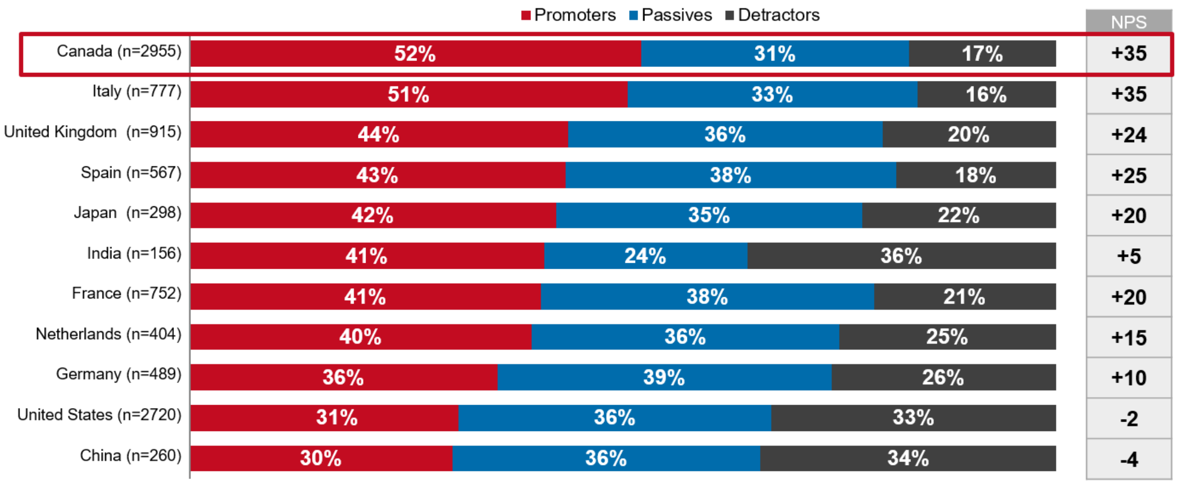
QS8. You mentioned that you are likely to take a vacation trip of 2 or more nights outside of [your own province/Atlantic Canada] in the next year. Which destinations are you seriously considering for your trips in the next year? (Please list up to 3 destinations.)
QBVC1. You may have already mentioned this before, but which destinations would you seriously consider visiting in the next year?
QMP3. How would you rate your level of knowledge of vacation opportunities in each of the following destinations (asked only for destinations in consideration set)?

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.

Canada and Italy share the highest NPS results among Canadian travellers (+35). Canada has slightly more Promoters than Italy (52% versus 51%), but also has slightly more Detractors (17% versus 16%). Spain follows with a NPS result of +25, with the UK close behind at +24. The US has the 2nd lowest NPS score (-2), only ahead of China (-4). Cultural Explorers (+57) have the highest NPS score for Canada, which indicates that there could be a good opportunity to leverage advocacy from this group.

Net Promoter Score



+ New question added in 2017 – no trending.
Base: Out-of-region pleasure travellers (past 3 years or next year) 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

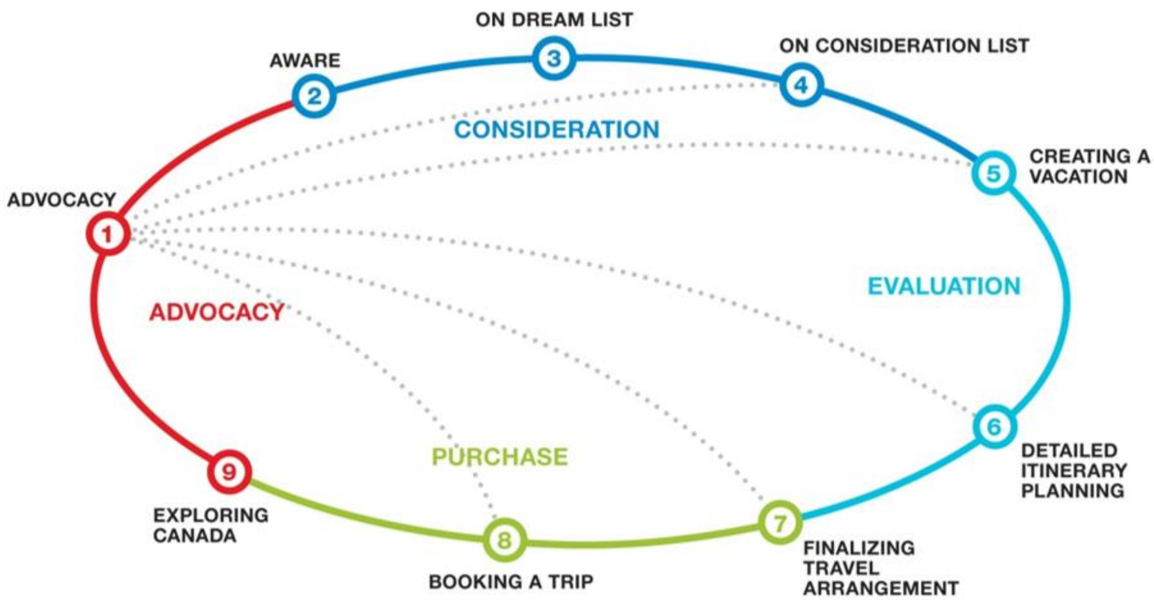
- ✓ *Canadian travellers indicate increased active planning for domestic trips in 2017.*
- ✓ *Two potential areas of focus for Canada: moving travellers from considering to creating a vacation movie and from creating a vacation movie to detailed itinerary planning.*

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.

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.

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 destination
Detailed Itinerary Planning	Am planning the itinerary for a trip to this destination
Finalizing Travel Arrangements	Am currently making transportation and accommodation arrangements
Booking a Trip	Have already booked my transportation and accommodations

Dream to Purchase

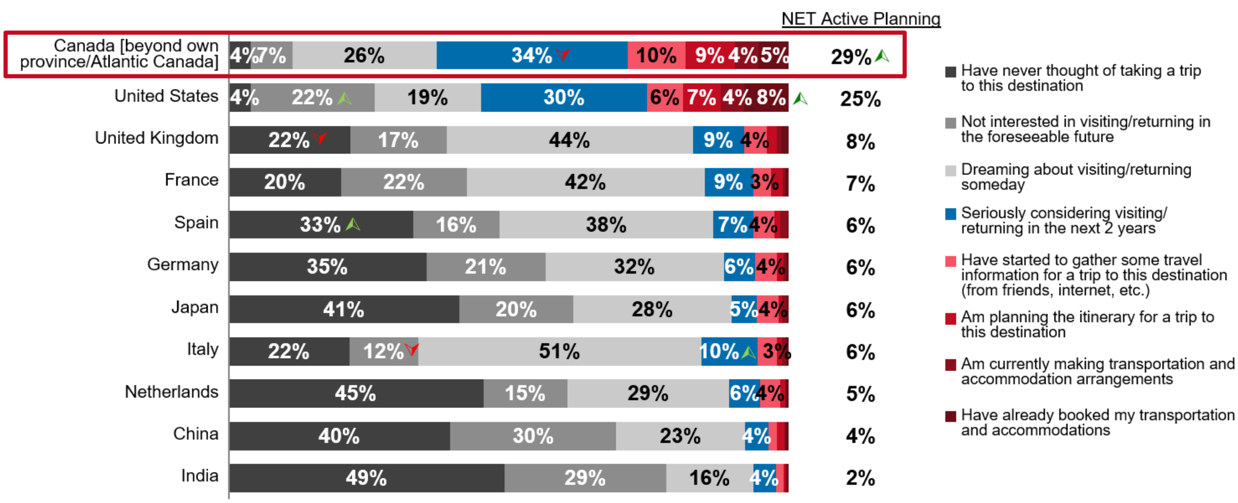
Consider to Purchase

Active Planning

The results are similar to 2016 for top ranking destinations, with Canada and the US in the lead, considerably ahead of other competitive destinations. Canada has overtaken the US for top spot in active planning, with a significant increase in Canadian travellers actively engaged in planning a domestic trip (29%, up from 25% in 2016). This increase for Canada remains stable into the Pulse Check wave, which indicates that a real shift has taken place in the market, outside of seasonality effects. An additional 34% of Canadians are seriously considering a domestic trip, which has seen a decline year-over-year (down significantly from 38% in 2016), an indication that a portion of Canadians have moved down the path-to-purchase from considering to actively planning. Travellers aged 18-54 are more likely to be actively planning a trip within Canada (31%, versus 24% among travellers aged 55+). Older travellers aged 55+ are more likely to be seriously considering a trip within Canada (38%, versus 32% among travellers aged 18-54).

Twenty-five percent of Canadian travellers are actively planning a visit to the US (versus 26% in 2016), while an additional 30% are considering a visit within the next year (versus 35% in 2016). The similar levels for domestic and US travel underscore a strong interest and follow-through among Canadians for travel within North America. While interest in the US remains strong, it is notable that the proportion of Canadian travellers indicating that they are not interested in visiting the US in the foreseeable future has grown (22%, up from 16% in 2016). Popular destinations in Europe (Italy, the UK, France, and Spain) continue to have strong aspirational appeal for Canadian travellers, with the largest proportion at the dreaming stage for each destination. Other destinations in Europe (Germany and the Netherlands) and Asia (India, China, and Japan) hold less appeal for Canadian travellers, with the majority saying they are not interested in visiting or have never thought of taking a trip to each destination.

Stage in the Purchase Cycle by Country



/ Significantly higher/lower by 3 percentage points or more than 2016.

Base: Out-of-region pleasure travellers (past 3 years or next year) – 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 vacation 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'.

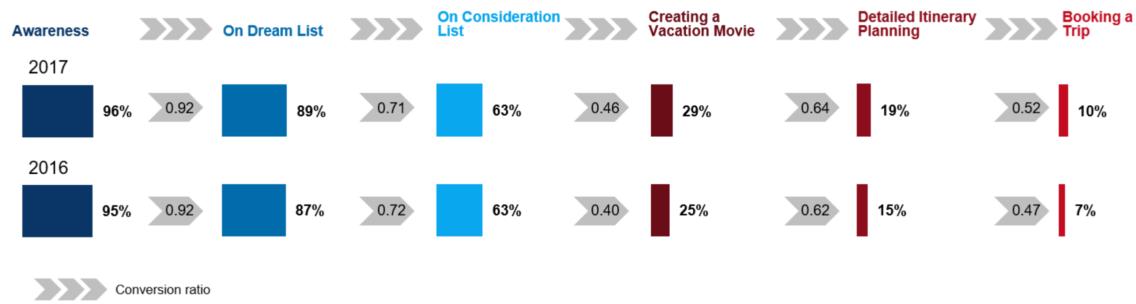
Canada continues to excel at converting those who are aware of domestic travel opportunities to the dreaming stage. Canada also remains strong at moving those on the dream list to consideration. While Canada has improved year-over-year in the remaining stages, its performance is weakest at the creating a vacation movie stage. In comparison to the US, Canada's biggest competition, performance is weaker at converting travellers from the creating a vacation movie stage to the detailed itinerary planning phase.

Two potential areas of focus for Canada: moving travellers from considering to creating a vacation movie and from creating a vacation movie to detailed itinerary planning.

Travellers at the creating a vacation movie stage are seeking to put some type of framework around a trip concept and are looking for guidance on what the best itinerary might be. Travellers need to have an idea of the core concept of their trip before they can move ahead. Canadian travellers who are currently in the creating a vacation movie stage cite the following as the top sources that helped them gather information: friends and family, in person (46%), general search engines (36%), online articles (23%), official destination websites (22%), and friends and family online (19%).

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. Canadian travellers who are currently in the itinerary planning stage cite the following as the top sources of information that helped them plan their trip: friends and family, in person (40%), friends and family online (19%), general search engines (16%), travel guidebooks (16%), and travel review sites (13%).

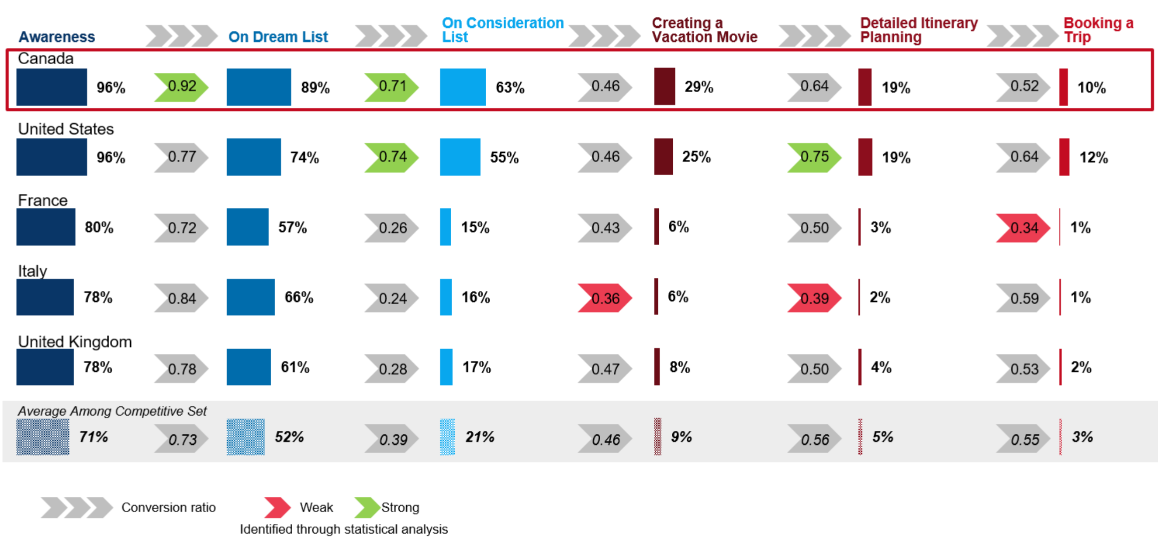
Path-to-Purchase Conversion – Canada



Like Canada, the US excels at getting on travellers' consideration list. The US also now excels at converting travellers to the detailed itinerary planning stage, and is the strongest in the competitive set at converting travellers to booking a trip. At the final stage, booking a trip, the US remains ahead of all other destinations, converting 12% of prospective visitors to actual visitors, versus 10% previously. Canada has also had some success converting more travellers year-over-year, and is now converting 10% of prospective travellers, versus 7% previously. While some of these shifts may be due to seasonality, the US and Canada remain well ahead of all other destinations.

For context, the US recorded 19.3 million overnight arrivals from Canada in 2016, while the UK saw 1.3 million, France welcomed 1.2 million, and Italy logged 488,000.[1] Overnight trips by Canadian travellers to the US continued to decline in 2016 (down 7% in 2016 and 10% in 2015).[2]

Path-to-Purchase Conversion – Top Competitors



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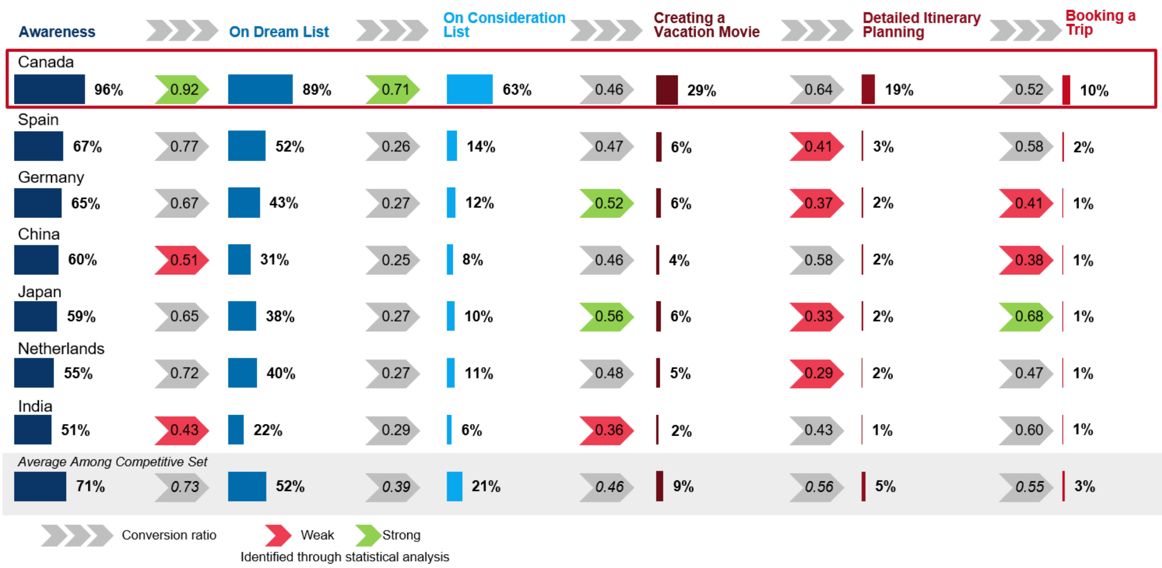
1 *Statistics Canada.*

2 *Statistics Canada.*

Examining purchase cycle results for destinations visited less frequently by Canadian travellers is also informative. Most notably, Japan is a strong performer at the final stage, seeing above average conversion ratios between detailed itinerary planning and actual booking, outperforming even the US at this stage. However, Japan's conversion results are distorted due to weak performance at the itinerary planning phase.

Path-to-Purchase Conversion – Rest of Competitors



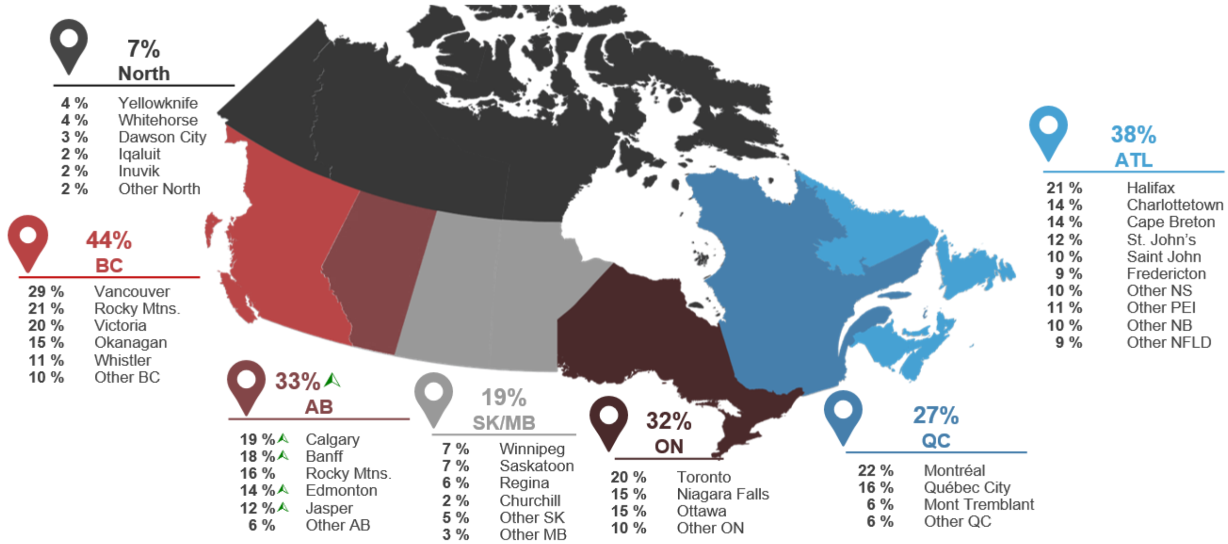
Destinations

HIGHLIGHTS

- ✓ *British Columbia and Atlantic Canada remain the most popular regions in terms of likelihood to visit, while Alberta has seen a significant increase in mentions and moves ahead of Ontario for 3rd place.*
- ✓ *The Rocky Mountains and Vancouver remain the most appealing destinations.*

Canadian travellers in the dream-to-purchase stages and indicating they are definitely/very likely to travel domestically in the next year 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 (cited by 44%), followed by Atlantic Canada (38%). Alberta has seen a significant increase in interest (33%, up from 28% in 2016), pushing Ontario to 4th place (32%). The most popular destinations include some of Canada's largest cities - Vancouver (29%), Montreal (22%), Halifax (21%), and Toronto (20%). However, there is increasing interest in Alberta: Calgary (19%, up from 16%), Banff (18%, up from 15%), Edmonton (14%, up from 11%), and Jasper (12%, up from 9%).

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



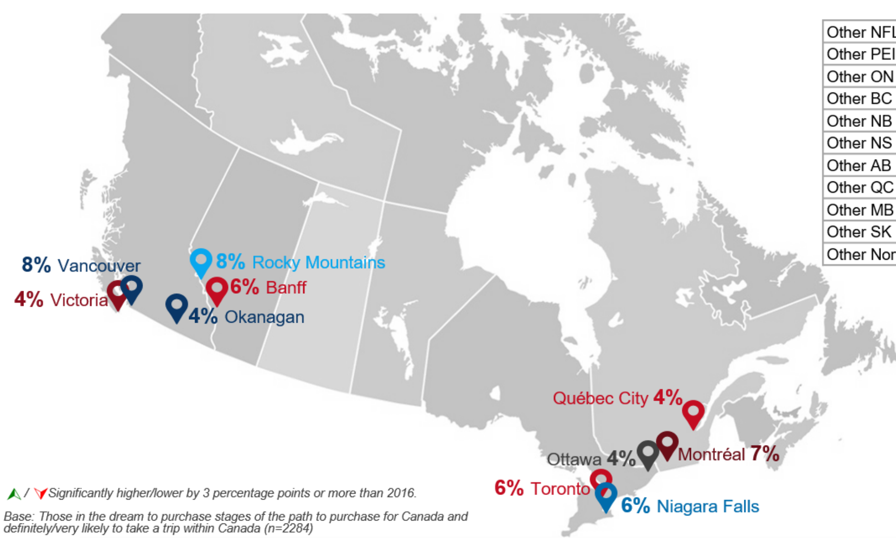
/ Significantly higher/lower by 3 percentage points or more than 2016.

Base: Those in the dream to purchase stages of the path to purchase for Canada and definitely/very likely to take a trip within Canada (n=2284)

QMP7. Which of the following Canadian destinations are you likely to visit in the next year?
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. Overall, the Rocky Mountains and Vancouver, both selected by 8% of prospective visitors, narrowly outperform Montreal (7%), Toronto (6%), Niagara Falls (6%), and Banff (6%). Results suggest that Canada's landscape-based icons continue to hold similar appeal to domestic travellers as city destinations.

Most Appealing Canadian Destination – Top 10 Mentions



Other NFLD	3.1%
Other PEI	2.7%
Other ON	2.7%
Other BC	2.6%
Other NB	2.1%
Other NS	1.4%
Other AB	1.1%
Other QC	1.1%
Other MB	0.7%
Other SK	0.6%
Other North	0.3%

Halifax	3.8%
Calgary	3.5%
Cape Breton	2.7%
Edmonton	2.1%
Jasper	1.8%
St. John's	1.6%
Charlottetown	1.4%
Whistler	1.1%
Winnipeg	1.0%
Mont Tremblant	0.9%
Saskatoon	0.8%
Dawson City	0.6%
Saint John	0.5%
Regina	0.5%
Yellowknife	0.4%
Churchill	0.4%
Fredericton	0.3%
Whitehorse	0.3%
Iqaluit	0.1%

/ Significantly higher/lower by 3 percentage points or more 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 within Canada (n=2284)

QMP8. And, which place in Canada most appeals to you?

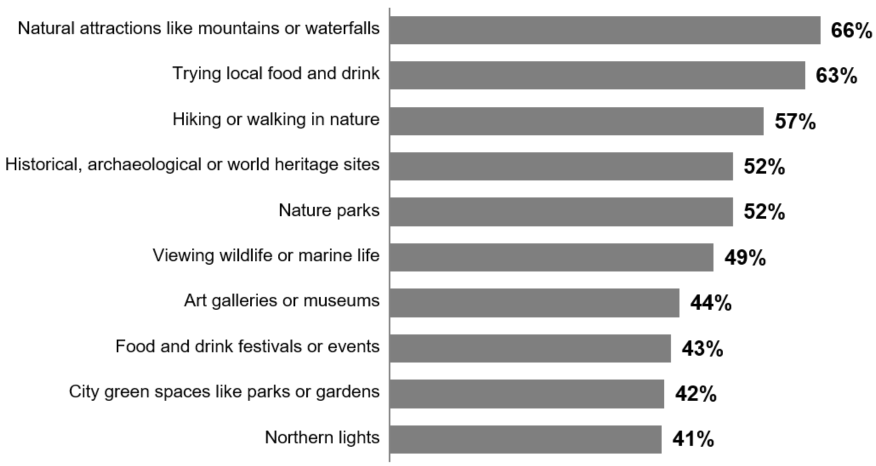
Vacation Activities

HIGHLIGHTS

- ✓ *Natural attractions, historical sites, cruises, nature parks, Northern lights, and hiking or walking in nature are the top trip anchor activities for Canadian travellers.*
- ✓ *Popular activities that Canada could better promote to domestic travellers: Northern lights, cruises, guided city tours, music festivals, food and drink festivals, amusement parks, and fall colours.*

Canadian travellers were asked about which activities and experiences they seek while on vacation in general, regardless of the destination. The results are similar to 2016 with the exception of Northern lights, which is now in the top 10 (shopping for souvenirs and clothes was previously ranked 7th, but was split into two separate activities for 2017 and, as a result, neither activity appears in the top 10). Natural attractions like mountains and waterfalls continues to be the most sought-after vacation experience. A close second is the chance to sample local food and drink. These are followed by other outdoor activities such as hiking or walking in nature, visiting nature parks, viewing wildlife or marine life, as well as visits to historical sites. While older travellers aged 55+ are more interested in historical sites, they are less interested in hiking or walking in nature, food and drink festivals, nature parks, and Northern Lights.

General Activities/Places Interested In – Top 10

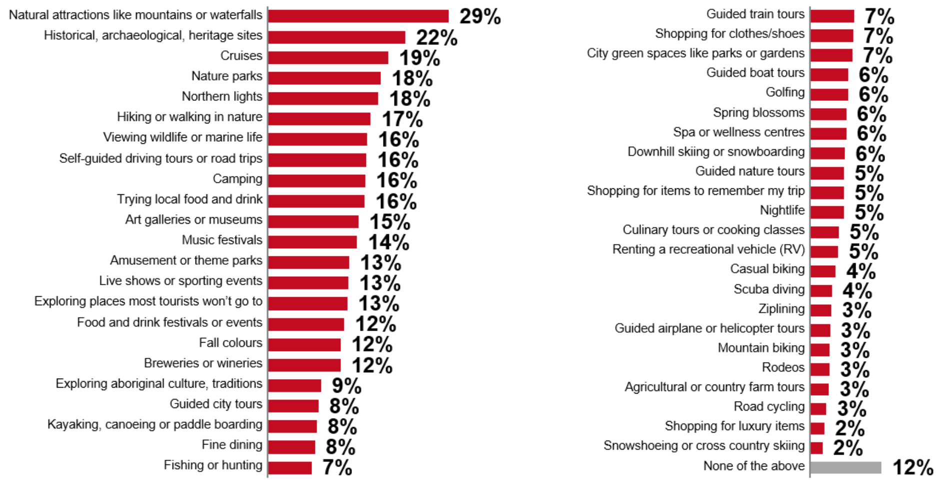


/ Significantly higher/lower by 3 percentage points or more than 2016.
Base: Out-of-region pleasure travellers (past 3 years or next year) (n=4003)
QMP10. In general, what activities or places are you interested in while on vacation?

Trip Anchor Activities

A new question added in 2017 asked Canadian travellers which vacation activities are important enough that they would base an entire trip around them. Natural attractions (29%), historical sites (22%), cruises (19%), nature parks (18%), Northern lights (18%), and hiking or walking in nature (17%) are the top trip anchor activities. With the exception of cruises, all of these are also among the top activities of interest among Canadian travellers. Given that Canadian 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: Out-of-region pleasure travellers (past 3 years or next year) answering (n=3958)
+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 within 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, and hiking or walking in nature.

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

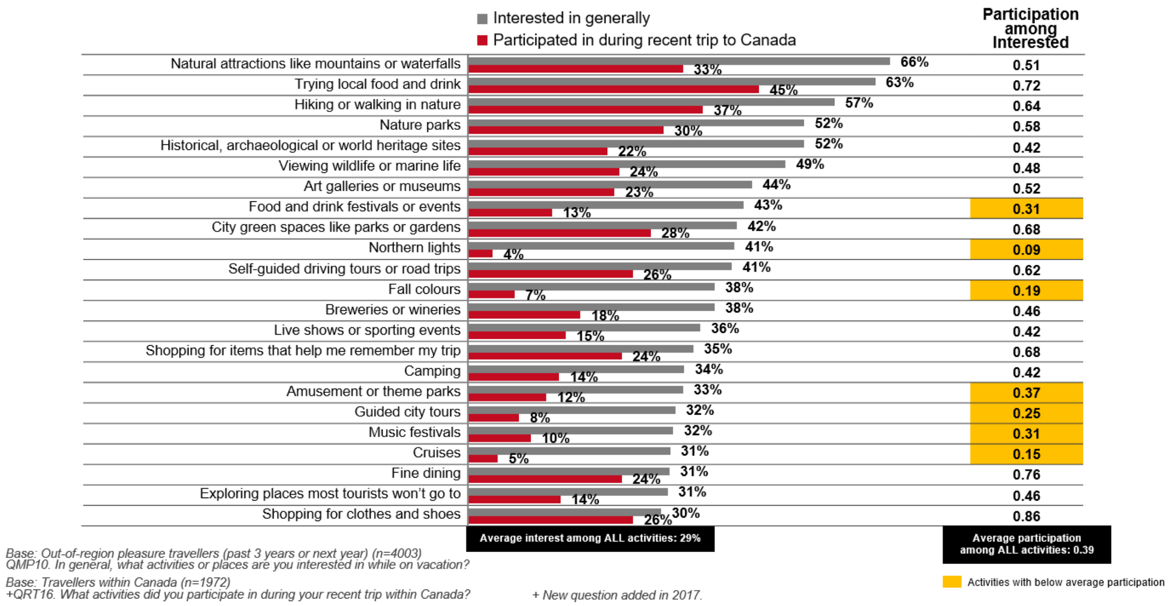
- Northern lights
- Cruises
- Fall colours
- Guided city tours
- Food and drink festivals
- Music festivals
- Amusement or theme parks

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 cruises, the activities with the largest gaps, are also top activities that Canadian travellers would anchor a trip around. Several communication points could be addressed to increase participation among Canadian travellers, including improved messaging on accessibility and differentiation of authentic Canadian experiences compared to overseas offerings.

Guided city tours, music festivals, food and drink festivals, and amusement parks are 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, all are well positioned as add-ons for Canadian travellers. In addition, product development for fall colours could assist in generating increased demand for shoulder season travel.

Popular Activities with Above Average Interest



Among the less popular or niche activities, there are many large gaps in participation among recent visitors within 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 Canadian travellers.

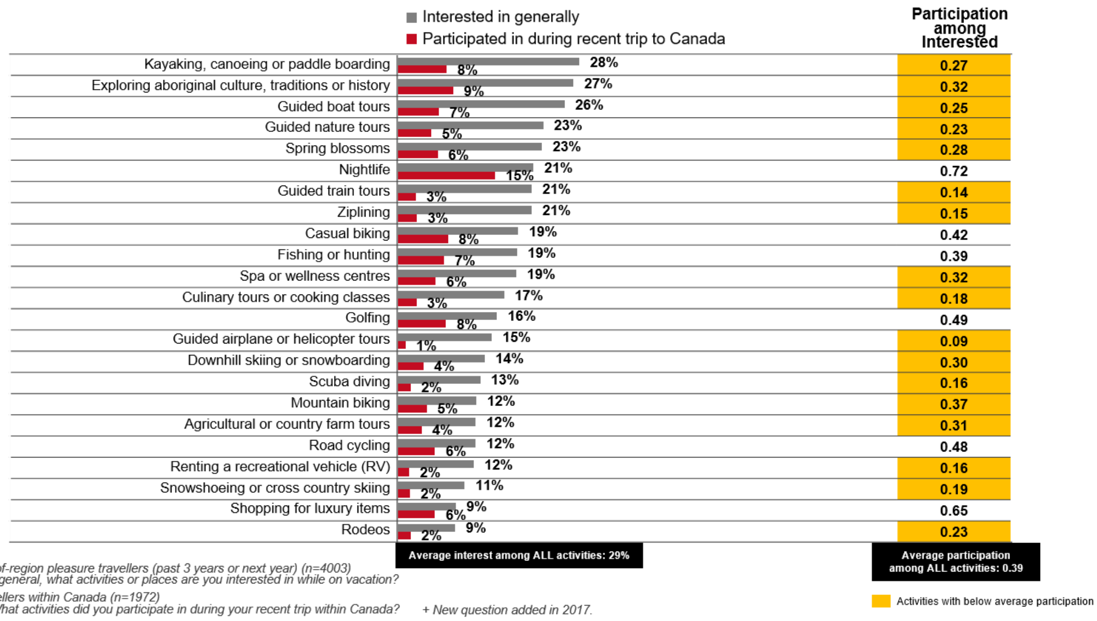
Soft Activities:

- Guided airplane or helicopter tours
- Guided train tours
- Culinary tours or cooking classes
- Guided nature tours
- Guided boat tours
- Exploring Aboriginal culture, traditions or history
- Spa or wellness centres

Active Activities:

- Ziplining
- Snowshoeing or cross-country skiing
- Kayaking, canoeing or paddle boarding
- Downhill skiing or snowboarding
- Mountain biking

Niche Activities with Below Average Interest



Base: Out-of-region pleasure travellers (past 3 years or next year) (n=4003)
QMP10. In general, what activities or places are you interested in while on vacation?
Base: Travellers within Canada (n=1972)
+QRT16. What activities did you participate in during your recent trip within Canada? *+ New question added in 2017.*

Barriers

HIGHLIGHTS

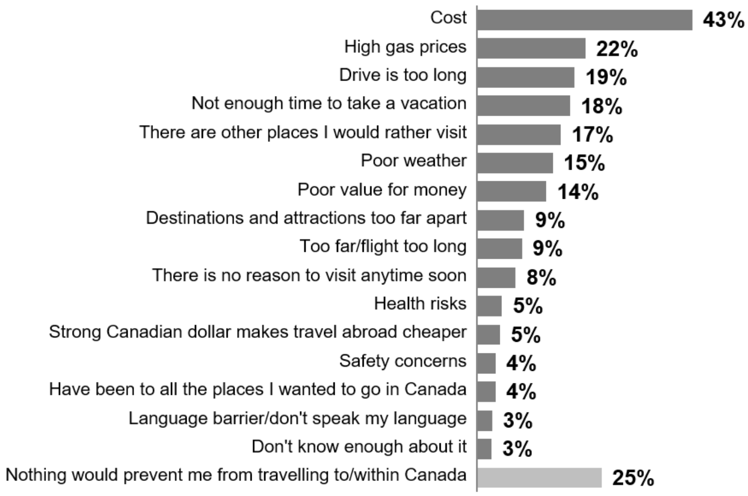
- ✓ *Cost remains the primary deterrent to travelling within Canada, cited twice as often as the next closest impediment, high gas prices.*
- ✓ *Older travellers aged 55+ have fewer barriers to visiting and are most likely to say nothing will prevent them from travelling to Canada. However, they are not as far down the path-to-purchase as younger travellers aged 18-34, who represent the best immediate opportunity and larger lifetime value.*
- ✓ *Those at the evaluation stage (gathering information or planning a visit) are now more likely to cite cost as a potential barrier than those at the consideration phase, suggesting that cost concerns intensify as Canadian travellers proceed through the purchase cycle.*

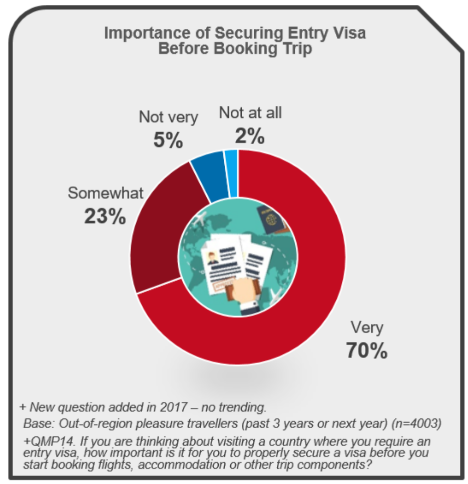
All Canadian travellers were asked what could prevent them from travelling within Canada. Cost remains the primary deterrent, cited twice as often as the next closest impediment – high gas prices. While cost is the top barrier across all age groups, travellers aged 18-34 are most likely to mention it. They are also more likely to feel that gas prices are high, that the drive or flight is too long, that they don’t have enough time to take a vacation, that Canada offers poor value for money, that there are other places they would prefer to visit, that destinations and attractions are too far apart, and that the strong Canadian dollar makes travel abroad cheaper. Of note, 25% of Canadian travellers say that nothing would prevent them from travelling domestically, with older travellers aged 55+ (38%) most likely to express this sentiment.

While the cost barrier is challenging to address, it can be indirectly dispelled through messaging about the value offered by a Canadian vacation experience. Emphasizing the ability to anchor a trip to specific regions/experiences could help counter the notion that the drive is too long or that there is not enough time to take a vacation.

Younger travellers aged 18-34 represent the best immediate opportunity as they are farther along the path-to-purchase and represent a larger lifetime value opportunity. Attracting younger Canadian travellers will require improving perceptions around the time required and the value offered by domestic travel. Older travellers aged 55+ also have potential as they are most likely to not have any barriers to visiting Canada, but more effort would be required to move them from the consideration stage to the evaluation stage. From a strategic marketing viewpoint, destinations could consider focusing tactical efforts on younger travellers in collaboration with partners, and split branding awareness efforts between the younger and older generations.

Key Barriers for Travelling Within Canada



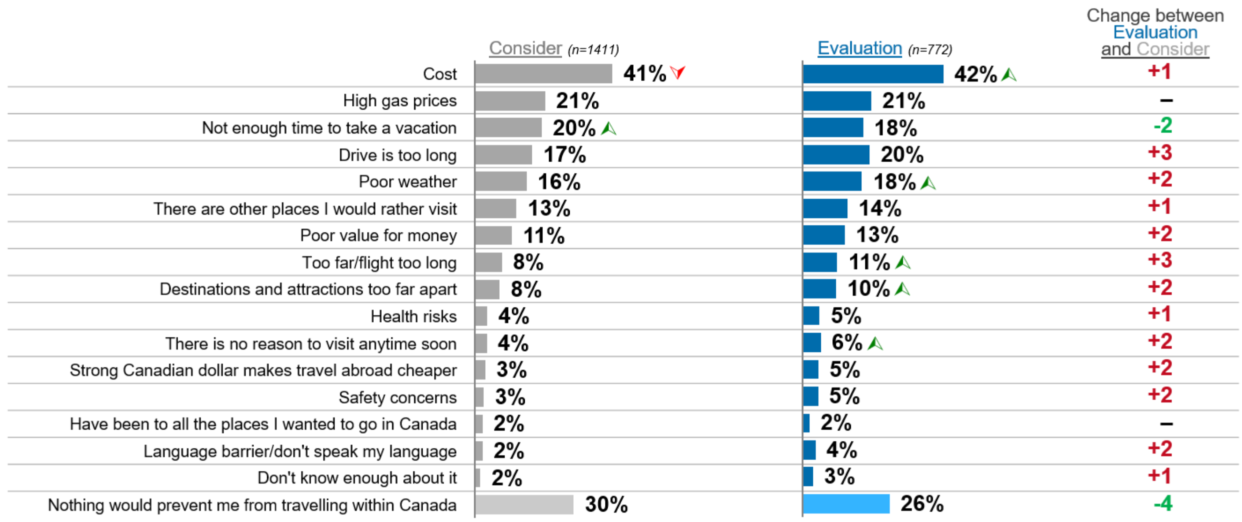


/ Significantly higher/lower by 3 percentage points or more than 2016.
Base: Out-of-region pleasure travellers (past 3 years or next year) (n=4003)
QMP9. Which of the following reasons might prevent you from travelling within Canada?

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, but has declined significantly from 2016 (41%, down from 45%). High gas prices remain in 2nd spot, while not enough time to take a vacation has seen a significant increase and moved ahead of long drive into 3rd spot (20%, up from 17%).

In a change from 2016, those at the evaluation stage are marginally more likely to cite cost as a potential barrier than those at the consideration phase. Mentions of cost have increased year-over-year among those at the evaluation stage (42%, up from 36%). There have also been significant increases in a number of secondary barriers, including poor weather (18%, up from 14%), destination being too far (11%, up from 7%), destinations and attractions being too far apart (10%, up from 7%), and lack of reason to visit imminently (6%, up from 3%). Furthermore, the proportion saying nothing would prevent them from visiting Canada is now lower among those in the evaluation stage than in the consider stage, which suggests the cumulative effect of increased barriers are putting some Canadian travellers at risk of changing their minds about domestic travel as they proceed along the purchase path.

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



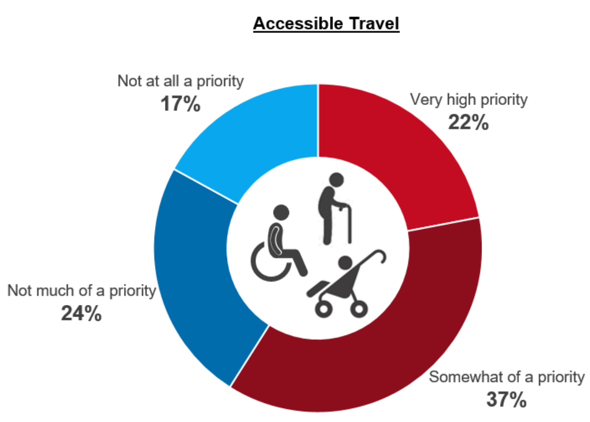
▲/▼ Significantly higher/lower by 3 percentage points or more than 2016.
Base: Out-of-region pleasure travellers in specific path-to-purchase segments
QMP9. Which of the following factors might discourage you from visiting Canada?

Niche Markets

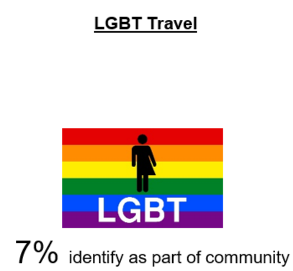
Additional questions were added for 2017 to size particular niche markets. Accessible tourism, which strives to make a destination accessible to everyone, regardless of physical limits, disability, or age, is relevant for 59% of Canadian travellers, with 22% seeing it as a high priority. Travellers with children in the home are most 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 domestic travellers.

Another niche market of interest is the LGBT market. Seven percent of Canadian travellers self-identify as being a member of the LGBT community. 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: Out-of-region pleasure travellers (past 3 years or next year) (n=4003)
+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: Out-of-region pleasure travellers (past 3 years or next year) (n=4003)
+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

- ✓ *20% of Canadian travellers consulted a travel agent/tour operator on their most recent trip within Canada, outside of their province or region. Travel agents/tour operators were equally likely to be utilized for planning and booking trip details.*

The following section provides details on the most recent out-of-region trip taken by Canadian travellers to competitive set destinations in the past 3 years (81% 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

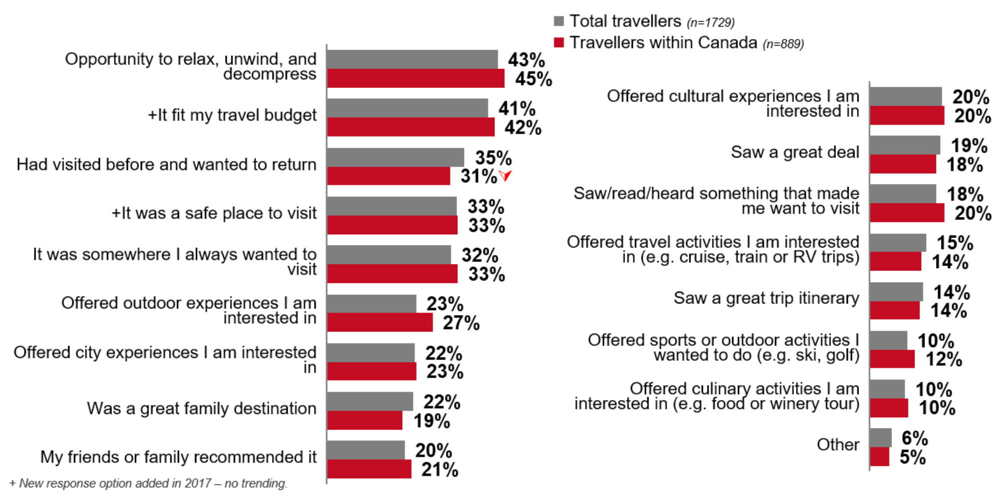
While the primary reason for travelling among all Canadian travellers remains for vacation purposes, the proportion of mentions has dropped significantly (54%, down from 58% in 2016). Among those travelling within Canada, 46% cite vacation as the primary purpose, but a substantial number (37%) also mention visiting friends and relatives as their primary purpose, underscoring the importance of VFR (Visiting Friends and Relatives) as a trip motivator for domestic travel.

Motivators

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

An opportunity to relax, unwind, and decompress was the primary reason for choosing the destination, among travellers generally and for travellers within Canada. Almost as important to Canadian travellers was that the trip fit within their travel budget, followed by it was a safe place to visit, it was a destination they had always wanted to visit, and a desire to return to a place they had visited before. While motivations for travelling within Canada were generally similar to overall vacation motivators, there was a significant decline in mentions of the destination being somewhere they had visited before and wanted to return (31%, down from 36% in 2016).

Factors Influencing Destination Selection



+ New response option added in 2017 – no trending.
▲/▼ Significantly higher/lower by 3 percentage points or more than 2016.
Base: Out-of-region pleasure travellers (past 3 years) travelling for vacation
QRT3. Which of the following factored into your choice of destination for this trip?

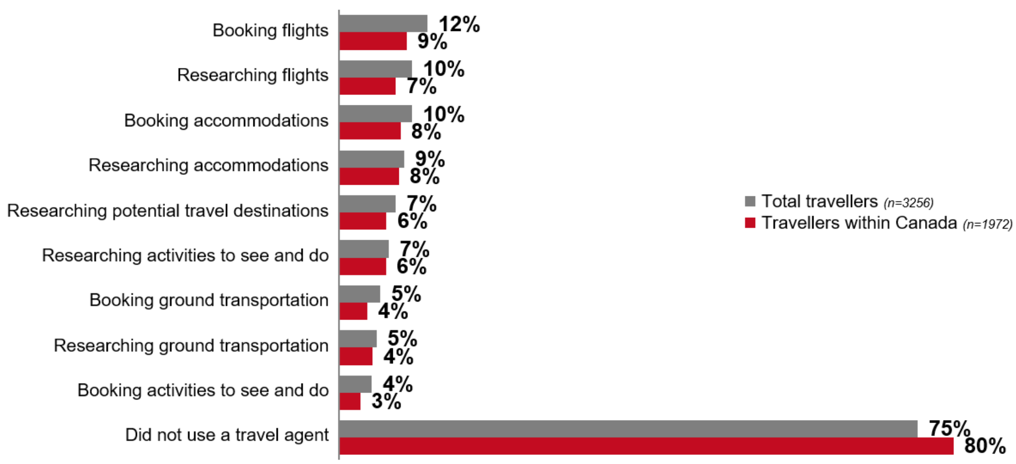
Travel Party

Regardless of destination, Canadian travellers were most likely to be accompanied by their spouse (61%), which is unchanged from 2016. Twenty percent of Canadian 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 or their friends, both to destinations generally and within Canada. Travel party composition was similar among those who travelled domestically.

Booking

Twenty-five percent of all Canadian travellers report consulting a travel agent/tour operator on their most recent out-of-region trip for either planning or booking purposes. Younger travellers aged 18-34 also report higher travel agent/tour operator use (29%). Travel agent/tour operator use is slightly lower among domestic travellers (20%). An additional question added in 2017 shows that travel agents/tour operators are equally likely to be used for planning and booking trip details.

Travel Agent/Tour Operator Usage

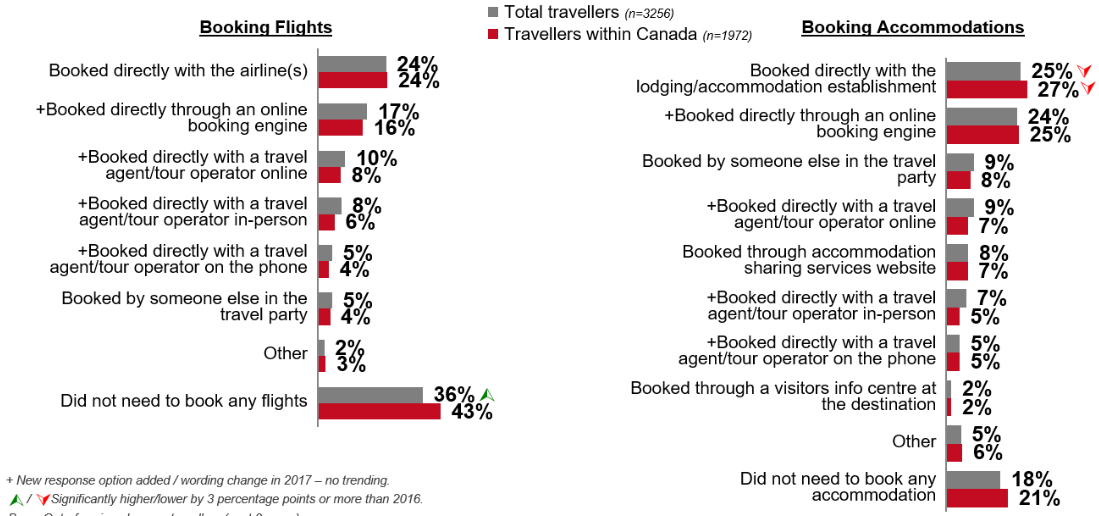


+ New question added in 2017 – no trending.
Base: Out-of-region pleasure travellers (past 3 years)
+QRT15. Did you use a travel agent or tour operator to help you with any of the following for this trip?

In terms of flights, the most popular way to book is directly with the airline (24%), followed by online booking engines (17%), and the use of travel agents/tour operators online (10%). Within Canada, booking patterns are similar, but domestic travellers are more likely to not have booked flights (43% versus 36% of other travel). Older travellers aged 55+ are significantly more likely than other age groups to book directly with the airline.

For accommodation, booking directly with the provider has seen a significant decline (25%, down from 29% in 2016) and is now on par with booking via an online booking engine (24%). Older travellers aged 55+ are significantly more likely to book directly with the provider.

Booking of Flights and Accommodations



+ New response option added / wording change in 2017 – no trending.
▲/▼ Significantly higher/lower by 3 percentage points or more than 2016.
Base: Out-of-region pleasure travellers (past 3 years)
QRT6. How did you book your flight for this trip?
QRT7. How did you book your accommodation for this trip?

Organized group travel is limited among Canadian travellers, especially those travelling domestically (12% indicated that at least a portion of their trip was part of an organized group). Booking group travel with a travel agent or tour operator online is the most common way to arrange organized group tours (38%).

Type of Accommodation

Regardless of destination, Canadian travellers continue to show a preference for mid-priced hotels (46%) followed by luxury hotels (19%), and budget hotels (17%). A similar pattern is true among domestic travellers (49% opted for a mid-price hotel, followed by 17% respectively for luxury and budget hotels). Owing to the prevalence of VFR travel, it is not surprising that 13% of travellers overall and 16% domestically stayed with friends and family.

Information Sources

HIGHLIGHTS

- ✓ *Personal recommendations from friends and family are cited as the top information source throughout the purchasing cycle. Encouraging past visitors within Canada to advocate and share their experiences, both online and in-person, with their personal networks is key.*
- ✓ *TV programs and magazines are important in the initial stages, underscoring the importance of these sources in awareness building.*

Examining information sources by path-to-purchase stages is informative. Personal interactions with friends and family are the most influential source at all stages. Online information from friends and family is also influential at every stage except the final booking stage. This underscores the need to encourage past visitors within Canada to advocate and share their experiences, both in-person and online. TV programs and magazines also play an important role throughout the dreaming and seriously considering stages, underscoring the importance of these sources in awareness building. General search engines emerge as a top source starting at the gathering stage and continues to be influential through to the final stage of the purchase cycle. Official destination websites are also influential at the gathering, arrangements and booking stages. Travel booking sites (arrangements and booking) and travel provider websites (booking) become influential at the final stages.

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=983)	(n=1411)	(n=413)	(n=359)	(n=178)	(n=229)
Top 5 Sources	Friends and family, in person **50%**	Friends and family, in person **45%**	Friends and family, in person **46%**	Friends and family, in person **40%**	Friends and family, in person **42%**	Friends and family, in person **30%**
	TV programs **27%**	Friends and family, online **21%**	General search engines **36%**	Friends and family, online **19%**	Travel booking sites **23%**	General search engines **17%**
	Magazine or newspaper articles **21%**	TV programs **13%**	Online articles **23%**	General search engines **16%**	General search engines **19%**	Travel booking sites **17%**
	Friends and family, online **19%**	Magazine or newspaper articles **11%**	Official destination websites **22%**	Travel guidebooks **16%**	Friends and family, online **18%**	Official destination websites **14%**
	Travel guidebooks **14%**	Social media sites **11%**	Friends and family, online **19%**	Travel review sites **13%**	Official destination websites **17%**	Travel provider websites **14%**

+ New question added in 2017 – no trending.
Base: Those in the dream to purchase stages of the path to purchase for Canada (n=3573)
+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]?