Global Tourism Watch

2018 France 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 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 French market: the US, Thailand, China, Australia, India, South Africa, Japan, Iceland, and South Korea. 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).

Questionnaire Changes

In 2018, questions were added in the following areas:

- Cost-related barriers to visiting Canada;
- Time of year of a potential visit to Canada; and,
- Sources of inspiration in destination selection.

Methodology

Data was collected via an online survey and has been weighted to represent the French long-haul travel population. The target population in France was residents aged 18 years and older, who have taken a long-haul pleasure trip outside of Europe, North Africa and the Mediterranean 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 France, including 300 recent visitors to Canada, in August 2018. Results are compared against previous GTW waves (data gathered in December 2016 and July 2017). 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 (95% confidence interval) 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 analyzed 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: France 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

AUG

2018

Geographical Definition for Qualified Trips

Outside of: Europe, North Africa and the Mediterranean

GTW Sample Distribution

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

Background

France's economy is currently ranked as the 7th largest economy in the world with a 3.2% share of the global GDP, just slightly behind India and the UK (*International Monetary Fund, October 2018*). The country's GDP expanded 1.7% in the second quarter of 2018, following a marginally revised 2.1% growth in the previous period *(Trading Economics, August 2018)*.

At the time of data collection, a possible escalation in trade tensions between the European Union and the United States loomed, with the US's protectionist rhetoric escalating and tariffs being imposed. The resulting upswing in economic risks prompted the International Monetary Fund to cut its forecast for world growth for both 2018 and 2019. Growth in France was expected to moderate to 1.6% in 2018 and 2019 *(International Monetary Fund, October 2018).*

France is one of the world's most modern countries and sees itself as a leader among European nations. President Emmanuel Macron, founder of the center-left La République en Marche (REM), was elected in 2017 and is France's youngest president since the establishment of the Fifth Republic *(The Heritage Foundation, January 2019).*

France's annual inflation rate stood at 2.3% in August 2018. It was the highest inflation rate since May of 2016, when prices showed no growth *(Trading Economics, August 2018)*.

In August 2018, the Consumer Confidence Index slid to 43.4; down from 45.6 six months earlier and 43.8 at the same time the previous year (*Thomson Reuters / Ipsos Primary Consumer Sentiment Index, August 2018*). Consumer prices were expected to rise by 0.5% in August, recovering from a 0.1% fall in July and matching market expectations *(Trading Economics, August 2018)*.

The decline in France's unemployment, which began in the second quarter of 2015, was continuing its downward trend at the time of data collection. The unemployment rate fell to 9.1% in the second quarter of 2018 from 9.2% in the previous period and below market expectations of 9.2% *(Trading Economics, August 2018)*. However, the French recovery was not yet complete. At 65.3% in the second quarter of 2018, the employment rate remained well below the OECD average of 68.4% *(OECD, August 2018)*.

France is the world's fifth largest outbound tourism market, growing marginally by 0.8% year-over-year and reporting US$41.4 billion in tourism expenditure in 2017. It remains the third largest travel market within Europe, behind Germany and the UK *(United Nations World Tourism Organization, April 2018).*

Market Potential

HIGHLIGHTS

- ✓ *The immediate potential market has increased to 5.5 million French travellers in 2018, compared to 4.2 million in 2017, an increase of 1.3 million potential travellers.*
- ✓ *This increase in immediate potential is due to a significant increase in French travellers definitely or very likely to visit Canada in the next 2 years (47%, up significantly from 40% in 2017).*
- ✓ *Travel intentions among French travellers are generally improving in 2018 for long-haul, short-haul and domestic travel. The long-haul travel outlook increased significantly to -2 (versus -12 in 2017).*

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 French market for Canada in two ways – the macro target market and the immediate potential market.

Size of Potential Market to Canada (Next 2 Years)

Measure	2016 GTW (Dec)	2017 GTW (Jul)	2018 GTW (Aug)
Long-haul pleasure travel market		13.85 million	
Target market for Canada (dream to purchase stage)	77%	75%	83%▲
Size of the target market	10.68 million	10.39 million	11.54 million
Immediate potential for Canada (definitely/very likely to visit in next 2 years[1])	47%	40%	47%▲
Size of the immediate potential	5.05 million	4.16 million	5.47 million
Actual Visitation	545,786	577,032	604,166

▲ / ▼ *Significantly higher/lower than 2017 GTW wave.*

[1] *Includes respondents likely to visit Canada for a trip of 1 to 3 nights, or a trip of 4 nights or more.*

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

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?

The long-haul travel market size is derived from a 2016 omnibus study of the French 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 is up significantly in 2018 (83%, up from 75% in 2017); while there is also a directional increase in 2018 over 2016, the change is not significant (77%). Based on the 2018 result, the size estimate for long-haul French travellers is 11.5 million, up from 10.4 million in 2017 and 10.7 million in 2016. This result shows that Canada is expanding its overall base of interested travellers in the French market.

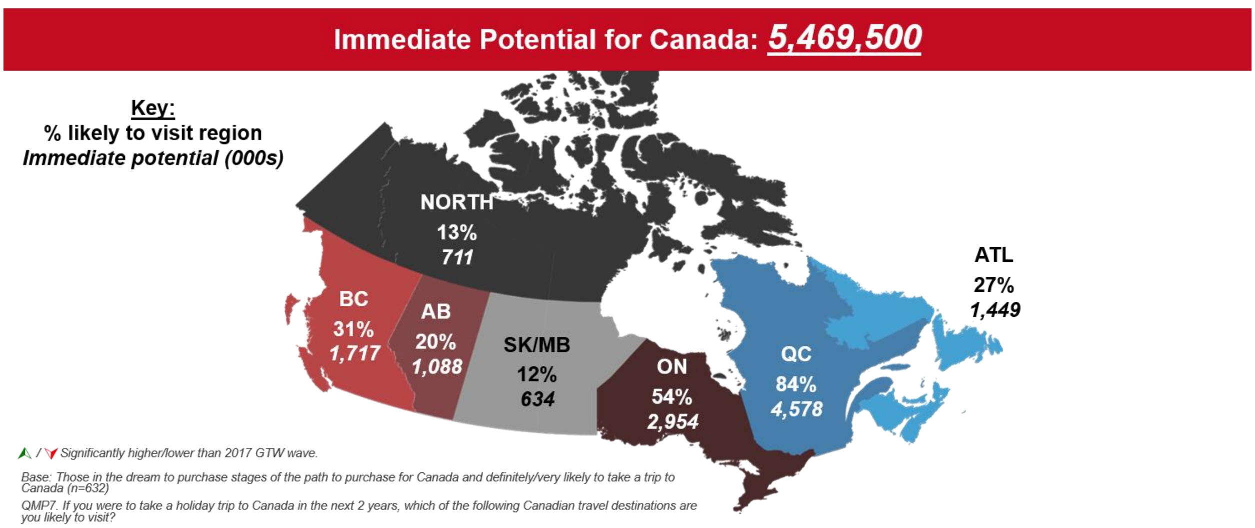
The immediate potential is a more conservative estimate based on GTW respondents who say they are definitely or very likely to visit Canada in the next two years. The 47% result in 2018 is a significant increase from 40% in 2017 and on par with 47% in 2016 – this suggests that there is renewed urgency to visit Canada in 2018. There are 5.5 million travellers with immediate potential for conversion in 2018, an increase of 1.3 million potential French travellers (compared to 4.2 million potential travellers in 2017).

Among Destination Canada's ten international markets, France was ranked 6th in immediate potential market size (behind the US, China, South Korea, UK, and Germany). However, actual visitation from France was ranked 4th among Destination Canada's international markets in 2018. This means that Canada is continuing to do well at converting potential travellers to actual visitors in the French market.

For context, Canada attracted 604,000 visitors from France in 2018, up 5% from the 577,000 French visitors in 2017[1]. The 604,000 arrivals represent 11% of the immediate potential market.

Also of interest is the demonstrated interest in Canada's regions among the immediate potential market (5.5 million). Quebec continues to hold the greatest appeal, with interest from 84% of the immediate potential market (4.6 million visitors). Ontario is the next most likely province to visit (54%), followed by BC (31%).

Potential Market Size for the Regions



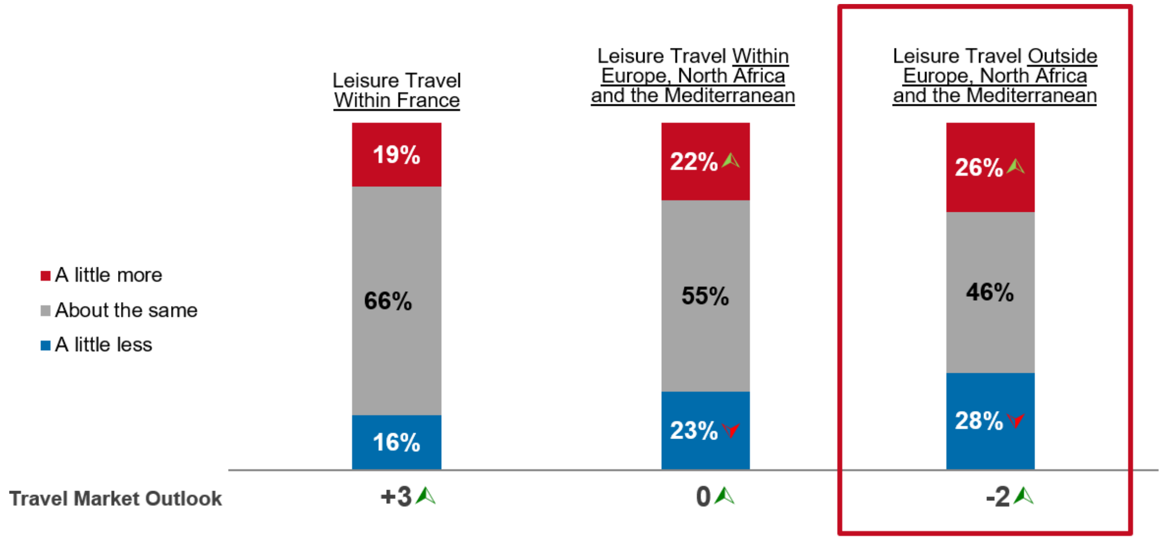
Travel intentions among French travellers are generally improving in 2018 for long-haul, short-haul and domestic travel.

There is a significantly higher proportion of French travellers reporting that they intend to spend more on long-haul travel in 2018 compared to 2017, resulting in a long-haul outlook of -2. This result is up significantly from -12 in 2017 and also higher than -8 in 2016.

The short-haul travel outlook increased significantly to 0 in 2018 (up from -14 in both 2016 and 2017). While the market outlook for domestic travel (+3) is also up significantly compared to 2017 (-1).

1 *Destination Canada, Tourism Snapshot, December 2018.*

Spending Intentions (in the Next 12 Months)



Significantly higher/lower than 2017 GTW wave.
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)
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 consideration of Canada is up significantly but is still 2nd to the US, which also recorded a significant increase in 2018.*
- ✓ *Canada remains in 1st position on destination knowledge and has seen gradual increases on this measure: increasing from 46% in 2016, to 49% in 2017, and 52% in 2018.*
- ✓ *Japan is posing a stronger threat to Canada in 2018, recording significant increases in unaided consideration and aided consideration. In addition, Japan's NPS result increased significantly in 2018 and the destination moved ahead of Canada into 1st place on this metric.*

The GTW tracks the following Key Performance Indicators (KPIs) for Canada: unaided and aided destination consideration, aided destination knowledge, and Net Promoter Score (NPS). Canada's performance is tracked against key competitors for the long-haul travel market. For France, these destinations are the US, India, Thailand, Australia, China, South Africa, Japan, Iceland, and South Korea.

The outlook for Canada in France remains favourable. Out of the 10 competitive destinations that respondents were asked to evaluate, Canada holds on to 2nd position on unaided consideration (behind the US). While Canada is marginally behind the US on aided consideration, both countries have seen a significant increase since 2017. Canada has maintained its top position on destination knowledge, but has moved into 2nd place on the Net Promoter Score (behind Japan).

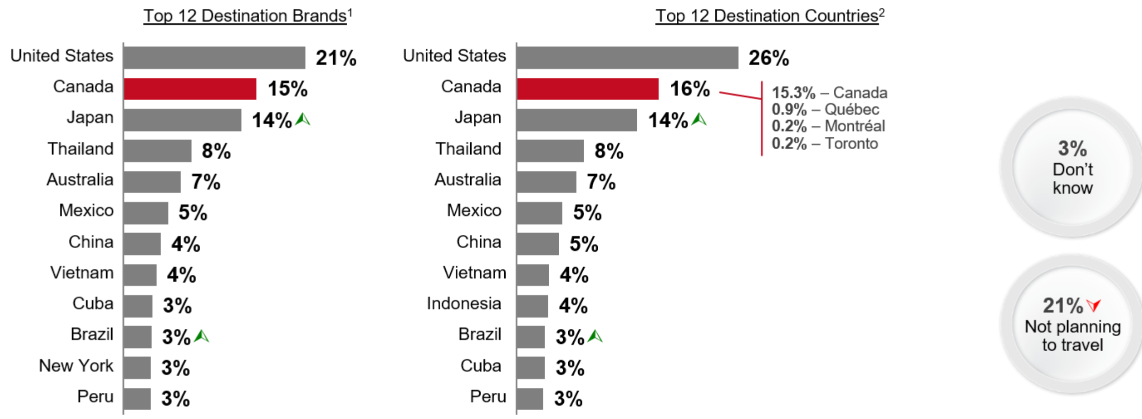
Consideration

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, 16% of French travellers mentioned Canada as a destination under serious consideration in the next 2 years, marginally up from 2017 and 2016 (14%, respectively). Canada is 2nd on this metric but continues to trail the US by a large margin. Japan saw a significant increase in mentions in 2018 (14%, up from 8% in 2017 and 7% in 2016).

Those who have visited Canada recently remain more likely to mention Canada on an unaided basis than general French travellers (26% versus 16%). French travellers continue to mention very few specific places in Canada, suggesting knowledge of specific Canadian destinations remains low.

Unaided Long-Haul Destination Consideration (Next 2 Years)



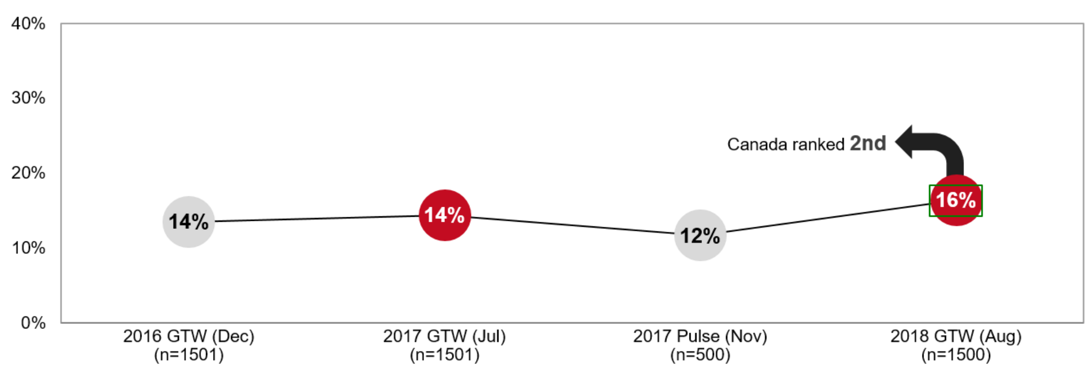
▲ / ▼ Significantly higher/lower than 2017 GTW wave.

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 Europe, North Africa and the Mediterranean in the next 2 years. Which destinations are you seriously considering? (Please list up to 3 destinations.)

Unaided Long-Haul Destination Consideration (Next 2 Years) – Canada Trended



▲ / ▼ Significantly higher/lower than 2017 GTW wave. □ / ○ Significantly higher/lower than 2017 Pulse wave.

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 Europe, North Africa and the Mediterranean 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, 40% say they are seriously considering Canada for a leisure trip in the next 2 years, up significantly since 2017 (36%). Canada remains in 2nd place, behind the US, which also saw a significant increase in aided consideration in 2018 (42%, up from 38%). While Canada is still substantially ahead of 3rd place Japan, the country also saw significantly improved aided consideration results in 2018 (26%, up from 17% in 2017), again signaling increasing interest in Japan among French travellers.

Both recent visitors to Canada and those considering a visit rank Canada first overall in aided consideration among all destinations in the competitive set.

Knowledge

Thirty-seven percent of all French travellers rate their knowledge of travel opportunities in Canada as either excellent or very good, trending up from 35% in 2016 and 2017.

Among those considering Canada, destination knowledge stands at 52%, trending upwards from 2017 (49%) and up significantly from 2016 (46%). Among those considering each competitive destination, knowledge of South Africa has also increased in 2018 (43%, up from 39% in 2017 and up significantly from 28% in 2016). Knowledge of the US (48%) is steady compared to 2017, but is significantly below 2016 levels (54%). Knowledge of India is also significantly lower in 2018 (35%, down from 46% in 2017).

Knowledge of travel opportunities in Canada steadily rises as travellers move down the Path-to-Purchase: 33% of those in the dreaming stage are knowledgeable about Canadian travel opportunities, moving up to 46% in the considering stage and further to 54% among those actively planning a trip to Canada. Efforts to boost knowledge of Canadian travel opportunities could pay off by helping to move potential visitors along the Path-to-Purchase.

Key Performance Indicators

Key Performance Indicators (KPIs) for Canada – Summary

Indicator	Definition	All Long-Haul Travellers (n=1500)	Recent Visitors to Canada[1] (n=300)	Considering Canada[2] (n=613)
Intentions:				
Unaided destination consideration	% who mentioned Canada or a destination in Canada on their consideration list[3]	**16%**	**26%**	**31%**
Competitive positioning on destination consideration	Rank on the consideration list among 10 destinations	**2**	**1**	**1**
Destination knowledge:				
Aided awareness of travel opportunities in Canada	% with excellent/very good knowledge of travel opportunities in Canada	**37%**	**66%**	**50%**

▲ / ▼ Significantly higher/lower than 2017 GTW wave.

[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 Europe, North Africa and the Mediterranean 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 among all respondents)

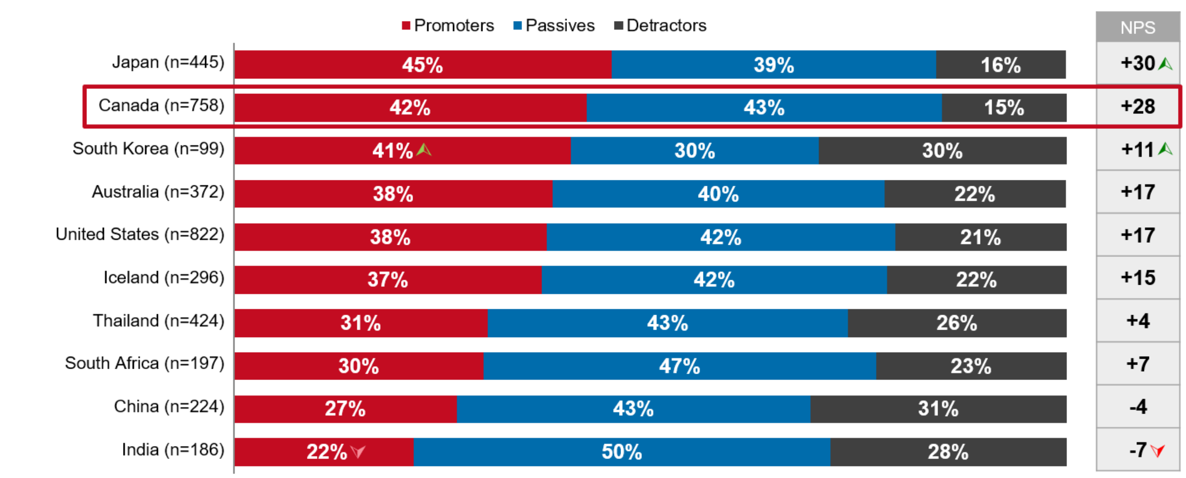
Net Promoter Score (NPS)

The Net Promoter Score (NPS) measures the likelihood of travellers to recommend a destination. Results are gathered among travellers with 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.

Japan has seen a significantly positive shift in its NPS result (+30, up significantly from +19 in 2017), achieving the highest NPS result among French travellers in 2018. Canada has moved into second place (+28), followed by the US and Australia, which are tied for third place with NPS results of +17. South Korea has seen a significant increase in Promoters in 2018 (41%, up from 21% in 2017), resulting in a significantly positive shift in its NPS result (+11, up significantly from -16 in 2017). India has the lowest NPS result among destinations in the competitive set in 2018 (-7, down significantly from +6 in 2017).

When the results for Canada are examined among past three year visitors, the NPS result is +36 (marginally higher than +31 in 2017); among those who have not visited Canada in the past 3 years, the NPS result is -11. This underscores the opportunity to capitalize on advocacy from recent visitors as well as encouraging them to return. Among those who have ever visited Canada, the NPS result is +11, which is significantly lower than that of past three year visitors – this indicates the need to develop strategies that encourage visitors to advocate either during or immediately after a trip to Canada.

Net Promoter Score



/ Significantly higher/lower than 2017 GTW wave.
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 holiday destinations to a friend, family member or colleague?

Path-to-Purchase

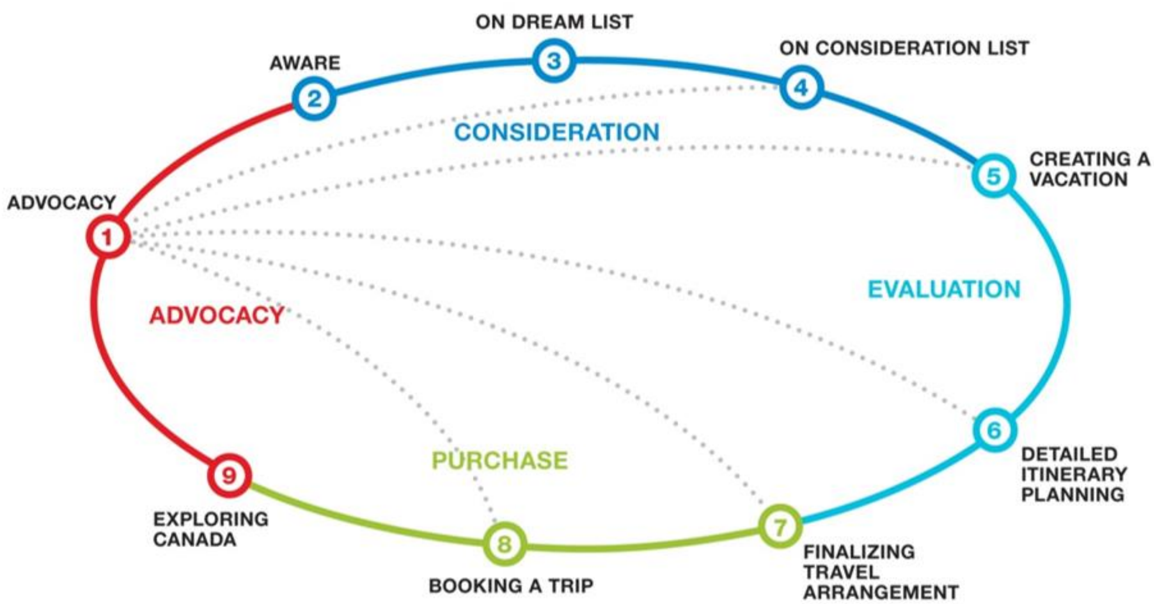
HIGHLIGHTS

- ✓ *French travellers are more likely to be in the active planning stage for Canada, up significantly in 2018.*
- ✓ *The US, Japan, and South Korea also saw significant increases in active planning in 2018, suggesting renewed interest in long-haul travel to a number of destinations.*
- ✓ *Substantial improvements in conversion rates in 2018 indicate that Canada has been more successful in retaining French travellers into the lower parts of the Path-to-Purchase.*

Like any other expensive and discretionary consumer product, there is a purchasing or decision-making cycle associated with long-haul travel: consumers move through progressive stages from not knowing anything about a destination to booking a trip. Advocacy happens during and after the actual visit. As evidenced from the NPS results, recent Canada visitors are most likely to be Promoters, making it important to encourage recent visitors to share experiences.

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**

French residents took a record 28.4 million outbound tourism trips in 2017, a 20% increase over 2016[2]. As a consequence of this renewed interest in travel, several competitive destinations recorded improved Path-to-Purchase results in 2018.

The US continues to have the strongest Path-to-Purchase, with 21% of French long-haul travellers actively engaged in planning a visit and a further 21% seriously considering a trip in the next 2 years. In 2018, the US recorded a significant increase in travellers in the active planning stages (up from 12% in 2017).

For Canada, 17% of French travellers are actively planning a trip, up significantly from 11% in 2017. This increase at the active planning stage is due to significant increases at both the information gathering stage (9%, up from 7% in 2017) and itinerary planning stage (4%, up from 2% in 2017). Canada also saw a corresponding drop in travellers who are in the uninterested category (10%, down from 15% in 2017) and who have never thought of visiting (6%, down from 10% in 2017).

Like Canada, Japan recorded a significant increase in French travellers in the information gathering phase (11%, up from 3% in 2017), which helped to increase active planning results to 18% (up significantly from 6% in 2017); Canada now trails Japan in the active planning phase. Japan also saw a significant jump in French travellers at the seriously considering stage (17%, up from 8% in 2017).

There are some trends to note with other destinations in the competitive set, suggesting that French travellers are broadening their travel interests. Iceland, China, Australia, and South Korea saw a significant decrease in those who have never thought of visiting. South Korea continues to have the highest proportion of French travellers who have never thought of visiting, although the proportion dropped significantly in 2018 (50%, down from 63% in 2017). South Korea also saw a corresponding shift in both the dreaming stage (16%, up from 10% in 2017) and active planning stages (6%, up from 3% in 2017). These shifts for South Korea could be attributed to the Winter Olympics which were held in Pyeongchang in February 2018.

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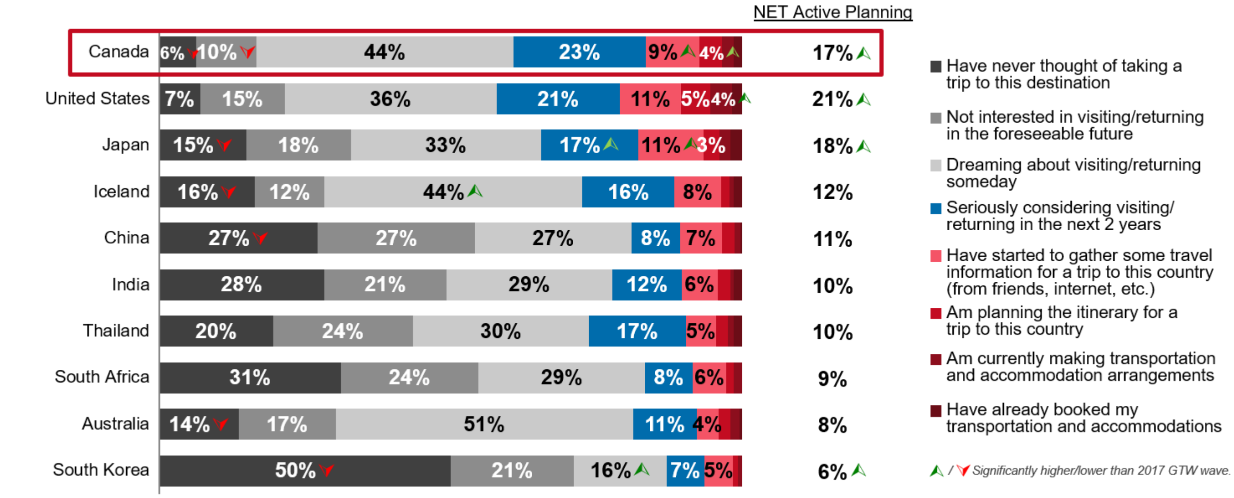
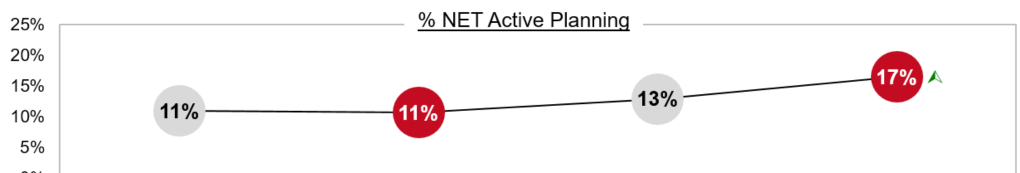
[2] *Statistica, January 2019.*

Stage in the Purchase Cycle by Country



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

Stage in the Purchase Cycle – Canada Trended



	2016 GTW (Dec) (n=1501)	2017 GTW (Jul) (n=1501)	2017 Pulse (Nov) (n=500)	2018 GTW (Aug) (n=1500)
Have never thought of taking a trip to this destination	10%	10%	10%	6%
Not interested in visiting/returning in the foreseeable future	13%	15%	11%	10%
Dreaming about visiting/returning someday	43%	43%	46%	44%
Seriously considering visiting/returning in the next two years	23%	21%	20%	23%
Have started to gather some travel information for a trip to this country	7%	7%	8%	9%
Am planning the itinerary for a trip to this country	2%	2%	3%	4%
Am currently making transportation and accommodation arrangements	1%	1%	1%	2%
Have already booked my transportation and accommodations	1%	1%	1%	1%

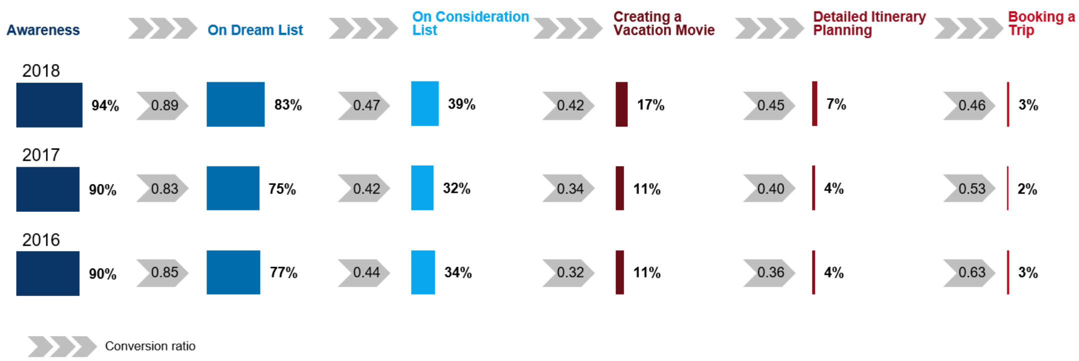
/ Significantly higher/lower than 2017 GTW wave. / Significantly higher/lower than 2017 Pulse wave.
Base: Long-haul pleasure travellers (past 3 years or next 2 years)
QMP1. Which of the following best describes your current situation when thinking about each of the following countries for a holiday trip?

The charts below show Canada's progress converting travellers at crucial steps in the purchase cycle relative to top competitors. 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 remains above average in 2018. The proportion (89%) is up year-over-year and Canada's performance at this stage continues to be 'strong' compared to the competitive average in 2018. Canada's performance remains weakest at converting travellers from the consideration phase to creating a vacation movie – this continues to be a potential area of focus for Canada. Travellers at this 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.

It is notable that 2018 conversion rates are generally higher than previous years across all stages of Canada's Path-to-Purchase, with the exception of conversion between detailed itinerary planning to booking (-7%). The largest increases in conversion over 2017 are between consideration to creating a vacation movie (+8%) and between awareness and dreaming stages (+6%). This indicates that Canada has been more successful than previous years at retaining French travellers into the lower parts of the purchase cycle and suggests that there is prospect for increased French visitors in subsequent years; if Canada is able to continue engaging with travellers in the lower stages, more potential French travellers could be converted into actual visitors.

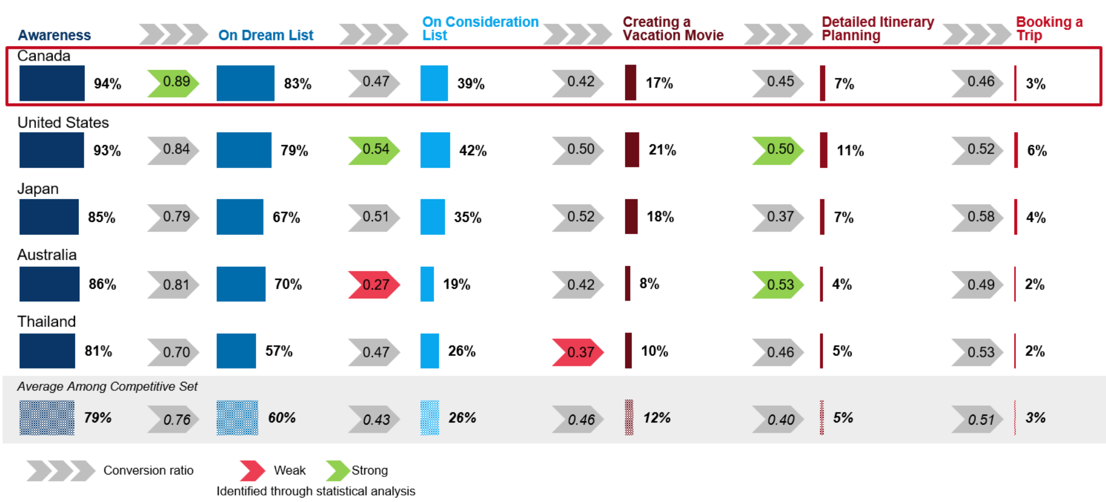
Path-to-Purchase Conversion – Canada



Looking at conversion results among competitors, the US continues to excel at getting on travellers' consideration list and moving travellers from the vacation movie stage to the detailed itinerary planning. Australia is below average at converting French travellers from the dreaming stage to considering, but is strong between creating a vacation movie and the detailed itinerary planning stage.

For context, the US recorded 1.67 million arrivals from France in 2017 (up 2% from 2016) and Thailand attracted 740,000 in 2017 (consistent with 2016). Canada welcomed 604,000 in 2018 (up 5% from 2017), Japan saw 305,000 in 2018 (up 1% from 2017), and Australia logged 143,000 in 2018 (up 10% from 2017)[3].

Path-to-Purchase Conversion – Top Competitors



[3] US National Travel & Tourism Office, Tourism Australia, Destination Canada, JTB Research & Consulting Co, and Thailand Ministry of Tourism

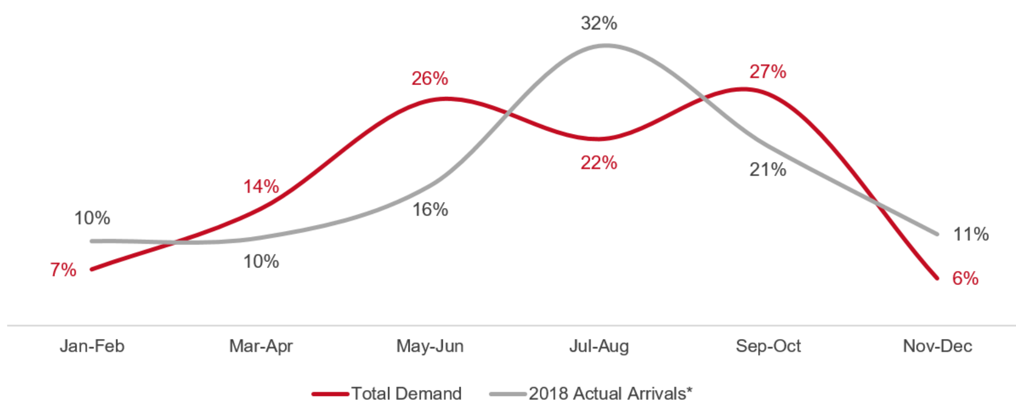
Time of Year Interest

HIGHLIGHTS

- ✓ *July to August is the most popular time for French travellers to visit Canada, yet demand is actually higher in May to June and September to October.*

A new question added to the Global Tourism Watch in 2018 asked prospective French visitors which time of year they would consider visiting Canada. September to October (27%) and May to June (26%) are the most popular times of year, followed by July to August (22%). Compared to the distribution of actual French arrivals in 2018, the largest gap in demand is for the months of May to June, where those interested (26%) exceeds those actually visiting (16%); the next largest demand gap is September to October (6%). Given compression issues in the peak July to August months, an opportunity exists to fill the May to June and September to October demand gaps to relieve pressures.

Time of Year Interested in Visiting Canada (Next 2 Years) versus Actual Arrivals



** Source: 2018 StatsCan Frontier Border Counts.*
Base: Those in the dream to purchase stages of the path to purchase for Canada (n=1270); data re-based to create distribution of demand
QPC3. What time of year would you consider taking a vacation trip to Canada in the next 2 years?

Canadian Destination Interest

HIGHLIGHTS

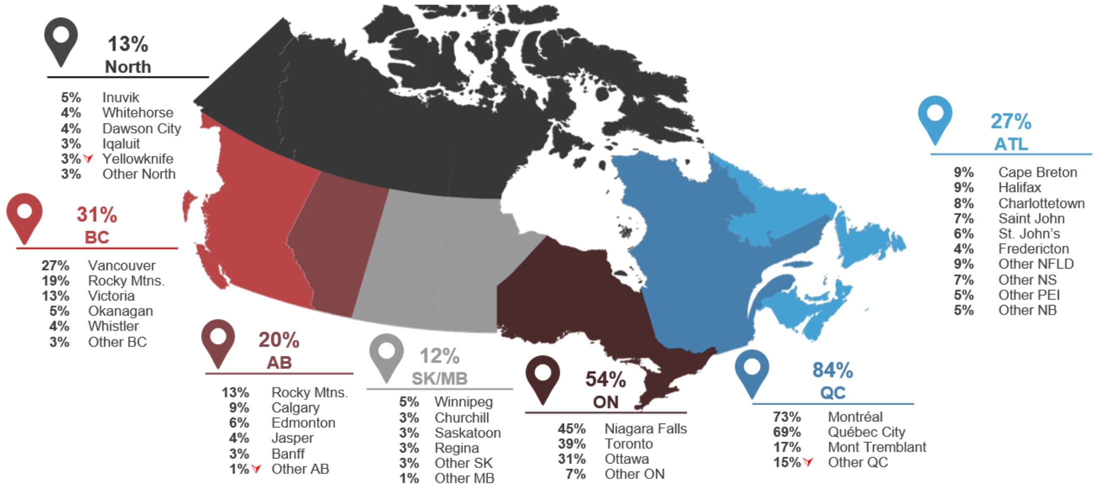
- ✓ *Quebec continues to be the most popular province by a wide margin, with Montreal and Quebec City remaining the most mentioned destinations.*

French 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 and 2017, with Quebec continuing to be the most popular province by a wide margin (84%). Montreal (73%) and Quebec City (69%) continue to be the most mentioned destinations.

Ontario is still mentioned comparatively less often (54%), with Niagara Falls (45%) and Toronto (39%) being the primary draws. British Columbia (31%), Atlantic Canada (27%), and Alberta (20%) are the next most popular provinces/regions. The Rocky Mountains also continue to be of interest to French travellers with 19% of probable visitors heading to BC for this experience and 13% saying they would go to Alberta.

There are a few notable declines in likelihood to visit in 2018, with Yellowknife (3%, down from 6%), other regions in Quebec (15%, down from 24%) and other regions in Alberta (1%, down from 4%) seeing significant declines year-over-year.

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

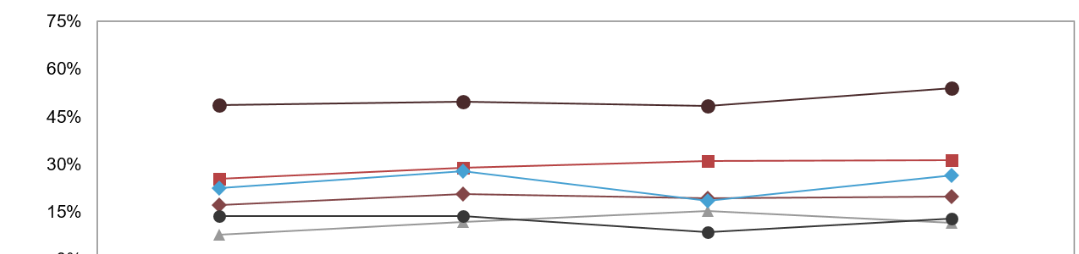


Base: Those in the dream to purchase stages of the path to purchase for Canada and definitely/very likely to take a trip to Canada (n=632)
QMP7. If you were to take a vacation trip to Canada in the next 2 years, which of the following Canadian travel destinations are you likely to visit?
QMP7a-g. Within [province/region], which travel destinations are you likely to visit?

Significantly higher/lower than 2017 GTW wave.

The trended results show that interest in individual provinces and regions has remained relatively consistent since 2016.

Canadian Destinations Likely to Visit – Provinces/Regions Trended

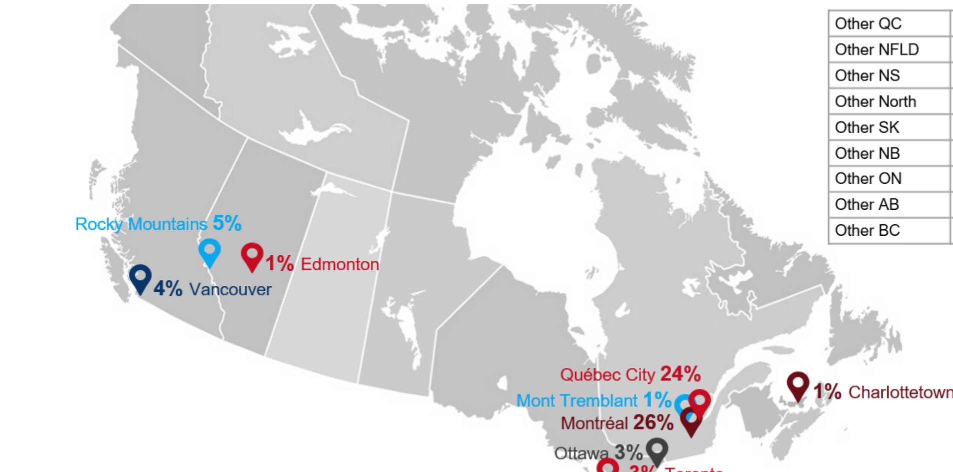


	2016 GTW (Dec) (n=566)	2017 GTW (Jul) (n=473)	2017 Pulse (Nov) (n=160)	2018 GTW (Aug) (n=632)
BC	26%	29%	31%	31%
AB	17%	21%	19%	20%
SK/MB	8%	12%	16%	12%
ON	49%	50%	49%	54%
QC	88%	82%	80%	84%
ATL	23%	28%	19%	27%
North	14%	14%	9%	13%

Significantly higher/lower than 2017 GTW wave. / Significantly higher/lower than 2017 Pulse wave.
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
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?

An additional question asked potential visitors to identify the one Canadian destination holding the greatest appeal. French travellers continue to be drawn to Canada's French speaking cities, with Montreal (26%) and Quebec City (24%) ahead by a large margin. Niagara Falls continues to stand in 3rd place (18%). There is an opportunity to use Montreal and Quebec City as anchors and highlight their proximity to lesser known destinations to attract French travellers.

Most Appealing Canadian Destination – Top 10 Mentions



Other QC	2.1%
Other NFLD	0.9%
Other NS	0.8%
Other North	0.6%
Other SK	0.5%
Other NB	0.3%
Other ON	0.3%
Other AB	0.1%
Other BC	0.1%

Halifax	0.6%
Banff	0.6%
Calgary	0.5%
Cape Breton	0.5%
Jasper	0.4%
Inuvik	0.4%
Whitehorse	0.4%
Winnipeg	0.3%
Okanagan	0.3%
Regina	0.3%
Victoria	0.3%
Iqaluit	0.2%
Saskatoon	0.2%
Churchill	0.2%
Saint John	0.2%
Fredericton	0.2%
Dawson City	0.1%

/ Significantly higher/lower than 2017 GTW wave.

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=632)

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

Vacation Activities

HIGHLIGHTS

- ✓ *Interest in wildlife viewing is up significantly in 2018 and it is now a top-ranked activity.*
- ✓ *Travellers aged 25-44 are more interested in active activities compared to travellers aged 45-64, including: road cycling, mountain biking, kayaking, canoeing or paddle boarding, downhill skiing/snowboarding, and ziplining.*
- ✓ *Travellers aged 45-64 are more interested than their younger counterparts in nature based activities such as: visiting nature parks, seeing natural attractions, hiking/walking in nature, viewing wildlife, and seeing fall colours and spring blossoms.*
- ✓ *Natural attractions, historical sites, exploring places most tourists won't go, nature parks, and exploring Indigenous culture are the top trip anchor activities for French travellers.*

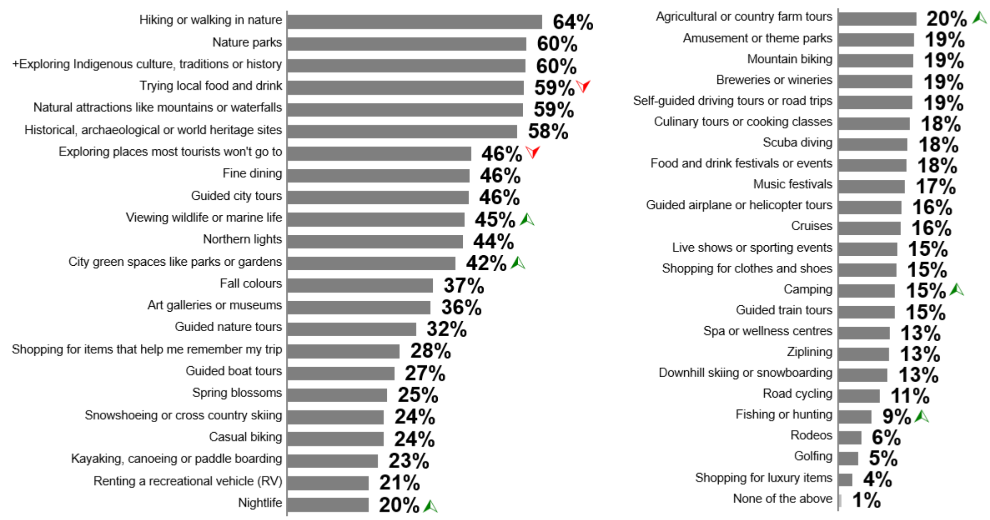
French travellers were asked about which activities and experiences they seek while on holidays in general, regardless of the destination. Nature-based activities remain the most sought-after holiday experiences with hiking or walking in nature and nature parks mentioned most frequently, followed by exploring Indigenous culture/traditions. The chance to sample local food and drink saw a significant decline in mentions (59%, down from 64% in 2017), resulting in a drop from 2nd to 4th spot, and is on par with natural attractions and visiting historical sites. Exploring places most tourists won't go also saw a significant decline in mentions (46%, down from 52% in 2017). Fine dining, guided city tours, and wildlife viewing round out the top ten activities of interest. Wildlife viewing, saw a significant increase in 2018 (45%, up from 39% in 2017) and moved into 10th place, bumping Northern lights out of the top ten.

Outside of the top ten activities, there were several significant upward shifts from 2017 to 2018, including visiting city green spaces (42%, up from 38%), nightlife (20%, up from 17%), agricultural or country farm tours (20%, up from 16%), camping (15%, up from 12%), and fishing or hunting (9%, up from 6%).

Travellers aged 45-64 are more interested in several activities compared to travellers aged 25-44. These include nature based activities such as: visiting nature parks, seeing natural attractions, hiking/walking in nature, viewing wildlife, and seeing fall colours and spring blossoms. They are also more likely to be interested in cultural and intellectual activities such as exploring Indigenous culture, trying local food/drink, visiting historical sites, and visiting art galleries/museums. Exploring places most tourists won't go and guided tours of all kinds are also more popular among this age group. The top ten activities among French travellers aged 45-64 are all the same compared to general French travellers, with slightly different ordering.

Travellers aged 25-44 are more interested in active activities compared to travellers aged 45-64, including: road cycling, mountain biking, kayaking, canoeing or paddle boarding, downhill skiing/snowboarding, and ziplining. They are also more interested in city based activities like nightlife, amusement/theme parks, and live shows/sporting events. The top ten activities among French travellers aged 25-44 are mostly similar to general French travellers except that viewing Northern lights takes the place of guided city tours.

General Activities/Places Interested In – All Activities



+ Aboriginal was changed to Indigenous in 2018 – review trending with caution.
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?

/ Significantly higher/lower than 2017 GTW wave.

Trip Anchor Activities

A question added in 2017 asked French travellers which vacation activities are important enough that they would base an entire trip around them.

Consistent with 2017, natural attractions (33%), historical sites (32%), exploring places most tourists won't go (28%), nature parks (28%), and exploring Indigenous culture (26%) are the top trip anchor activities. While the top five activities are unchanged in 2018, there has been a shift in ranking due to two of the activities seeing significant declines in 2018. Exploring places most tourists won't go (28%, down from 33% in 2017) dropped from 2nd to 3rd spot and exploring Indigenous culture (26%, down from 38%) dropped from 1st to 5th spot.

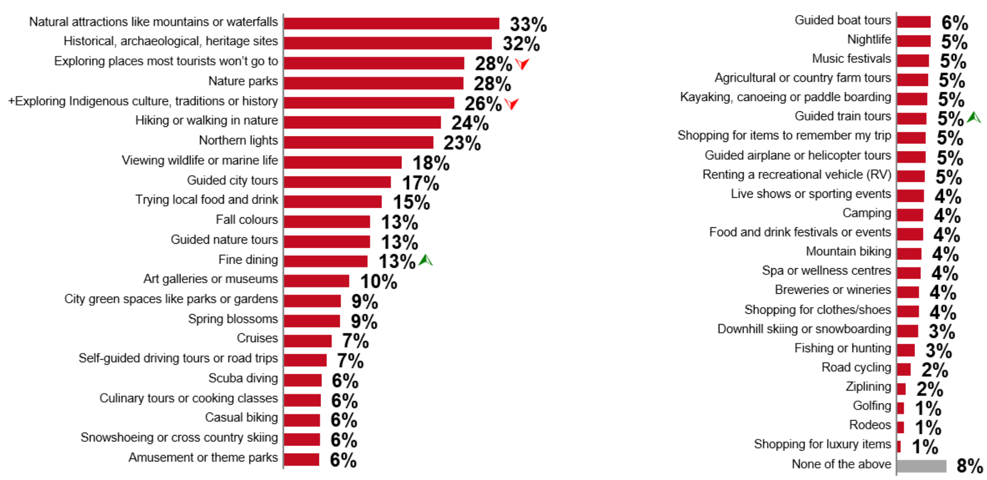
All of the top five trip anchor activities are also among the top activities of interest for French travellers. Given that French travellers are willing to anchor a trip around these activities, messaging about their availability in Canada is recommended. These anchors are particularly important to highlight at the creating a vacation movie stage of the Path-to-Purchase since travellers are looking to create a framework around what their trip could look like.

While not top trip anchor activities, fine dining (13%, up from 9%) and guided train tours (5%, up from 3%) are up significantly in 2018.

French travellers aged 45-64 are more likely than travellers 25-44 to anchor a trip around nature based activities like seeing natural attractions, hiking/walking in nature, wildlife viewing, seeing Northern lights, and seeing fall colours and spring blossoms. They are also more likely to anchor trips around cultural and intellectual activities such as: exploring Indigenous culture, seeing historical sites, trying local food/drink, visiting art galleries/museums. Guided city tours and exploring places most tourists won't go are also stronger trip anchors among travellers aged 45-64. The top ten trip anchor activities among French travellers aged 45-64 are all similar to that of general French travellers.

The top ten trip anchor activities among French travellers aged 25-44 are all similar to that of the general French traveller except that fine dining (12%) and guided nature tours (12%) are more popular than guided city tours (10%) and trying local food/drink (9%).

Trip Anchor Activities



+ Aboriginal was changed to Indigenous in 2018 – review trending with caution.
Base: Long-haul pleasure travellers (past 3 years or next 2 years) answering (n=1489)
MP12. Among these activities, are there any that are important enough that you would base an entire trip around that activity?

/ Significantly higher/lower than 2017 GTW wave.

Barriers

HIGHLIGHTS

- ✓ *Cost remains the primary deterrent to visiting Canada, cited twice as often as the next closest impediment.*
- ✓ *Poor weather, visa requirements, and destinations being too far apart increased significantly in 2018, while the proportion indicating that nothing will prevent them from travelling to Canada decreased significantly.*
- ✓ *The cost of flights to Canada and the cost of accommodation are the greatest concerns among travellers citing cost as a barrier.*

All French long-haul travellers were asked what could prevent them from visiting Canada. Cost remains the primary deterrent (36%), cited twice as often as the next closest impediment, poor weather (17%, up significantly from 13% in 2017).

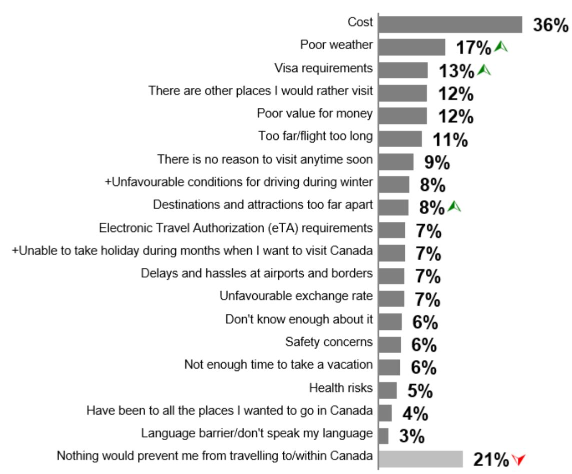
There are some other significant increases to note in 2018. Concerns about visa requirements are up significantly from 2017 (13%, up from 9%). While not a major impediment, concerns about destinations being too far apart are also up year-over-year (8%, up from 6% in 2017). The proportion indicating that nothing will prevent them from travelling to Canada decreased significantly in 2018 (21%, down from 27% in 2017).

Travellers aged 25-44 are more likely than those aged 45-64 to mention visa requirements, flight length, and not enough time to take a vacation. Travellers aged 45-64 are more likely than those 25-44 to say nothing will prevent them from visiting Canada.

A new question added in 2018 asked those concerned about cost to elaborate on specific types of costs. The cost of flights to Canada (78%) is greatest cost-related concern, followed by accommodation costs (61%), and cost of flights within Canada (26%).

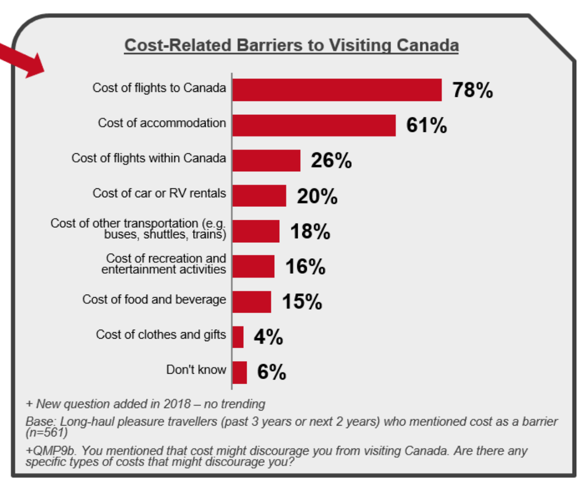
While cost remains the top barrier among those who visited Canada in the past (28%), they are much less likely to cite it as a barrier compared to those who have never been (42%). Past visitors to Canada are more likely to mention that they have been to all the places they want to visit (8% versus 1%).

Key Barriers for Visiting Canada



▲/▼ Significantly higher/lower than 2017 GTW wave.

+ New statement added in 2018 – no trending
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?



Recent Trip Profile

HIGHLIGHTS

- ✓ *Flight and accommodation bookings are most often completed through a travel agent/tour operator, with online being most popular.*
- ✓ *Organized group travel is up significantly in 2018, with the gains coming from travellers who choose to have only a portion of their trip with an organized group tour.*
- ✓ *For trips to Canada, mid-price hotels are most popular among all age groups but travellers aged 25-44 have a stronger preference for Airbnb/rented apartments and travellers aged 45-64 are more likely to choose budget hotel options.*

The following section provides details on the most recent long-haul trip taken by French travellers to competitive set destinations in the past 3 years (57% took such a trip). If the most recent trip encompassed more than one destination, the data reflects where the most time was spent.

Trip Purpose

The primary reason for travelling among all French long-haul travellers to any destination continues to be for holiday purposes, however, there is indication of a declining trend in 2018 (64%, versus 68% in 2017 and 72% in 2016). While not significant, visiting friends and relatives (VFR) has had a commensurate gain, moving from 12% in 2016, to 14% in 2017 and 16% in 2018.

Consistent with 2017, going on a holiday is the primary purpose for taking a trip specifically to Canada (60%), followed by visiting friends and relatives (22%). This result continues to underscore the importance of VFR (Visiting Friends and Relatives) as a reason for French travellers to visit Canada.

Motivators

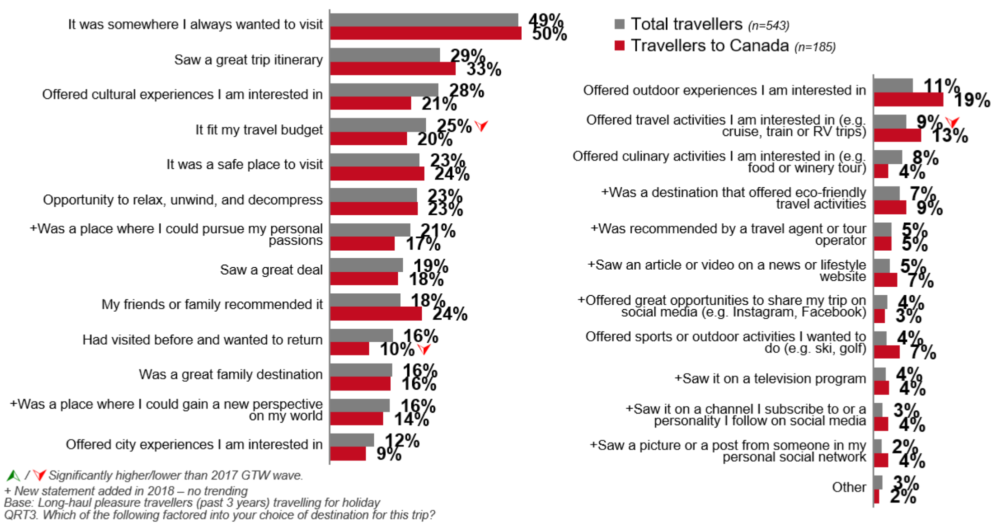
Those travelling for holiday purposes were asked about factors which influenced their choice of destination.

The longstanding desire to visit continues to be the primary reason for selecting the holiday destination, both among travellers generally (49%) and visitors to Canada (50%). Seeing a great trip itinerary ranks as the second most influential factor for the destination being chosen among French travellers (29%); with a marginally higher importance comparatively as reason for choosing to visit Canada (33%).

Among all French travellers, a destination that fits one’s travel budget was mentioned significantly less as a motivator in 2018 (25%, versus 31% in 2017), as were mentions for offering travel activities of interest (9%, down from 15% in 2017). Visitors to Canada were less influenced by having visited before and a desire to return (10%, versus 20% in 2017).

Compared to general French travellers, those aged 45-64 are more likely to have been motivated to choose their recent trip destination because it was a safe destination (30% versus 23%).

Factors Influencing Destination Selection

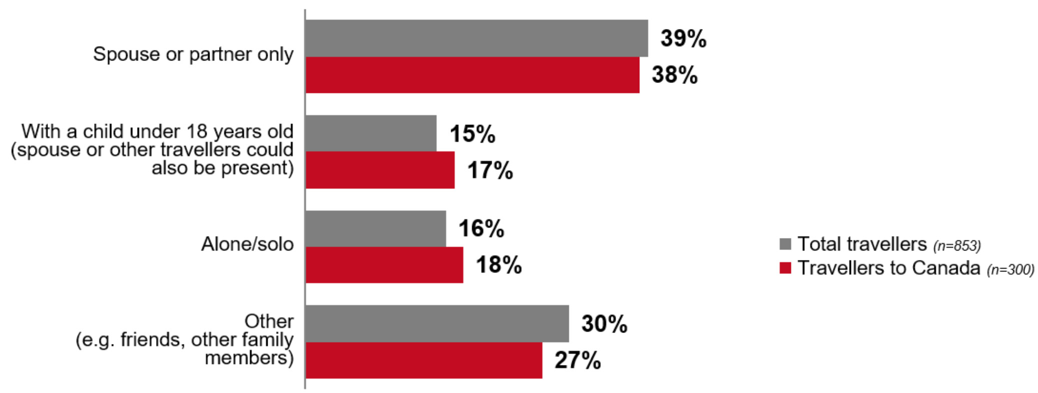


Travel Party

French travellers to any long-haul destination travelled solely with their spouse or partner (on a couple's trip) for 39% of total trips. Those travelling with children under the age of 18 accounted for 15% of total trips, while solo travel made up an additional 16% of trips. The remaining 30% of trips were a combination of other travel parties, such as travelling with other family members, friends, or business colleagues.

Among those who travelled to Canada, 38% travelled solely with their spouse or partner. The proportion travelling with children under 18 to Canada is 17% and solo travel accounted for 18% of trips. The remainder of trips (27%) consisted of other travel parties.

Travel Party



Base: Long-haul pleasure travellers (past 3 years)
QRT4. With whom did you travel on this trip?

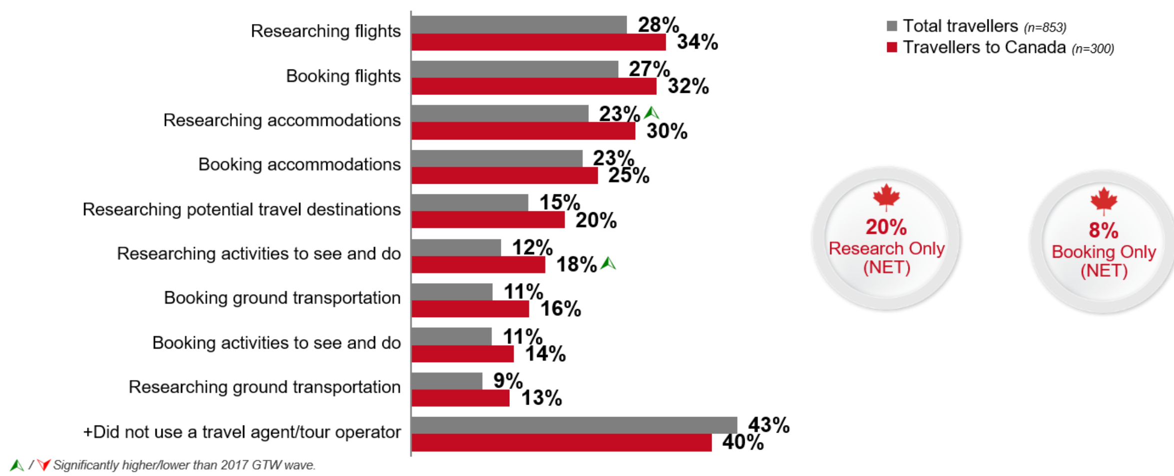
Booking

Fifty-seven percent of all French travellers report consulting a travel agent/tour operator on their most recent long-haul trip for either planning or booking purposes. Travel agent/tour operators are most often used for researching flights (28%), booking flights (27%), researching accommodation (23%, up significantly from 18% in 2017), and booking accommodation (23%).

By comparison, travel agent/tour operator use is slightly higher among visitors to Canada (60%). Travel agents/tour operators are consulted for the same tasks are travellers generally: researching and booking both flights and accommodations. Using a travel agent/tour operator to research activities to see and do in Canada is up significantly in 2018 (18% versus 10% in 2017).

It is important to note that 20% of recent visitors to Canada only conducted research with travel agents/tour operators, failing to follow through on booking any trip components.

Travel Agent/Tour Operator Usage

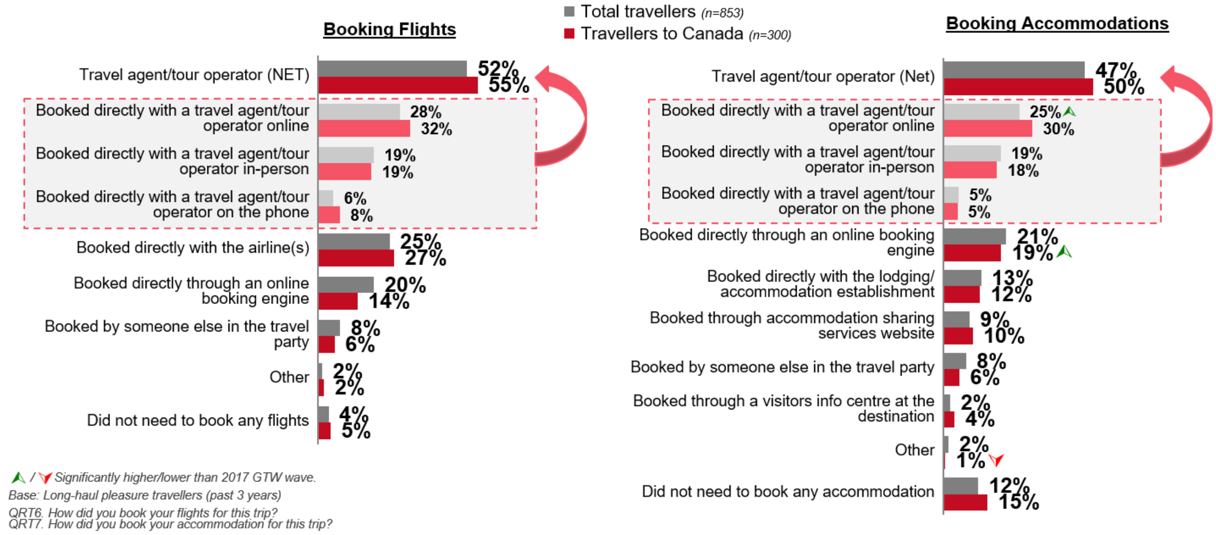


+ 'Tour operator' was added to the statement in 2018 – review trending with caution.
Base: Long-haul pleasure travellers (past 3 years)
QRT15. Did you use a travel agent or tour operator to help you with any of the following for this trip?

Consistent with 2017, the most popular way to book flights is through a travel agent/tour operator (52%), with booking directly with a travel agent/tour operator online being the most prevalent (28%). This is followed by booking directly with the airline (25%), and online booking engines (20%). The pattern for booking flights for a trip to Canada is similar.

For accommodation, booking with a travel agent/tour operator is most popular (47%), with booking directly with a travel agent/tour operator online being the most common method (25%, up significantly from 20% in 2017). This is followed by booking via an online booking engine (21%), and directly with a travel agent/tour operator in-person (19%). Among those who visited Canada, booking via an online booking engine rose significantly in 2018 (19%, up from 12% in 2017).

Booking of Flights and Accommodations



Forty-eight percent of French travellers indicate that at least a portion of their trip was part of an organized group tour, up significantly from 42% in 2017. The growth is attributable to a rise in partially organized trips (17%, up from 13% in 2017).

The proportion taking organized group tours among recent travellers to Canada is similar, with 50% indicating that they participated in an organized group tour. The majority of group tours to Canada are booked with a travel agent/tour operator (85%), with booking through a travel agent/tour operator online (43%) and a travel agent/tour operator in-person (37%) being most common.

Type of Accommodation

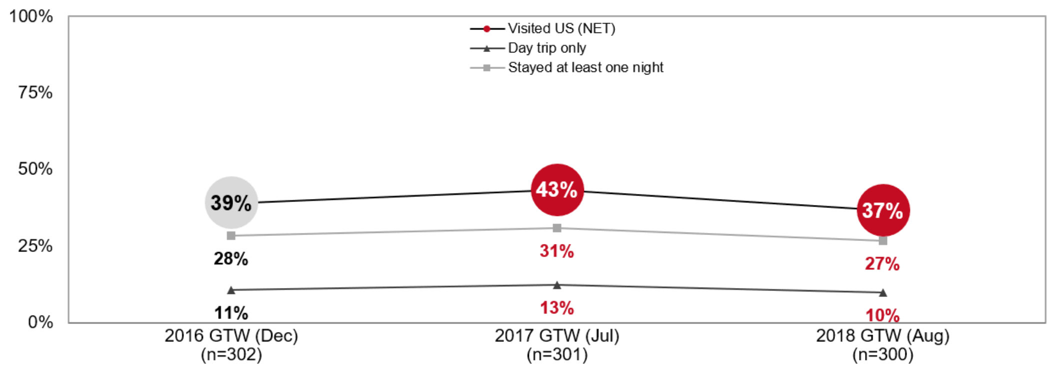
Overall, French travellers continue to opt for mid-priced hotels (46%) for accommodation, followed by budget (21%) and luxury hotels (21%). Travellers aged 25-44 (23%) are more likely to stay in Airbnb/rental apartments on their recent trip compared to travellers aged 45-64 (12%) and general French travellers (17%). Travellers aged 45-64 (57%) are more likely to choose mid-priced hotels compared to travellers aged 25-44 (40%) and general French travellers (46%).

Recent French visitors to Canada also stay at mid-priced hotels most often (47%), followed by budget hotels (24%). Rental apartments (20%) and B&Bs (19%) are more common than luxury hotels (15%) for trips to Canada. For trips to Canada, travellers aged 25-44 have a stronger preference for Airbnb/rented apartments compared to travellers aged 45-64 (27% versus 12%); travellers aged 45-64 are more likely to choose budget hotel options than their younger counterparts (33% versus 18%).

US Visitation

Combining a trip to Canada with a visit to the US is fairly common among French travellers (37%). Although not significant, interest has decreased marginally in 2018 (down from 43% in 2017). This slight decline in the proportion of French travellers visiting the US is seen for both day trips (27%, down from 31% in 2017) and overnight visits (10%, down from 13% in 2017).

Canada & US Visitation – Trended



/ Significantly higher/lower than 2017 GTW wave.
Base: Travellers to Canada
QRT13. Did you also visit the U.S. during this trip, either for a day or overnight stay?

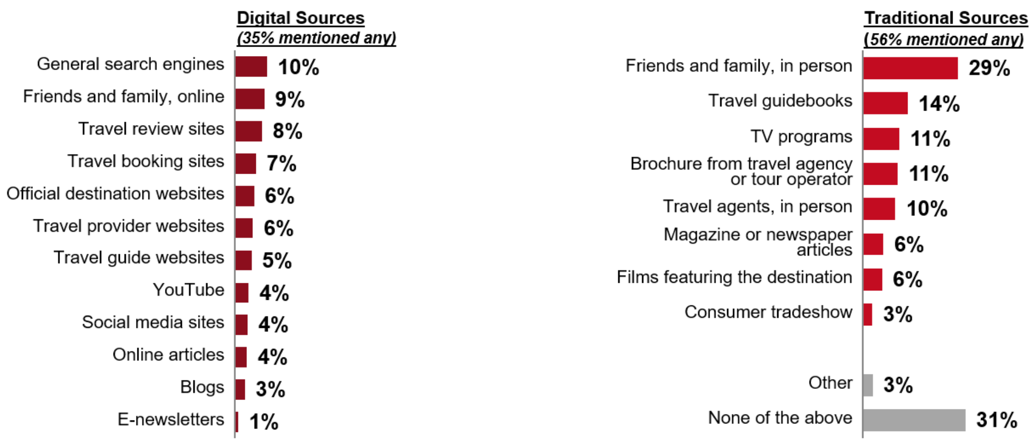
Information Sources

HIGHLIGHTS

- ✓ *French travellers are more likely to identify traditional sources as influential in destination selection, with digital being relatively less important.*

A new question added in 2018 asked French travellers whether they had booked a trip in the past three years based on a recommendation from any sources. Digital sources are less likely to be seen as influential (35%) compared to traditional sources (56%). The top source by a wide margin is personal recommendations from friends and family (29%), followed by travel guidebooks (14%), TV programs (11%), and brochures (11%). Among digital sources, general search engines (10%) and friends and family online (9%) were the most influential.

Influence of Sources in Destination Selection



+ New question added in 2018 – no trending,
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)
+MT5. In the past 3 years, have you booked a trip based on a recommendation from any of the following sources?