

Destination Canada update on COVID-19

The webinar will begin shortly.

Destination Canada update on COVID-19



Welcome



David Robinson

Destination Canada

Interim President and CEO



Sébastien Dubois

Destination Canada

Executive Director, Industry Partnerships

Speaking



Chantz Strong
Destination Canada

Executive Director, Research and
Analytics



Gloria Loree
Destination Canada

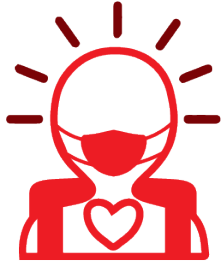
SVP, Marketing Strategy
& Chief Marketing Office

Navigating in uncertain times: A Data-driven Roadmap to Recovery and a Stronger Industry

CANADA[🍁]

June 3 2020

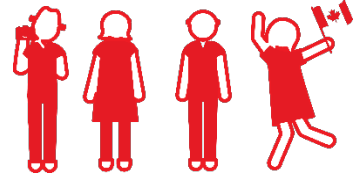
Key Take-aways



Think local – there is more potential there than you think



Your community is more important than ever



We're in this together
Community-based
program

Southwest Airlines CEO says travel won't resume until places like Disney World reopen (USA Today)

"I predict 'Revenge Travelling' will happen next!" (Travel Daily Media)

41% of Americans say their first trip will be by car within 100 miles (SKIFT)

"We believe that travel will return but it will come back in phases," said Erika Richter of the American Society of Travel Advisors. The first to resume traveling may be luxury travelers more insulated from the economic downturn. (CNN)

A new survey by Destination Analysts suggests American travelers feel the worst of the coronavirus may soon be over. Their first order of business when the lockdowns lift: One in five say they'll book a trip. (USA Today)

"We should be prepared for a choppy, sluggish recovery even after the virus is contained," Delta Air Lines Chief Executive Officer Ed Bastian said. "I estimate the recovery period could take two to three years." (Bloomberg)

40% of companies expect business travel will rebound in three months. An equal share (40%) of the participants answered simply "unsure" about how long they anticipated corporate travel to really resumes. (Global Business Travel Association)

"Travel is likely to return first to domestic markets with staycations, then to a country's nearest neighbors before expanding across regions, and eventually other continents." (World Travel and Tourism Council)

COVID-19 has hit hard

All parts of the industry have been hit hard

Travellers



Restrictions

Communities



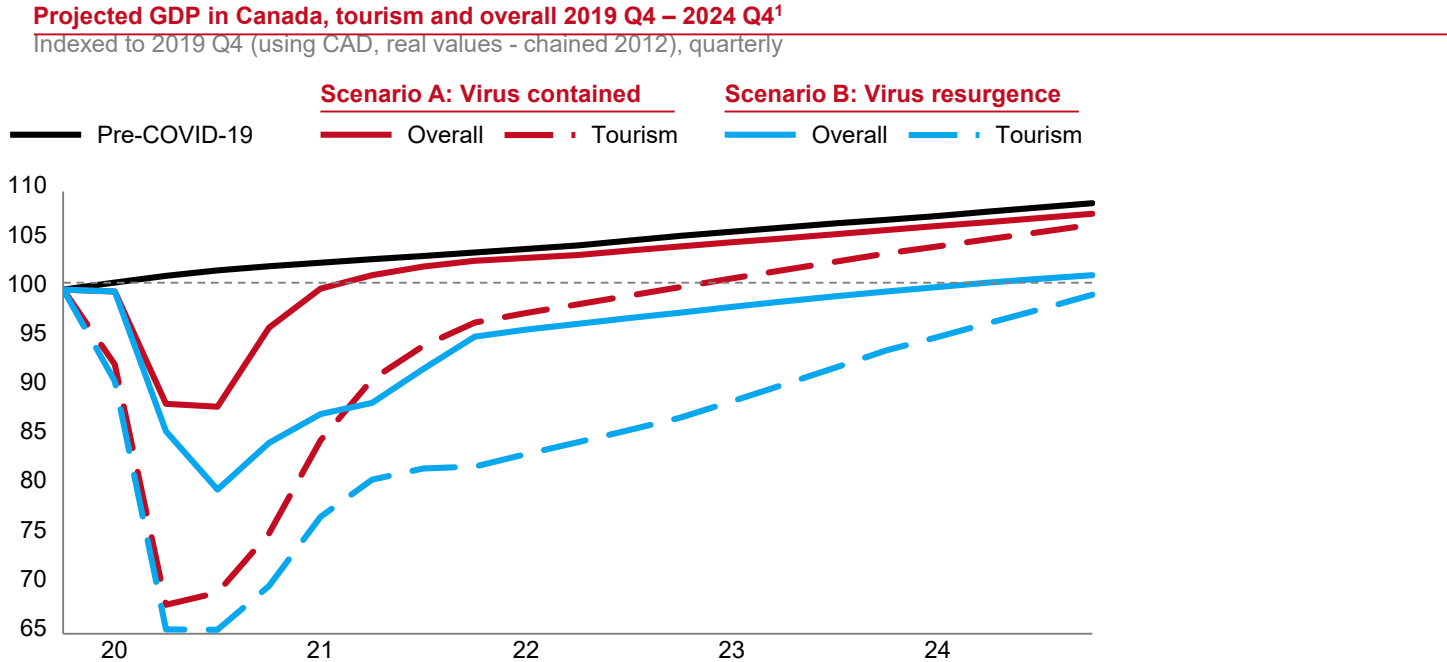
Trying to avoid a
second spike

Industry



Uncertain demand
New & unknown restrictions
No clear timelines

Canada's tourism GDP is projected to drop ~2x more than the national economy; it could take two to five years for tourism GDP to return to pre-COVID levels depending on the scenario /

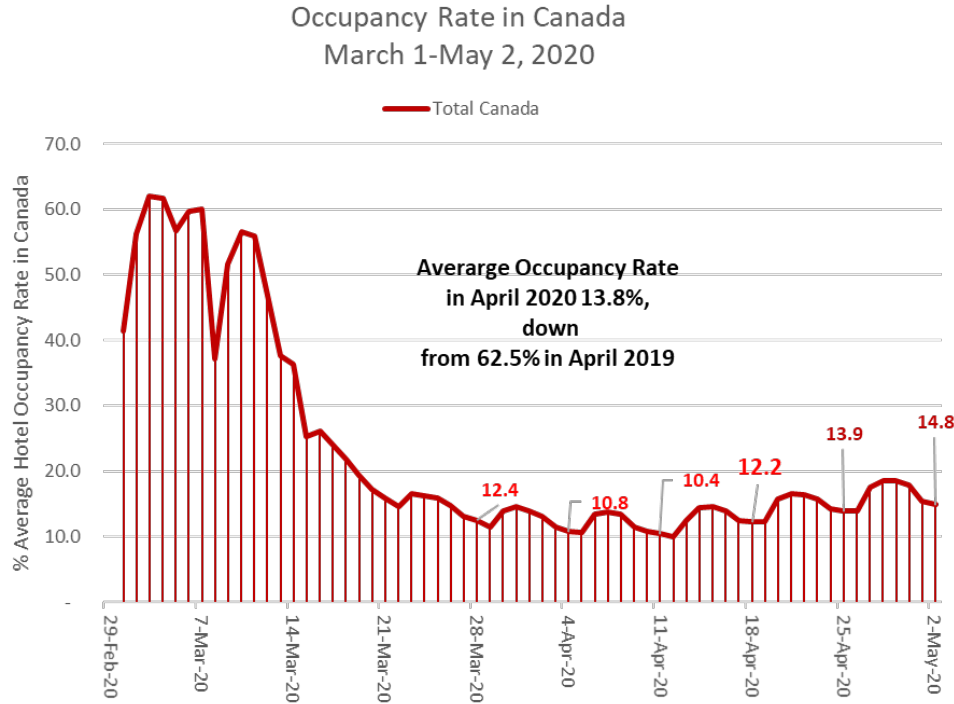


¹ NAICS included in Tourism (from Statistics Canada): Air transportation [481], Rail transportation [482], Water transportation [483], Other transit and ground passenger transportation and scenic and sightseeing transportation [48A], Taxi and limousine service [4853], Urban transit systems [4851], Automotive equipment rental and leasing [5321], Travel arrangement and reservation services [5615], Arts, entertainment and recreation [71], Traveller accommodation [7211], Recreational vehicle (RV) parks, recreational camps, and rooming and boarding houses [721A], Food services and drinking places [722]; Australia sector forecasts used as proxy for Canada (curve for Australia's sectors applied to Canadian data)

² Based on Moody's Analytics forecasts from August 2018, chained to 2007

³ Country-specific forecast created by McKinsey, in partnership with Oxford Economics

Profound impact on hotel occupancy



Source: STR

April 2020/

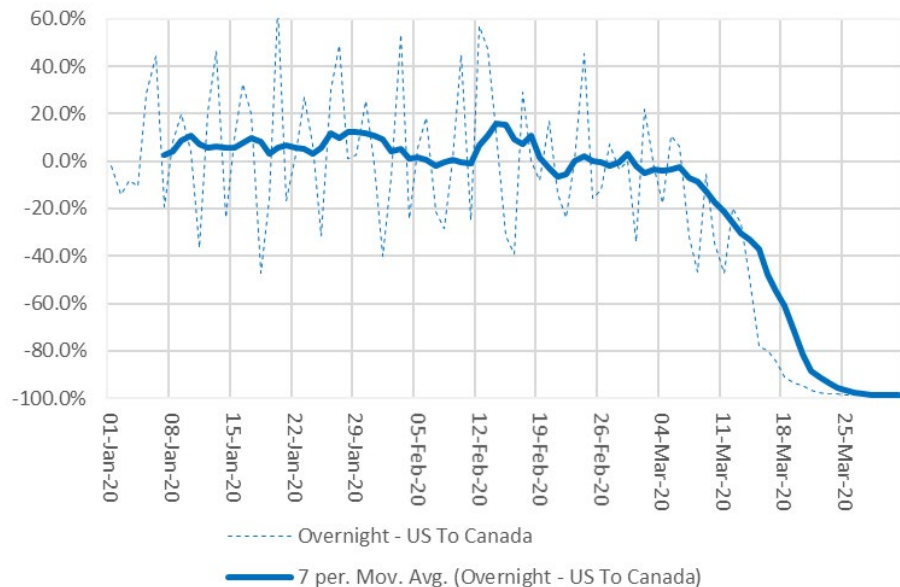
Revenue loss year to date (estimate)*

CAD 841 million
(from \$1 billion in April 2019)

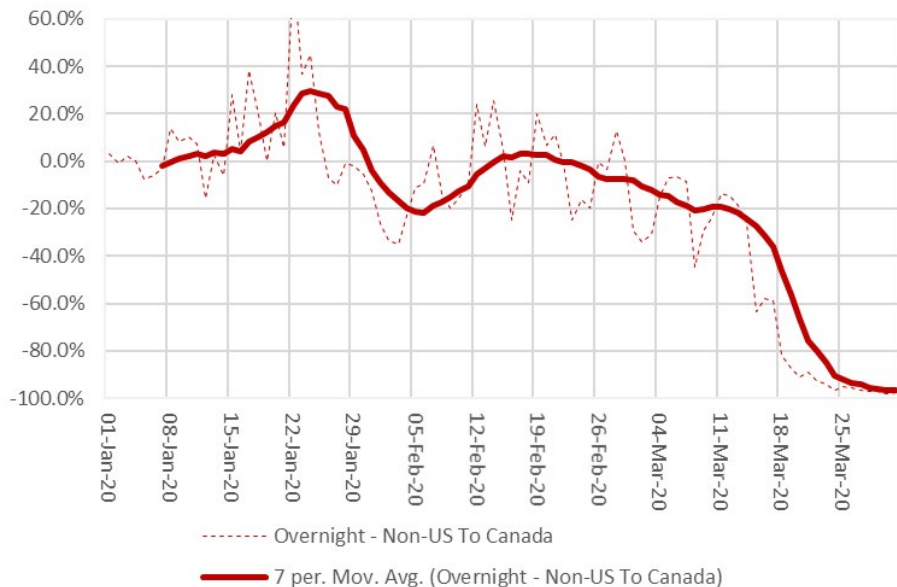
Collapse in overnight air arrivals to Canada

Closure to non-Canadian air passenger on March 18 from the US and overseas was immediate and sudden.

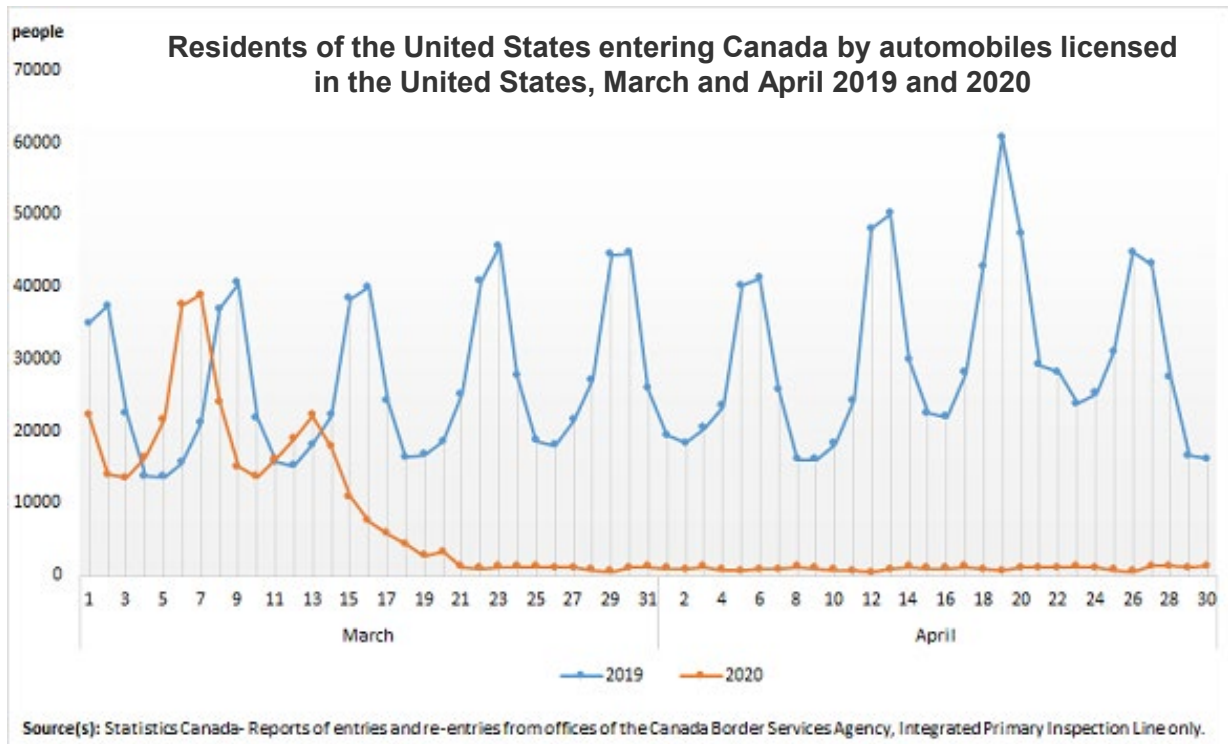
Overnight - US To Canada



Overnight - Non-US To Canada

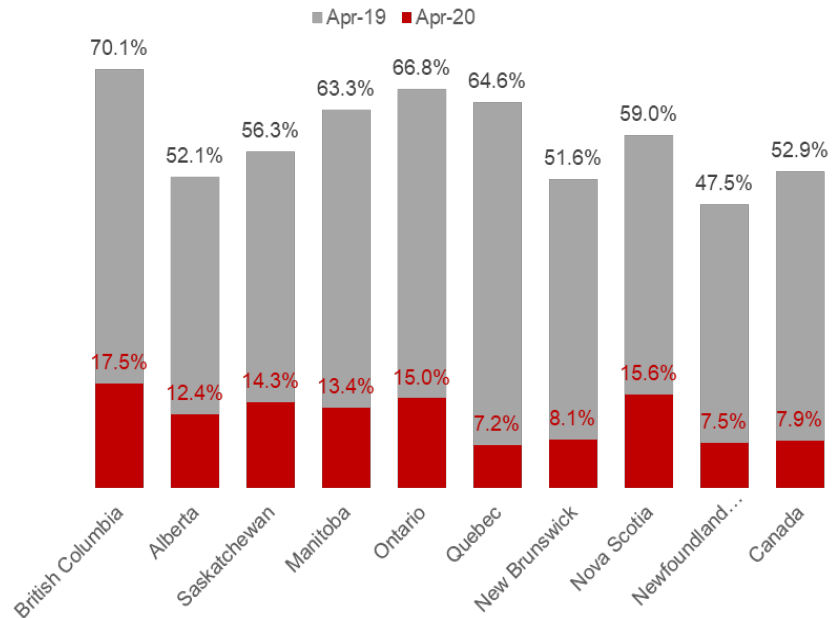


Land arrivals to Canada are at a standstill

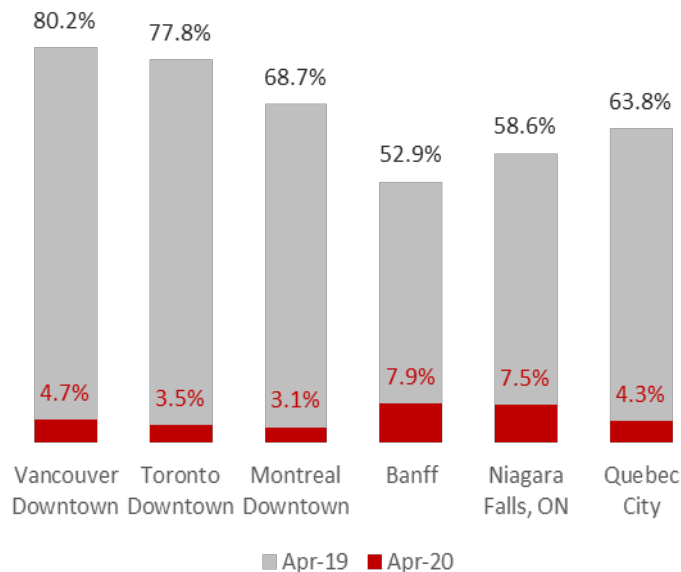


Impacts across the country and travel segments

Canadian Accommodation Occupancy Rate
April 2020

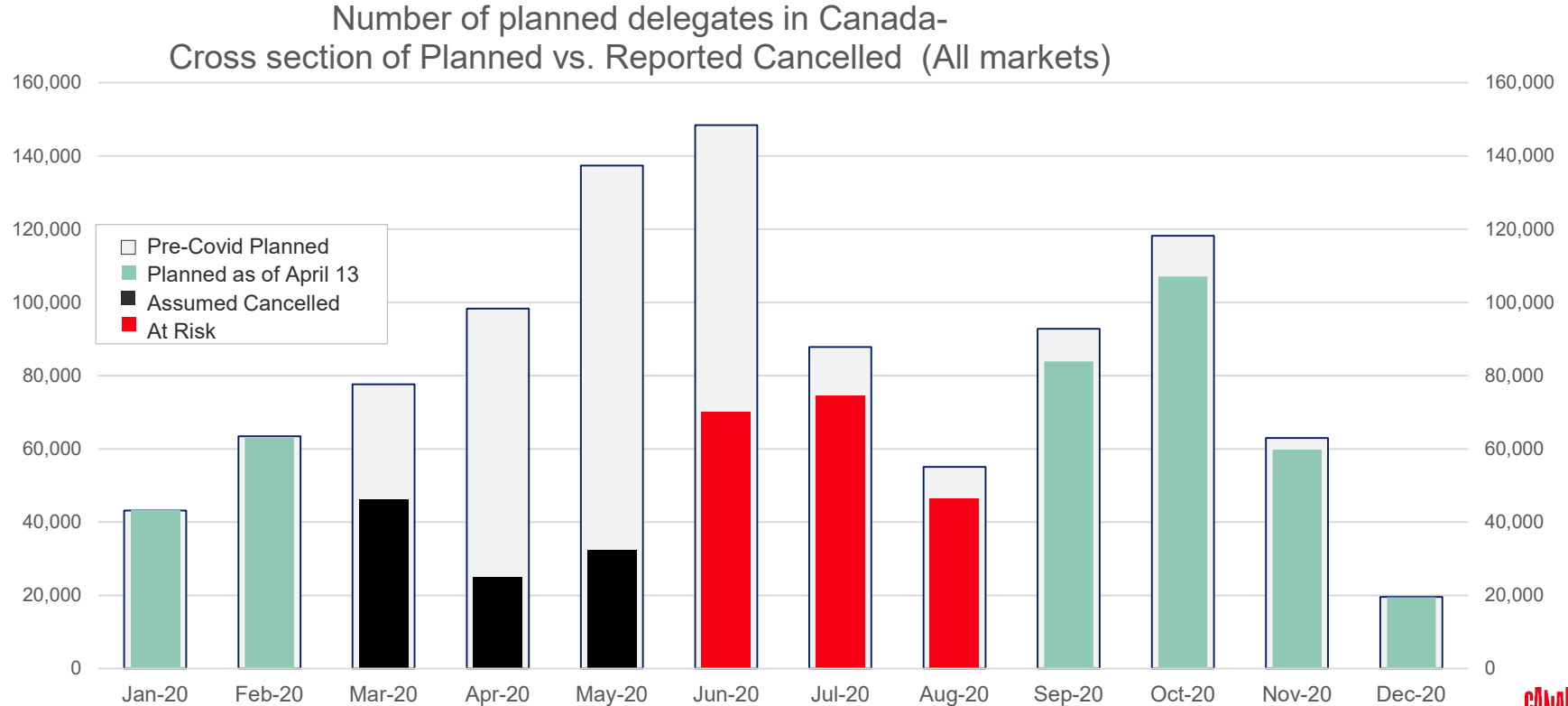


Canadian Occupancy Rates
in Selected Destinations
April 2020

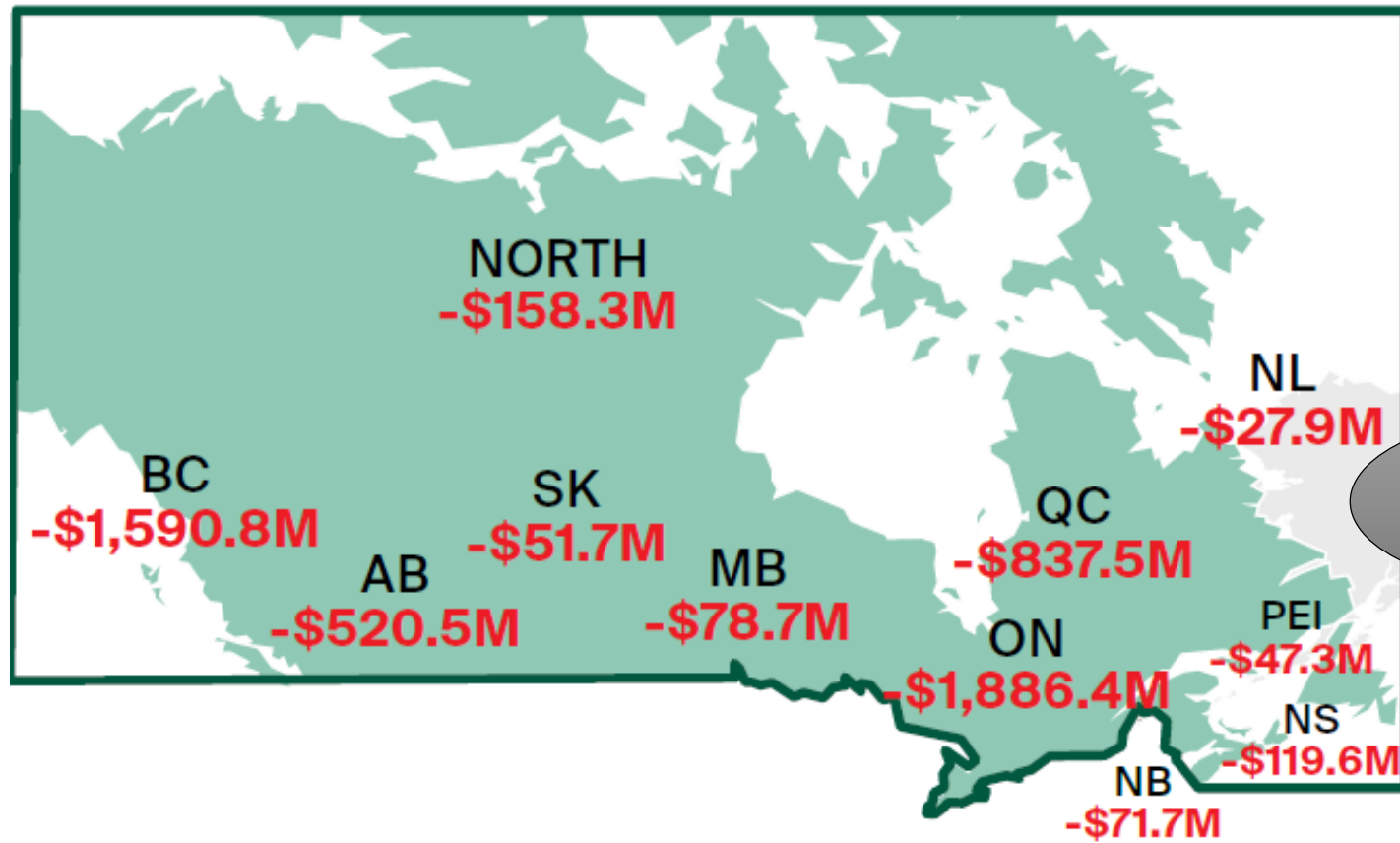


Pervasive Impact on Business Events

COVID-19 Impact

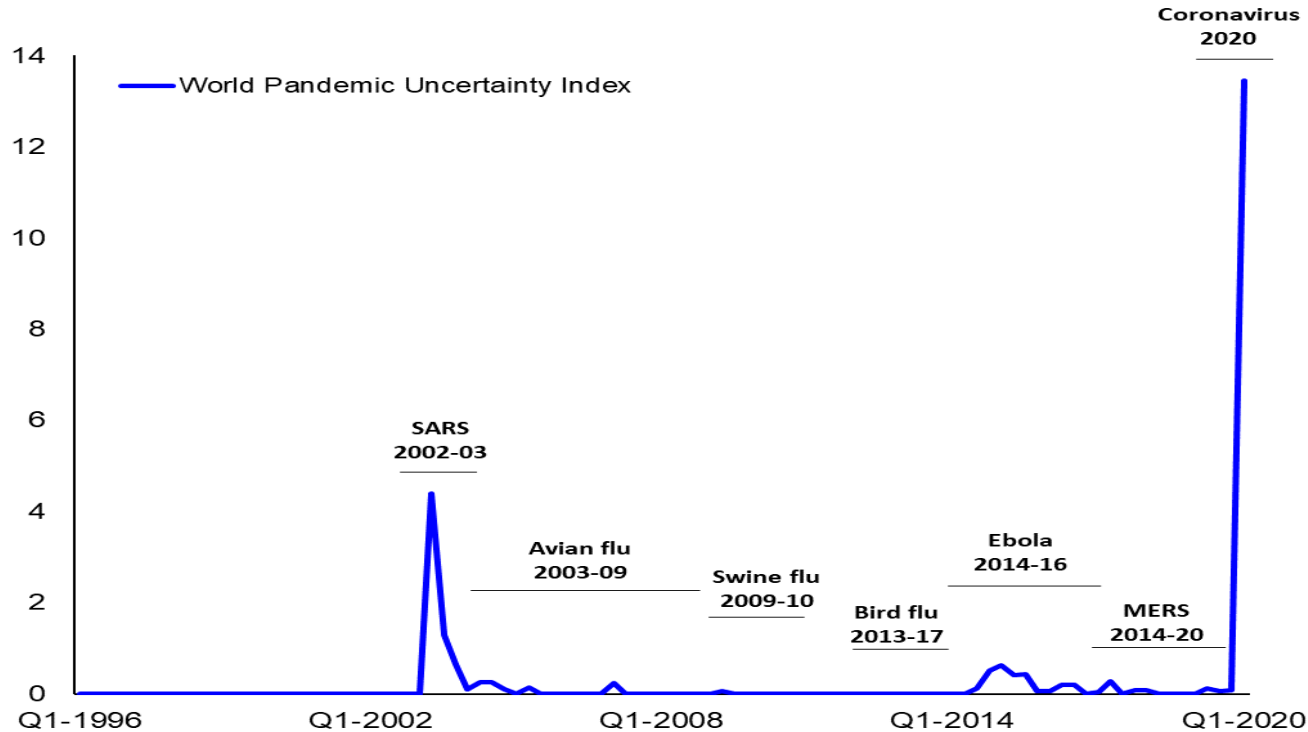


Estimated Change in Tourism Export Revenue from January to June Compared to 2019 by Province (\$M)

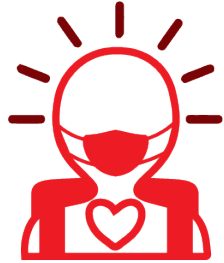


As of May
26, 2020

So much uncertainty



What we know



Think local:
**Domestic will drive
recovery**



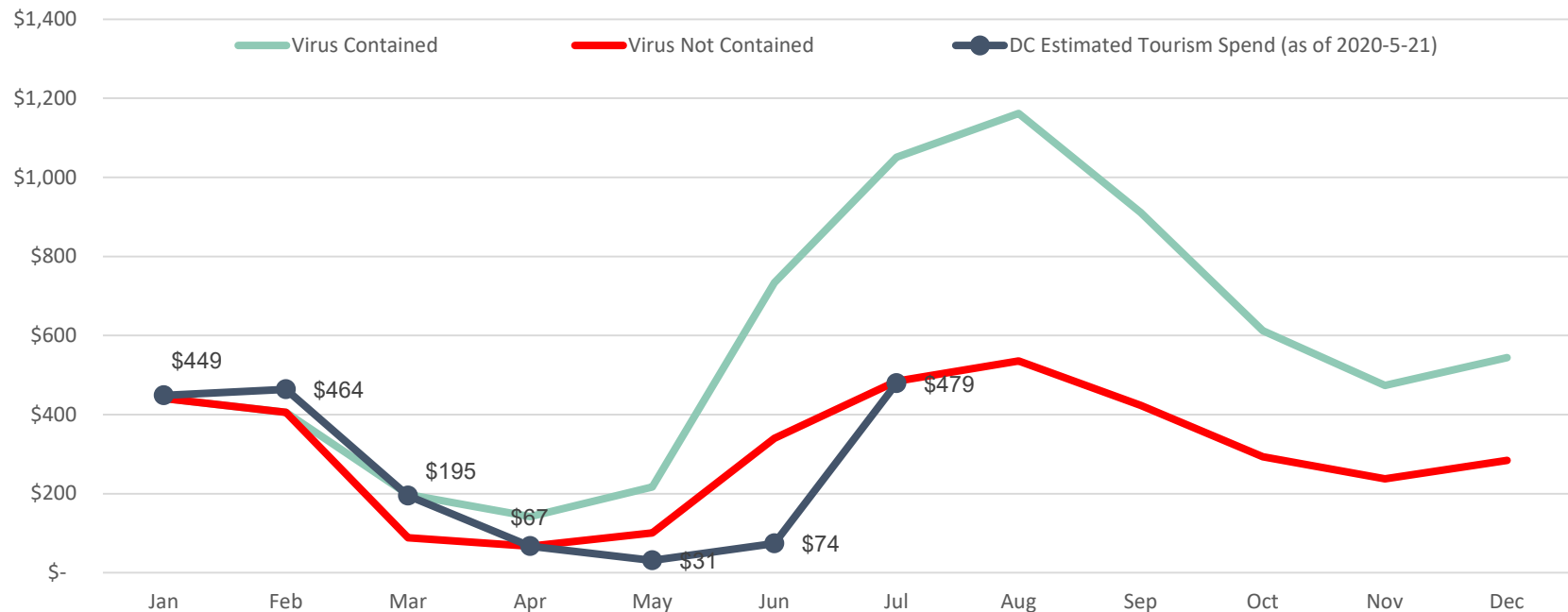
Your community is more
important than ever:
**Tourism happens in a
community – we need to
make sure the benefits are
known**



We're in this together
**Community-based
Program**

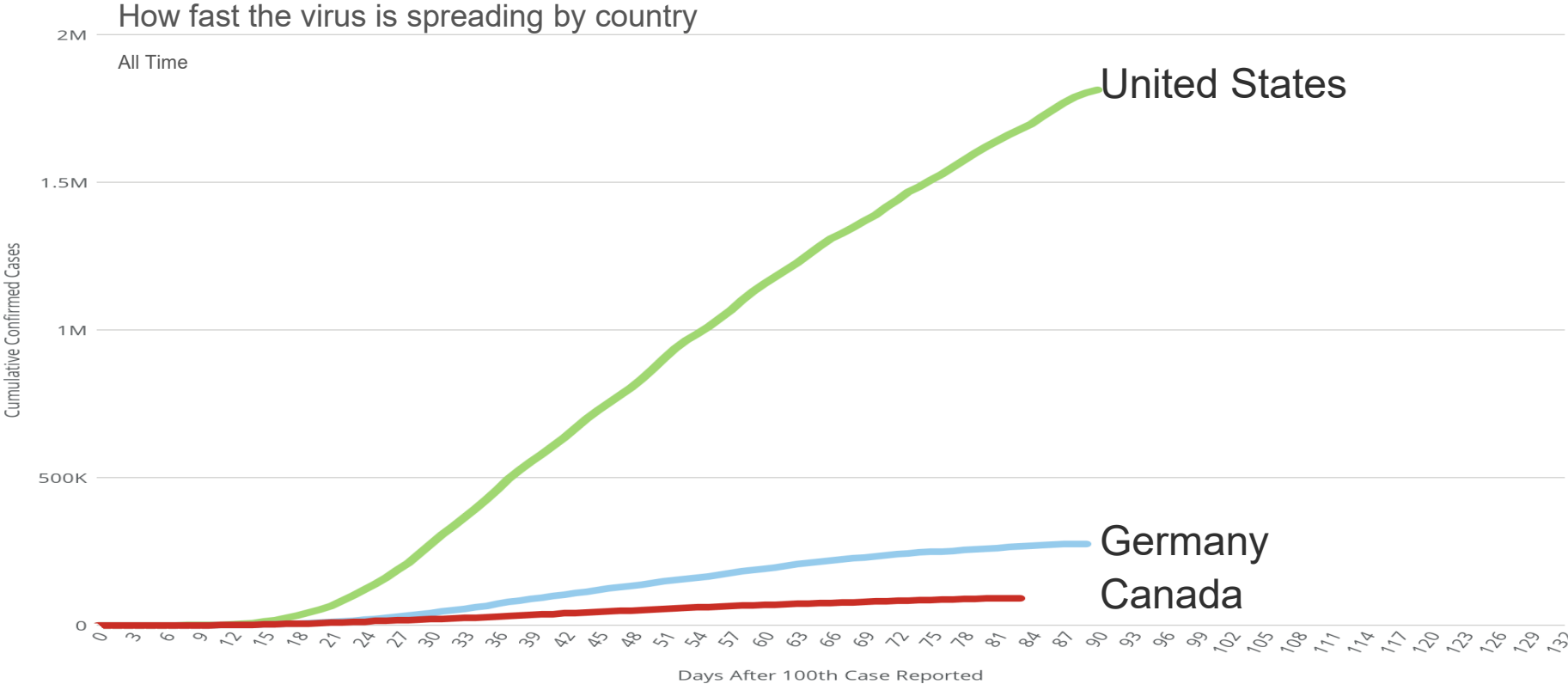
The international markets are reeling

Estimated Tourism Spend versus different scenarios, as of May 21, 2020 (\$M)

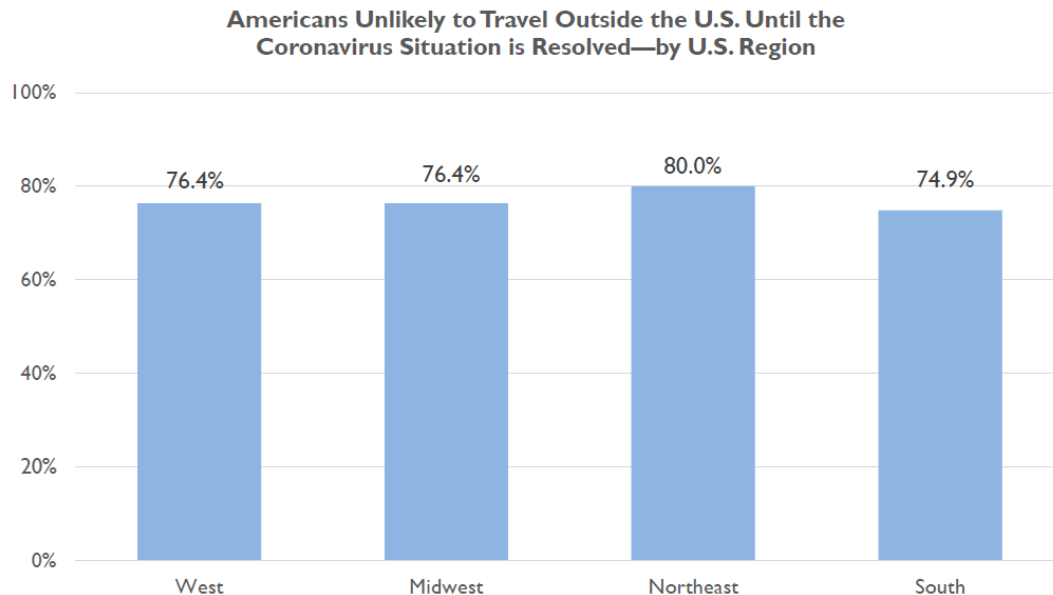


Source: Destination Canada, Impact and Recovery Report: United States (May 21) 

COVID-19 context differs by country



Americans are unlikely to travel outside the US



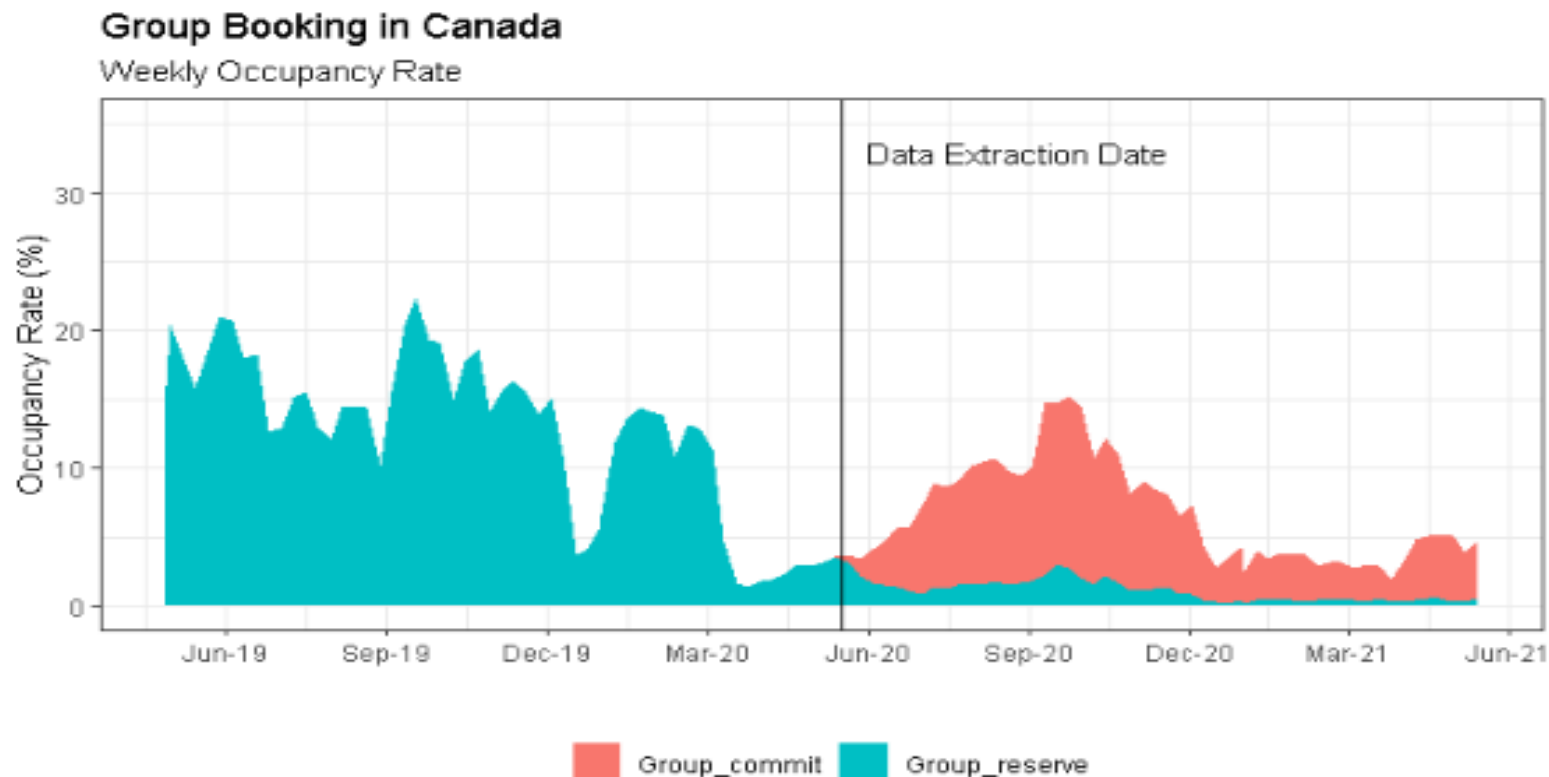
Question: How much do you agree with the following statement?

Statement: I will be unlikely to travel outside the United States until the Coronavirus situation is resolved.

(Base: Wave 10. 1,212 completed surveys. Data collected May 15-17, 2020)

Source: Destination Analysts, May 15-17 Coronavirus Sentiment

But....we see that forward group bookings are being held



Travel restart will be in phases

I. COVID Response

Strict lockdown



Primary Market

No travel

Means of transport

No travel

Length of stay

No travel

Location of trip

No travel

Size of group

No travel

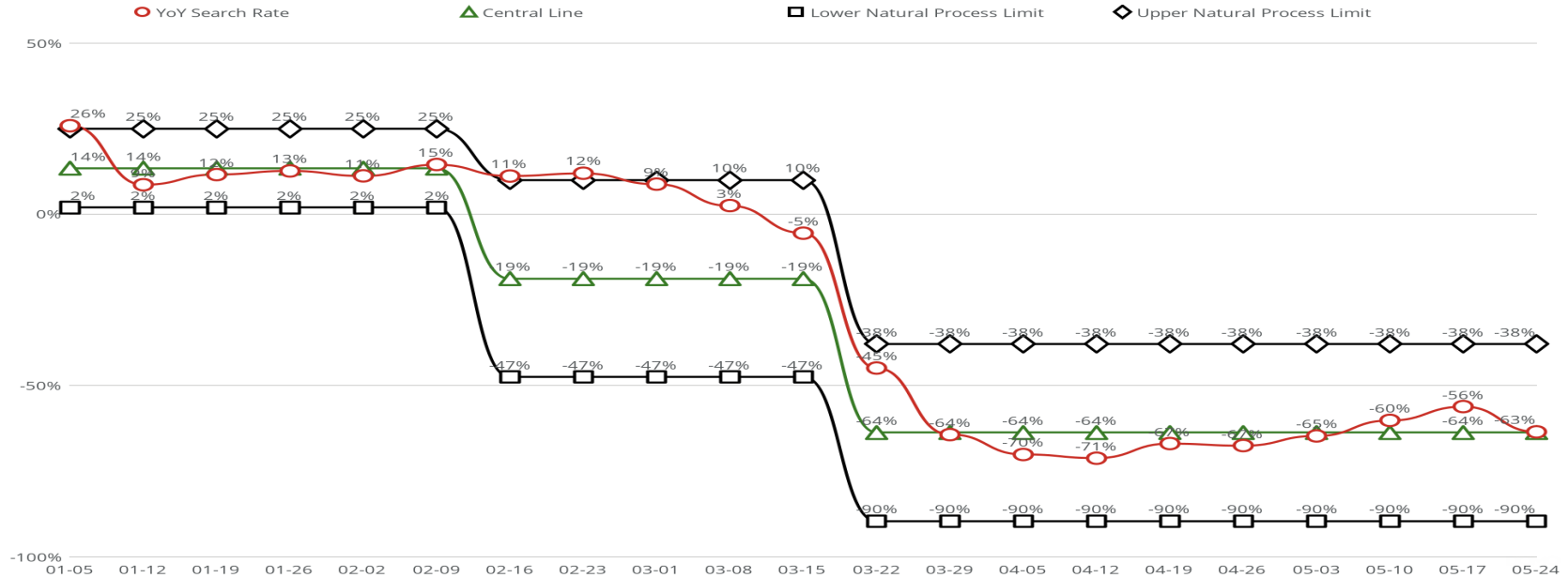
Sub-sectors active in pahse *(not exhaustive)*

No travel

DC's Recovery Analysis Framework

	What it tells us	Signals on Phase	Comment
Travel Search Index	Any consumer is looking for travel (upper funnel)	II. Hyper-local travel onward	Google Data
Accommodation Searches on OTA	A traveller is searching for a specific destination (lower funnel)	II. Hyper-local travel onward	Confidential Expedia Data
Rate of Hotel Booking	Travellers are booking travel (lower funnel)	III. Regional Travel onwards	Confidential Expedia Data & Travel Click
Rate of Air Bookings	Travellers are comfortable on planes (lower funnel)	IV. Inter-Province travel onwards	Confidential Expedia Data & IATA
New COVID Cases	State of outbreak	I. COVID Response to IV. Intra-Province	Public Data
COVID-19 Search Index	Sentiment on outbreak	I. COVID Response	Under Development
Dining / Events Search Index	Any consumer is beginning to be comfortable in social gathering settings	I. COVID Response & II. Hyper-Local	Google Data

Analyzing over 715 signals



International Market Summary

www.destinationcanada.com

LEGEND:

Recovery signal assessment¹

Overseas markets:

I COVID-19 Response II Domestic III Tentative International IV Regularized International

US market:

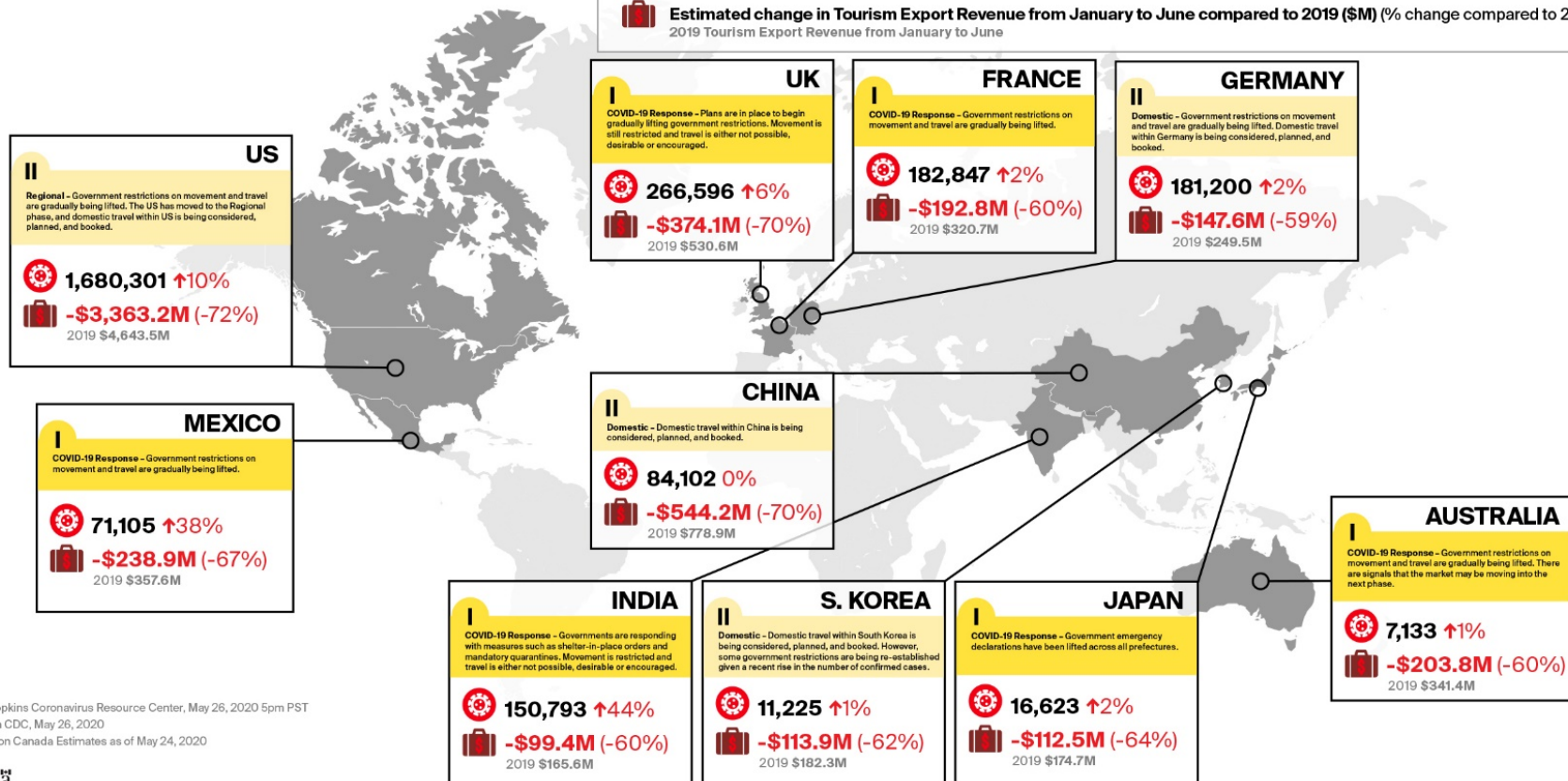
I COVID-19 Response II Regional III Inter-state IV Tentative International V Regularized International



Total confirmed COVID-19 cases as of May 26² ↑ = % increase compared to previous week³



Estimated change in Tourism Export Revenue from January to June compared to 2019 (\$M) (% change compared to 2019)⁴
2019 Tourism Export Revenue from January to June



² Johns Hopkins Coronavirus Resource Center, May 26, 2020 5pm PST

³ European CDC, May 26, 2020

⁴ Destination Canada Estimates as of May 24, 2020

International travel will be uncertain moving forward

There is optimism – and rebooking will happen – but **when** is unclear

Domestic travel in **some** countries has restarted, but little to no international travel – anywhere

Recovery will start local

Domestic travel will spur tourism recovery across Canada.

Canadians love travel.

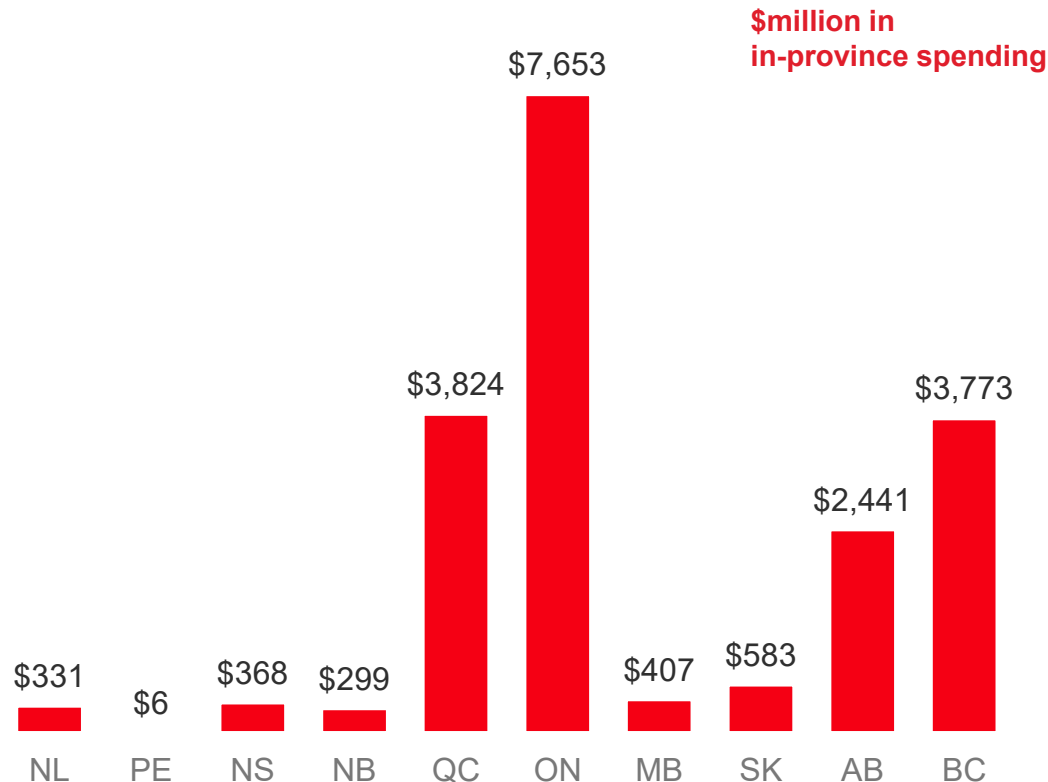
We have a unique opportunity to create advocates for our industry in new ways

Intra-provincial market: \$19.7 billion

Short weekend trips were the most common

- \$ per visit: \$246
- Nights per visit: 2.2
- \$ per night: \$109

2 Adults, No children



Inter-provincial market: \$11.7 billion

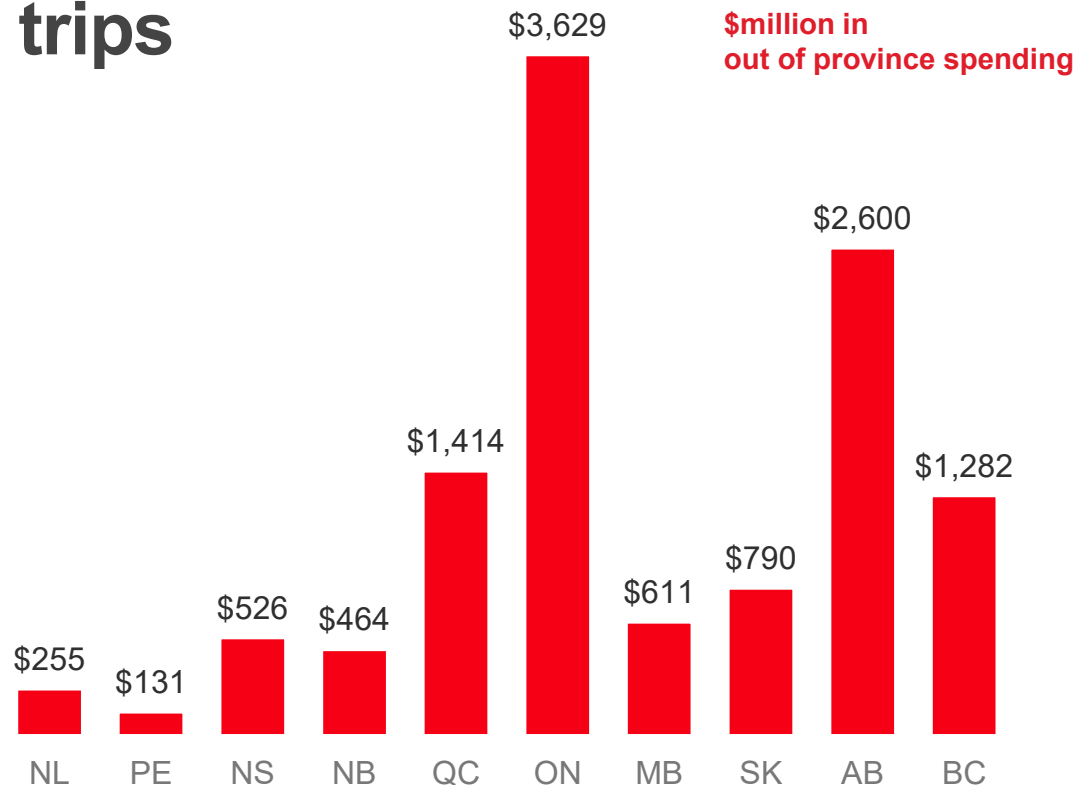
Plan for long-weekend trips

- \$ per visit: \$470
- Nights per visit: 3.5
- \$ per night: \$133

Proximity matters

Top spending origin-destination pairings:

1. Alberta to BC: \$1.5 billion
2. Ontario to Quebec: \$1.3 billion
3. Quebec to Ontario: \$844 million
4. Ontario to BC: \$731 million
5. BC to Alberta: \$522 million



\$36,381,000,000

Canada is the world's 8th largest international tourism market /

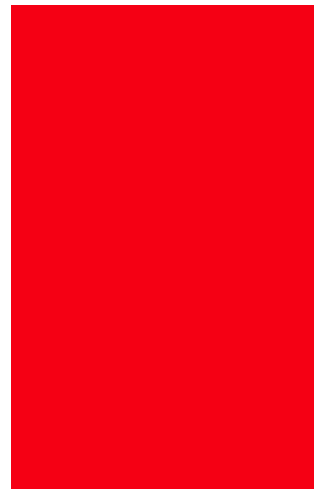
Overnight visit spending by International visitors in Canada and by
Canadians abroad
(\$ billion)

Canadians spend **\$1.70** on travel
abroad for every dollar that
international visitors spend in Canada

from Overseas
/ de l'étranger
11,372

from United
States / des
États-Unis

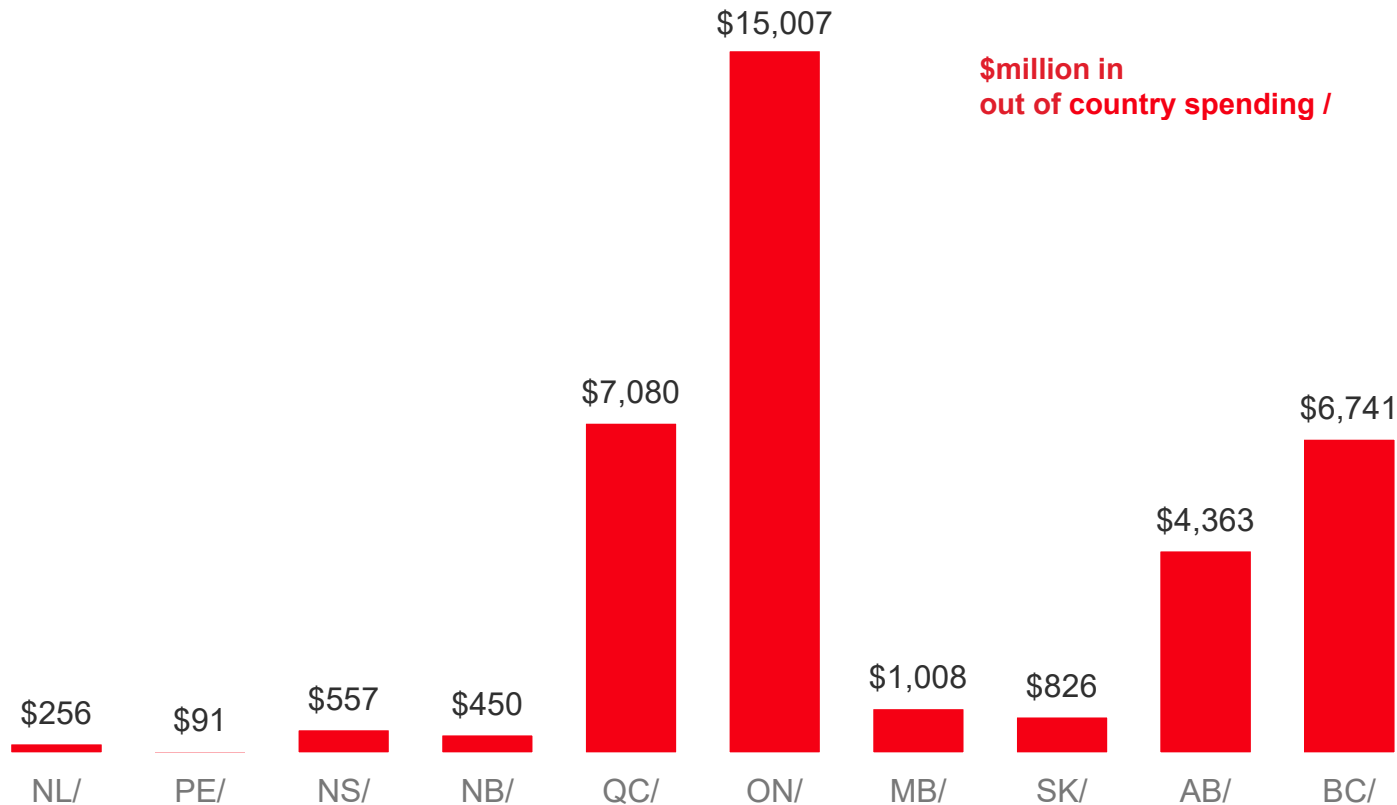
International Visitors
(inbound/export) /



Out-of-Country (outbound/imports) /

**If we capture 60% of the Canadian spend abroad,
we will have made up our loss of international travel**

Outbound travel market is significant across Canada



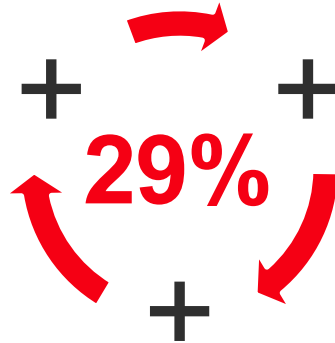
Significant spend per trip

More than twice as much spend per trip as US Road Traffic

	Canadians abroad	US (Air)	US (Road)
\$ per visit	\$1,120	\$960	\$532
Nights per visit	7.4	7.0	4.7
\$ per night	\$150	\$121	\$110

The more we experience our own country...

The more we come back...



of Canadians travelled in Canada
because it was a place they visited before and wanted to return

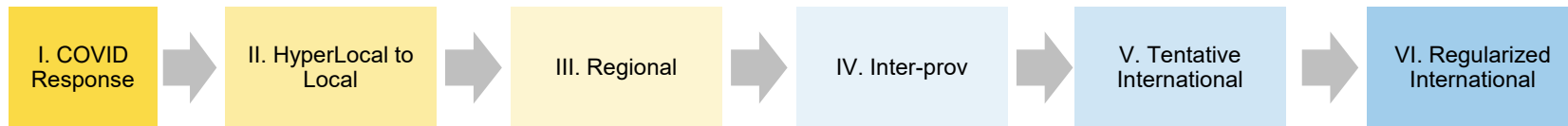
The more we experience our own country...

The more others want to experience it

**Personal recommendation
#1 source of influence**

Australia, France, Germany, India, Mexico, South Korea, United Kingdom,
United States and Canada
(#2 in China, #4 in Japan)

DC's Assessment of Domestic Travel (updated weekly, May 24)



**Destination Canada's Overall
Assessment of Each Market**

British Columbia	II Hyper Local
Alberta	II Hyper Local
Saskatchewan	II Hyper Local
Manitoba	II Hyper Local
Ontario	I COVID-19 Response
Quebec	I COVID-19 Response
New Brunswick	II Hyper Local
Nova Scotia	I COVID-19 Response
Prince Edward Island	II Hyper Local
Newfoundland & Labrador	II Hyper Local
Yukon	II Hyper Local
Northwest Territories	I COVID-19 Response
Nunavut	III Regional

**It's the same business,
just not business as usual**

Experience in other countries

Shanghai Disneyland Reopening Tickets Sell Out in Minutes*

(Time, May 8, 2020)



*at 1/3 capacity

European Hot Spots like Venice, Italy, are reopening, but without many tourists

(LA Times, May 18, 2020)





Health & Safety

How can you make it part of
your experience?



**More than ever,
our communities are critical**

Outside of Atlantic Canada, less than half are ready to welcome visitors

% Somewhat / Strongly Agree		BC. (n=200)	AB (n=200)	SK/MB (n=200)	ON (n=601)	QC (n=409)	ATL (n=201)
	From other communities near me	41%	47%	45%	39%	50%	62%
	From other parts of my province	35%	39%	41%	33%	43%	54%
	From other parts of Canada	17%	32%	22%	30%	35%	22%
	From the United States	9%	15%	12%	13%	11%	14%
	From other countries	9%	11%	10%	12%	10%	10%

Green text indicates significantly higher than at least one other region @ 95% confidence

Red text indicates significantly lower than at least one other region @ 95% confidence

To what extent do you agree or disagree with each of the following statements?

"I would welcome visitors travelling to my community..."

Most Canadians are not ready to welcome international visitors

% Somewhat / Strongly Agree	BC/ (n=200)	AB (n=200)	SK/MB (n=200)	ON (n=601)	QC (n=409)	ATL (n=201)
From other communities near me	41%	47%	45%	39%	50%	62%
From other parts of my province	35%	39%	41%	33%	43%	54%
From other parts of Canada	17%	32%	22%	30%	35%	22%
From the United States	9%	15%	12%	13%	11%	14%
From other countries	9%	11%	10%	12%	10%	10%

Green text indicates significantly higher than at least one other region @ 95% confidence

Red text indicates significantly lower than at least one other region @ 95% confidence

To what extent do you agree or disagree with each of the following statements?

"I would welcome visitors travelling to my community..."



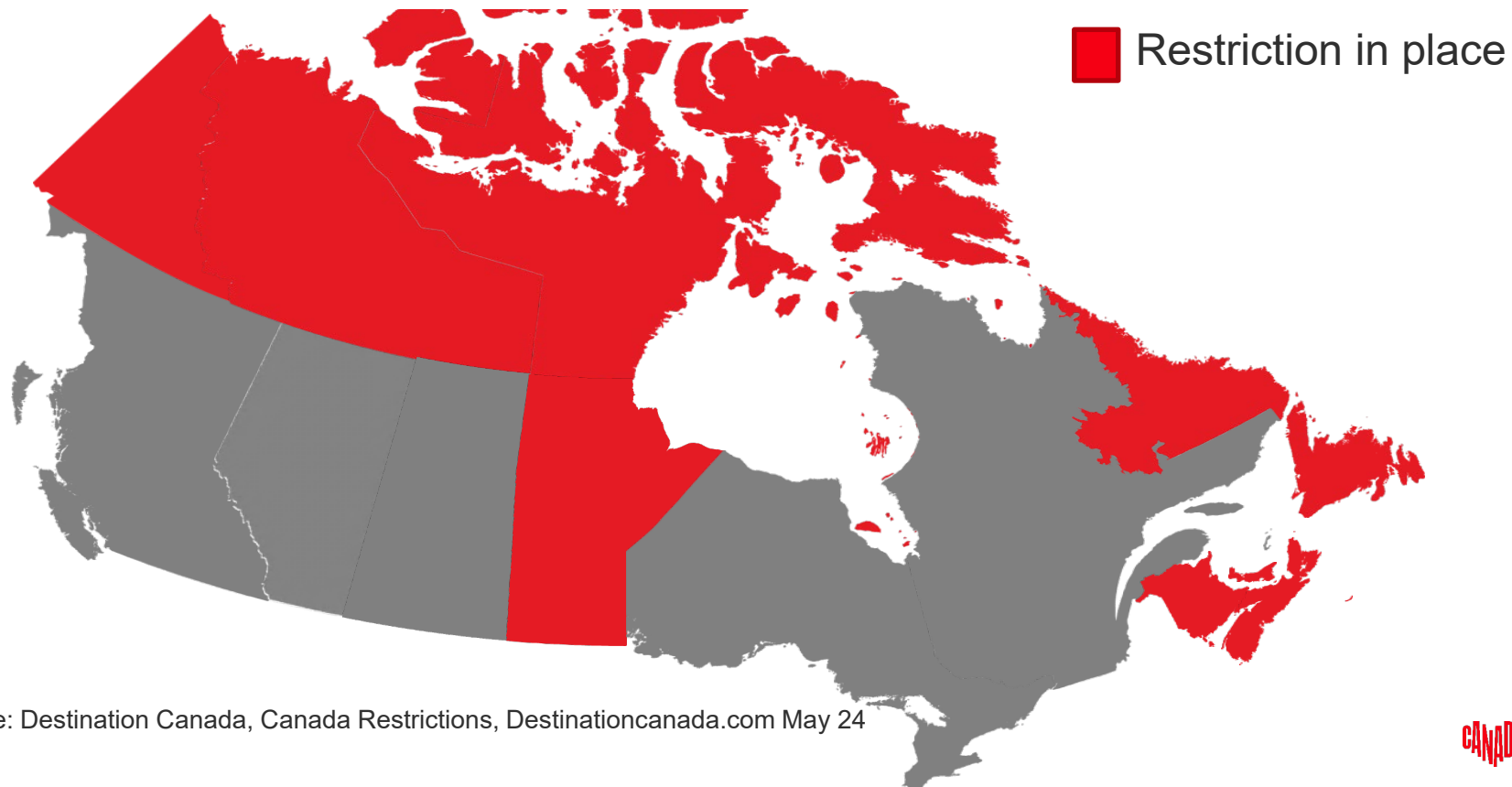
Importance of community *L'importance de la collectivité*

How can you get communities
to support bringing in new
people?

We need to work together to highlight
the social, cultural, environmental AND
economic importance of tourism

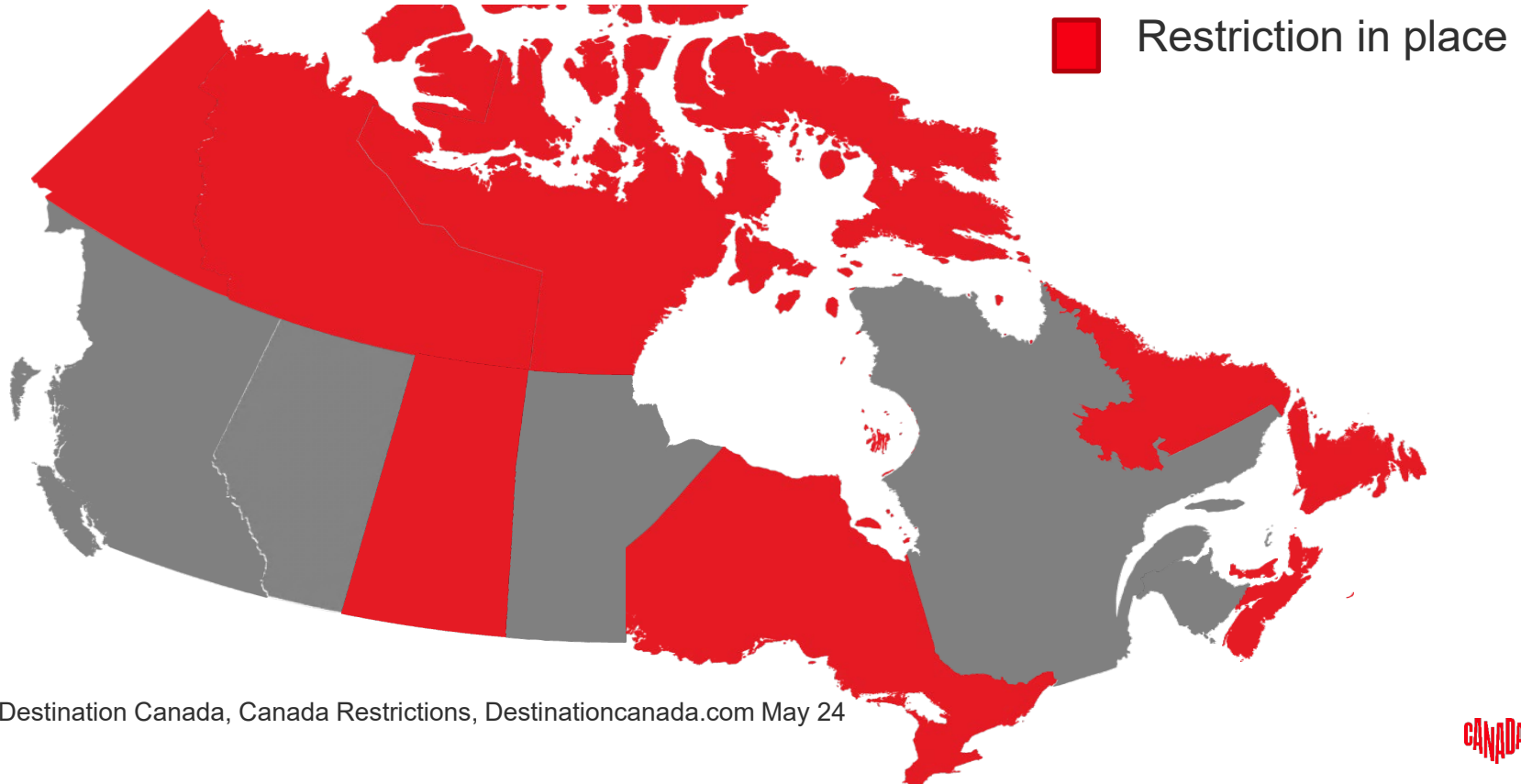
Can they travel?

Jurisdictions requiring self-isolation of incoming domestic travellers (May 26)



Source: Destination Canada, Canada Restrictions, [Destinationcanada.com](https://www.destinationcanada.com) May 24

Jurisdictions with restrictions on indoor attractions (May 26)



Source: Destination Canada, Canada Restrictions, [Destinationcanada.com](https://www.destinationcanada.com) May 24

More information

Impact & Recovery Report: Resident Sentiment & Travel-related measures

How will they travel?

What travellers want

- Flexibility (cancellation, reservation)
- Safe environments above everything else
- Communication on how to experience, your safety and cleaning protocols, booking and cancellation procedures
- Visible cleaning and communication of cleaning protocols
- Minimal-touch, socially-distant experiences



What might travel look like

- Pre-registration schemes (health declarations, visitor / experiences times spread out)
- Advance ticketing (online or phone)
- Reduced capacities (30-50% at reopening)
- Disposable PPE provided
- Uniform PPE for staff
- Social distancing should be observed through special visual markers
- Hand sanitizer in high touch locations
- Digital menus in cafes, restaurants etc.
- Digital visitor maps and guides
- Self-guided and self-driven tours

What you can do now

- Planning for various realities: booking ahead, reduced capacities, PPE for guests and staff, social distancing measures
- Preparing communications: Updating website with your safety procedures, frequency, social distancing protocols, guest health and safety guidelines.
(Your FAQs section is about to get much longer! Consumers want to address every possibility)
- Consider implementing a pre-registration system, online/phone bookings to manage visitation demand

Tools to help: DestinationCanada.com



Impact and Recovery
Assessment



Resident sentiment



Up-to-date
Travel Restrictions

Hyper Local is where recovery starts

Community is key

Our Challenge

Our challenge is to create a domestic program that is flexible enough to be delivered at the hyper-local and local level across the country, yet is cohesive enough to build to a national and eventually an international campaign.

In addition, the campaign needs to reflect and respect differing and shifting **provincial health guidelines**, and **resident sentiment** towards visitors.

Our Plan

As cities and provinces across the country begin to re-open and look to recovery, we need to rebuild a stronger, more resilient tourism industry — one supported by the spirit of community inherent in Canadian DNA.

Destination Canada will ask the regional **campaigns** to execute on a **central theme, in their own voice**. So, a centralized strategy with a decentralized execution.



Community-based tourism



CANADA

FOR
GLOWING
HEARTS

Destination
Canada

Brand
behaviour

81

**THIS IS
THE WAY
WE ACT,
MOVE AND
BEHAVE IN
THE WORLD.**

These behaviours are a set of beliefs and values that define what we do, making sure that we are consistent, authentic, and unabashedly Canadian.

For Glowing Hearts is fully aligned with the community-based stories.

We've been called nice before, but the world has never needed nice more than it does today.

Now is the time to showcase the people and places that make Canada Nice, and invite others to celebrate and experience that spirit with us.

Our Theme

Canada Nice



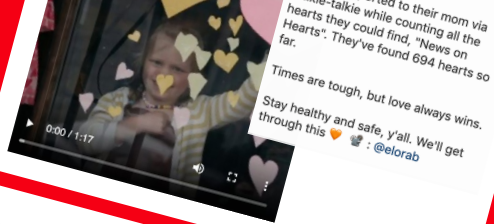
A case for nice

We're asking Canadians to celebrate the nicest people and places in their local communities, sharing and supporting the things that make their home truly unique.

Nice starts local

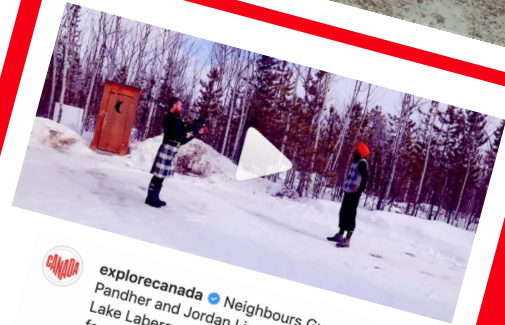
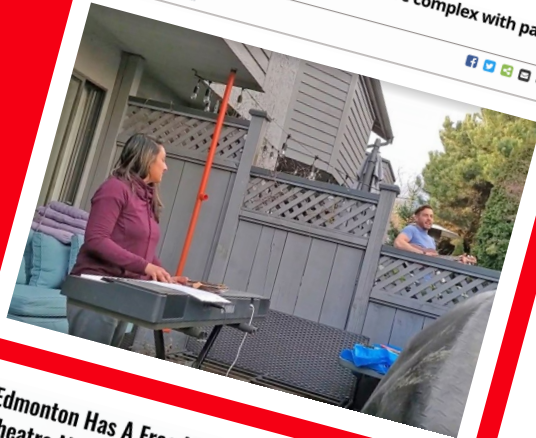


We see nice every day



North Van neighbours entertain entire complex with patio songs (VIDEO)

Ben Bengtson / North Shore News
MARCH 26, 2020 9:17 PM



explorecanada • Neighbours Gurdeep Pandher and Jordan Lincez live near Lake Laberge in the Yukon. They joined forces to combine bagpipe tunes and bhangra, showing the world how we can still connect while practicing social distancing and demonstrating the beauty of Canada's cross-culturalism. #ForGlowingHearts

Edmonton Has A Free Movie Theatre Made Of Snow & It's The Most Canadian Thing Ever (PHOTOS)



A Call for Creativity



Print Ads



Signage, Billboards



Short & Long Form Films



Art Projects



Social Media Posts / Stories



Innovative Earned
Opportunities



Podcasts & Audio Tours



Music

Surprise us!

Creative license is in the hands of you and your community! We're sure you'll come up with ideas we'd never dream of in a million years, and we can't wait to be both surprised and inspired by the new content that comes out of your communities.

Let's Own It

Let's show the world that nice can be

Funny

Multifaceted

Strong

Quirky

Innovative

Inspiring

Surprising

Satisfying

Nice Endures

By using a hashtag built on NICE, rather than EXPLORE, we remind people how to be, not what to do.

We don't know the arc of this pandemic. But we know the arc of the Canadian spirit. It's built on glowing hearts, and demonstrated through NICE.

Speaking



Emily Ross
Destination Canada
Senior Manager, Content Marketing

Instagram

Why and how to leverage this visual platform

Why Instagram?

1 billion
people use
Instagram
every month



500 million
watch
**Instagram
Stories**



**Fastest
growing
media
platform** in
Canada



Not just for
engagement,
also for
conversion

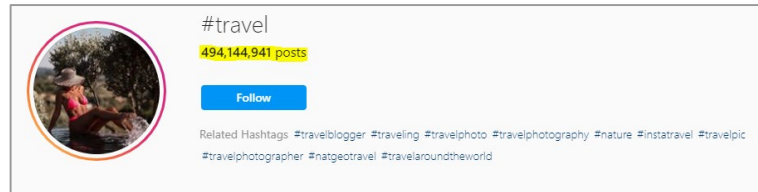
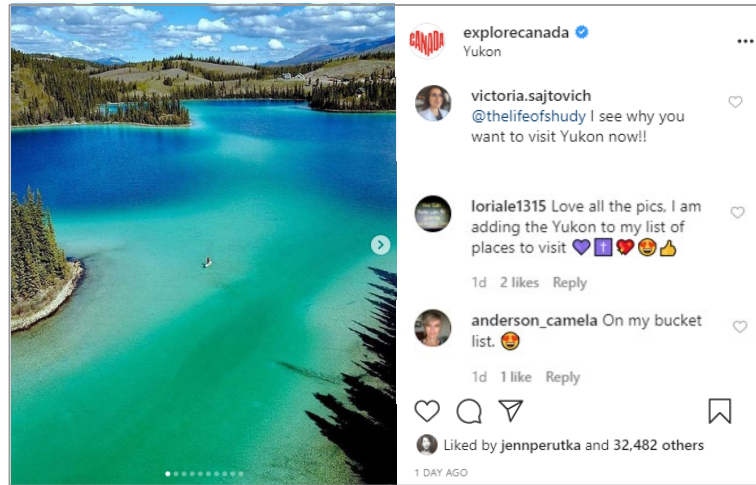


Instagram & Travel

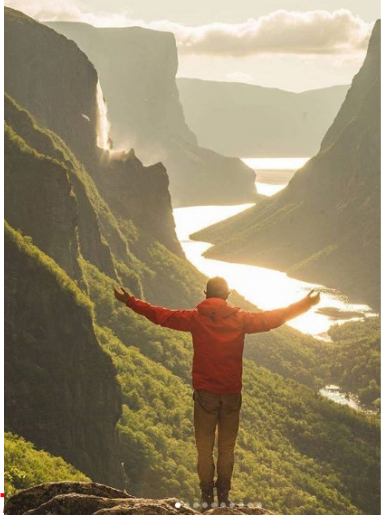
67% of travellers use the platform to **look for inspiration**

Travel is **one of the top three interests** on the platform

83% of users **discover new products or services** on the platform



Focus on Visuals



- **Wildlife and nature**
- **Distinctly Canadian**
- **First-person point of view**
- **Timely and in-season**
- **Authentic and real**
- **Let images speak for themselves**

Tell a Story



Uses first person perspective to explore a region /
Recours au point de vue de l'utilisateur qui explore une région

- Captions don't need to be short—details and information increase engagement
- Use quotes and testimonials
- Encourage your community to interact

Test and Learn

- **Timing**
 - 8-9am EST
 - Weekdays
 - Consistency
- **Scheduling**
 - Create multiple pieces of content and schedule
 - Coordinate a cohesive look and feel
- **Create content, not ads**
 - Beware branded imagery
 - Leverage Instagram Stories
 - Try video



Speaking



Sébastien Dubois

Destination Canada

Executive Director, Industry Partnerships



David Robinson

Destination Canada

Interim President and CEO

CANADA

#ExploreCanada

@DestinationCAN (Corporate) / @DestinationCAFR (institutionnel)

@ExploreCanada (Consumer) / @Explorezsansfin (consommateurs)

www.destinationcanada.com/signup / www.destinationcanada.com/abonnement