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2006 Assessment of Travel Patterns by Canadians and Americans

Project Summary



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Background

The travel patterns of Canadians and Americans are changing. Documents required for travel between Canada and the United States are becoming more stringent. American traffic coming to Canada has declined, especially for same-day automobile travellers. Tourism competition for Canada is becoming more fierce as new competitors enter and current ones increase their efforts.

To better understand these changes and better craft and target CTC marketing, the CTC commissioned the Conference Board of Canada to conduct a study in the U.S. and Canadian markets. The focus of this data collection was to address gaps in intelligence that will assist in identifying appropriate strategic directions for the CTC and its partners.

From a marketing context, the research was designed to provide the CTC and its partners with information that can be used to influence the advertising and marketing communication instruments targeted at consumers. This information can influence the themes, message, and content used in all communication instruments.

Research Methods

The research was conducted in December 2006 by internet panel. In the U.S., 6,000 Americans completed the questionnaire with 2,000 in each of the border, near-border and southern regions. In Canada, 2,000 Canadians completed the questionnaire, representative of all Canadians.

The margin of error for the U.S. research is approximately +/-1.3% for the entire U.S. and +/-2.2% for each region, 19 times out of 20. For the Canadian research, the margin of error is +/-2.2%, 19 times out of 20.

For this research, the regions are defined as:

Border

Idaho
Maine
Michigan
Minnesota
Montana
New Hampshire
New York
North Dakota
Ohio
Pennsylvania
Vermont
Washington State
Wisconsin

Near-Border

Connecticut
Colorado
Delaware
District of Columbia
Illinois
Indiana
Iowa
Kansas
Kentucky
Maryland
Massachusetts
Missouri
Nebraska
Nevada
New Jersey
North Carolina
Oregon
South Dakota
Tennessee
Utah
Virginia
West Virginia
Wisconsin
Wyoming

Southern

Alabama
Arizona
Arkansas
California
Florida
Georgia
Hawaii
Louisiana
Mississippi
New Mexico
Oklahoma
South Carolina
Texas

Alaska

Research Findings

International Travel Habits

Canadians

Travel to the U.S. is deeply entrenched among large segments of the Canadian population, with 40% of all Canadian adults having visited the U.S. in the past year. Western Canadians were most likely to have visited, as 45% made the trip. Only 10% had never visited the U.S. in their lifetime. Atlantic Canadians are the least likely to have visited the U.S. with almost 17% having never gone. For Canadians, travel to the U.S. is far more prevalent than travel to any other international country/region.

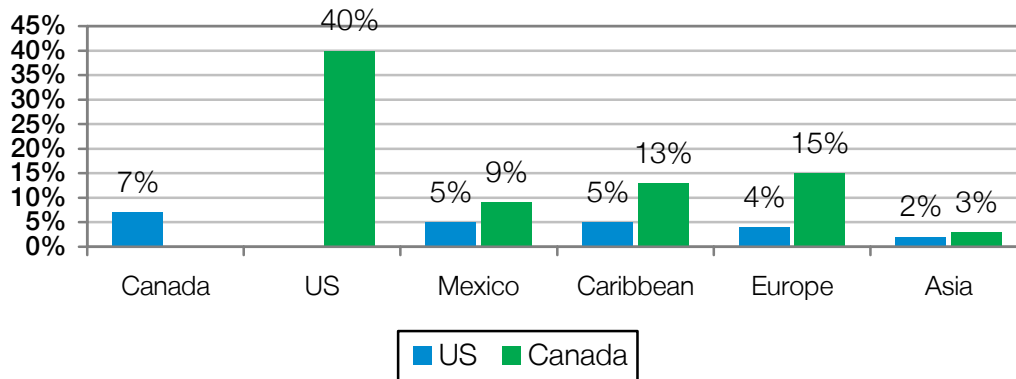
In order of the most recent visitation, Canadians travelling internationally in the last 12 months were most likely to have visited the U.S. (40%), Europe (15%), the Caribbean (13%), Mexico (9%), then Asia (3%). Westerners were most likely to have visited the U.S. or Mexico. Canadians from Central Canada were most likely to have visited Europe or other international destinations. The Caribbean was most likely to have been visited by Atlantic Canadians.

Americans

Travel to Canada is far less prevalent among Americans and, of those that have visited, many have not done so in the past 5 years. Only 7% of all Americans visited Canada in the past year. People from the border states were most likely to have visited in 2006, with almost 14% going to Canada. In the near-border and southern states, between 4% and 5% had been to Canada in the past year. Almost half (46%) of all Americans have never visited Canada in their lifetime. The long haul segment was the least likely to have visited at over 53% that have never gone to Canada. For past travellers to Canada, visiting to Canada has not been a recent event as nearly 61% indicate their most recent trip was more than 5 years ago.

Americans travelling internationally in the past 12 months were most likely to have recently visited Canada (7%), Mexico (5%), the Caribbean (5%), Europe (4%), then Asia (2%). In the border states, Canada (14%) is the main international destination with the Caribbean (5%) being the main competition. The Caribbean (5%) also seems to have been the main international competition in the near-border states, essentially equal to Canada. Mexico (8%) and the Caribbean (6%), followed by Europe (4%), were the main competition in the southern states for Canada (4%).

Travel in Past 12 months



Travel Intentions for 2007

Canadians

Canadian domestic travel intentions are strong for 2007 with 76% of all Canadian adults indicating they are very likely to visit their own province in 2007. Western and Atlantic Canadians report they are most likely at 85% and 83% respectively. As well, just over half of all Canadian adults indicate they are very likely to visit another province/territory in 2007. Western and Atlantic Canadians are again most likely at approximately 67%.

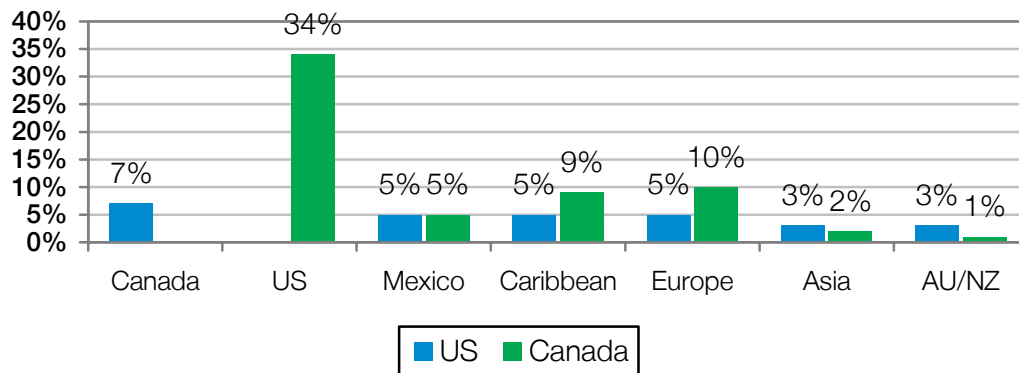
International travel intentions are also strong for Canadians with 49% stating they are very likely to travel outside Canada in 2007. Canadians in Western and Central Canada were most likely to travel abroad at 48% and 50% respectively, versus 42% for Atlantic Canadians. Looking at travel to the U.S., 34% of all Canadian adults indicate they are very likely to visit the U.S. in 2007. Western Canadians are most likely to travel to the U.S. at 37% indicating that they are very likely. Aside from the U.S. and Canada, Canadians suggested the following levels of intention to visit: Europe (10%); the Caribbean (9%); Mexico (5%); Asia (2%); and Australia (1%). Mexico is most popular for Westerners (10%). The Caribbean is preferred by people from Central and Atlantic (9%). Europe is most likely to be visited by Central (11%) and Western (10%) Canadians. Asia is slightly more popular for Western Canadians (3%) than Atlantic or Central (2%) Canada. For all Canadians, Westerners generally seem to be the most likely to travel in 2007.

Americans

In the United States, Americans expressed relatively strong domestic and outbound travel intentions for 2007. Intention to travel within the U.S. is the strongest, with 66% of all American adults indicating they are very likely to travel within their own state in 2007 and 64% suggesting they are very likely to visit another state. Residents from the border and near-border states said that they are more likely than those in the southern states to travel domestically.

U.S. outbound intentions are notably lower than in Canada with only 18% of Americans very likely to travel somewhere outside the U.S. in 2007. This was highest in the border and southern states at 19% very likely, falling to 15% in the near-border states. With respect to travel to Canada, 7% of all American adults indicate they are very likely to visit Canada in 2007. Intention to visit Canada is highest for Americans living in the border (12%) and near-border (7%) states. Europe (5%) and the Caribbean (5%) are the next highest international destinations for these Americans. For the southern states, Mexico (7%), Europe (6%) and the Caribbean (6%) have the highest intention to visit, followed by Canada (5%) then Asia (4%). Of note, the importance of Europe seems to be increasing; it has gone from fourth in recent visitation to second in intention to visit for Americans.

Travel intentions for 2007



Passport Ownership

Canadians

Passport possession among Canadians continues to increase. As of December 2006, the research found that 55% of all Canadian adults now possess a valid passport compared to 41% in June 2006. Western and Central Canadians have the highest rate of passport ownership at 56% and 57% respectively. Where applicable, 56% of the Canadian adults indicate their spouse/partner has a valid passport. In Western and Central Canada, approximately 57% of the spouse/partner have a valid passport versus 44% in Atlantic Canada. Respondents indicated that only 28% of their children possess valid passports although 33% of the households with children have passports for all of the children.

Americans

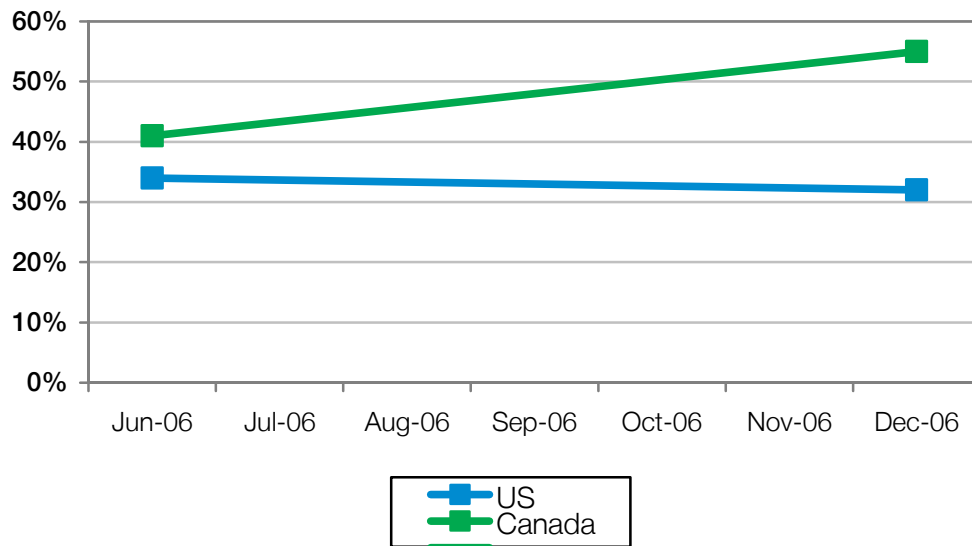
Passport possession among Americans, at 32%, is essentially unchanged from the previous study in June 2006. As such, it remains well below that of Canadians. Residents in the southern states indicated the highest level of ownership at 34%, but levels did not vary much across the United States (near border – 33%; border – 30%). After adjusting for 18 years and older population statistics, passport ownership figures reported by the U.S. State Department are similar at about 27% of the entire U.S. population. Where applicable, 31% of all American adults indicate their spouse/partner has a valid passport with the southern states segment most likely. Respondents also indicated that 23% of their children possess valid passports and 21% of the households with children have passports for all of the children.

Further analysis of the data reveals additional insights regarding U.S. passport ownership. When looking at previous visitors to Canada, 67% of Americans who had visited Canada in the last 12 months have valid passports. Another 8% have expired passports. This compares to 18% ownership with those who have never visited Canada and an additional 7% who have expired passports.

Looking at overnight versus day visitors over the past 12 months, 63% of same-day travellers (travellers making at least one day-trip to Canada) have valid passports. Passport ownership increases to 73% for overnight visitors (people who made at least one trip where they stayed overnight in Canada in the past 12 months). Overnight visitors coming by air have even higher ownership rates (81%) than those coming by auto (71%).

For those likely or very likely to travel outside of the U.S. in 2007, the following was revealed. The majority (57%) of expected international travellers have valid passports while only 18% of those unlikely or very unlikely to visit have valid passports. Half (50%) of those stating that they are likely or very likely to visit Canada in 2007 have valid passports (ranged from 45 – border to 64 southern). Another 15% have expired passports (similar across the U.S.). This compares to 25% ownership for those unlikely or very unlikely to visit Canada (ranged from 21% to 28%) and 16% (similar across the regions) with expired passports.

Adult Passport Ownership



Awareness of WHTI

Canadians

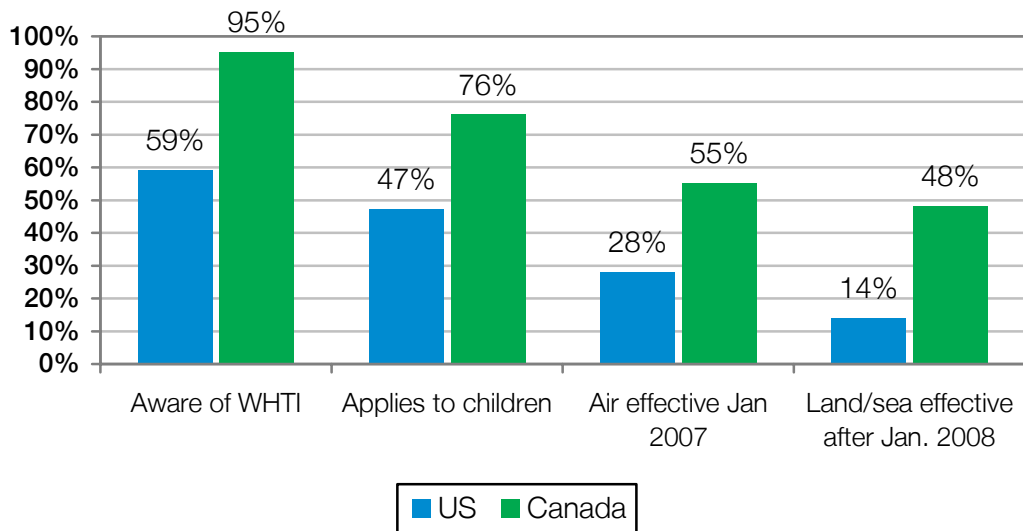
When Canadians were asked about the WHTI and regulation changes for travel documents, 95% of all adults indicated they are aware of the WHTI. Specifically, they were aware that future travel to the U.S. would require a passport. Of those that were aware, 80% understand that this requirement also applies to children. Western Canadians were most likely to know this information at almost 85% awareness. Additionally, of Canadians aware of the WHTI, 58% know the correct implementation month for air travel to the U.S. although 49% do not know (or incorrectly answered) when the passport requirement takes effect for land/sea travel to the U.S.

Americans

When Americans were asked about the WHTI, 59% of all adults indicated they are aware of the WHTI with the highest levels of base awareness in the border states (65%). Specifically, these respondents know that travellers to Canada and elsewhere will require a passport or other accepted document to return to the U.S. Of those that were aware, 80% understand that this requirement also applies to children. Only 48% of those Americans who were aware of the WHTI know the correct implementation month for air travel and 77% do not know (or incorrectly answered) when new requirements take effect for land/sea travel. Levels of awareness regarding the various elements of WHTI were similar across all of the U.S. Clearly, levels of awareness regarding the WHTI are much lower in the U.S. than in Canada.

Of particular note is that awareness of WHTI increases significantly with those likely to travel abroad. For those likely to travel to Canada or some other international destination, awareness increases to 76% (versus 54% for those not likely to travel outside of the U.S.).

Awareness of WHTI



Potential Impacts from the Implementation of the WHTI

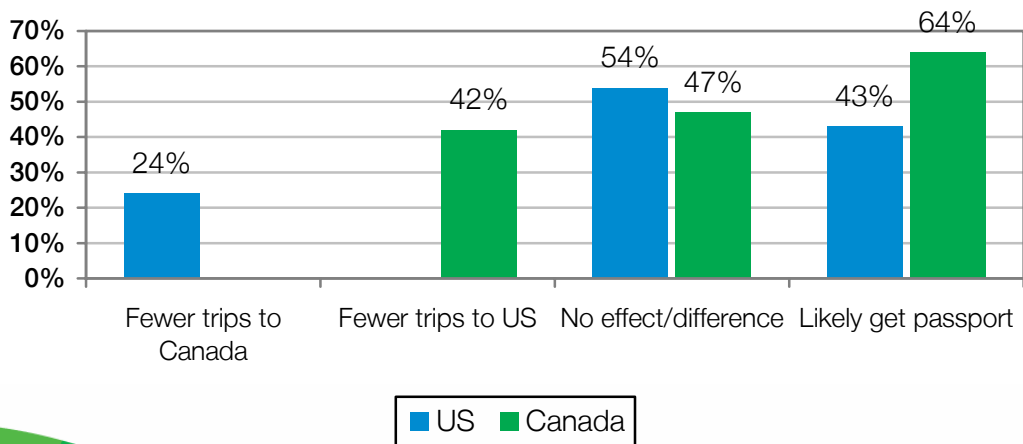
Canadians

As a result of the WHTI, 42% of Canadian adults not possessing a valid passport suggested that they will take fewer trips to the U.S. while 47% indicated it will not affect the number of trips they take. Of those that indicated they would take fewer trips to the U.S., 53% said that they would take more trips within Canada; 42% believed that it will not affect their number of domestic trips. Passport ownership will likely continue increasing as 64% of Canadian adults not possessing a valid passport said that they will likely apply for a passport at some point in the future. Almost half of those likely to get a passport (44%) suggested they would get one by the end of 2007. Atlantic Canadians were the least likely to obtain a passport in the future at approximately 54% likely.

Americans

In the United States, 24% of American adults not possessing a valid passport indicate they will take fewer trips to Canada as a result of the WHTI while 54% said that it will not affect the number of trips they take. Notable in the American responses is that about one-fifth were unsure about the impact, suggesting a significant amount of uncertainty. In contrast, only about 5% of Canadian respondents were unsure about their actions. Of those that indicated they would take fewer trips to Canada, 46% felt that they would take more trips within the U.S. and 48% believed that it will not affect the number of domestic trips. Passport ownership by Americans is also expected to increase as 43% of those not possessing valid passports will likely apply for a passport and/or passcard at some point in the future. Travellers from the border states currently without passports (but planning to get one) were the most likely to get a passport by the end of 2007 at 44% versus 38% in the near-border and southern regions.

Possible WHTI Impacts on Adults without Passports



Key Similarities and Differences between Canadian and American Responses

Highlighting a few key differences between the Canadian and American responses:

- Cross-border travel (historical and intentions for 2007) by Canadians is much more prevalent than by Americans
- Of Americans that have visited Canada in the past, very few (7%) visit every year and a majority (61%) have not visited in the past 5 years
- 55% of Canadians possess valid passports, compared to only 32% of Americans
- 95% of Canadian adults are aware that future cross-border travel will require passports (or other accepted documents), compared to 59% of American adults
- Of American adults not possessing a valid passport, only 43% indicate they will obtain one (or other required travel document) at some point in the future, compared with 64% of Canadians

Some key similarities in the responses from the two countries include:

- Children in Canada and the U.S. have a lower likelihood than adults in possessing valid passports (28% and 23% respectively)
- Of those aware of the WHTI, only about half of Canadian and American adults know the correct implementation month for air travel (58% and 48% respectively)
- Of this same group, many do not know the correct implementation date for land/sea travel (49% and 77%, respectively)
- As a result of the WHTI, many Canadians and Americans expect to make fewer cross border trips (this sentiment expressed by 42% and 24% of respondents without passports, respectively)
- As a result of fewer cross border trips, many Canadians and Americans plan to travel more domestically (expressed by 53% and 46% of respondents without passports, respectively)

Key Findings from the Research

Some key findings from the research include:

- Canada is still an important market for American travellers
- US domestic travel is major competition for Canada
- Passport ownership (32%) did not change significantly from August to December 2006
- Previous travellers to Canada have much higher passport ownership (67%) than the general population
 - Holds for same-day travellers (63%)
 - Overnight air travellers are more likely than overnight auto travellers to have valid passports (81% vs. 71%)
- Americans likely or very likely to visit Canada in 2007 have higher passport ownership than the general public (50%)
- Awareness of WHTI is higher for those planning to travel internationally than for the general population (76% vs. 59%)
- Many Americans without passports are planning to get them sometime in the future (43%)