Canadian Tourism Commission
Commission canadienne du tourisme

Global Tourism Watch Year 3

Summary Report 2009

Canadian Tourism Commission (CTC)

Canada

www.canada.travel

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Introduction

- Driven by the launch of a new global brand and ongoing challenges in Canada's priority markets, the Canadian Tourism Commission (CTC) initiated a Global Tourism Watch (GTW) program in 2007 to expand consumer-based intelligence in its core markets.
- In 2009 (Year 3), the research program was implemented in ten global markets – Canada, the US, Mexico, the UK, France, Germany, Japan, South Korea, Australia and China.[1]
- The Year 3 research was conducted in conjunction with a partnership group that included Alberta, Atlantic Canada, British Columbia, Manitoba, Northwest Territories, Ontario, Québec, Saskatchewan and Yukon.
- The overall objectives of the GTW study are:
    - To monitor awareness, travel intentions and other key market indicators for Canada and the regions;
    - To assess perceptions of Canada and track brand performance over time;
    - To identify the general experiences sought by travellers, assess Canada's competitive positioning on key products and identify product growth opportunities; and
    - To provide input into strategic marketing plans by identifying motivators and barriers for travel to Canada, as well as media sources and images that lift Canada's appeal.
- The individual market reports already submitted to the CTC provide detailed results for each of the ten markets, including an in-depth discussion of the key shifts between 2008 and 2009. The primary focus of this Summary Report is a comparison of the ten markets to identify broad differences and similarities among markets.

Methodology

- The target population for the survey was residents aged 18 and older, who have taken a pleasure trip where they stayed at least one night in paid accommodations in the past three years, or who plan to take such a trip in the next two years (or next year for the Canada study).
- To qualify, trips had to be one or more nights for the US, two or more nights for Canada and four or more nights for the other markets. The geographical definition for eligible trips also varied by market, as per the table on the following page. Essentially, the Canada study was based on inter-regional travellers, the US study on international travellers, and the remaining markets on long-haul travellers.

[1] The 2009 program is the second year in which China was included and the first year in which Canada was included.

Market	Geographical Definition for Qualified Trips
Canada	Outside of their own province/region
US	Outside of the US
Mexico	Outside of Mexico and Central America
UK, Germany, France	Outside of Europe, North Africa and the Mediterranean
Japan, South Korea	Outside of Japan, South Korea and China
China	Outside of East Asia (China, Hong Kong, Macau, Japan and South Korea)
Australia	Outside of Australia, New Zealand and the Pacific Islands

- In Mexico and each of the eight overseas markets, a web-based panel survey was conducted with approximately 1,500 long-haul pleasure travellers, with a quota of 200 to 300 recent visitors to Canada (past three years) set for each market. In China, this methodology was modified to an in-person recruit with online completion to ensure a more representative sample of long-haul travellers.
- The sample distribution was national in all markets except Mexico (where the sample was limited to Mexico City, Guadalajara and Monterrey) and China (where the sample was limited to Beijing, Shanghai, Guangzhou and Shenzhen).
- In the US, the sample size was 3,000 travellers, evenly split across three regions – Border, Mid-Haul and Long-Haul/South[2], with quotas of 450, 350 and 250 travellers to Canada, respectively.
- In Canada, the sample size was 4,000 travellers, split evenly across six regions – British Columbia, Alberta, Manitoba/Saskatchewan, Ontario, Québec and Atlantic Canada – with quotas of 2,500 outbound travellers, 1,200 inter-regional travellers and 300 intenders.
- The fieldwork for all markets was conducted in a staggered fashion between March and November of 2009.

Limitations

- In comparing the results across markets, there are a number of limitations that should be noted:
  - The definition of long-haul travel is different for each market, and was established by the CTC based on geography, travel time, market maturity, comparability with past studies and other considerations relevant for each market. As a result, definitions for some markets may be less stringent than others. In particular, the US definition

[2] **Border** States include: Idaho, Maine, Michigan, Minnesota, Montana, New Hampshire, North Dakota, Vermont, Washington, and New York.

Mid-Haul States include: Connecticut, Delaware, Dist. Of Columbia, Illinois, Indiana, Iowa, Maryland, Massachusetts, New Jersey, Oregon, Rhode Island, South Dakota, Wyoming, Ohio, Pennsylvania, and Wisconsin.

South/Long-Haul States include: Alabama, Alaska, Arizona, Arkansas, California, Florida, Georgia, Hawaii, Louisiana, Mississippi, New Mexico, Oklahoma, South Carolina, Texas, Colorado, Kansas, Kentucky, Missouri, Nebraska, Nevada, North Carolina, Tennessee, Utah, Virginia, and West Virginia.

includes trips outside the US, which for border residents travelling to Canada or Mexico, would encompass short-haul trips. Similarly, the Mexico definition includes cross-border trips to the US.

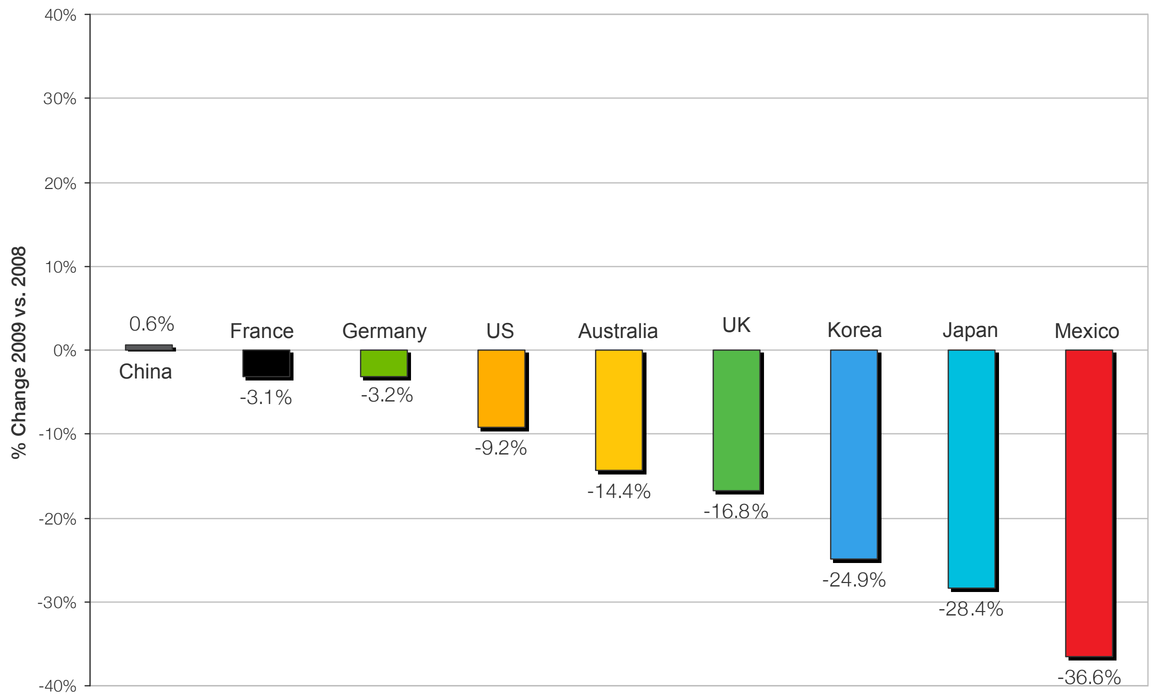
- The results for the domestic market are not always comparable to the international markets as this survey dealt with vacation travel in general (including domestic travel and inter-regional trips), rather than long-haul travel exclusively. In addition, the period for assessing future travel intentions is the next year rather than the next two years.
- To assess Canada's positioning in each market, respondents were asked to rate Canada against a competitive set of six key long-haul destinations identified by the CTC. Because the destination set is different for each market, it may not offer the same degree of competitiveness across all markets.
- As in Year 2, the fieldwork was not conducted simultaneously, but launched following the peak marketing period in each of the ten markets. This difference in timing should be taken into account when assessing the market outlook results, as external factors such as the global economic downturn and H1N1 outbreak would differ in their impact depending on the timing of each market.

Month	Market
March 2009	Germany
April 2009	UK, Mexico
May 2009	South Korea, France
June 2009	US
August 2009	Canada
September 2009	Australia, Japan
October/November 2009	China

- Due to language differences and translation nuances in each market, some results may not be directly comparable across markets. Moreover, there may be cultural differences in the way people from different markets respond to surveys, for example, the number of open-ended responses volunteered, or the extent to which extreme scores are awarded.
- In particular, caution should be used in comparing the results for China to the other GTW markets. Chinese survey respondents have a well-known tendency to provide overly positive or socially desirable responses in surveys, which can yield over-stated results when compared with other markets. This is particularly true of the aided indicators.
- Throughout the report, orange and blue circles have been used to denote results that are significantly higher or lower than other markets, while orange and blue arrows denote results that are significantly higher or lower than in previous years. These are meant to be guidelines only, as an Internet panel cannot be treated as a pure probability sample.

Growth in Overnight Trips to Canada

Growth in Overnight Trips to Canada (2009 vs. 2008)



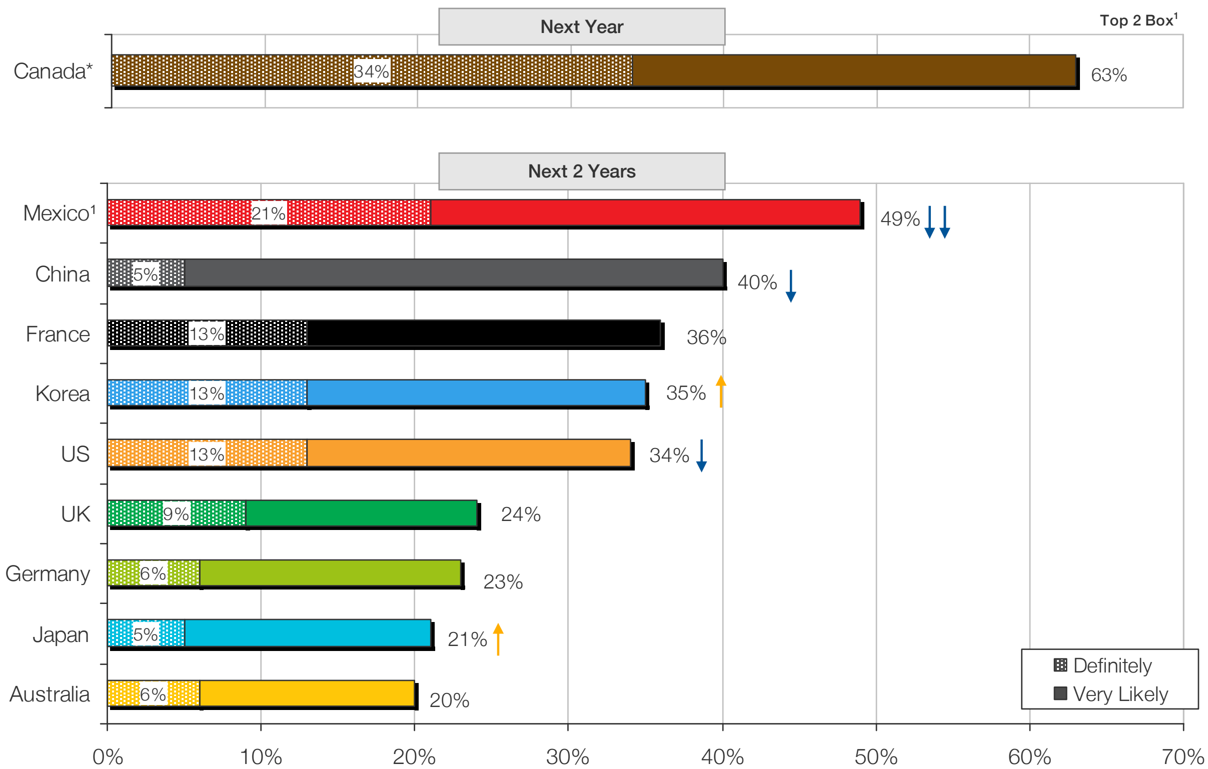
Source: Statistics Canada

- With most of the GTW markets in recession in the first part of year, 2009 turned out to be a dismal year for international travel to Canada, with declines across virtually all of the CTC's core markets. China was the only market that did not see any erosion, with arrivals figures up slightly over 2008. Although the economy did slow, China escaped the recession entirely due to strong government stimulus initiatives, with the economy back on track by early 2009 and GDP growth for the year sitting at a healthy 8.7%.
- Among the other markets, France and Germany fared best, with a modest drop of only 3%. Although both economies were hit with the worst recession in decades, the Euro retained its strength against the Canadian dollar for the better part of the year, helping to sustain the market against more severe losses. Moreover, the economies of these markets, like that of China, were one of the first to recover, resuming growth in Q2 of 2009.
- The UK was not so lucky. A deep and protracted recession, coupled with a collapse in the housing market and a weak pound, resulted in a 17% decline in arrivals to Canada. As the last of the European GTW markets to emerge from recession, the UK will no doubt lag behind France and Germany in terms of a recovery in visitor numbers.

- As the only major western economy to have skirted the recession, Australia was the most resilient GTW market in the Asia-Pacific region after China. Australian travellers remained upbeat, but cautious in 2009, turning to shorter breaks and closer destinations. As a result, Canada saw a 14% drop in visitors from this market.
- Korea and Japan were among the worst performers for Canada in 2009, experiencing precipitous drops of 25% to 30%. Known for their skittishness, travellers in both markets reacted to the beleaguered economy with a deep pessimism, cutting back not only on overseas travel, but domestic trips as well. In addition, the 15% drop in the yen against the dollar over the year did not help Canada's case in Japan.
- Closer to home, the US market ended the year with a moderate loss of 9%. This is fairly reasonable considering all the gloom and doom around the economy and the downward spiral of the dollar against the loonie during the year. Part of the reason for this is that short break travel from the more resilient Border market has helped to prop up visitor flows from the US.
- One of Canada's top three performers in 2007 and 2008, Mexico is now its most troubled market, with arrivals tumbling by a remarkable 37% this year. The new visa requirement for Mexican visitors to Canada (implemented in July 2009) has clearly taken its toll on this market, with visitation plunging in the last six months of the year. In addition, Mexico suffered the most acute economic downturn of the ten GTW markets (GDP fell by almost 7%), made worse by the impact of the H1N1 outbreak on tourism to the country. Along with the UK, Mexico was the last of the GTW markets to emerge from recession, so any recovery for Canada will likely be down the road.

Outlook on Travel to Canada

Likelihood of Visiting Canada in the Next 2 Years



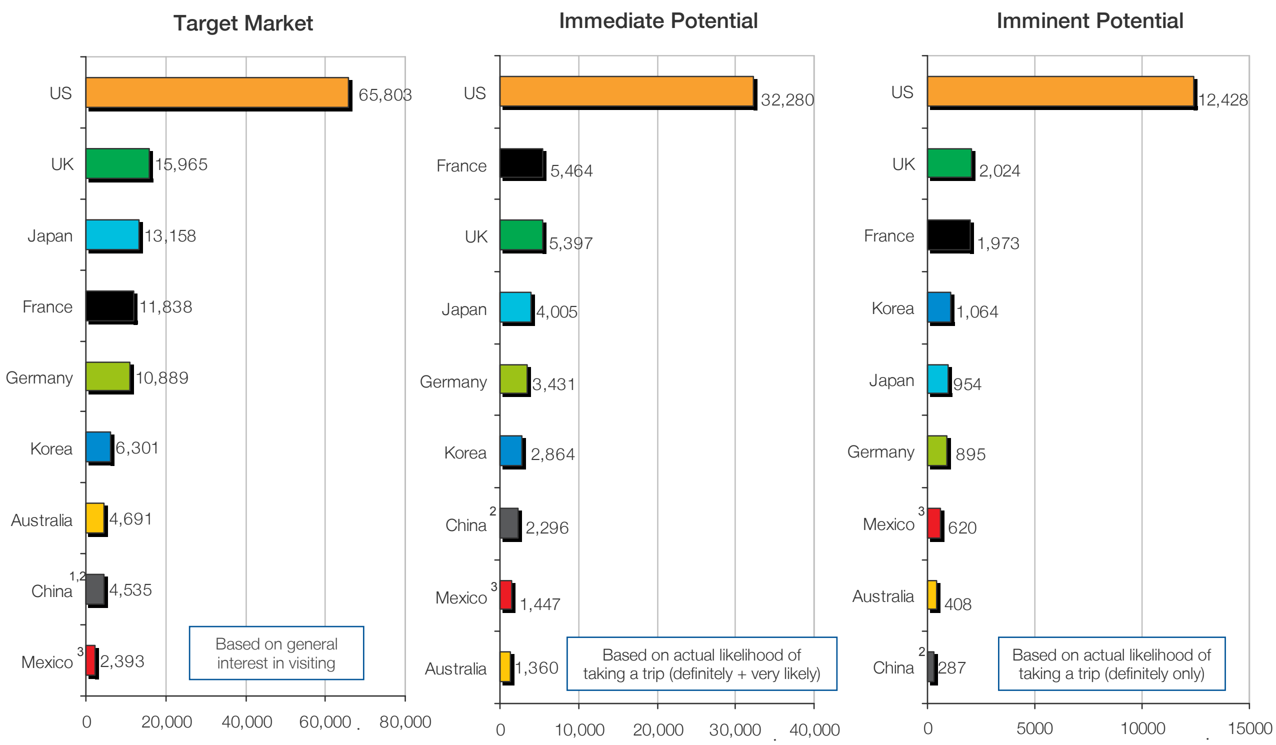
*Base: Long-haul pleasure travellers. * Base: Out-of-region pleasure travellers.*
Notes: Includes both longer vacations (of 4 or more nights) and shorter trips/add on travel (of 1 to 3 nights for international markets and 2 to 3 nights for the domestic market).
Up arrow indicates a result that is significantly higher than 2008; Double up arrows indicate a significant upward trend since 2007.
Down arrow indicates a result that is significantly lower than 2008; Double down arrows indicate a significant downward trend since 2007.
[1] Top 2 Box refers to a rating of definitely or very likely on a 5-point scale.

- Although a more immediate indicator, the travel intentions results echo those for interest in Canada in many ways. The same five markets emerge on top, with the most robust visitation intentions again seen in Canada, Mexico and China. As before, the results in China are likely overstated at 40%. When looking at those who say they will definitely visit Canada (only 5%), China again falls to the bottom of the pack.
- Both Mexico and China have seen some deterioration in their immediate conversion potential in 2009. For Mexico, this was prompted by the recession, the deteriorating peso and the increased focus on closer destinations in South America. While the economic slowdown was a factor in China as well, the influx of new and more inexperienced travellers to this market also contributed to the drop in travel intentions.
- Travel intentions have also dropped in the US, particularly for trips of four or more nights, where the proportion of negatively committed travellers is now at a record high of 40%. Although this will make the conversion of longer trips more challenging, the overall travel propensity in the US remains fairly healthy at 34%, likely because of Canada's strong distance and cost advantages.

- Mirroring the upswing in interest, travel intentions have strengthened in Korea, with this market now on par with France in terms of prospects for Canada. However, the fact that the increase is primarily for shorter trips of one to three nights suggests that the mounting popularity of the US due to Korea's recent acceptance into the visa waiver program may be driving this shift.
- France has also seen an increase in the potential for shorter getaways to Canada, which is again the result of a burgeoning interest in the US. Consistent with virtually every other KPI tracked in the GTW, Canada performs significantly better in France than in the UK and Germany, where about a quarter of all travellers intend to visit in the next two years.
- Japan and Australia again exhibit the weakest immediate potential for conversion, with only about a fifth of travellers who are likely to make the long and rather expensive journey to Canada. With Australians on the lookout for more budget-conscious destinations in 2009, it isn't surprising that the proportion of negatively committed travellers for longer trips has hit a three-year (and market-wide) high of 57%.
- On the other hand, things are looking up in Japan, where travel propensity has gained five percentage points since last year. Along with the improving outlook indicator, this is another indication that things may have finally turned the corner in Japan.

Size of the Potential Market to Canada

Size of the Potential Market to Canada (Next 2 Years)



Base: Long-haul pleasure travellers.
Notes: Target market is based on those very/somewhat interested in visiting Canada in the next 2 years; Immediate potential is based on those who will definitely/are very likely to visit Canada in the next 2 years; Imminent potential is based on those who will definitely visit Canada in the next 2 years.
[1] In assessing interest, respondents were asked to assume that they had an entry visa for Canada.
[2] Market estimate is based on 4 cities: Beijing, Shanghai, Guangzhou and Shenzhen. [3] Market estimate is based on 3 cities: Mexico City, Guadalajara and Monterrey. Canada results not comparable.

- The US is obviously the largest target market for Canada, with Japan and the three European markets making up the next tier in terms of potential market size.[3] With the exception of Japan, these are also Canada's largest markets in terms of actual visitor counts.
- With traveller estimates based on only a few key cities, China and Mexico emerge as the smallest target markets for Canada. Australia also offers relatively few potential travellers, but this is primarily due to the country's small overall population.
- When looking at more immediate estimates of potential for Canada, there are some notable shifts. While Japan's large population boosts it to third place in terms of target market size, poor travel intentions (only 5% will definitely visit) cause it to sink to fifth spot

[3] Note that these estimates are based on long-haul traveller populations from 2007, which have likely changed over the last two years. The omnibus will be repeated in Year 4 of the GTW study in order to update the estimates of market size.

in terms of imminent potential. On the other hand, robust travel intentions give both Mexico and Korea a lift of two notches in the rankings for imminent potential.

- With interest and travel intentions likely overstated by Chinese travellers, the estimates of the target market and immediate potential are no doubt too high. The imminent potential more realistically places China at the bottom of the pack.

Destination Preferences

Canadian Destinations Likely to Visit

Destination	UK (n=833)	Germany (n=834)	France (n=1,060)	Japan (n=785)	China (n=1,123)	Korea (n=1,109)	Australia (n=748)	Mexico (n=1,225)	US (n=2,128)	Canada* (n=3,047)
Destinations Likely to Visit										
Ontario	81%	84%	79%	76%	64%	84%	85%	92%	74%	
British Columbia	76%	82%	69%	82%	88%	92%	90%	93%	72%	
Québec	50%	65%	91%	51%	22%	65%	69%	90%	58%	
Alberta	49%	58%	38%	40%	13%	49%	63%	72%	42%	
Atlantic Canada	31%	46%	49%	24%	13%	34%	39%	50%	41%	
Northern Canada	23%	41%	31%	14%	3%	19%	34%	42%	20%	
Saskatchewan/Manitoba	18%	30%	21%	4%	4%	13%	27%	36%	17%	
Destination Most Likely to Visit										
Ontario	46%	47%	33%	44%	41%	52%	34%	48%	36%	13%
British Columbia	29%	25%	9%	35%	48%	32%	36%	23%	32%	37%
Québec	7%	8%	49%	6%	3%	7%	8%	19%	14%	10%
Alberta	11%	6%	3%	8%	4%	5%	11%	6%	7%	10%
Atlantic Canada	3%	5%	3%	4%	2%	2%	4%	1%	7%	24%
Northern Canada	2%	6%	2%	3%	0%	1%	5%	2%	3%	4%
Saskatchewan/Manitoba	1%	3%	1%	0.3%	2%	1%	2%	1%	1%	2%

Base: Those likely to visit Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a trip there.
** Base: Those likely to travel within Canada in the next year on a vacation trip of 4+ nights.*
*Note: **Orange circles** indicate a result that is significantly higher than 6+ groups.*

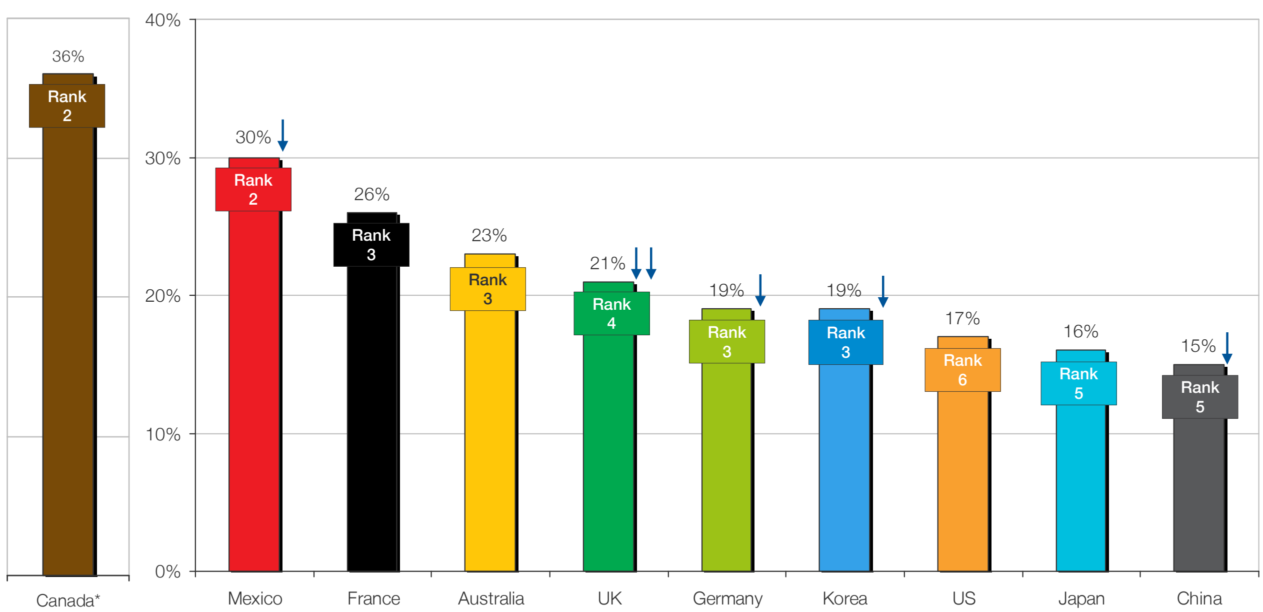
- Over the past three years, the GTW results have revealed a definitive shift in destination preferences among travellers in Canada's global markets. Western Canada has gained some ground in many markets at the expense of the rest of Canada, with British Columbia's appeal up in six of the nine markets and Alberta up in five. In contrast, Ontario's popularity has waned significantly in six of the nine markets, with Atlantic Canada down in five and Québec down in four. British Columbia is likely benefiting from enhanced interest as a result of promotional activities around the 2010 Winter Olympics, with Alberta seeing some spillover as well.
- These shifts now make British Columbia the leading region of interest in all four of the Asia-Pacific markets. Moreover, British Columbia has closed the gap and is now on equal footing with Ontario in Germany, Mexico and the US. This leaves the UK as the only market where Ontario retains a clear number one position in terms of interest, a far cry from its dominant position in all but two markets in 2007. French travellers are unique from all others in their steadfast preference for Québec (over 90%), although even here, Québec has lost some ground to Alberta this year.

- When forced to choose the destination they are *most* likely to visit, however, Ontario still tends to win out over British Columbia as the region of choice in Canada, and often quite substantially. Only in China and Canada itself does British Columbia trump Ontario as the must-see destination.
- There is no doubt that China will help to drive future tourism growth in British Columbia, with 1 in 2 travellers naming this as the region they are most likely to visit. Vancouver, in particular, is appealing to the Chinese as the gateway to Canada and the focal point of Chinese-Canadian business relations.
- France is obviously a pivotal market for Québec, with this region chosen by nearly half of all long-haul travellers. However, Mexico and the US (specifically the eastern border states) offer good potential for this region as well.
- The best potential for Alberta comes from the UK, Australia and Canada itself, while Atlantic Canada may want to focus its efforts on the domestic market and the US.
- German and Australian travellers tend to be most adventurous and are more likely to venture to lesser known destinations that are off the beaten path (e.g., Northern Canada, the Prairies).

Awareness Levels of Canada

Unaided Destination Awareness

Awareness of Canada (Country Roll-up[1])



Other Top Destinations by Market

Canada*	Mexico	France	Australia	UK	Germany	Korea	US	Japan	China
US (50%)	US (34%)	US (38%)	US (45%)	US (56%)	US (39%)	US (37%)	Italy (31%)	US (50%)	US (23%)
Mexico (19%)	Spain (24%)	Aust. (31%)	UK (28%)	Aust. (48%)	Aust. (29%)	Aust. (31%)	Aust. (25%)	Aust. (24%)	Aust (20%)
UK (12%)	Italy (24%)	China (15%)	Thailand (16%)	NZ (28%)	NZ (15%)	France (18%)	UK (24%)	Italy (19%)	France (16%)

*Base: Long-haul pleasure travellers. *Base: Out-of-region pleasure travellers.*
Notes: Up arrow indicates a result that is significantly higher than 2008; Double up arrows indicate a significant upward trend since 2007.
Down arrow indicates a result that is significantly lower than 2008; Double down arrows indicate a significant downward trend since 2007.
[1] Roll-up of brand mentions by country, e.g., percentage who said Canada or any destination in Canada.

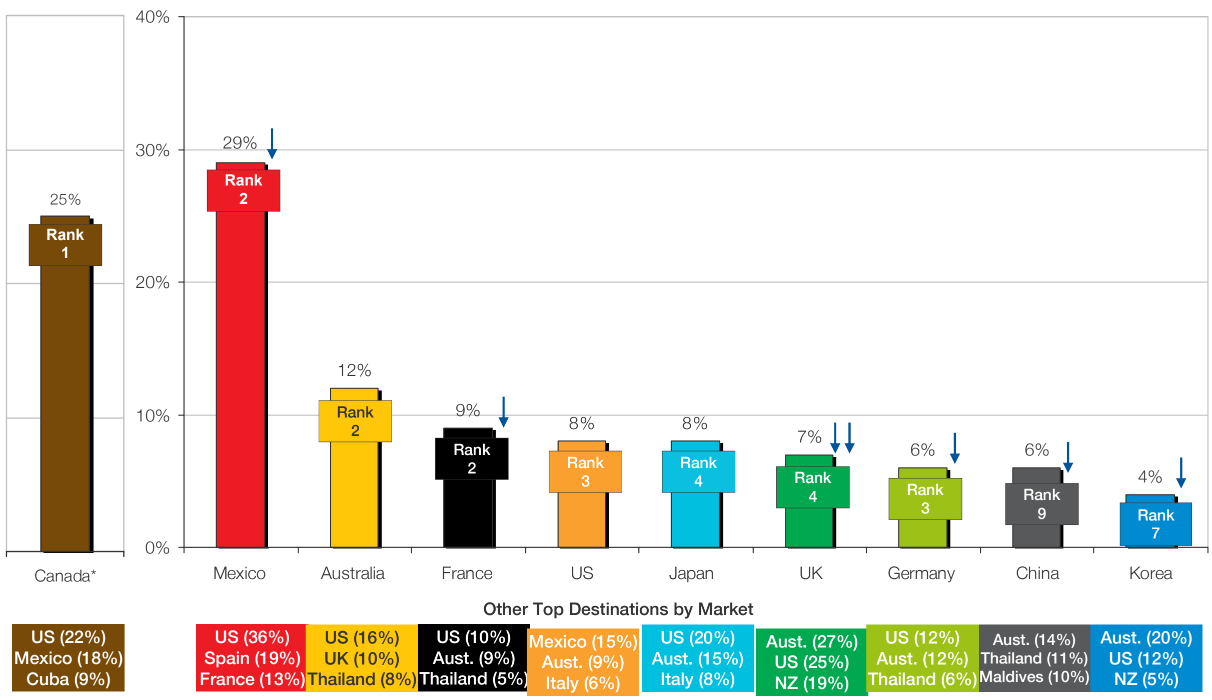
- Relative to previous years, Canada has lost some ground in terms of unaided awareness in its core markets, with dips observed in five of the nine international markets (i.e., Mexico, the UK, Germany, Korea and China). The good news is that the drops are slight, ranging from three to five percentage points, with no resulting loss in any of Canada's competitive standings. In fact, Canada's rankings have been remarkably stable on this indicator, with no change in any market over the course of the last three years.
- These results should be taken in context of the current travel environment. In each of the five markets, Canada's major competitors are faltering as well, with significant losses in awareness in 2009. The ubiquity of these drops suggests they are symptomatic of the poor travel climate, a more cautious travel market and a dampened inclination to take long-haul trips at this time. In some markets, a marked trend to closer or less pricey destinations is evident, for example, Mexican and French travellers are flocking to South America, while Chinese, UK and Australian travellers are turning to Asian destinations.
- Not surprisingly, awareness of Canada as a vacation destination is highest in the domestic market, with 36% of all inter-regional travellers naming it as a place that comes

to mind for a vacation. Disturbingly, however, the US is more apt to come to mind as a travel destination for Canadians than Canada is (50%), pointing to a need to build Canada's excitement value and enhance its cachet on home turf.

- Despite a drop this year, awareness of Canada in Mexico (30%) is almost as high as in the domestic market and virtually double that in the US (17%). Canada also commands reasonable awareness levels in the European markets, with scores in the 19% to 26% range and a competitive ranking of 3 or 4 in each market. Canada continues to have a stronger presence in France than in the other two markets, particularly in the face of the declines in Germany and the UK.
- Among the Asia-Pacific markets, Canada is most favourably positioned in Australia and Korea, with scores on par with those of the European markets. On the other hand, Canada isn't typically top-of-mind in China and Japan, which rank as its two worst-performing markets (with awareness of 15% to 16% and a disappointing 5th place rank).
- Despite the advantages of cost and proximity, Canada doesn't fare that much better in the US, posting a score of 17% and a middling sixth place rank. As seen in past years, an unexciting image and poor value perceptions often cause Americans to overlook it when considering travel destinations.
- The US continues to be an indomitable competitor for Canada in its core markets, being the number one vacation spot across all markets, including Canada itself. Australia also outperforms Canada in all of the European and Asian markets, as well as in the US.

Unaided Advertising Awareness (Past 3 Months)

Awareness of Advertising for Canada (Country Roll-up[1])



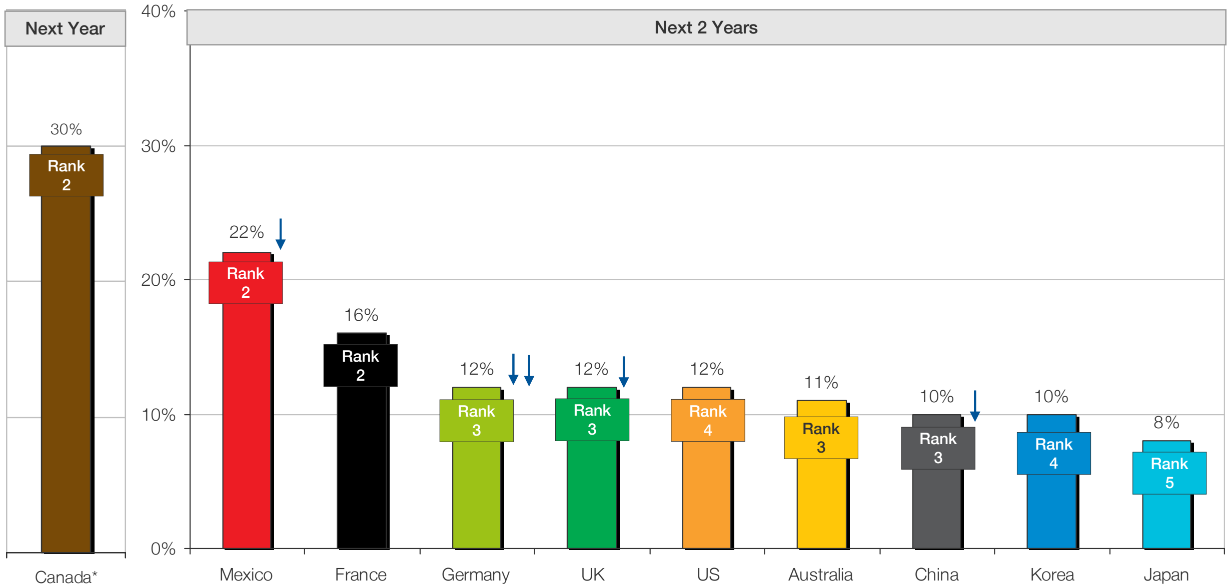
*Base: Long-haul pleasure travellers. * Base: Out-of-region pleasure travellers.*
Notes: Up arrow indicates a result that is significantly higher than 2008; Double up arrows indicate a significant upward trend since 2007.
Down arrow indicates a result that is significantly lower than 2008; Double down arrows indicate a significant downward trend since 2007.
[1] Roll-up of brand mentions by country, e.g., percentage who said Canada or any destination in Canada.

- Not surprisingly given the state of global travel markets in 2009, there have been widespread declines in Canada's top of mind advertising awareness in six of the nine international markets, including the same five markets where Canada lost ground on destination awareness – i.e., Mexico, the UK, Germany, Korea and China. As was true for destination awareness, Canada is not the only destination to suffer material drops in advertising recall, with a general downward trend seen for many of its key competitors in these markets. Clearly this is related to the softer travel market in 2009, with travel-related advertising being less salient to those who are actively scaling back their travel plans. In France and the UK, Canada's weakened position in the advertising stakes is potentially more serious, as most of its competitors did not see a similar drop.
- As in both previous years, Canada enjoys the highest unaided advertising recall in Mexico, with a remarkable 3 in 10 travellers having seen or heard its 2009 campaign. In fact, top of mind awareness is higher in Mexico than in the domestic market, where a quarter of travellers noticed advertising for Canada. Unique to the domestic market, however, is the fact that Canada tops all of its major competitors on this key measure.
- Recall levels in the other international GTW markets is far lower, ranging from a low of 4% in Korea to a high of 12% in Australia. Echoing the destination awareness results, Canada performs better in France than in the other two European markets, both in terms of the absolute score of 9% and the second place ranking.

- Canada's advertising is obviously struggling to rise above competitor efforts in Korea and China, where its 2009 campaign ranked 7th and 9th, respectively. This is understandable in China where Canada is not permitted to advertise directly to consumers, benefitting from non-directed promotional activities instead. However, in Korea, Canada may want to ramp up its marketing initiatives or change its tactics in 2010 to ensure that it stands out from the crowd.

Unaided Destination Consideration (Next 2 Years)

Considering Canada for a Trip (Country Roll-up[1])



Other Top Destinations by Market

Canada*	Mexico	France	Germany	UK	US	Australia	China	Korea	Japan
US (42%)	US (38%)	US (27%)	US (32%)	US (45%)	Italy (17%)	US (26%)	US (15%)	US (26%)	US (29%)
Mexico (11%)	Spain (18%)	Aust. (13%)	Aust. (14%)	Aust. (20%)	Mexico (15%)	UK (20%)	Aust. (13%)	Aust. (19%)	Italy (11%)
Cuba (9%)	France (13%)	Vietnam (7%)	NZ (8%)	NZ (10%)	UK (13%)	China (11%)	Indonesia (10%)	France (10%)	Aust. (10%)

*Base: Those who are planning on taking a long-haul trip in the next two years. * Base: Those who are planning on taking a pleasure trip in the next year.*
Notes: Up arrow indicates a result that is significantly higher than 2008; Double up arrows indicate a significant upward trend since 2007.
Down arrow indicates a result that is significantly lower than 2008; Double down arrows indicate a significant downward trend since 2007.
[1] Roll-up of brand mentions by country, e.g., percentage who said Canada or any destination in Canada.

- Like other key measures, destination consideration has seen a prevailing downward trend, with Mexico, the UK, Germany and China all down significantly from 2008 levels. All of these markets yielded drops for Canada in unaided destination awareness and top of mind advertising recall as well.
- While Canada was able to protect its competitive ranking in most markets this year, the three Asian markets did see Canada slide down a notch.
- Although Canadian travellers are most likely to be considering a trip within Canada, the 30% figure certainly merits improvement. In fact, Canadian travellers are far more likely to be considering the US for an upcoming trip (42%) than they are Canada, again pointing to a need to enhance the inherent desirability of domestic travel.
- Reprising the unaided awareness results, Mexico emerges as Canada's best performing international market, with about a fifth of travellers who are considering travelling to Canada in the near-term. European travellers are also likely to have Canada on their radar, with Canada's prospects again much healthier in France.
- The three Asian markets pull up at the rear, with 8% to 10% of travellers who have Canada on their consideration lists. While the US and Australia win out over Canada in each of these markets, Canada's positioning is worst in Japan where it also trails Italy.

Demographics of Long-haul Travellers and Canada Travellers

Demographics of Long-Haul Travellers

	UK (n=1,505)	Germany (n=1,524)	France (n=1,513)	Japan (n=1,530)	China (n=1,513)	Korea (n=1,516)	Australia (n=1,522)	Mexico (n=1,536)	US (n=3,023)	Canada* (n=4,049)
Gender										
Men	48%	53%	53%	52%	53%	53%	50%	58%	52%	49%
Women	52%	47%	47%	48%	47%	47%	50%	42%	48%	51%
Age										
18-34	31%	29%	40%	30%	45%	45%	38%	46%	35%	29%
35-54	39%	37%	33%	30%	36%	38%	35%	39%	39%	41%
55+	30%	34%	27%	39%	18%	18%	28%	16%	27%	31%
Friends and relatives in Canada										
% Yes	28%	17%	24%	10%	15%	25%	26%	43%	21%	-
Children in household										
% Yes	26%	25%	35%	25%	38%	40%	31%	44%	34%	29%
Marital status										
Married / partnered	70%	68%	68%	68%	67%	60%	69%	52%	66%	66%
Single / never married	20%	19%	24%	28%	32%	37%	22%	37%	23%	22%
Other	10%	14%	8%	5%	1%	3%	10%	11%	11%	12%
Education										
High school or less	39%	31%	21%	18%	28%	33%	25%	28%	34%	16%
Technical / vocational	9%	13%	12%	18%	6%	-	5%	7%	11%	34%
Completed college / university	50%	54%	63%	64%	65%	67%	64%	65%	55%	50%

*Base: Long-haul pleasure travellers. * Base: Out-of-region pleasure travellers.*
*Notes: **Orange circles** indicate a result that is significantly higher than 6+ groups.*
Education may not be 100% comparable across markets.
Canada results not comparable due to different base of travellers.

- Generally, the key demographic differences between markets are fairly well-entrenched:
  - In all markets except the UK, Australia and Canada, there is a slight gender skew in favour of male travellers, which is particularly notable in Mexico (58%). This may be related to slightly more men taking combined business/pleasure trips.
  - Reflecting general population trends, Mexico, Korea and China are the youngest travel markets, by far, with around 45% of travellers who are aged 18 to 34. Japan and Germany are the oldest markets, with over a third of travellers who are over the age of 54.
  - Largely reflecting their youth, Mexican, Korean and Chinese travellers are the most likely to be single. Despite this, they are more apt to have a family at home (38% to 44%).
  - Mexico continues to have by far the highest proportion of travellers with friends or family in Canada (43%), while Japan has the lowest proportion, at just 10%.

- With slowing economies, soaring unemployment and ebbing consumer confidence characteristic of most markets in 2009, it isn't surprising that consumers around the world are in austerity mode, with many intenders and lower-end travellers temporarily putting off their long-haul travel plans or switching to short-haul/domestic destinations. This has resulted in a substantially wealthier long-haul population across all international GTW markets except Mexico and Germany, with the upper income categories swelling by as much as 10 to 20 percentage points. In keeping with this trend, travellers in seven of the nine markets are now more likely to be college or university educated.
- In some markets (e.g., the UK, China, Mexico and the US), the proportion of travellers with children at home has also declined, not surprising in view of the fact that travellers with families are more apt to be forced out of the market by the challenging economic conditions and financial pressures. Accordingly, a focus on more upscale travellers and empty nesters is recommended until the market returns to more normal conditions.

Demographics of Recent Travellers to Canada

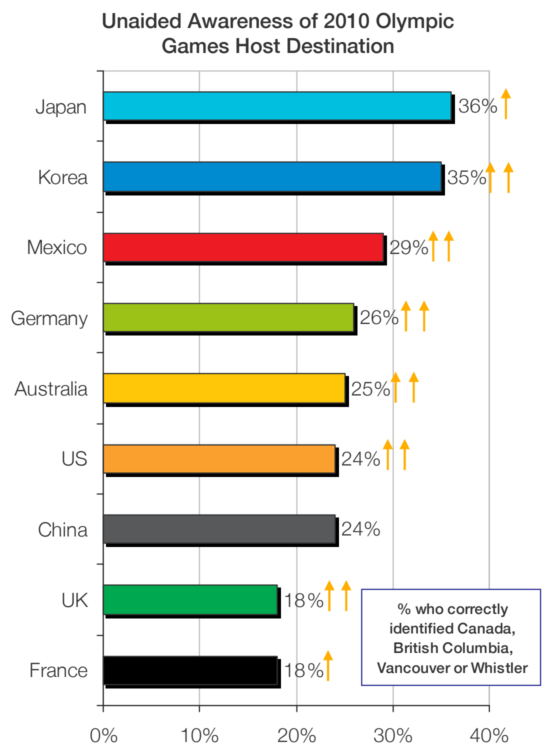
	UK (n=304)	Germany (n=309)	France (n=308)	Japan (n=222)	China (n=208)	Korea (n=209)	Australia (n=309)	Mexico (n=230)	US (n=1,063)
Gender									
Men	46%	51%	52%	39%	54%	49%	45%	44%	49%
Women	54%	49%	48%	61%	46%	51%	55%	56%	51%
Age									
18-34	21%	29%	29%	41%	21%	38%	25%	34%	15%
35-54	34%	43%	40%	26%	44%	46%	29%	42%	37%
55+	44%	29%	31%	32%	35%	17%	46%	23%	48%
Friends and relatives in Canada									
% Yes	51%	39%	38%	31%	59%	55%	48%	51%	29%
Children in household									
% Yes	22%	33%	42%	29%	32%	42%	28%	56%	31%
Marital status									
Married / partnered	75%	74%	71%	66%	78%	63%	76%	46%	75%
Single / never married	18%	19%	22%	30%	20%	33%	17%	34%	14%
Other	7%	7%	7%	4%	2%	4%	7%	19%	11%
Education									
High school or less	42%	33%	17%	13%	39%	31%	22%	18%	29%
Technical / vocational	7%	11%	7%	20%	1%	-	5%	6%	10%
Completed college / university	50%	56%	72%	67%	53%	67%	67%	76%	61%

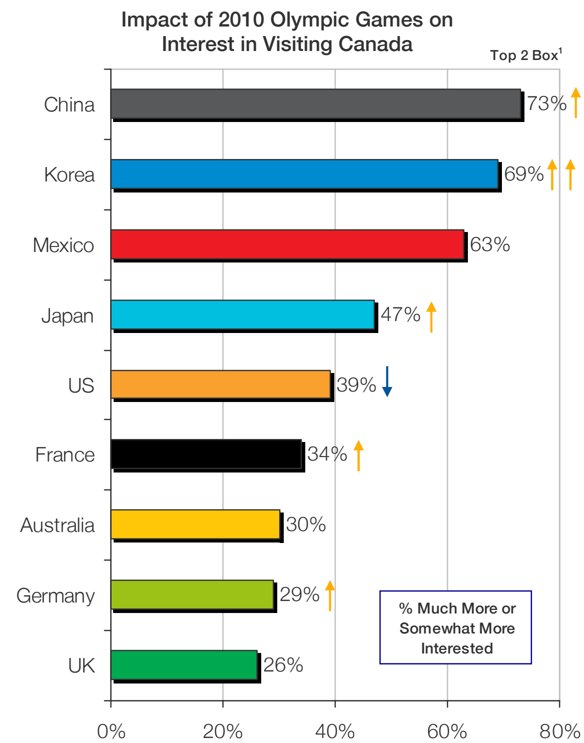
Base: Recent pleasure travellers to Canada.
*Notes: **Orange circles** indicate a result that is significantly higher than 6+ groups.*
Education may not be 100% comparable across markets.
Canada results not comparable.

- Visiting friends and relatives (VFR) continues to play a pivotal role as a travel driver in all of the CTC's global markets, as evidenced by the consistently greater proportion of recent visitors with friends/family there. Roughly 50% to 60% of visitors to Canada from the UK, China, Korea, Australia and Mexico have friends or family members living there, with most other markets in the range of 30% to 40%. This indicates an ongoing need to enhance Canada's image and products so that travellers decide to visit on its own merits rather than on the basis of visiting people they know.
- Despite Canada's ongoing attempts to convey a more youthful and energetic vibe, it still tends to attract a markedly older crowd in many markets. Approximately 40% to 50% of recent visitors from the UK, Australia and the US are over 54, compared with only 25% to 30% of long-haul travellers in general. In fact, the only markets where recent visitors do not skew older are Germany and Japan. This suggests that Canada still has a long way to go in fostering a more dynamic image that is appealing to the younger set.
- With the economy on shakier ground, and Canada viewed as a relatively expensive destination in most overseas markets, the visitor profile of recent and/or potential visitors to Canada (like the long-haul market as a whole), has evolved into one that is more upscale in many markets. This again suggests that, for the time being, marketing efforts should be targeted at the higher-income segments.

The Impact of the 2010 Winter Games on Travel to Canada

Impact of 2010 Olympic Games on General Interest in Canada



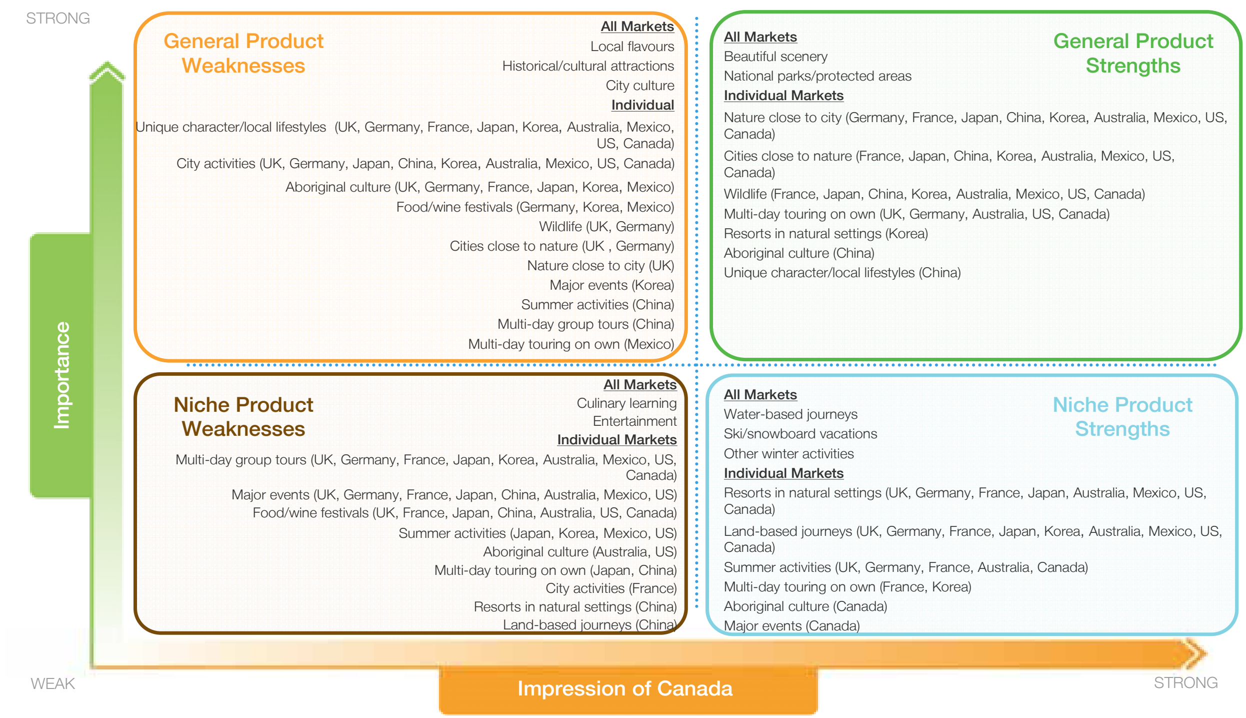


Base: Long-haul pleasure travellers.
Notes: Up arrow indicates a result that is significantly higher than 2008; Double up arrows indicate a significant upward trend since 2007.
Down arrow indicates a result that is significantly lower than 2008; Double down arrows indicate a significant downward trend since 2007.
Questions not asked in Canada.
[1] Top 2 Box refers to a rating of "much more interested" or "somewhat more interested" on a 5-point scale.

- Awareness of Canada as the host country for the 2010 Olympic Games has increased dramatically in every market except China since 2008. In China, awareness may have already peaked in 2008 as the GTW was conducted immediately after the Beijing Olympics when Canada would have had a high profile as the host of the next Games.
- Awareness is highest in Japan and Korea (at 35% to 36%), followed by Mexico at close to 30%. Impact scores also tend to be high in these markets.
- French and UK travellers have the lowest awareness levels at under 20%, with the interest of UK travellers also the least likely to be swayed by Canada's hosting of the Games.

Canada's Product Strengths and Weaknesses

Product Strengths and Weaknesses Map



Base: Long-haul pleasure travellers.
Base for Canada: Out-of-region pleasure travellers.

- The summary of the product strengths and weaknesses analysis in each market reveals some clear patterns in the way that Canada's products are perceived by potential travellers. While there are some differences in terms of what constitutes a "general" vs. "niche" interest, the strengths and weaknesses for Canada are fairly consistent across most markets.
- With respect to **product strengths**:
  - Nature products (e.g., scenery, national parks and wildlife) continue to be universal strengths for Canada (i.e., categorized as general or niche strengths in at least 8 out of 10 markets). Most outdoor offerings (e.g., ski vacations, winter activities, water-based journeys and land-based journeys) are also universal strengths.
  - Hybrid products built around nature (e.g., cities close to nature, nature close to cities, resorts in natural settings) are also viewed as universal strengths, giving Canada a means to boost its weaker stand-alone city/resort products by leveraging its stronger nature offerings.
  - However, views of Canada's nature products could stand to be improved in the UK and Germany, where wildlife and city-nature hybrid products surface as areas of

weakness within the nature arena. This was the case in 2008 as well, pointing to ongoing perceptual issues in these markets.

- Multi-day self-touring is viewed as a strength in all markets except Mexico, Japan and China, offering Canada another way to diversify its product portfolio beyond nature and the outdoors.
- Perhaps more than any other product, summer activities divide the GTW markets, with these products seen as niche strengths in the European markets, Australia and Canada itself, and as a weakness in the Asian markets, Mexico and the US.

- With respect to **product weaknesses**:
  - As in previous years, most cultural products, including historical/cultural attractions, local lifestyles, aboriginal culture and city culture, are universal weaknesses for Canada (i.e., classified as general or niche weaknesses in at least 8 out of 10 markets). As these tend to be general rather than niche weaknesses, they signal a strong need to improve marketplace perceptions, particularly for historical/cultural attractions and local lifestyles, which are major product drivers for long-haul travel in almost every market. Bolstering Canada's cultural presence would help to enhance traveller interest, convert new prospects and substantially enrich Canada's brand across all markets.
  - When forced to stand alone, Canada's city offerings do not impress, with city activities, entertainment and major events all falling out as universal weaknesses. As with culture, any ground gained here is likely to have a strong impact on Canada's drawing power as a vacation destination and enhance its ability to compete with destinations like the US and Europe.
  - While multi-day independent touring is strongly favoured as a strength for Canada, guided group tours are perceived as a universal weakness. Given the particular importance of guided tour products to Chinese travellers, this market obviously warrants special consideration by the CTC, especially now that group tours will be permitted under ADS.
  - Canada's culinary products also leave much to be desired in the eyes of travellers the world over, with local flavours in the greatest need of a facelift. Predominantly a niche weakness, culinary learning is less of a concern. The same is true of food/wine festivals, although Germany, Korea and Mexico may be worthy of some attention given their higher ranking as vacation pursuits in these markets.
  - As a new market for Canada with more limited knowledge of the destination, the impressions of Chinese travellers lag behind the more mature markets in some cases, with resorts in natural settings, land-based journeys and self-touring all seen as shortcomings rather than strengths. On the other hand, Chinese travellers view some cultural products as strong points for Canada, including aboriginal culture and local lifestyles, which no doubt helps to stoke interest in this market.
  - On most products, Canadians are generally in line with travellers from other markets on how they view domestic travel offerings. However, the fact that Canadians rate their own country more favourably on aboriginal culture and major events points to a perceptual gap in the way that Canada is viewed by international travellers, no doubt arising from poor awareness and unfamiliarity.

Attitudes Toward Environmentally-friendly Travel

Attitudes Towards Environmentally-Friendly Travel

	UK (n=1,505)	Germany (n=1,524)	France (n=1,513)	Japan (n=1,530)	China (n=1,513)	Korea (n=1,516)	Australia (n=1,522)	Mexico (n=1,536)	US (n=3,023)	Canada* (n=4,049)
Attitudes Towards Environmentally-Friendly (EF) Travel (Top 2 Box)[1]										
I always take EF tourism considerations into account when making a decision about where to travel to.	23%	33%	56%	33%	68%	60%	28%	88%	31%	30%
I consider Canada to be a EF travel destination compared to my own country.	40%	41%	72%	52%	87%	77%	34%	77%	49%	N/A[2]
I consider Canada to be a EF travel destination compared to other long-haul destinations.	42%	54%	74%	44%	85%	71%	45%	79%	54%	55%
For an equivalent experience, I am more likely to choose an EF travel option over one that is not.	29%	39%	62%	45%	80%	72%	32%	65%	38%	43%
For an equivalent experience, I am willing to pay a higher price for an EF travel option over one that is not.	20%	27%	36%	26%	56%	51%	20%	47%	24%	23%
As part of an authentic experience that explores a destination's natural and cultural heritage, I am willing to pay a higher price for an EF travel option over one that is not.	26%	37%	45%	41%	56%	57%	25%	53%	31%	28%
As part of an authentic experience that explores a destination's natural and cultural heritage, I am willing to pay a higher price for a certified EF travel option over one that is not.	24%	32%	45%	36%	53%	58%	24%	52%	28%	27%

*Base: Long-haul pleasure travellers. * Base: Out-of-region pleasure travellers.*
*Notes: **Orange circles** indicate a result that is significantly higher than 6+ groups.*
[1] Top 2 Box refers to a rating of 4 or 5 on a 5-point scale where 1 is "Strongly Disagree" and 5 is "Strongly Agree".
[2] Item not asked in Canada.
Question changed in 2009 so results are not comparable to past years.

- As in past years, travellers from France, Korea, Mexico and China are the most environmentally conscious, indicating that they would be receptive to messaging and products around an eco-tourism theme. Well over half of the travellers in each of these markets take environmental considerations into account when selecting a travel destination, and more than 60% will choose an eco-friendly travel option over one that is not.
- Of the four markets, however, France is likely the poorest target for green travel products as commitment levels tend to be notably weaker. Moreover, just 36% are willing to pay a premium for these products versus closer to half of the travellers in the other three markets.
- The same four markets are also more apt to view Canada as an environmentally-friendly travel destination, both compared to their own country and to others (with agreement levels in the range of 70% to 90%).

- For the third year in a row, the UK emerges as the GTW market that is the least environmentally aware and the one that is most reluctant to pay extra for green travel products (only 20%). Australians also tend to be reticent to pay more for these products (again at 20%).
- While the willingness to pay a surcharge for an authentic eco-friendly experience that provides insights into a destination's natural and cultural heritage increases in most markets, travellers do not generally perceive any additional value in a certified experience.

How Canada is Perceived

Unaided Brand Personality Perceptions

Brand Canada Personality Traits	UK (n=1,505)	Germany (n=1,524)	France (n=1,513)	Japan (n=1,530)	China (n=1,513)	Korea (n=1,516)	Australia (n=1,522)	Mexico (n=1,536)	US (n=3,023)	Canada* (n=4,049)
Warm	20%	12%	33%	12%	5%	15%	25%	23%	23%	33%
Intriguing	13%	9%	4%	2%	5%	8%	17%	27%	9%	10%
Youthful	9%	2%	2%	1%	6%	9%	11%	4%	10%	11%
Informal	7%	3%	5%	6%	4%	6%	8%	2%	7%	9%
Authentic	6%	6%	9%	5%	1%	2%	5%	4%	5%	7%
Open	4%	9%	5%	5%	13%	9%	2%	3%	4%	6%
Witty	1%	1%	4%	1%	2%	1%	3%	13%	3%	2%
Confident	1%	1%	0.4%	1%	4%	2%	1%	3%	0.3%	0.4%
Total[1]	**46%** ↓↓	**35%**	**50%** ↓↓	**30%**	**34%** ↓	**42%**	**54%** ↑	**61%**	**47%**	**59%**

*Base: Long-haul pleasure travellers. * Base: out-of-region pleasure travellers.*
*Notes: **Orange circles** indicate a result that is significantly higher than 6+ groups.*
Up arrow indicates a result that is significantly higher than 2008; Double up arrows indicate a significant upward trend since 2007.
Down arrow indicates a result that is significantly lower than 2008; Double down arrows indicate a significant downward trend since 2007.
[1] Percent who mentioned any of the 8 Brand Canada personality traits (or synonyms thereof).

- Brand personality often serves as a good metaphor for understanding travellers' perceptions of a destination. As such, respondents were asked to indicate three brand personality traits or characteristics that come to mind when thinking of Canada as a person. The responses were coded into a number of personality dimensions, including the eight dimensions encompassed by Brand Canada.
- Mexico and Canada emerge as the markets that are most closely aligned to the eight brand Canada personality traits, followed by Australia and France.
- Some downward shifts are apparent this year, with the UK, France and China seeing declines over previous years. Australia bucks the trend, showing an improved score of 54%.
- In eight of the ten markets, the personality dimension that travellers associate most closely with Canada is Warm, indicating that Canada's image as a friendly and welcoming place to travel is pre-eminent around the world. Mentions of Warm continue to be strikingly high in France, alluding to a strong familial connection and sense of kinship that can be used to advantage in marketing initiatives. Canadians also feel Warm towards their own country, with 1 in 3 who cite this on an unaided basis.

- In addition to Warm, Canadians are more likely than most to personify Canada as Youthful, Informal and Authentic, which confirms that the destination is viewed in a positive light. However, the scores on Intriguing, Witty and Confident are only lukewarm relative to other markets, pointing to a need to mould Canada into a more compelling vacation spot that confidently leads all others.
- Like last year, Mexican travellers are the most likely to think of Canada as Intriguing and Witty, with no other market coming anywhere close to its scores. Clearly, there is an opportunity for Canada to leverage the inherent feeling of fun and excitement in appealing to travellers from this market.
- China and Korea are more inclined to view Canada as Open than most non-Asian markets are, no doubt reflecting their views of Western society as liberal and free-thinking.

Value Perceptions

Value Attributes (Top 2 Box)[1]	UK (n=1,505)	Germany (n=1,524)	France (n=1,513)	Japan (n=1,530)	China (n=1,513)	Korea (n=1,516)	Australia (n=1,522)	Mexico (n=1,536)	US (n=3,023)	Canada* (n=4,049)
A place with unique features that other destinations don't offer (UNIQUENESS)	61%	69%	63%	52%	57%	47%	65%	78%	51%	67%
A dream destination that I would visit if money were no object (DESIRABILITY)	53%	59%	68%	39%	65%	59%	62%	76%	39%	58%[2]
A destination with the travel experiences I am specifically looking for (RELEVANCE)	47%	56%	58%	50%	59%	54%	50%	69%	46%	60%
A destination I would pay a little more for (QUALITY)	42%	48%	42%	46%	60%	46%	38%	52%	29%	39%

*Base: Long-haul pleasure travellers. * Base: Out-of-region pleasure travellers.*
*Notes: **Orange circles** indicate a result that is significantly higher than 6+ groups. **Blue squares** indicate a result that is significantly lower than 6+ groups.*
Up arrow indicates a result that is significantly higher than 2008; Double up arrows indicate a significant upward trend since 2007.
Down arrow indicates a result that is significantly lower than 2008; Double down arrows indicate a significant downward trend since 2007.

[1] Top 2 Box refers to a rating of 4 or 5 on a 5-point scale where 1 is "Strongly Disagree" and 5 is "Strongly Agree".
[2] Statement reworded for Canada: A destination with places I have always dreamed of visiting.

- Canada enjoys the healthiest value perceptions in Mexico, with this market topping all others on three of the four individual attributes. Together with the outstanding brand perceptions and brand personality results, the robust value perception suggests that strong perceptions play a vital role in this market's enthusiasm for Canada. Chinese travellers also view Canada as a value destination, particularly when it comes to Quality, where they award it the highest marks of any market.
- For the third year in a row, the US and Japan post the lowest value perceptions, driven by notably weak perceptions on Desirability in both markets, and on Quality in the US. Canada is likely too familiar to be considered a dream destination or pre-eminent vacation spot among US travellers, with travel driven largely by cost and convenience rather than an inherent desire to visit. Coupled with an unimpressive brand perceptions, the weak value perceptions no doubt contribute fundamentally to Canada's difficulties in these two markets over the past few years.
- Interestingly, Canada suffers from notably poor Uniqueness ratings in all three Asian markets, which may stem from its perceived similarities with the US.

Price Perceptions

Price Attributes (Top 2 Box)[1]	UK (n=1,505)	Germany (n=1,524)	France (n=1,513)	Japan (n=1,530)	China (n=1,513)	Korea (n=1,516)	Australia (n=1,522)	Mexico (n=1,536)	US (n=3,023)	Canada* (n=4,049)
A place with reasonable prices for food and entertainment	44%	37%	39%	38%	41%	28%	35%	57%	54%	63%
A destination that is affordable to get to by air	41%	27%	43%	23%	41%	25%	29%	57%	57%	39%[2]
A place that offers good value for money	40%	32%	40%	57%	41%	37%	36%	67%	55%	61%
A place with reasonable hotel costs	37%	30%	33%	28%	40%	26%	30%	55%	51%	52%
A destination that offers reasonably priced travel packages	34%	30%	33%	31%	44%	32%	33%	59%	52%	50%

*Base: Long-haul pleasure travellers. * Base: Out-of-region pleasure travellers.*
*Notes: **Orange circles** indicate a result that is significantly higher than 6+ groups. **Blue squares** indicate a result that is significantly lower than 6+ groups.*
Up arrow indicates a result that is significantly higher than 2008; Double up arrows indicate a significant upward trend since 2007.
Down arrow indicates a result that is significantly lower than 2008; Double down arrows indicate a significant downward trend since 2007.
[1] Top 2 Box refers to a rating of 4 or 5 on a 5-point scale where 1 is "Strongly Disagree" and 5 is "Strongly Agree".
[2] Statement reworded for Canada: A destination where it is affordable to travel by air.

- Globally, perceptions of Canada as an expensive destination are a major stumbling block for the Canadian tourism industry, with price perceptions being far worse than brand or value perceptions in virtually every GTW market. Perceptions of high costs can be especially detrimental in markets where travellers don't view Canada as a premier destination that justifies the added expense (e.g., the US, Australia and Canada itself).
- Moreover, the price perceptions is deteriorating in several markets, with the UK, China, Mexico and the US all seeing significant declines in 2009. These downswings likely reflect the heightened price-sensitivity in today's market, with consumers trading down to less expensive destinations, taking shorter trips to closer destinations, choosing cheaper accommodations and combing the Internet in search of travel deals. In the UK and Mexico, these drops are also being driven by a sinking currency that is making international trips seem more costly, while in China, a flood of inexperienced newcomers is also contributing to the downward drift.
- Bucking the trend is Japan, where Canada has seen a healthy increase in the price perceptons, with all components of the index improving significantly or directionally. This is likely due to a steep rise in the yen (almost 20%) between the 2008 and 2009 studies, making travel to Canada more affordable.
- Not surprisingly, Canada is seen as being most affordable closest to home. For Mexico, the US and Canada all components of the index receive stronger ratings in these

markets. Solid perceptions of package prices help to boost Mexico's price perceptions. On the other hand, tepid ratings for airfare costs sink the overall price perceptions in Canada itself, although Canadians do acknowledge that food and entertainment prices are reasonable. This suggests that airfare deals could have the most impact in terms of persuading Canadians to travel in Canada.

- With the exception of China, the Asia-Pacific markets tend to have the lowest price perception scores. While perceptions of steep airfare costs come as no surprise, hotel rates are also a major concern for these travellers. Reassuringly, impressions of value for money are better – particularly in Japan – presenting a good tactical focus for Canada.
- The European markets can generally be slotted between the lows of the Asia-Pacific markets and the highs of the North American ones. Of the three, German travellers are most likely to view Canada as an expensive destination, with airfare a particular area of concern.

Motivation for Visiting Canada

Key Motivations for Visiting Canada

Motivation (Top 2 Box)[1]	UK (n=886)	Germany (n=881)	France (n=1,104)	Japan (n=852)	China (n=1,155)	Korea (n=1,126)	Australia (n=787)	Mexico (n=1,232)	US (n=2,211)	Canada* (n=3,602)
Seeing beautiful scenery	84%	84%	90%	86%	90%	81%	85%	92%	81%	84%
Visiting national parks and protected areas	82%	84%	87%	84%	88%	77%	80%	90%	74%	75%
Observing wildlife in their natural habitats	73%	75%	85%	67%	88%	69%	76%	84%	70%	70%
Experiencing a country's unique character and local lifestyles	71%	76%	82%	52%	79%	62%	69%	75%	67%	61%
Exploring vibrant cities that are in close proximity to nature	69%	68%	84%	71%	89%	70%	68%	85%	63%	60%
Seeing historical and cultural attractions	69%	69%	80%	66%	84%	62%	70%	81%	65%	67%
Exploring nature in close proximity to a cosmopolitan city	68%	77%	81%	71%	87%	60%	70%	82%	65%	60%
City activities (e.g., sightseeing, shopping)	64%	55%	50%	50%	83%	52%	57%	71%	65%	61%
Sampling local flavours	64%	57%	72%	62%	86%	56%	64%	73%	67%	65%
Multi-day touring on your own by car or train	60%	66%	68%	33%	48%	46%	60%	69%	62%	65%
City cultural experiences	57%	52%	67%	48%	77%	54%	54%	80%	62%	56%
Experiencing aboriginal culture and attractions	42%	74%	78%	51%	86%	56%	43%	61%	42%	39%
Multi-day guided group tours by bus or train	41%	33%	48%	42%	70%	36%	40%	57%	38%	29%
Participating in summer activities	36%	54%	60%	42%	72%	36%	39%	57%	47%	50%
Land-based journeys of one or more nights	35%	54%	57%	39%	55%	40%	38%	58%	43%	39%
Resort experiences in natural settings	34%	36%	48%	47%	71%	58%	41%	59%	44%	45%
Attending food/wine festivals and events	33%	41%	37%	38%	68%	49%	39%	57%	44%	43%
Entertainment experiences	31%	28%	27%	20%	61%	28%	36%	55%	45%	38%
Attending major events	29%	33%	45%	25%	66%	41%	33%	59%	43%	42%
Water-based journeys of one or more nights	25%	51%	51%	34%	52%	43%	32%	51%	30%	30%
Participating in culinary learning experiences	25%	31%	38%	34%	38%	29%	30%	49%	31%	29%
Ski and snowboard vacations	23%	23%	38%	33%	73%	41%	34%	55%	27%	20%
Participating in other winter activities	22%	33%	53%	33%	74%	47%	34%	64%	27%	21%

*Base: Those likely to visit Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a trip there. * Base: Those likely to travel within Canada in the next year and/or those who are considering, have decided to visit or have booked a dream vacation experience here.*
*Notes: **Orange circles** indicate a result that is significantly higher than 7+ groups. **Blue squares** indicate a result that is significantly lower than 7+ groups.*
[1]Top 2 Box refers to a rating of 4 or 5 on a 5-point scale where 1 is "Very Unimportant" and 5 is "Very Important".

- Because certain markets consistently rate the motivations for visiting Canada higher (e.g., France, Mexico, China) or lower (e.g., the UK, Japan, Korea, Canada) than others, the motivations have again been ranked in order of importance to better enable comparisons across markets.
- While travellers in Canada's global markets generally seek a good mix of nature and culture products on their travels, nature clearly leads the way when it comes to reasons for visiting Canada. Unsurprisingly, beautiful scenery is the number one draw for Canada in all but one market, while national parks/protected areas generally ranks as number two. In addition, wildlife consistently places among the top five motivators for travel to Canada, contrasting sharply with its 6th to 12th place ranking for travel in general (China excepted). Exploring nature close to a cosmopolitan city also achieves a better rank for travel to Canada than for travel in general in most markets.
- While Canada's competitive standing on cultural products is admittedly weak, the broad interest of travellers around the world in experiencing the culture and lifestyles of the destinations they visit makes this important for trips to Canada as well. Accordingly, local lifestyles, historical/cultural attractions and sampling local flavours are among the ten

leading drivers of travel to Canada across all markets, with city culture generally edging in in eleventh spot. However, in virtually every market, historical/cultural attractions and local flavours are ranked far lower for Canada than for long-haul travel overall, likely a result of Canada's perceived weaknesses on these products. The same can be said for food/wine festivals and, to a lesser extent, culinary learning experiences, which dovetails with the shortcomings of Local Cuisine as a USP for Canada on a global basis.

Ranking of Motivations for Visiting Canada

Rankings of Motivations Within Each Market

Motivation	UK (n=886)	Germany (n=881)	France (n=1,104)	Japan (n=852)	China (n=1,155)	Korea (n=1,126)	Australia (n=787)	Mexico (n=1,232)	US (n=2,211)	Canada* (n=3,602)
Seeing beautiful scenery	1	2	1	1	1	1	1	1	1	1
Visiting national parks and protected areas	2	1	2	2	4	2	2	2	2	2
Observing wildlife in their natural habitats	3	5	3	5	3	4	3	4	3	3
Experiencing a country's unique character and local lifestyles	4	4	5	8	10	6	6	8	4	8
Exploring vibrant cities that are in close proximity to nature	5	8	4	4	2	3	7	3	9	9
Seeing historical and cultural attractions	6	7	7	6	8	5	5	6	7	4
Exploring nature in close proximity to a cosmopolitan city	7	3	6	3	5	7	4	5	6	10
City activities (e.g., sightseeing, shopping)	8	11	16	10	9	12	10	10	8	7
Sampling local flavours	9	10	9	7	6	10	8	9	5	5
Multi-day touring on your own by car or train	10	9	10	19	22	15	9	11	10	6
City cultural experiences	11	14	11	11	11	11	11	7	11	11
Experiencing aboriginal culture and attractions	12	6	8	9	7	9	12	13	18	17
Multi-day guided group tours by bus or train	13	19	17	13	16	21	14	18	19	20
Participating in summer activities	14	13	12	14	14	20	15	19	12	12
Land-based journeys of one or more nights	15	12	13	15	20	19	17	16	17	16
Resort experiences in natural settings	16	17	18	12	15	8	13	14	14	13
Attending food/wine festivals and events	17	16	22	16	17	13	16	17	15	14
Entertainment experiences	18	22	23	23	19	23	18	20	13	18
Attending major events	19	20	19	22	18	18	21	15	16	15
Water-based journeys of one or more nights	20	15	15	17	21	16	22	22	21	19
Participating in culinary learning experiences	21	21	21	18	23	22	23	23	20	21
Ski and snowboard vacations	22	23	20	21	13	17	20	21	23	23
Participating in other winter activities	23	18	14	20	12	14	19	12	22	22

*Base: Those likely to visit Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a trip there. * Base: Those likely to travel within Canada in the next year and/or those who are considering, have decided to visit or have booked a dream vacation experience here.*
*Note: **Orange circles** indicate a result that is ranked higher than other markets. **Blue squares** indicate a result that is ranked lower than other markets.*

- City-nature and nature-city products also emerge among the 10 most compelling reasons to visit Canada across the board. When benchmarked against other markets, nature-city experiences are more important for sparking travel to Canada from Germany and Japan (i.e., among the top three motivators), but less important for domestic travel, where nature-lovers are more likely to be looking for a complete escape from the city. Cities close to nature is of greatest relative importance among Chinese travellers (2^{nd} in terms of influence), which is in step with their overall product preferences.
- In the overseas markets, cities close to nature wins out over stand-alone city pursuits such as sightseeing and shopping, providing affirmation for Cities on the Edge of Nature as an effective marketing thrust. Americans and Canadians are notable exceptions, having no real preference as to whether their urban experiences are tied to nature or not.
- Self-touring emerges far ahead of guided tours in most GTW markets (with a point spread of as high as 36 percentage points), reflecting the overall market preference for independent travel, as well as Canada's perceived product strengths. Chinese and Japanese travellers are notable exceptions, being less comfortable with travelling in Canada on their own.

- Although self-touring does not emerge as a stand-out product for Canadians when it comes to travel in general, it does rank considerably above the norm for travel to Canada (i.e., 6th place, vs. 9th to 22nd in the international markets), indicating that touring the country by car is as an integral part of the domestic travel experience.
- While outdoor pursuits typically have minimal impact as pull factors for long-haul travel, land-based journeys and winter activities enjoy elevated rankings for travel to Canada across most markets, showing recognition for Canada's unrivalled outdoor and winter products. Chinese and Korean travellers are more likely to be drawn to skiing and winter activities on their Canadian trips, with Mexico and France also emerging as promising markets for winter travel.
- Major events are far more likely to be a catalyst for travel to Canada in the three North American markets, which may be related to greater familiarity of what Canada has to offer.
- Echoing the general product interest results, the following is also true of travel to Canada:
  - UK travellers are again less interested in outdoor activities (e.g., ski vacations, winter activities water and land-based journeys) than travellers from other markets;
  - German and French travellers are more apt to be motivated by land-based journeys (ranked 12th and 13th, respectively);
  - Chinese travellers are typically less interested in local lifestyles (ranked 10th);
  - French travellers are more likely to shun mundane touristy activities like city sightseeing and shopping;
  - Aboriginal culture is more likely to spur travel to Canada in Germany, France and China (ranked 6th to 8th), but is generally less appealing to Canadians (and Americans).

Barriers for Visiting Canada

Key Barriers for Visiting Canada

Barrier	UK (n=619)	Germany (n=640)	France (n=409)	Japan (n=678)	China (n=358)	Korea (n=390)	Australia (n=735)	Mexico (n=304)	US (n=812)	Canada* (n=447)
Other places I want to see more	82%	75%	79%	79%	72%	79%	78%	71%	86%	65%
Too expensive / can't afford it	72%	79%	85%	78%	87%	90%	78%	74%	55%	73%
No real reason to go	56%	54%	59%	68%	73%	79%	54%	52%	70%	46%
Unfavourable exchange rate	48%	38%	51%	54%	59%	77%	41%	66%	42%	N/A[2]
Destinations and attractions too far apart	43%	53%	51%	63%	70%	71%	44%	49%	53%	49%
Don't know enough about it	43%	44%	44%	64%	85%	75%	42%	45%	42%	23%
Poor weather	41%	51%	64%	53%	74%	59%	41%	52%	54%	38%
Too far / flight too long	37%	53%	46%	72%	69%	82%	52%	39%	29%	N/A[2]
Nothing to do there / lacks the activities I enjoy doing	36%	42%	54%	61%	65%	68%	34%	41%	53%	34%
Too boring / not exciting	36%	42%	55%	55%	64%	61%	31%	41%	54%	38%
No unique history or culture	34%	42%	53%	56%	68%	67%	30%	40%	44%	31%
Delays and hassles at airports and borders	25%	31%	42%	51%	63%	54%	25%	37%	36%	30%
Passport or entry visa requirements	22%	31%	44%	44%	68%	58%	18%	46%	27%	N/A[2]
Safety concerns	15%	27%	37%	53%	63%	48%	16%	25%	23%	14%
Health risks	14%	30%	33%	47%	62%	42%	15%	30%	22%	16%
Language barrier	N/A[1]	30%	31%	58%	63%	60%	N/A[1]	42%	N/A[1]	19%

*Base: Long-haul pleasure travellers who are unlikely to visit Canada in the near future. * Base: Out-of-region pleasure travellers who are unlikely to travel in Canada in the next year.*
Notes: ***Orange circles*** *indicate a result that is significantly higher than 6+ groups.*
Percentages are the sum of major barrier and minor barrier responses.
[1] Item was not asked in UK, Australia and US markets. [2] Item was not asked in Canadian market.

- Travel barriers continue to be far more acute in the Asian markets, with Asian travellers invariably awarding the highest scores for all items except competition, which is high across the board. As the most mature of the three markets, Canada tends to face fewer obstacles in Japan.
- For China, awareness building is obviously the order of the day. At 85%, lack of knowledge about Canada is almost universal and the highest of any GTW market by far. In fact, China is the only market where unfamiliarity is the second greatest roadblock to travel – not surprising in view of the fact that the destination has been off limits to Chinese tourists for so long.
- Outside of the Asian markets, American travellers are more likely to feel that there is no compelling reason to visit Canada (70%), with the US being the only market to rank this as the second greatest deterrent to travel. When coupled with a strong desire to visit other destinations (86%, the highest of all markets), this does not bode well for Canada in terms of near-term conversion. Clearly, more needs to be done to spruce up Canada's lackluster image and anaemic perceptions of value in this market so that it can ably compete with more engaging vacation spots.

- As relatively mature travel markets, UK, Australian and Canadian travellers are less apt to be concerned about issues such as airport/border delays, passport requirements and health/safety risks (all at under 30%).

Information Sources

Sources of Information on Canada (Past 3 Months)

Information Source	UK (n=1,505)	Germany (n=1,524)	France (n=1,513)	Japan (n=1,530)	China (n=1,513)	Korea (n=1,516)	Australia (n=1,522)	Mexico (n=1,536)	US (n=3,023)	Canada* (n=4,049)
Travel shows on television	24%	34%	36%	41%	51%	46%	32%	48%	26%	67%
Word of mouth	22%	21%	37%	11%	41%	28%	23%	48%	18%	28%
Articles in travel or in-flight magazines	18%	16%	31%	21%	15%	25%	20%	50%	15%	24%
Articles in newspapers	16%	14%	13%	10%	15%	14%	18%	25%	8%	29%
Articles in non-travel magazines	15%	13%	17%	8%	12%	14%	15%	34%	14%	24%
Travel guides and books	12%	14%	23%	18%	14%	22%	15%	22%	13%	19%
Websites / podcasts / travel blogs	10%	8%	31%	10%	35%	22%	11%	30%	10%	18%
Movies filmed or set in Canada	10%	20%	19%	5%	3%	9%	10%	26%	10%	N/A[1]
Travel agents	9%	10%	15%	10%	16%	6%	13%	24%	5%	8%
Email newsletters or promotions	7%	8%	10%	6%	15%	9%	11%	22%	7%	17%
Other television shows	6%	16%	10%	8%	34%	11%	9%	21%	8%	16%
Entertainment shows	5%	9%	11%	9%	27%	5%	6%	21%	7%	N/A[1]
News shows	5%	9%	17%	12%	58%	14%	5%	14%	9%	22%
Outdoor advertising	4%	3%	8%	6%	4%	4%	3%	15%	4%	11%
Consumer travel shows and exhibitions	4%	6%	6%	3%	4%	3%	5%	11%	4%	N/A[1]
Special events held in Canada	3%	4%	9%	2%	11%	3%	5%	11%	6%	19%
Radio shows	2%	3%	6%	2%	7%	2%	2%	9%	3%	8%
None	**40%** ↓	**32%** ↑↑	**19%**	**31%**	**4%**	**17%**	**36%**	**7%**	**42%**	**18%**

*Base: Long-haul pleasure travellers. * Base: Out-of-region pleasure travellers.*
Notes: ***Orange circles*** *indicate a result that is significantly higher than 6+ groups.*
Up arrow indicates a result that is significantly higher than 2008; Double up arrows indicate a significant upward trend since 2007.
Down arrow indicates a result that is significantly lower than 2008; Double down arrows indicate a significant downward trend since 2007.
[1] Item not asked in Canada.

- Mexican, French, Chinese and Canadian travellers show considerably higher recall of Canada travel information across a wide range of sources. These are also the leading markets for Canada in terms of interest and intentions, which suggests that a high degree of enthusiasm around Canada may be helping to make travel information more salient to travellers.
- In China, attempts to use the media and travel trade to generate interest in Canada in the absence of formal advertising has obviously paid off for the CTC, however, the high levels may be somewhat inflated in comparison to other markets as a result of social desirability bias.
- Although the penetration of individual sources tends to fluctuate naturally from year to year depending on activities in-market, there has been a consistent and notable drop-off in the awareness of Canada travel information in online sources (e.g., websites, podcasts, travel blogs) across six of the nine international markets in 2009. China is an exception, with online media exhibiting a more than 10 point increase this year to hit a high of 35%. This is no doubt because Internet usage is still growing rapidly in this market, with Chinese travellers increasingly turning to travel websites to scope out possible

destinations. After China, France, Mexico and Korea are the markets that are most open to online marketing, while Germany is the least receptive.

- As a general rule, television travel shows is the best way for Canada to reach travellers in its core markets, being one of the top two information sources across the board. Other key sources that the CTC can harness to promote Canada are word of mouth (e.g., user-generated content, social media) and travel magazines, with both sources ranking among the top five in at least 9 out of the 10 markets. Newspaper articles, travel guides/books and online media are also good bets for reaching travellers on a global basis, ranking among the ten most popular sources in almost every market.
- Television travel shows tend to be a more predominant information source for Canadians, with fully two-thirds of travellers seeing information on Canada there – far higher than in any other market. Television travel shows are also a trusted information source for Chinese travellers (over 50%). In fact, television in general accounts for four of the top six information sources on Canada in China, with news, entertainment and other television shows all having exceptionally high penetration compared with other markets.
- In Mexico, print media is an effective way of reaching travellers, with travel magazines on par with television travel shows in terms of visibility and having a much higher reach than in any other market. Articles in non-travel magazines and newspapers are also more likely to connect with travellers in Mexico than in other international markets.

Top Information Sources for Increasing Canada's Appeal Among Potential Visitors to Canada

UK (n=523)	Germany (n=632)	France (n=675)
Word of mouth (23%) Travel shows on television (20%) Travel guides and books (11%) Websites / podcasts / travel blogs (9%) Articles in travel or in-flight magazines (8%)	Travel shows on television (26%) Word of mouth (18%) Movies filmed or set in Canada (11%) Travel guides and books (11%) Other television shows (8%)	Word of mouth (33%) Travel guides and books (29%) Travel shows on television (18%) Travel agents (17%) Websites / podcasts / travel blogs (16%)

Japan (n=363)	China (n=417)	Korea (n=459)
Travel shows on television (42%) Articles in travel or in-flight magazines (17%) Travel guides and books (14%) Websites / podcasts / travel blogs (13%) News shows (10%)	Travel shows on television (42%) News shows (23%) Websites / podcasts / travel blogs (22%) Word of mouth (18%) Other television shows (10%)	Travel shows on television (31%) Word of mouth (25%) Travel guides and books (17%) Websites / podcasts / travel blogs (16%) Articles in travel or in-flight magazines (11%)

Mexico (n=788)	US (n=1,059)	Australia (n=543)
Word of mouth (39%) Travel shows on television (30%) Articles in travel or in-flight magazines (24%) Websites / podcasts / travel blogs (17%) Movies filmed or set in Canada (17%)	Travel shows on television (20%) Word of mouth (19%) Travel guides and books (11%) Movies filmed or set in Canada (9%) Websites / podcasts / travel blogs (8%)	Travel shows on television (28%) Word of mouth (23%) Travel guides and books (10%) Articles in newspapers (9%) Articles in travel or in-flight magazines (8%)

Base: Travellers interested in Canada: those who are very interested in visiting Canada in the next 2 years.
Note: Canada result not comparable.

- In terms of bolstering Canada's appeal among potential visitors:
  - Travel shows on television are again the top way of enhancing Canada's reputation among potential visitors. In the UK, France and Mexico, however, television takes a back seat to word of mouth.
  - Japan is unique in that it is the only market where word of mouth does not appear among the top five sources, suggesting that viral marketing techniques may not be as effective there.
  - Although travel information is more readily available through online channels than ever before, travellers in most markets still tend to feel that travel guides and books have an influential role to play in enhancing Canada's appeal, particularly in France where mentions of travel guides outnumber mentions of websites by almost 2 to 1. China and Mexico are notable exceptions, with travel guides missing entirely from the top five sources.
  - Websites/podcasts/travel blogs should be an important part of Canada's marketing mix in most markets, with the possible exception of Germany and Australia.

- Travel magazines is the only other means of bolstering Canada's popularity that is common to at least half of the GTW markets, rounding out the top five sources in the UK, Japan, Korea, Mexico and Australia.
- Movies filmed or set in Canada factor high into the mix in Germany, Mexico and the US, while Japanese and Chinese travellers rely on information from news shows more than most. Travel agents are uniquely important for French travellers, making the travel trade a critical touch point for Canada in this market.

Icons or Images that Inspire Interest in Canada

Top 5 Icons or Images that Inspire Interest in Canada

UK (n=1,505)

Niagara Falls (14%)
Rocky Mountains (14%)
Mounties / RCMP (13%)
Mountains (8%)
Maple leaf / Canadian leaf (7%)

None (31%)

Germany (n=1,524)

Forests (14%)
Nature / wilderness (13%)
Great lakes / lakes (9%)
Bears (9%)
Large / big country / lots of land (9%)

None (31%)

France (n=1,513)

Snow (14%)
Forests (13%)
Great lakes / lakes (9%)
Niagara Falls (9%)
Hiking / trekking / exploring (7%)

None (24%)

Japan (n=1,530)

Nature / wilderness (19%)
Niagara Falls (13%)
Rocky Mountains (8%)
Aurora Borealis (8%)
Maple syrup (5%)

None (23%)

China (n=1,513)

Maple leaf / Canadian leaf (21%)
Waterfalls (13%)
CN Tower / Toronto Tower (7%)
Snow (7%)
Snow capped / covered mountains (5%)

None (36%)

Korea (n=1,516)

Niagara Falls (13%)
Rocky Mountains (5%)
Maple leaf / Canadian leaf (4%)
Maple (4%)
Nature / wilderness (4%)

None (40%)

Mexico (n=1,536)

Maple leaf / Canadian leaf (20%)
Niagara Falls (18%)
Forests (12%)
Snow (11%)
Waterfalls (9%)

None (15%)

US (n=3,023)

Niagara Falls (7%)
Maple leaf / Canadian leaf (7%)
Mountains (4%)
Mounties / RCMP (3%)
Rocky Mountains (3%)

None (43%)

Australia (n=1,522)

Mountains (12%)
Rocky Mountains (12%)
Snow (8%)
Niagara Falls (7%)
Maple leaf / Canadian leaf (6%)

None (31%)

Base: Long-haul pleasure travellers.
Note: Canada result not comparable.

- Compared with previous years, the proportion of travellers who feel that there are no images that inspire interest in Canada is climbing in France, Germany, Mexico, the US and Australia. This likely ties in with the cooling brand perceptions, eroding aided brand personality alignment and softening value perceptions characteristic of these markets in 2009. On the bright side, Chinese and Korean travellers show the opposite trend, finding more in the way of inspirational images than in past years.
- Nature clearly dominates the mindset of travellers around the world when thinking about inspirational imagery for Canada, with the only non-nature icons to make it into the top five being Mounties (in the UK and the US) and the CN Tower (China). The general absence of city/urban and culture/history mentions indicates that Canada's defining image is still focused squarely on nature and the outdoors.
- Niagara Falls remains Canada's most famous and inspirational icon, cited by name in seven of the nine international markets, and alluded to in the mention of "waterfalls" in China. Germany is the only market where Niagara Falls is missing from the top five list (it

ranks tenth), with German travellers tending to think of Canada's nature in generalities (e.g., nature/wilderness, large country, forests) rather than specifics.

- The Rocky Mountains is perhaps the best known icon in Canada after Niagara Falls, with mountain imagery in general also prominent in travellers' vision of the country. Canada's mountains are particularly inspirational to Australian, UK and US travellers, accounting for two of the top five mentions.
- The maple leaf is another highly symbolic image of Canada in many markets, but particularly in Mexico and China, where it is the most frequently mentioned icon (at over 20%).

Conclusion and Considerations

- The focus of the Summary Report is on broader conclusions across the GTW markets as a whole. Detailed conclusions and considerations for individual markets are contained in the individual reports.
- Arrivals to Canada from its core markets were crippled by the global economic downturn in 2009, with most GTW markets experiencing the worst economic recession in decades. While China and Australia managed to defy the global recession in technical terms, only China escaped unscathed, with economic growth in Australia coming to a virtual standstill. High unemployment was also pervasive in 2009, with fear of potential job losses leading to sliding consumer confidence, tightened purse-strings, and in the worst cases, social unrest (e.g., boss-napping in France). As a result, Canada saw declines in visitation from all of its core markets, except China. France and Germany yielded the smallest losses, buoyed by a Euro that retained its strength for most of the year, while Korea, Japan and Mexico suffered the most acute declines (in the range of 25% to 40%).
- Against this backdrop, it isn't surprising to see a substantial downgrade in the GTW outlook indicator in almost every market. In addition, the poor economy has vaulted upward as a travel barrier, now standing as one of the top three roadblocks to travel in every market except Australia. Anxiety around job losses has also seen widespread increases as a travel deterrent, often with levels triple or quadruple that of previous years. In some markets sinking currencies have been equally devastating on the long-haul market, with unfavourable exchange rates surging into the top five barriers in the UK, Korea and Mexico.
- With travellers around the world putting long-haul travel on the backburner, the composition of the marketplace has shifted toward a more committed segment of well-experienced and high-frequency travellers, who have not only made long-haul travel a priority in their lives, but have the incomes to support it. Even so, travellers have been actively trimming their vacation costs by trading down to medium-haul destinations or taking shorter breaks to less expensive destinations. For example, the GTW reveals that Chinese, UK and Australian travellers are focusing on low-cost Asian destinations (e.g., Thailand, Vietnam, India), while Mexican and French travellers are flocking to budget destinations in South America (e.g., Peru, Argentina, Chile).
- The good news is that, since the GTW fieldwork was conducted, things are looking up on the economic front, with all ten markets now officially in recovery. Most economic indicators have now turned around, consumer confidence is gaining momentum and the long-haul market is showing signs of life. In Japan, which was fielded late in the year, the GTW market outlook indicator appears to have finally bottomed out, and the poor economy has eased as a barrier, confirming that a recovery is underway. While Canada can expect an upswing in arrivals from most of its core markets at some point in 2010, perceptions that it is an expensive vacation spot could make it slower to recover than other destinations. As the last markets out of recession, the UK, Korea and Mexico may lag behind the other GTW markets in terms of a turnaround for Canada, with much depending on the performance of their respective currencies.

- Symptomatic of the unfavourable travel climate and a more cautious long-haul market, Canada has seen some setbacks in its KPIs[4] this year, most notably in Mexico, the UK, Germany, Korea and China. Unaided destination and advertising awareness levels have softened in all of these markets, with unaided consideration down in most of them as well. However, Canada's competitors in these markets are in the same boat, with ubiquitous drops on their KPIs suggesting that these are across-the-board declines in response to the softer market conditions rather than unique occurrences for Canada stemming from poor performance.
- Although travel propensity has softened in some markets in response to the poor travel climate, longer-term interest in Canada generally remains steadfast. Canada continues to appeal to more than two-thirds of travellers in all markets and ranks as one of the top three destinations for long-haul travel everywhere except China. In addition, some preliminary signs of recovery are evident:
  - In line with the improved market outlook, travel propensity has picked up in Japan;
  - Interest and travel intentions have strengthened in Korea, with the proportion of hot prospects that are actively considering Canada up significantly as well; and
  - At 14%, the proportion of travellers who have already made a firm purchase decision is up from previous years in France.
- Despite some material losses in the KPIs this year, Mexico is still Canada's top performing international market on virtually all counts, topping other markets on unaided awareness, advertising awareness, consideration, interest and travel intentions. Moreover, a remarkable 1 in 4 travellers are actively considering a visit, showing that Mexican travellers are still keen on Canada and are simply biding their time until market conditions improve. France also continues to be a success story for Canada, running second or third on most indicators, with little or no erosion this year.
- On the other hand, Canada's performance continues to suffer in Japan, with this market invariably pulling up last or second last on a whole host of measures (e.g., awareness, knowledge, consideration, interest, travel intentions and purchase commitment). Dovetailing with the fact that Japanese arrivals to Canada have been in free fall for over a decade, the weak KPIs suggest that Canada is no longer a must-see destination for Japanese travellers.
- As emerging markets for Canada, Korea and China tend to post poor results on the unaided metrics, indicating that Canada lacks a top of mind presence in these markets. Both markets suffer from scant numbers of committed travellers, with a high proportion of the market entrenched in the early stages of the purchase cycle. Enhancing both general awareness of Canada, and knowledge of specific destinations, attractions and experiences, could go a long way to fortifying the KPIs and improving Canada's competitive standing in these markets.
- Accompanying the erosion in the KPIs this year is a notable deterioration in Canada's brand health, with a distinct downward trend seen in the brand perceptions, value perceptions and price perceptions, as well as weaker alignment with Canada's desired brand personality traits. To some extent, these shifts are occurring because today's

[4] KPI: destination awareness, advertising awareness, visitation and market penetration, travel interests and intentions.

more challenging environment has yielded a new breed of traveller – one that is more demanding and cautious when it comes to assessing potential vacation destinations. Although things may well return to normal when the economy has geared back up, actively pursuing improvements on all dimensions of brand health will not only drive more international traffic to Canada, but enable it to better weather future market downturns.

- In terms of brand perceptions, overall brand perceptions dropped significantly or directionally in six of the nine international markets, with weak impressions of Canada's people and culture remaining an ongoing issue in all markets except France and Mexico. An enhanced marketing focus on Canada's unique character, lifestyles, peoples and cultures is undoubtedly one of the most important steps that the CTC and its partners could take to bolster Canada's image and positioning in its core markets.
- In addition, the aided brand personality measure slipped to some degree in every international market except China. Disappointingly, the most widespread drops were seen for the more dynamic personality traits that are part and parcel of a more effervescent image for Canada (e.g., Confident and Intriguing). Shoring up Canada's excitement value and conveying a more energetic and lively image would help to stoke interest and spark travel in the CTC's global markets. It would also make Canada more appealing to the younger set and help it to move beyond a traditionally older audience.
- Strong value perceptions are a must for Canada to appeal to today's more discerning and value-conscious travellers. Unfortunately, the prevailing trend for the value perceptions is again a downward one, with several markets experiencing marked erosion on this measure in 2009. Quality is the attribute that most often mires the value perceptions, with generally less than half of travellers in any given market who view Canada as a quality destination. Given the pivotal role that value perceptions play in destination decision-making, the CTC and its partners may want to better convey the value of the Canadian travel experience and drive home the message of quality through world-class experiences, prestigious events and one-of-a-kind offerings.
- With travellers around the world having reigned in their spending and ramped up their savings levels, managing cost perceptions is also critical. Outside of North America, Canada continues to be seen as a pricey destination, particularly in the Asia-Pacific region where airfare is steep, and in Germany where travellers are renowned for their price-sensitivity. Moreover, the price perceptions for Canada is veering downward in many markets at a time when travellers are hunting for bargains and trading down to closer, less expensive destinations. Regaining lost ground through well-priced tour products and value-added offers will be key for Canada, as the price-sensitivity that is characteristic of today's travel markets is likely to linger on until well after the economy recovers.
- Canada's brand health is in most urgent need of attention in the US and Japan, where both the brand perceptions and the value perceptions are among the lowest of any GTW market. In Japan, these issues are compounded by an anaemic price perceptions and a divergent view of Canada's brand personality. And in the US, all three brand health indicators have seen steep drops, indicating that things are getting worse rather than better. Clearly, some of Canada's difficulties in these two important markets are rooted in an entrenched image that is in need of refreshing and a lack of clarity around the value of the Canadian travel experience. While Canada's performance in Korea also leaves much to be desired, this is more likely due to lack of awareness than to inherently poor perceptions of the destination.

- On the other hand, Canada is held in high esteem in Mexico, where travellers continue to view the destination in an extraordinarily positive light. Mexico boasts the highest value perceptions, brand perceptions and price perceptions of any market, including better perceptions of cost than in the US or Canada itself. Mexico is also the market most closely aligned to the brand Canada personality traits on an unaided basis, with particularly high ratings on the edgier traits such as Intriguing and Witty. These solid results no doubt contribute to Canada's strong presence and immense popularity as a vacation destination in this market. While Canada also performs well among French and Canadian travellers on the brand image side, the CTC and its partners need to reaffirm Canada's value in both markets.
- When it comes to its core products, Canada again fares well in both France and the domestic market. Not only does Canada have the most number one products and the best rankings on the USPs[5] in these markets, but it enjoys abundant strengths outside of the nature/outdoor regime (e.g., self touring, resorts, city-nature, major events, city culture (in France) and aboriginal culture (in Canada)). Clearly, a diverse product portfolio and an indomitable competitive standing contribute to the strong awareness, image perceptions and general enthusiasm for Canada travel in these markets.
- In most other markets, the positioning of Canada's products is far more tenuous, with one-dimensionality a going concern. Canada suffers most in Korea, with only three stand-out products and a high proportion of offerings where it trails almost all of its competitors. This may contribute to Canada's lack of presence and lukewarm brand image in this market, and suggests that awareness building will be as important in Korea as it is in China.
- With respect to the CTC's Unique Selling Points (USPs), *Active Adventure Among Awe-Inspiring Natural Wonders* offers the most solid potential as a marketing theme across the GTW markets. Canada is rated number one out of a field of seven destinations in all but two markets, buoyed by strong first or second place standings on ski vacations, other winter activities, scenery and national parks. To solidify its already commanding lead on this USP, Canada may want to focus on bringing perceptions of its summer activities, resorts in natural settings and wildlife in line with its other nature/outdoor products.
- Canada is also fairly well positioned on *Personal Journeys by Land, Water and Air* in most markets. Typically Canada rates better on water-based journeys than on land-based journeys, and on independent touring over guided group tours. A key priority for the CTC might be to bolster its position on this USP in Korea, as thematically, it ties in nicely with the health and wellbeing craze that is currently sweeping the country. In China, Canada may want to enhance perceptions of its guided tour products, now that it will play host to a burgeoning number of group tours under ADS.
- *Vibrant Cities on the Edge of Nature* also offers good potential for Canada, particularly among Asian travellers, who show a strong penchant for city pursuits, both when paired with nature and on a stand-alone basis. While Canada tends to be favourably viewed for exploring cities close to nature, it is not currently seen as a premier city destination, ultimately weakening its positioning on this USP. Addressing deficiencies on stand-alone

[5] USP: The CTC identified five Unique Selling Propositions (USPs) for Canada. They are 1) Vibrant cities on the edge of nature; 2) Personal journeys by land, water, and air; 3) Active adventure among awe-inspiring natural wonders 4) Award-winning Canadian local cuisine 5) Connecting with Canadians.

city products like sightseeing/shopping, city culture, and to a lesser extent, major events and entertainment, will help Canada to more ably compete with destinations like the US and Australia, which more often than not, win out over Canada on this USP.

- Canada's positioning is visibly weak on *Award-Winning Local Cuisine* and *Connecting with Locals,* with both USPs lacking credibility outside of the domestic market and France. While the CTC may want to rethink the Local Cuisine USP in the majority of its markets, it is likely critical to keep pushing on Connecting with Canadians, given the near universal interest in cultural pursuits among long-haul travellers. Gaining a foothold here would be a significant step for Canada in diversifying its image and boosting its popularity on a world-wide basis, with France, Canada, Mexico and China offering the most immediate promise in terms of enhancing Canada's cultural cachet.