Scandinavian Travel to Canada 1991 - 1998

Market Research and Planning

Canadian Tourism Commission
Commission canadienne du tourisme

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Conducted on behalf of the Canadian Tourism Commission

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Canada

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A. Introduction

1. Objectives of the Study

By order of the Canadian Tourism Commission from Ottawa, in the autumn of 1999, IPK International was to prepare a study of selected basic data on the Scandinavian outbound travel market. The study, encompassing the four northern European countries of Sweden, Denmark, Finland and Norway, was conducted with the purpose of attaining three goals:

- General overview of the 1998 Scandinavian outbound travel market
- General overview of Scandinavian travel to Canada during 1998
- Analysis of the development of the Scandinavian Canadian travel demand during the last eight years (1991-1998).

The analysis was to be based on IPK International's European Travel Monitor. Additionally, as per the client's wish, the data from two consecutive years was to be cumulated in each case in order to increase the significance of the findings. In detail, the study should selectively extract the following information from the wealth of data:

Scandinavian Outbound Travel 1998

- the top five types of holidays, which have been defined respectively as city holiday, sun and beach holiday, touring holiday, countryside holiday and snow holiday, on the basis of the most recent Travel Monitor results.
- gender and age

Augmenting the contracted study, the report furnishes an IPK International PowerPoint presentation on the 1998 Scandinavian outbound travel in Annex 1.

Scandinavian Travel to Canada 1998

- Touring holiday motivations

Development of Scandinavian Travel to Canada 1991-1998

- Market volume (trips, nights, turnover)
- Purpose of trip
- Travel season
- Type of holiday
- Accommodation
- Travel organisation

- • Length of trip
- • Area of origin
- • Socio-demographics

2. European Travel Monitor

The European Travel Monitor is an ongoing pan-European market research project initiated by IPK International, Munich, in 1988 and comprised of interviews from a representative sample of the population in each of the countries covered in the study. The European Travel Monitor encompasses all of the journeys made abroad which include at least one overnight stay outside the traveller's country of origin. All types of trips are identified, meaning in addition to holiday travel, also the various categories of business trips as well as all other private travel such as visiting relatives, visiting friends, etc.

Every year, over 400,000 people in 36 countries are interviewed regarding their recent outbound travel. The questionnaire is standardised Europe-wide, containing 25 standard questions plus a number of additional exclusive/special queries.

The Scandinavian Travel Monitor

The Scandinavian section of the European Travel Monitor is called the Scandinavian Travel Monitor and comprises information gathered in Sweden, Denmark, Finland and Norway since 1988. This means that the entire Scandinavian database contains continuous information on Scandinavian outbound travel for a period covering 12 consecutive years.

Universe

The universe under study by the Scandinavian Travel Monitor covers the Scandinavian population 15 years and older: Sweden (7.2 million), Denmark (4.3 million), Finland (3.9 million) and Norway (3.2 million).

Interview Method

The inquiry made by the Scandinavian Travel Monitor is performed by telephone using computer assisted telephone interview (CATI) systems. The first annual wave is in May, followed by a second wave in September. The third wave takes place in January of the following year and regards trips made during the previous four months.

Sample Size

In 1998, the Scandinavian Travel Monitor conducted 33,000 interviews in three waves of 11,000 cases each. The questioning covered Scandinavian outbound travel made during the previous four months.

B. OUTBOUND OVERVIEW SCANDINAVIA 1998

1. Market Size

Scandinavia is one of the most interesting outbound markets of Europe. 56% of the population travels at least once per year to a foreign destination. This translates to 10.4 million Scandinavians. They realise 28 million outbound trips per year, rendering 2.7 outbound trips annually for each traveller (travel frequency). The Scandinavians spend 195 million nights abroad during their travels.

On their trips abroad, the Scandinavians spent 28 billion Euro during the reference year. This breaks down to 1006 Euro per trip, or 145 Euro for each day of travel, and includes all spending (transportation, accommodation, food, excursions, etc.)

Scandinavia is thus Europe's third largest outbound market after Germany (No. 1) and Great Britain (No. 2).

Three out of every five outbound trips are booked through the travel trade, a percentage which is far above the European average. Hotels are the preferred accommodation (59%); middle grade hotels in particular.

Two-thirds of all outbound trips are holiday trips, 23% are business trips and 10% are other leisure travel. The preferred season for travel is the summer half-year (65%).

By far the most popular destinations for longer holiday trips (4 nights or more) are neighbouring Scandinavian countries (48%), Spain (18%) and Greece (12%). Also Germany, France, Great Britain and Italy are popular holiday destinations. Long haul holidays have a share of 11% of total outbound and 16% of out of Scandinavia outbound travel.

2. Top Ten Sun+Beach Holiday Motivations

Rank	Sun+Beach Holiday Motivations	Total	Gender		Age		
		%	m	f	-29	-49	50+
1	Relaxing	75	75	74	73	76	72
2	Sunbathing	57	55	59	56	61	53
3	Swimming	49	47	51	51	51	41
4	Enjoying meals and drinks	41	39	42	41	42	29
5	Enjoying life	38	38	38	41	35	33
6	Discovering landscape and nature	31	31	31	29	31	30
7	Having many experiences	28	29	27	31	28	25
8	Window shopping/shopping	21	19	22	25	20	14
9	Social life, parties	19	19	18	30	14	11
10	Experiencing local hospitality	19	17	21	23	17	11

Source: European Travel Monitor 1997/1998; IPK International

The most important sun+beach outbound holiday motivation of the Scandinavians is relaxing (75%). Further motivations are sun-bathing (57%), closely followed by swimming (49%) and enjoying meals and drinks (41%).

Another important basic motivation is enjoying life in general (38%).

Apart from enjoying meals, social life, swimming, experiencing hospitality and shopping, where the age group figures indicate a continuing decline with increasing age, no other significant differences can be found within the top ten ranking.

3. Top Ten City Holiday Motivations

Rank	City Holiday Motivations	Total	Gender		Age		
		%	m	f	-29	-49	50+
1	Sightseeing/visiting objects of interest	46	43	49	39	47	55
2	Window shopping/shopping	46	41	51	53	43	30
3	Sauntering, strolling, enjoying the atmosphere	43	43	44	46	43	39
4	Enjoying meals and drinks	38	35	41	40	41	25
5	Visiting museums	23	24	22	17	25	31
6	Visiting friends/relatives	23	22	23	29	22	17
7	Nightlife	16	19	13	33	11	3
8	Visiting exhibitions	14	10	17	9	15	18
9	Visiting parks, participating in the park-life of the city	14	11	16	14	12	9
10	Visiting concerts, operas, musicals etc.	11	10	12	12	9	16

Source: European Travel Monitor 1997/1998; IPK International

When travelling abroad on a city holiday, Scandinavians primarily enjoy sightseeing, visiting objects of interest (46%), as well as shopping (46%). Further city holiday motivations are sauntering, strolling, enjoying the atmosphere (43%), closely followed by enjoying meals and drinks (38%). In comparison, travellers show very little interest in motivations such as visiting museums or visiting friends or relatives (23% each).

The interest in sightseeing/visiting objects of interest as well as the interest in museums and exhibitions seems to rise with increasing age. In contrast, motivations such as shopping, sauntering, enjoying meals and drinks, nightlife, and visiting friends or parks seem to be of less interest with increasing age.

4. Top Ten Touring Holiday Motivations

Rank	Touring Holiday Motivations	Total	Gender		Age		
		%	m	f	-29	-49	50+
1	Relaxing	49	50	48	53	49	41
2	Visiting objects of interest	48	47	49	48	43	57
3	Getting to know the scenery	47	21	24	20	23	24
4	Visiting cities	46	47	46	46	43	51
5	Having many experiences	40	37	42	39	41	45
6	New/change of impressions	34	33	35	33	36	31
7	Enjoying life	26	24	28	31	25	26
8	Visiting museums, exhibitions	25	25	24	24	17	43
9	Getting to know the people, their way of life	23	21	24	20	23	24
10	Getting to know the native cuisine	21	17	25	28	19	21

Source: European Travel Monitor 1997/1998; IPK International

Main outbound touring holiday motivations of the Scandinavians are relaxing (49%), visiting objects of interest (48%), getting to know the landscape (47%) and visiting cities (46%). Another important basic motivation is having many experiences (40%).

Except more female interest for native cuisine a differentiation according to gender was not useful in this case. But interest increases with age for having many experiences, visiting museums and visiting cities. And interest decreases with age concerning relaxing, native cuisine and enjoying life.

5. Top Ten Countryside Holiday Motivations

Rank	Countryside Holiday Motivations	Total	Gender		Age		
		%	m	f	-29	-49	50+
1	Relaxing	75	74	76	83	74	70
2	Discovering landscape and nature	39	37	40	40	37	42
3	Visiting objects of interest, excursions	28	26	30	18	29	36
4	Enjoying life	25	23	27	28	26	13
5	Enjoying meals and drinks	25	21	29	29	23	30
6	Hiking, walking	23	20	26	20	28	20
7	Enjoying the accommodation	23	19	27	26	21	24
8	Social life, parties	19	19	19	20	18	22
9	Experiencing local hospitality	19	17	20	24	16	21
10	Having many experiences	18	15	21	16	17	24

Source: European Travel Monitor 1997/1998; IPK International

The most important and dominating countryside outbound holiday motivation of the Scandinavians is relaxing (75%). On the other hand, Scandinavian countryside seekers show very little interest in motivations such as discovering landscape and nature (39%), visiting objects of interest, excursions (28%) or enjoyment in general, nor in enjoying meals and drinks (25% each); these motivations being appreciated to the same extent.

A differentiation according to gender shows above average female interest for enjoying meals and drinks, hiking, walking and enjoying the accommodation. Interest decreases with age for relaxing and enjoying life, but increases with age for visiting objects of interest, having many experiences.

6. Top Ten Snow Holiday Motivations

Rank	Winter Sports Holiday Motivations	Total	Gender		Age		
		%	m	f	-29	-49	50+
1	Alpine Skiing	79	79	80	80	75	71
2	Relaxing	36	33	40	31	37	29
3	Enjoying life	28	23	33	30	25	29
4	Enjoying the landscape, the mountains	22	18	26	19	24	25
5	Cross-country skiing	20	16	26	10	35	71
6	Experiencing local hospitality	20	20	19	27	10	21
7	Après-ski	20	20	20	27	14	19
8	Enjoying the accommodation	14	9	20	19	13	8
9	Hiking, walking in the snow	10	5	16	9	7	15
10	Participation in a skiing course	9	5	15	9	7	12

Source: European Travel Monitor 1997/1998; IPK International

The top motivation for Scandinavians when travelling abroad for snow holidays is alpine skiing (79%). In comparison, snow holidaymakers show rather little interest in motivations such as relaxing (36%), enjoying life (28%) or enjoying the landscape, the mountains (22%). Cross-country skiing as well as experiencing local hospitality (20% each) are motivations which are less appreciated. Reason: Scandinavia offers a wide range of cross country skiing possibilities at home.

Apart from cross-country skiing and walking in the snow, where the age group figures indicate a continuing rise with increasing age, alpine skiing, après ski and enjoying hospitality, with a decrease by age, no other significant differences could be found within the top ten ranking. But females show above average interest in relaxing, enjoying life, enjoying nature, cross-country skiing, enjoying accommodation, hiking and participating in a skiing course.

7. Top Ten Cruise Holiday Motivations

Rank	Cruise Holiday Motivations	Total	Gender		Age		
		%	m	f	-29	-49	50+
1	Relaxing	63	60	66	53	70	56
2	Enjoying life	59	55	62	72	58	48
3	Enjoying meals and drinks	47	45	49	46	50	38
4	Social life, parties	36	31	40	43	35	29
5	Enjoying being pampered	31	24	36	35	32	19
6	Experiencing sea, water, nature	25	22	27	17	26	32
7	Experiencing a lot	19	15	23	20	18	19
8	Discovering foreign countries	17	17	18	19	17	15
9	Visiting objects of interest, excursions	15	14	15	13	17	11
10	Experiencing adventures	10	9	10	15	8	3

Source: European Travel Monitor 1997/1998; IPK International

The leading cruise outbound holiday motivation of the Scandinavians is relaxing (63%), followed closely by enjoying life (59%). Enjoying meals and drinks (47%) is the third most important cruise holiday motivation. Further motivations are the participation in social life and parties (36%), followed by the enjoyment of being pampered (31%).

The interest in experiencing sea, water and nature seems to increase with advancing age. In contrast, motivations such as simply enjoying life as well as participating in social life, being pampered and experiencing adventures, seem to decline with increasing age. Females are more interested in relaxing, enjoying life, social life, enjoying being pampered, and experiencing a lot, especially sea/water/nature.

C. LONG HAUL TRAVEL FROM SCANDINAVIA

1. Long Haul Market Size

Overall Size

The inhabitants of the four Scandinavian countries, Sweden, Denmark, Norway and Finland currently make an estimated 2.19 million trips (lasting one night or more) to long haul destinations, that is to destinations outside Europe and the Mediterranean region.

Long Haul trips represent nearly 8% of the total Scandinavian outbound market.

Canada, as noted in the previous report, represents only a very small proportion of the overall long haul market, a mere 4% of trips and less than 0.5% of the outbound market as a whole.

Looked at in terms of expenditure, the measure which is of greater importance to the economies of destination countries, long haul travel accounts for a fifth (21%) of the total Scandinavian outbound market.

Market Size - Long Haul as a Proportion of Total Outbound

	Total Outbound		Long Haul	
Trips	28 million	100%	2.19 million	8%
Expenditure	28 billion EURO	100%	5.9 billion EURO	21%
Nights	195 million	100%	34.9 million	18%

Source: European Travel Monitor 1997/1998; IPK International

There are two main reasons why long haul accounts for a much higher proportion of Scandinavian outbound expenditure than it does of outbound trips.

- Firstly the average length of a long haul trip is 15.9 nights, more than double the length for outbound as a whole, at an average of 7.0 nights.
- Secondly the average expenditure per day on long haul trips, 170 EURO is nearly a fifth higher than the average for trips as a whole, 145 EURO.

This can be seen in the table below:

Expenditure and Length of Trips Total Outbound and Long Haul Trips Compared

	Total Outbound	Long Haul
Total nights	195 million nights	34.9 million nights
Average trip length	7 nights	15.9 nights
Average expenditure per trip	1.006 EURO	2760 EURO
Average expenditure per day	145 EURO	170 EURO

Source: European Travel Monitor 1997/1998; IPK International

Size of Market Segments

Holiday trips are by far the largest segment in the Outbound Scandinavian travel market.

About two thirds of all long haul trips from Scandinavia are holidays, a further quarter are business trips and less than a tenth are other leisure trips.

This purpose of trip profile is in marked contrast to that for trips to Canada, where business trips are the largest market segment and holidays account for only just over a third of all trips.

	Long Haul in %	Canada in %
Holidays	67	38
Other Leisure trips	7	9
Business trips	26	53
All trips	100	100

Source: European Travel Monitor 1997/1998; IPK International

2. Long Haul Market Trends

Overall Trends

During the 1990's there has been a steady growth in long haul travel from Scandinavia.

- the number of long haul trips overall out of Scandinavia has grown from 1.35 million in 1991 to 2.19 million in 1998, an increase of + 62%.
- the number of nights has grown from 19.6 million in 1991 to 34.9 million in 1998, an increase of + 78%.
- the overall expenditure has grown from 2.5 billion EURO in 1991 to 5.9 billion EURO in 1998, an increase of + 136%.

By contrast, over the last decade the overall number of trips from Scandinavia to Canada grew from 75,000 to 90,000 an increase of only + 20%.

Market Segment Trends

While long haul business trips have shown modest growth and "other leisure trips" have remained fairly steady, long haul holiday trips from Scandinavia, already the largest segment, have nearly doubled in volume (+90%).

Somewhat worryingly, the number of holiday trips to Canada over the same period has actually declined by a quarter. This means that Canada has not been doing so well in that segment of the market which, for long haul travel as a whole, has been expanding most rapidly.

The growth in the number of trips to Canada from Scandinavia has come solely in the business segment, which has increased by + 176%. By contrast long haul business travel overall increased by only + 35%.

This is shown in detail in the table below:

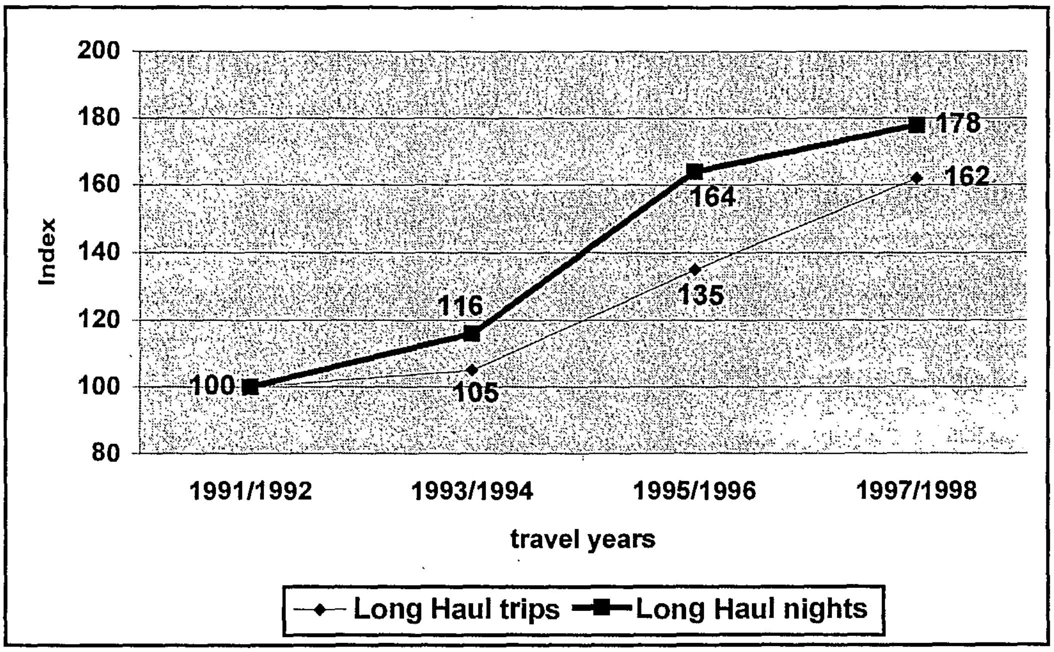
Trends in Long Haul and Canadian Travel - by Type of Trip

Long haul trips	1991/92 in '000	1997/98 in '000	% change
Holidays	766	1.456	+90%
Other Leisure trips	154	158	+3%
Business trips	425	574	+35%
All trips	1.347	2.188	+62%
Canada trips	**1991/92 in '000**	**1997/98 in '000**	**% change**
Holidays	46	35	-24%
Other Leisure trips	8	7	-12%
Business trips	17	47	+176%
All trips	75	90	+20%

Source: European Travel Monitor 1991-1998; IPK International

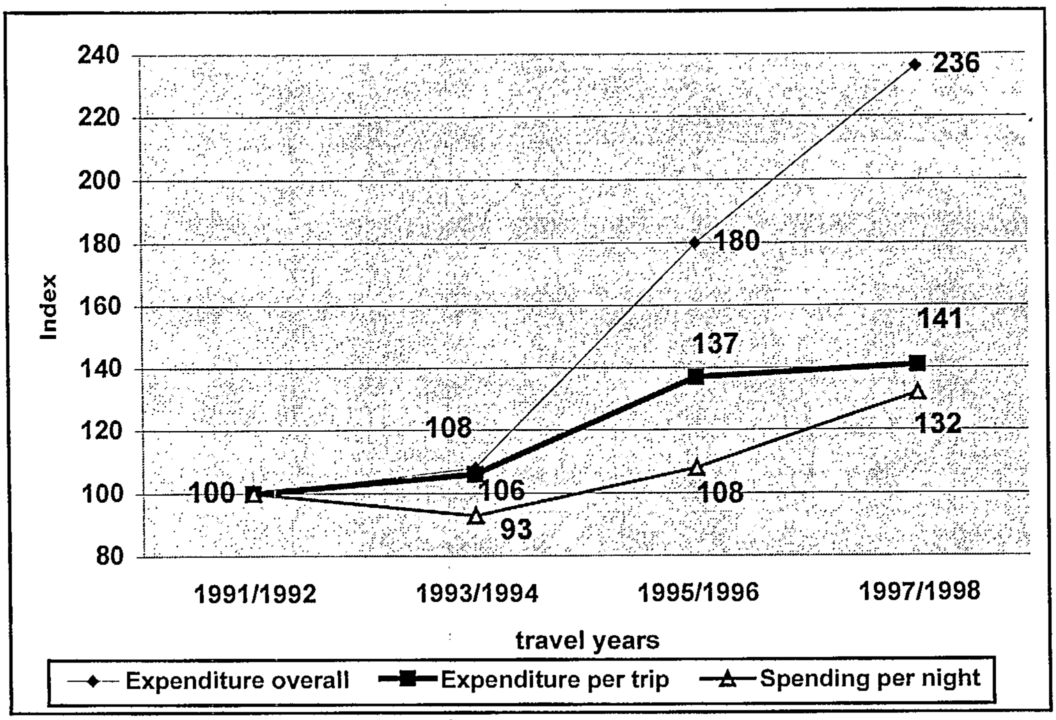
The growth in trips, nights and expenditure by Scandinavians on Long Haul trips across the period 1991 - 1998 is shown in more detail in the graphs below:

Growth in Long Haul Trips and Nights



Source: European Travel Monitor 1991-1998; IPK International

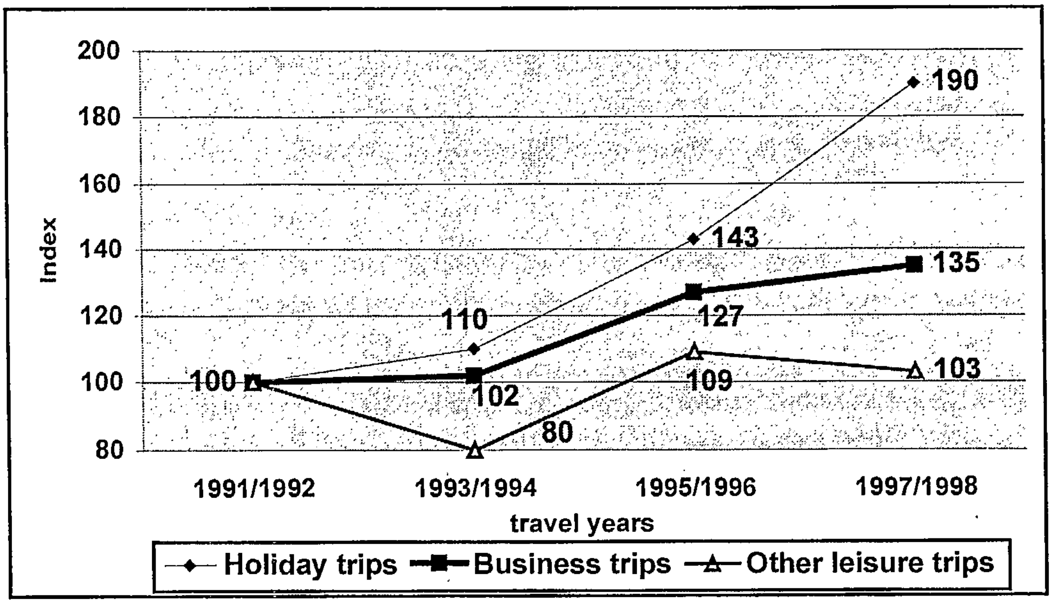
Growth in Long Haul Expenditure



Source: European Travel Monitor 1991-1998; IPK International

The growth in the long haul market by segment across the period 1991-1998 is shown in the graphs below. They show clearly that it is the holiday segment which has been fuelling growth overall:

Growth in the Long Haul Market by Segment



Source: European Travel Monitor 1991-1998; IPK International

3. Long Haul Market Characteristics

In this section of the report we look at some of the characteristics of Long Haul travel from Scandinavia and compare them with trips to Canada.

The majority of bookings for both Long Haul trips and trips to Canada are made through the travel trade and not direct with the carrier, accommodation or other producers.

Travel Organisation

Long Haul and Canadian Trips Compared

Via the trade	Long Haul in %	Canada in %
Transport & Accommodation	32	37
Only transport	15	29
Other trade bookings	25	9
Direct bookings	**Long Haul in %**	**Canada in %**
Direct with carrier	5	13
Other direct bookings	23	12

Source: European Travel Monitor 1997/1998; IPK International

There is a marked difference in the seasonal pattern of Long Haul trips as a whole and trips to Canada. Over half the Long Haul trips are made over the winter half of the year, that is from October to March compares with only 43% of trips to Canada.

This is partly because the Long Haul market includes beach resorts in the Caribbean, the Indian Ocean Islands and Thailand which attract winter sun holidaymakers.

Season of Travel

Long Haul and Canadian Holidays Compared

	Long Haul in %	Canada in %
January-March	29	5
April-June	20	27
July-September	20	30
October-December	31	38

Source: European Travel Monitor 1997/1998; IPK International

The length of stay profiles of Long Haul and Canadian trips is very similar, with, in both cases, two thirds of trips lasting up to 2 weeks and a significant minority more than three weeks.

Length of trip

Long Haul and Canadian Trips Compared

	Long Haul in %	Canada in %
One week	24	26
Two weeks	45	42
Three weeks	15	14
More than three weeks	16	18

Source: European Travel Monitor 1997/1998; IPK International

Long Haul trips were more likely to make use of First Class hotel accommodation than were trips to Canada. Since a higher proportion of trips to Canada were business trips it might have been expected that trips to Canada would have been more likely to use the top class hotels usually favoured by business travellers.

On the other hand, many Long Haul trips are to Asian beach resorts where top class hotels, particularly after the currency crisis, can be had for very reasonable rates, while many hotels in the USA, which are perceived to be top class offer attractively priced accommodation particularly for family rooms.

Type of Accommodation Used

Long Haul and Canadian Trips Compared

	Long Haul in %	Canada in %
First Class Hotel	33	21
Middle grade	29	36
Budget Hotel	7	8
Homes of family/friends	15	20
Others	16	15

Source: European Travel Monitor 1997/1998; IPK International

The previous tables have all looked at the trip characteristics of Long Haul and Canadian travel as a whole. The next table deals only with holiday trips and segments these according to the locations and types of activity undertaken on the holidays.

The majority of both Long Haul and Canadian holidays fall into one of three types, Sun and Beach, Touring and City visits. However for Long Haul holidays as a whole, it is the Sun and Beach holiday which predominates, accounting for more holidays than the other two together. For Canada on the other hand it is the Touring holiday which predominates. It accounts for more holidays than the Beach and City holidays combined.

Although the Sun and Beach segment predominates for the Long Haul category overall, it is likely that the majority of these will be taken in the Caribbean, the Indian Ocean and the Asian Beach resorts, while Touring and City holidays will predominate in Anglo Saxon Long Haul destinations such as the USA and Australasia.

Type of Holiday

Long Haul and Canadian Trips Compared

	Long Haul in %	Canada in %
Sea/Lake side	38	8
Touring	21	38
City	13	20
Countryside	8	5
Snow	1	4
Mountain recreation	1	6
Sporting	3	1
Cruise	1	1

Source: European Travel Monitor 1997/1998; IPK International

The socio-demographic profiles of Long Haul and Canada trip takers are very similar.

The main differences are that visitors to Canada are better educated, perhaps reflecting the higher proportion of business travellers to Canada and they include a higher proportion of people from single person households.

Profile of Travellers

Long Haul and Canadian Trips Compared

	Long Haul in %	Canada in %
Gender:		
Male	55	55
Female	45	45
Age:		
15-44 years	59	55
45-64 years	35	34
65 years and over	6	11
Education level:		
Lower	34	17
Middle	22	44
Upper	43	39
Social status:		
Lower	16	21
Medium	35	36
Upper	48	43
Size of household:		
1 person	16	25
2 persons	40	29
3-4 persons	33	39
5 or more	11	7
Average size	1.3	1.3
Area of Residence:		
Rural area	19	12
Small town	21	10
Large town	60	78

Source: European Travel Monitor 1997/1998; IPK International

Long Haul Travel by Area of Residence

	Long Haul in %	Canada in %
Central Sweden	30	14
Oerestad	27	31
Oslos Eastland	16	9
Helsinki and South	12	20
Jutland and Funen	4	11
Others	10	15

Source: European Travel Monitor 1997/1998; IPK International

4. Consumer Benefits from Long Haul Holiday Trips

In this section we look at the benefits which people who have taken a specific type of holiday say they derive from that holiday. A comparison is made between abroad holidays as a whole and long haul holidays in order to identify those features of long haul holidays which gives them a competitive edge compared with abroad holidays as a whole.

Results are given for the four most popular types of abroad holiday and they are presented in order of popularity.

The benefits which beach holiday takers say they derive from them are very similar for both Long Haul and Abroad holidays as a whole.

The main difference is that those who take Long haul holidays are more likely to describe them as being rich in new experiences than those on abroad holidays generally, while those on abroad holidays are more likely to pick out enjoyment of meals as a benefit than those on Long Haul Beach holidays. Possibly the meals in resort restaurants (outside the hotels) which many of those on Mediterranean holidays take, are more enjoyable than the meals in resort hotels at Long Haul destinations.

Top Ten Sun & Beach Holiday Benefits

Long Haul Compared with All Abroad Holidays

	Long Haul in %	All Abroad in %
Relaxing	71	75
Sunbathing	56	57
Swimming	47	49
Enjoying meals and drinks	30	41
Enjoying life	40	38
Discovering landscape/nature	35	31
Having many experiences	39	28
Window shopping/shopping	26	21
Social life/Parties	19	19
Experiencing local hospitality	23	19

Source: European Travel Monitor 1997/1998; IPK International

Touring holidays to Long Haul destinations have a competitive edge over abroad holidays as a whole in that they are more likely to be seen as providing novelty - new experiences, new impressions and a change of life style. They are also less likely to be seen as relaxing than abroad touring holidays generally.

Top Ten Touring Holiday Benefits

Long Haul Compared with All Abroad Holidays

	Long Haul in %	All Abroad in %
Relaxing	36	49
Visiting places of interest	51	48
Getting to know the scenery	51	47
Visiting cities	50	46
Having many experiences	55	40
New/change of impressions	42	34
Enjoying life	21	26
Visiting museums, exhibitions	27	25
Getting to know the people, their way of life	34	23
Getting to know the local cuisine	27	21

Source: European Travel Monitor 1997/1998; IPK International

In addition, experiencing adventures was mentioned by 30% of those on Long Haul Touring holidays but did not rank in the Top Ten holiday benefits for abroad Touring holidays as a whole.

Long Haul City holidays are more likely to be thought to offer the benefit of various sightseeing opportunities - visiting places of interest, museums and parks - and also to offer the benefit of visits to friends or relatives than abroad holidays generally. On the other hand they are less likely to be seen as offering the benefit of enjoyable meals

Top Ten City Holiday Benefits

Long Haul Compared with All Abroad Holidays

	Long Haul in %	All Abroad in %
Sightseeing/visiting places of interest	57	46
Window shopping/shopping	44	46
Sauntering, strolling, enjoying the atmosphere	44	43
Enjoying meals and drinks	28	38
Visiting museums	33	23
Visiting friends/relatives	30	23
Nightlife	13	16
Visiting exhibitions	21	14
Visiting parks, participating in the park life of the city	24	14
Visiting concerts, operas, musicals	14	11

Source: European Travel Monitor 1997/1998; IPK International

In addition, visiting theatres was mentioned by 21% of those on Long Haul Touring holidays but did not rank in the Top Ten holiday benefits for abroad Touring holidays as a whole.

Long Haul Countryside holidays have a competitive edge over abroad holidays generally in that they provide more opportunities for new experiences - discovering new landscapes, making excursions, doing new things and experiencing local hospitality. Abroad Countryside holidays generally include a much higher proportion which are specifically devoted to walking or hiking activities than do Long Haul holidays.

Top Ten Countryside Holiday Benefits

Long Haul Compared with All Abroad Holidays

	Long Haul in %	All Abroad in %
Relaxing	84	75
Discovering landscape/nature	46	39
Visiting places of interest/ excursions	41	28
Enjoying life	17	25
Enjoying meals and drinks	22	25
Hiking/Walking	8	23
Enjoying the accommodation	24	23
Social life/Parties	17	19
Experiencing local hospitality	25	19
Having many experiences	36	18

Source: European Travel Monitor 1997/1998; IPK International

In addition, shopping and window shopping was mentioned by 22% of those on Long Haul Touring holidays but did not rank in the Top Ten holiday benefits for abroad Touring holidays as a whole.

5. Summary and Recommendation

Summary

- The Long Haul market out of Scandinavia has nearly doubled over the last decade.
- The main growth in the Long Haul market has come from the Holiday sector.
- By contrast, Canada has seen only modest growth from Scandinavia and that growth has been mainly in the business segment, a segment which is less easily influenced by an NTO (National Tourist Office).
- Canada has failed to take advantage of the general expansion in the Scandinavian Long Haul Holiday Market. It is too dependent on business travel, with one third of its visits in the traditional (less promotable) business sector.
- Canada, with only 0.3% of the abroad holiday market is more or less "unnoticeable" in the Scandinavian market.
- Canada does not have to any great extent the sort of product which would enable it compete in the main Sun and Beach Long Haul market.

Recommendations

- Canada needs to evaluate its Touring and its City product to establish which aspects offer Scandinavians the "new experiences" which they value in Long Haul holidays of these types.

- This will require qualitative research in Scandinavian to provide a better understanding of what Canada could offer in this regard.

D. SCANDINAVIAN TRAVEL TO CANADA IN THE 90'S

The following chapter provides an overview of the development of Scandinavian Canadian travel demand in the 1990's. Although the Scandinavian Travel Monitor queries 33,000 people per year, the share of long haul travel is low.

In order to nevertheless be able to attain a tangible significance, the interviews from 2 years are in each case cumulated to acquire one total relative value as follows: 1991/1992, 1993/1994, 1995/1996, 1997/1998. Percentage values refer to the adjusted structuring of the total cumulatively assessed values. Absolute values are calculated by halving annual values such that, for example, the "1998" market volume derives from the median value of that of 1997+1998.

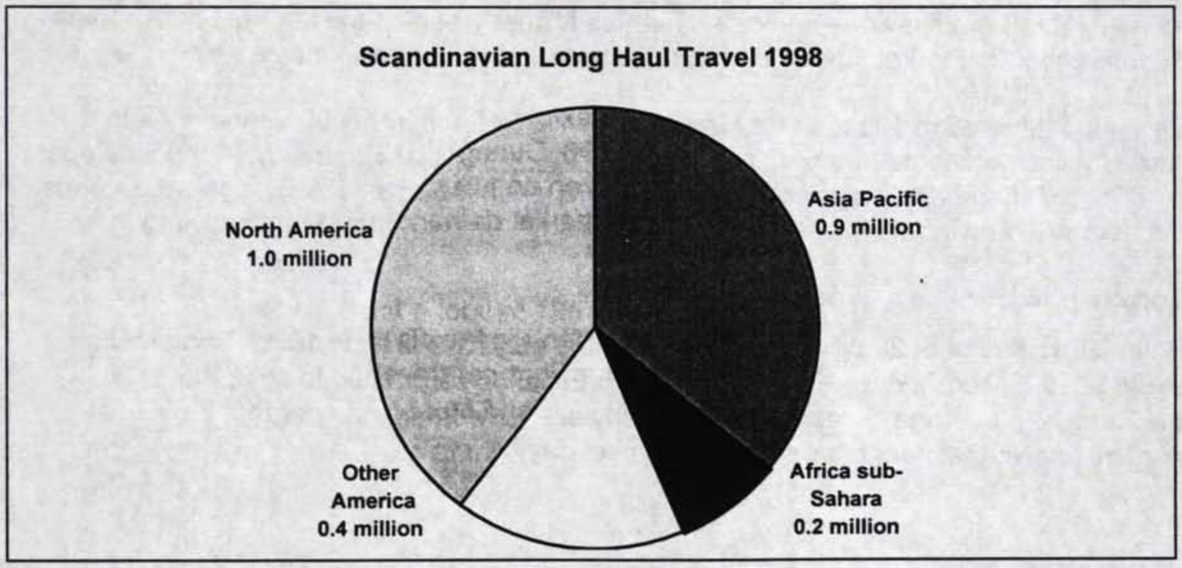
1. Market Volume

The Scandinavians took close to 2.5 million long haul trips outside of Europe and the Mediterranean region in 1998. Of these, 75% were holiday trips, 20% business trips and 5% other leisure travel.

The overwhelming majority of these long haul trips were organised by the travellers themselves, but booked at a travel agency. Only 25% of all long haul trips were all-inclusive holidays.

As the following chart shows, North America and Asia are the main long haul destinations for Scandinavians. More than 90% of all North American travel goes to the USA. The remainder goes to Canada, respectively combines USA + Canada into one holiday trip. (See chart 1)

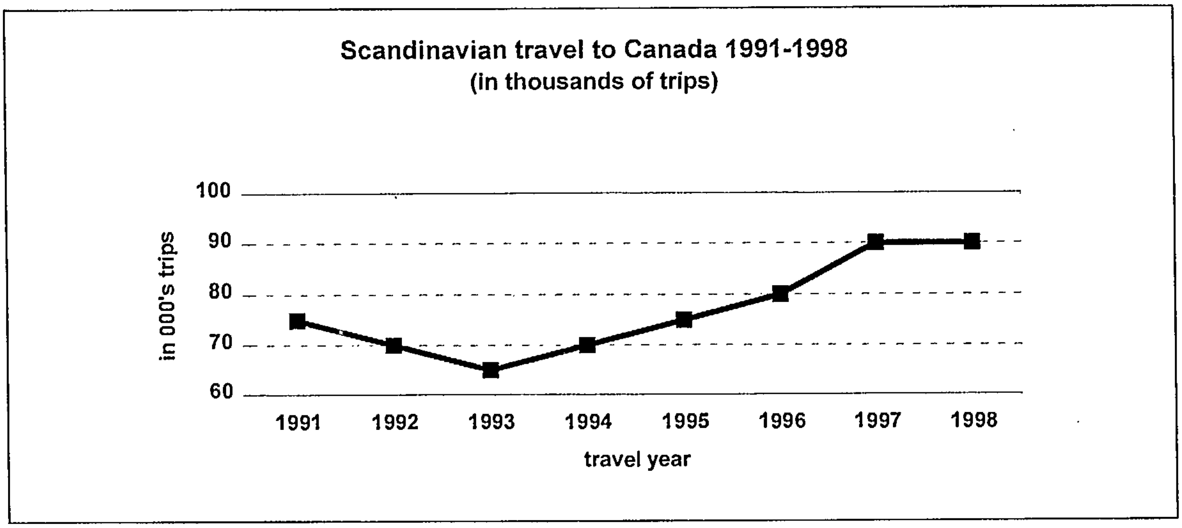
Chart 1



Source: European Travel Monitor 1998, IPK International

In 1998, the Scandinavian residents of Sweden, Denmark, Finland or Norway made about 90,000 trips to Canada. This corresponds to an average of 7,500 Canada trips per month. 40% of Scandinavian visitors combine Canada with the USA on the same trip. 60% travel only to Canada. The market share for Canada among total outbound trips made by the Scandinavians to non-Scandinavian destinations amounts to 0.7%. In contrast, Canada has a market share of 4% in long haul travel, respectively 7% of the total of all Scandinavian travel to the Americas.

Chart 2



Source: European Travel Monitor 1991-1998; IPK International

At the beginning of the 1990's, Scandinavian travel to Canada, at roughly 75,000 trips per year, defined a first maximum. Subsequently, in 1992+1993, sales volume declined to 65,000 trips in 1993. Causes behind this downward trend can be traced to the effects of the conflicts in the Gulf and the former Yugoslavia, as well as increased curiosity travel by the Scandinavians to those countries formerly behind the iron curtain. Canada therefore lost no market shares during this phase in the overseas market. See chart 2.

Demand stabilised in 1994, so that a new maximum of about 90,000 annual trips to Canada was again attained by 1997 and 1998. During the last years, the annual number of trips to Canada has increased since 1993 on an average by +7%. This trend exceeds the average growth rate in the total foreign market demand of the Scandinavians.

Turnover in Euro

Scandinavians spent 28 billion Euro on their foreign travels during 1998. This breaks down to 1006 Euro[1] per trip, respectively 145 Euro per travel day. In comparison with the European average, Scandinavians clearly spend more money per trip, most particularly with respect to spending per travel day.

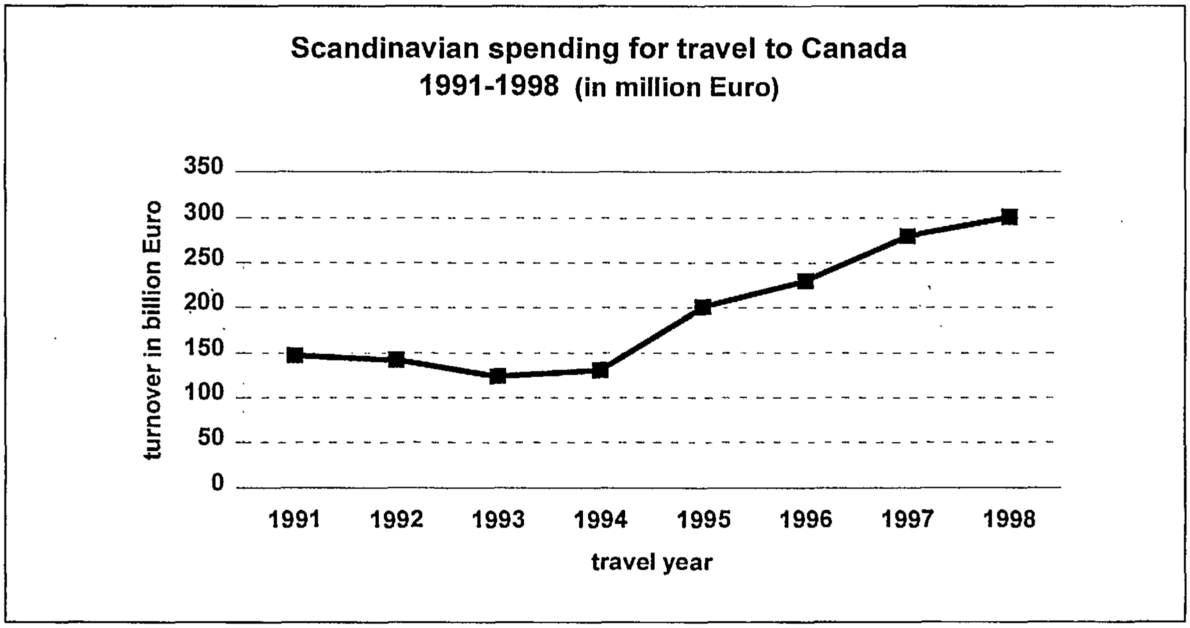
[1] 1 Euro = 1.6867 Canadian Dollars In February 1999

On average, Scandinavians spent 2700 Euro per long haul trip, but 3,250 Euro per trip to Canada. This means that travel to Canada yields 20% more turnover per trip than any other long haul destination. This value encompasses not just spending while in Canada, but also amounts which are spent in Scandinavia before departure and subsequent to return. The total turnover for Canada trips on the Scandinavian market lies at about 300 million Euro at the moment.

As a consequence of the higher level of spending per Canada trip, Canada's share of turnover, at 1,0%, in the overall total of all Scandinavian spending on long haul travel in 1998, is at least twice as high as its share of volume.

As Chart 3 shows, spending has developed basically parallel to travel volume. An overall positive turnover trend is recognisable since 1994, which results from more trips to Canada, but also from more spending per Canada trip. Average spending per trip was sixty percent higher in 1998 than in 1991/1992.

Chart 3

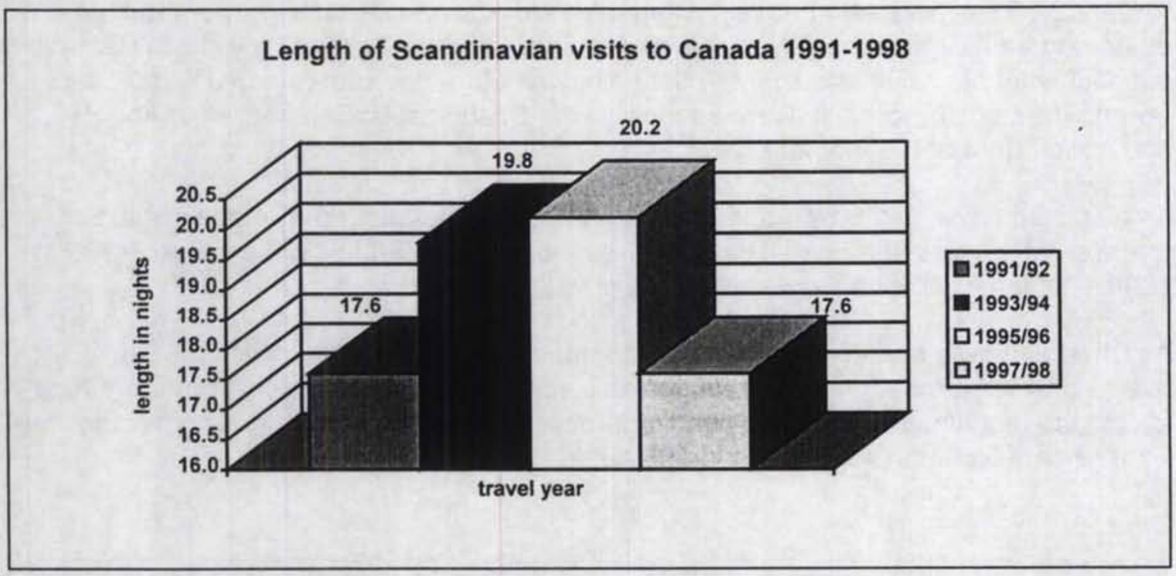


Source: European Travel Monitor 1991-1998; IPK International

Overnight Volume

In 1998, Scandinavians spent a total of 195 million nights on their foreign travels, resulting in a mean length of foreign stay of 7 nights per trip. Canadian trips, at 17.6 nights, are almost three times as long as the average. As chart 4 shows, the mean duration of Canada trips has somewhat declined in recent years. A shifting in the percentages related to purpose of trip is behind this trend (see next chapter).

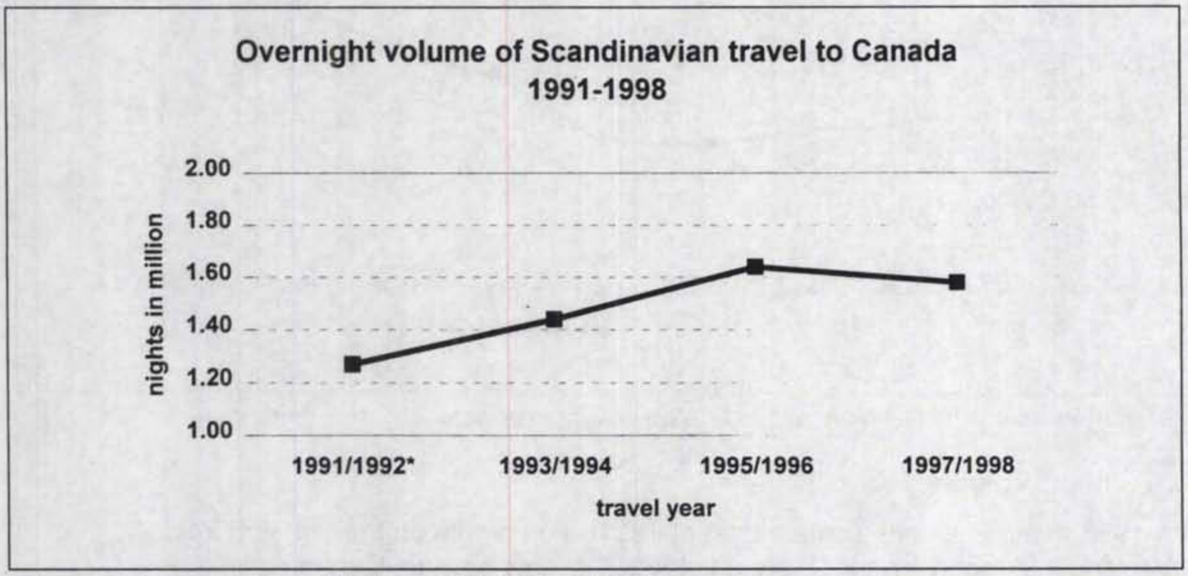
Chart 4



Source: European Travel Monitor 1991-1998; IPK International

Despite increased trips, the overnight volume in Canada slightly decreased as a consequence of the shorter trip duration during the last two years. Refer to chart 5:

Chart 5



Source: European Travel Monitor 1991-1998; IPK International
*1991/1992: volume 1991 plus volume 1992 divided by two

Altogether, the Scandinavians spent 1.3 million nights in Canada in 1991/1992. The average length of a trip was 17.6 nights.

There were 1.4 million nights spent by Scandinavians in Canada in 1993/1994 with an average length of trip of 19.8 nights.

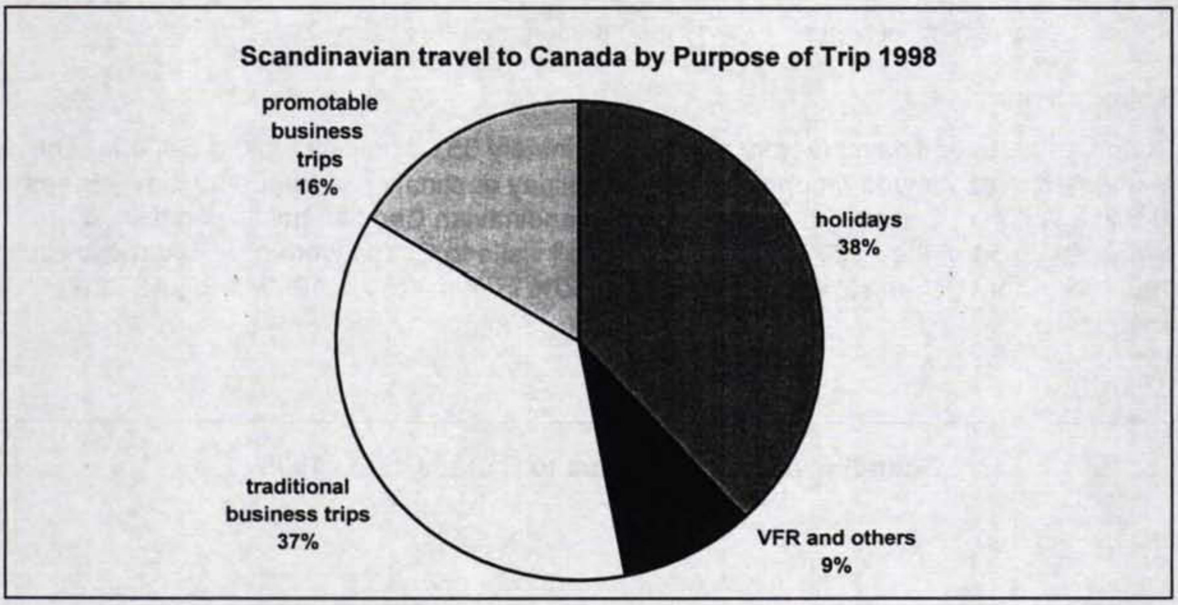
In 1995/1996, the Scandinavians spent 1.6 million nights in Canada. The average length of a trip was 20.2 nights.

Scandinavians spent also 1.6 million nights in Canada in 1997/1998 but with an average length of trip of 17.6 nights.

2. Purpose of Trip

Canada seems to be above all a business travel destination for Scandinavians. In 1998, every second trip from Scandinavia to Canada (53%) was a business trip. 37% of these were traditional business trips; 16% were promotable business trips such as visits to conferences or seminars. Refer to chart 6.

Chart 6

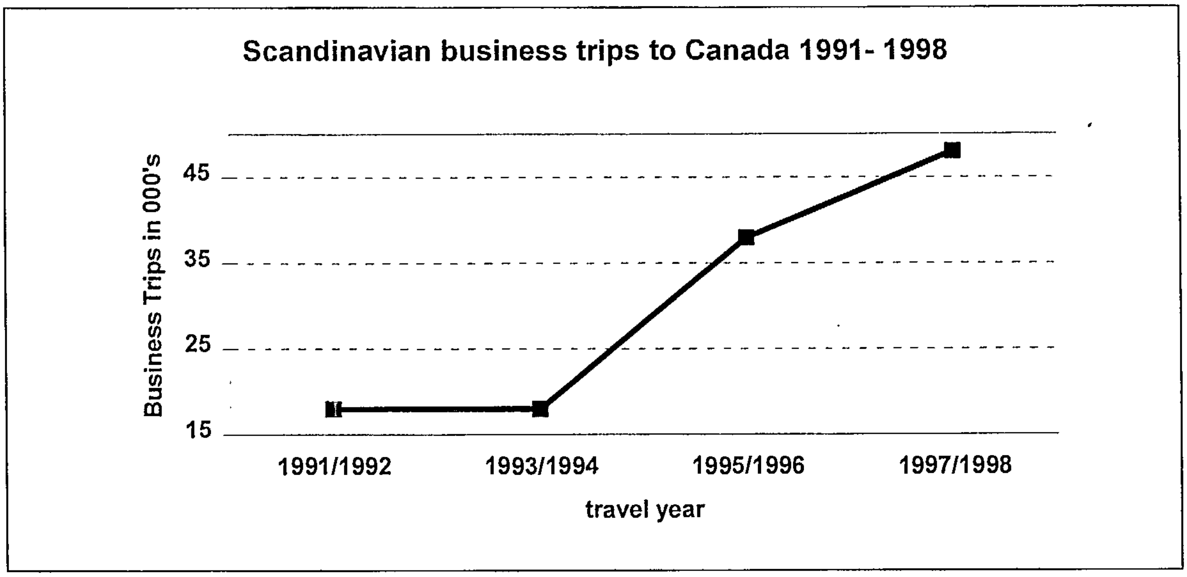


Source: European Travel Monitor 1997+1998, IPK International

Business Trips

During 1998, Scandinavians went on nearly 50,000 business trips to Canada. The market share of Canada among all outbound business trip destinations amounts to 0.8%. As chart 7 shows, sales results have developed quite positively, as the number of Canadian business trips has almost doubled over the course of the 1990's. Parallel to this, the share of business trips among total Scandinavian Canadian travel has increased from 32% in 1991/1992 to 24% in 1993/1994, and 47% in 1995/1996 to now 53% in 1997/1998.

Chart 7

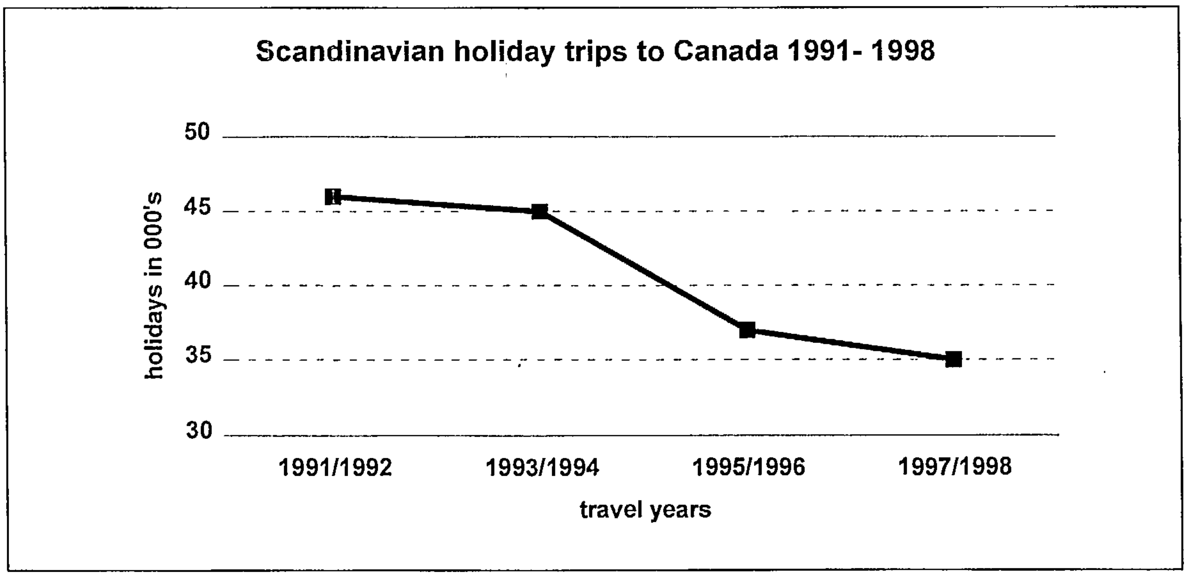


Source: European Travel Monitor 1991-1998; IPK International • Holiday Trips

Holiday Trips

During 1998, Scandinavians went on approximately 35,000 holiday trips to Canada. The market share of Canada among all foreign holiday destinations of the Scandinavians lies at 0.2%. As chart 8 shows, the number of Scandinavian Canadian holidays declined over the course of the 1990's. While 66% of all visits to Canada were still holiday trips in 1992, the share began steadily decreasing: 60% in 1994, 45% in 1996, and just 38% in 1998.

Chart 8

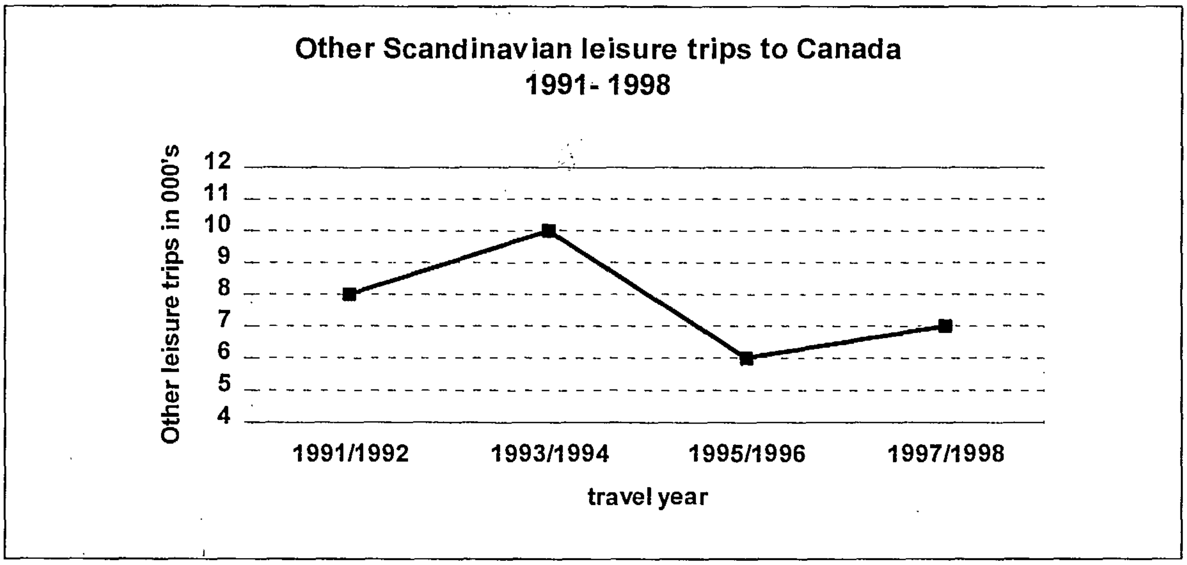


Source: European Travel Monitor 1991-1998; IPK International

Other Trips

This category, other trips, primarily includes visits to relatives and visits to friends. During 1998, Scandinavians went on approximately 7,000 such other leisure trips to Canada. As chart 9 shows, travel volume has remained rather stable in recent years. Roughly every fourteenth Scandinavian trip to Canada at present is a so-called other leisure trip.

Chart 9

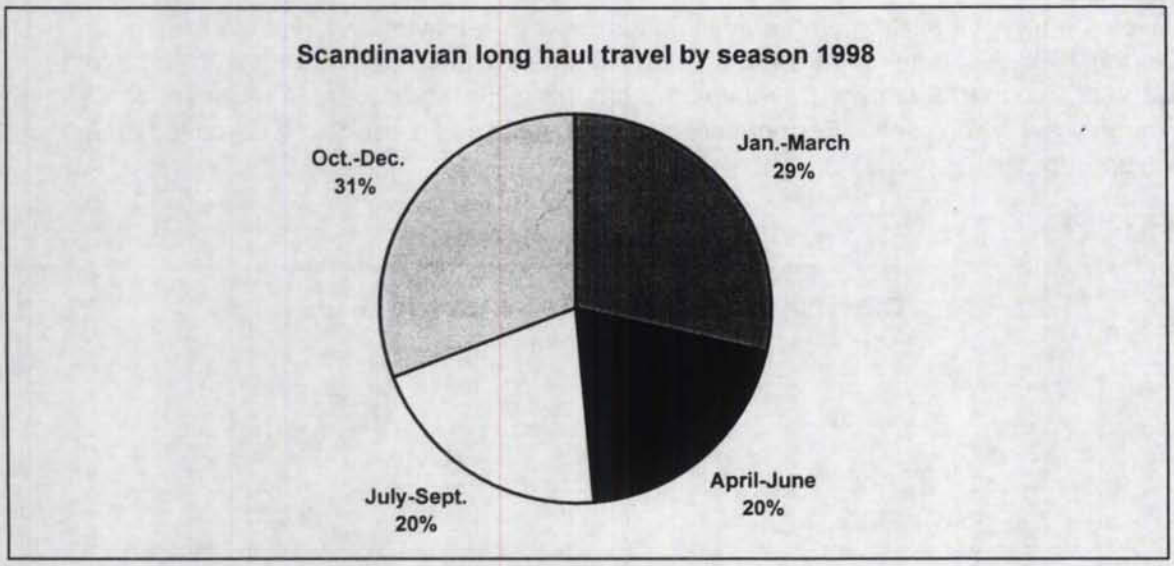


Source: European Travel Monitor 1991-1998; IPK International

3. Travel Season

While Scandinavians take long haul trips during all four seasons, autumn and winter are the most popular times with both of these two seasons securing approximately 30% market share each. In contrast, spring and summer only attain 20% market share each. See chart 10.

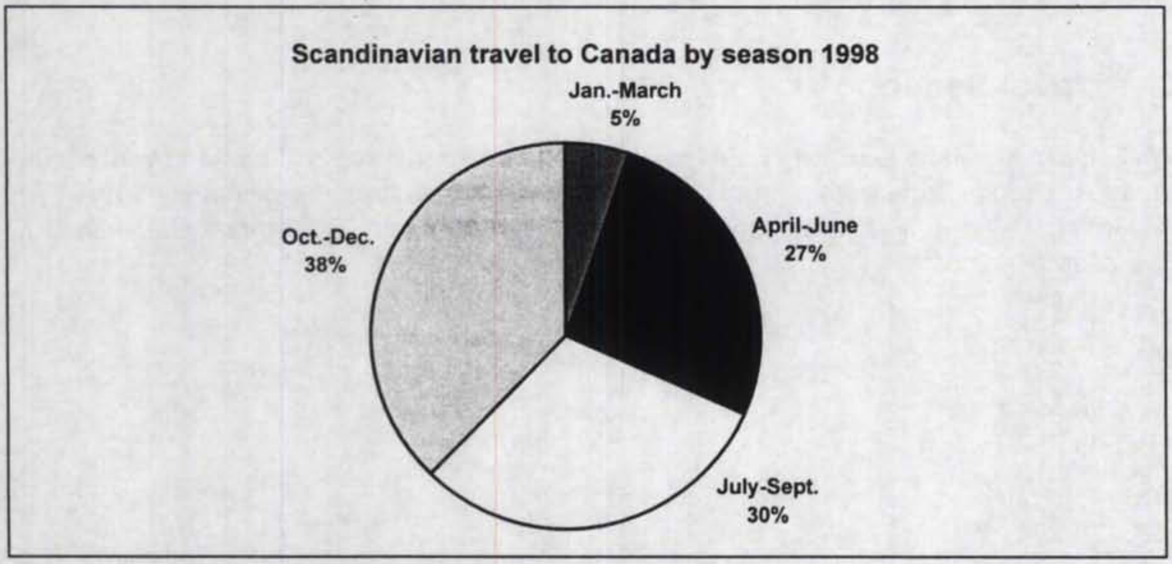
Chart 10



Source: European Travel Monitor 1998, IPK International

To a large extent as a consequence of the high percentage of Scandinavian business trips to Canada, the majority of Scandinavian Canadian travel is realised in the autumn. But in contrast to other long haul destinations, very few Scandinavians travel to Canada in the winter. See chart 11.

Chart 11



Source: European Travel Monitor 1997+1998, IPK International

Overall, a certain shift in the seasonal disbursement of Scandinavian travel to Canada can be recognised. Above all in favour of trips in the autumn (September to December). While trips in the traditional summer months May to August have seen their market share almost halved, trips from September to December have more than doubled in the same period.

Months	1991/92	1993/94	1995/96	1997/98	Mean 1991-1998
January-April	24%	23%	12%	15%	19%
May-August	51%	53%	47%	28%	45%
September-December	25%	24%	41%	57%	36%

Source: European Travel Monitor 1991-1998; IPK International

4. Type of Holiday

The most popular type of Scandinavian outbound holiday in general is sun+beach (44%), followed by city breaks (15%), touring holidays (11%), countryside recreation (9%) and outbound snow holidays (5%).

The holidays which the Scandinavians make in Canada differ from the Scandinavian holidays as seen in general in that the Touring Canada holiday is the most popular way of spending one's holiday amidst the width and breadth of the Canadian panorama. More than a third of all Scandinavian Canadian holidays fall into this segment. The share of touring holidays itself has changed little over the years.

In contrast, the share of Canadian holidays spent at a lake or at the ocean has been declining steadily since the beginning of the 1990's. A similar trend is noted in Canada for recreation in the countryside. It is predominantly these two segments which have led to an overall decline in Canadian holidays made by Scandinavians. The city break share conversely has maintained its levels well.

Rank	Type of Holiday	1991/92	1993/94	1995/96	1997/98	Mean 1991-1998
1	Touring holiday	34%	23%	38%	38%	33%
2	Waterside holidays	23%	24%	5%	8%	15%
3	City holiday	13%	16%	6%	20%	14%
4	Countryside recreation	6%	9%	10%	5%	8%
5	Snow holiday	5%	5%	10%	4%	6%
6	Mountain recreation	4%	8%	4%	6%	5%
7	Sporting holiday	1%	6%	1%	1%	2%
8	Cruise/boat trip	1%	4%	1%	1%	2%

Source: European Travel Monitor 1991-1998; IPK International

Top Ten Canada Touring Motivations 1998

Scandinavians who spend touring holidays in Canada have general reasons for going on such a touring holiday. Above all, Scandinavians wanted to get to know the scenery (78%), closely followed by visiting objects of interest (77%). Due to the small number of Scandinavian Canada visitors a breakdown by gender or age would not be significant.

Rank	Touring Holiday Motivations	%
1	Getting to know the scenery	78
2	Visiting objects of interest	77
3	Visiting museums, exhibitions	55
4	Having many experiences	45
5	Visiting cities	34
6	New/change of impressions	34
7	Getting to know the people, their way of life	31
8	Experiencing adventures	24
9	Being free	24
10	Relaxing	21

Source: IPK International, Munich; European Travel Monitor 1997+1998

Further important motivations during their touring holiday were visiting museums, exhibitions (55%) and having many experiences (45%). Visiting cities was also a major touring holiday motivation when travelling to Canada (34%) as was new/change of impressions (34%) and getting to know the Canadian people.

Less important motivations are experiencing adventures, being free, and relaxing.

With the exception of the first age group, where the level of participation in touring holidays was insignificant, no remarkable differences regarding the top ranking could be found with respect to age. As for gender, men seemed to be more interested in visiting museums, exhibitions than women, they also seemed more interested in visiting cities and new/change of impressions. In contrast, women showed more interest in having many experiences than did men.

If one compares the Scandinavian motivations on a Canadian touring holiday with the touring holiday motivations Scandinavians have on foreign touring holidays in general; it can be seen that the most important motivation is quite different. "Relaxing" ranks first in general –when Scandinavians went on a touring holiday to Canada, however, the most important motivation was "getting to know the scenery."

The second ranked motivation, "visiting objects of interest," remains the same in both cases. But then "getting to know the scenery" ranked third for Scandinavians in general when going on a touring holiday abroad; on their Canadian touring holidays, "visiting museums and exhibitions" came up instead in this third position. "Visiting cities" was ranked one position higher in general than when taking a touring holiday to Canada, and "having many experiences" was less important in general than it was when travelling to Canada.

5. Business Travel

The number of Scandinavian business trips to Canada has more than doubled in the 1990's. Virtually every type of business travel has been able to increase its market share. Refer to the following table which represents this development of business travel market share to the total of all Scandinavian Canadian travel over the course of the 1990's.

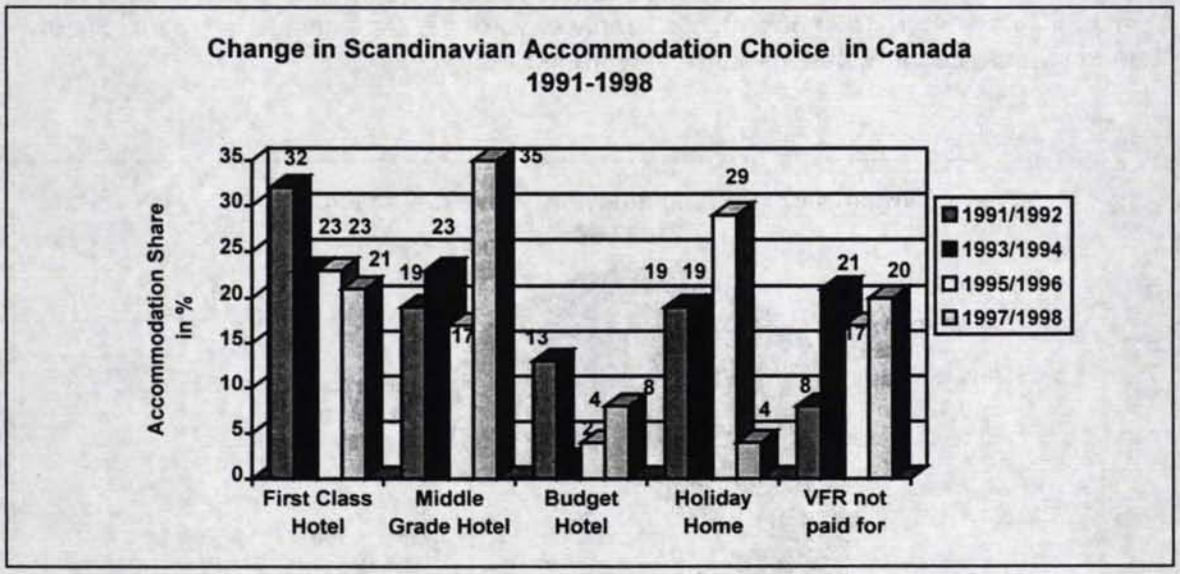
Type of Business Trip	1991/92	1993/94	1995/96	1997/98	Mean 1991-1998
Traditional Business	21%	16%	29%	31%	24%
Promotable Business	11%	8%	18%	22%	15%
- Conference/Congress/ Seminar	7%	3%	9%	16%	9%
- Exhibition/Trade Fair	2%	4%	6%	4%	4%
- Incentive Trip	2%	1%	2%	2%	2%

Source: European Travel Monitor 1991-1998; IPK International

6. Choice of Accommodation

While the first class hotel market share continued to decrease through the 1990's, the middle grade hotels registered impressive increases in market share during this same time period. This can be traced primarily to the Scandinavian business travellers who have been demanding middle grade hotels to a greater extent as of late. Refer to chart 12.

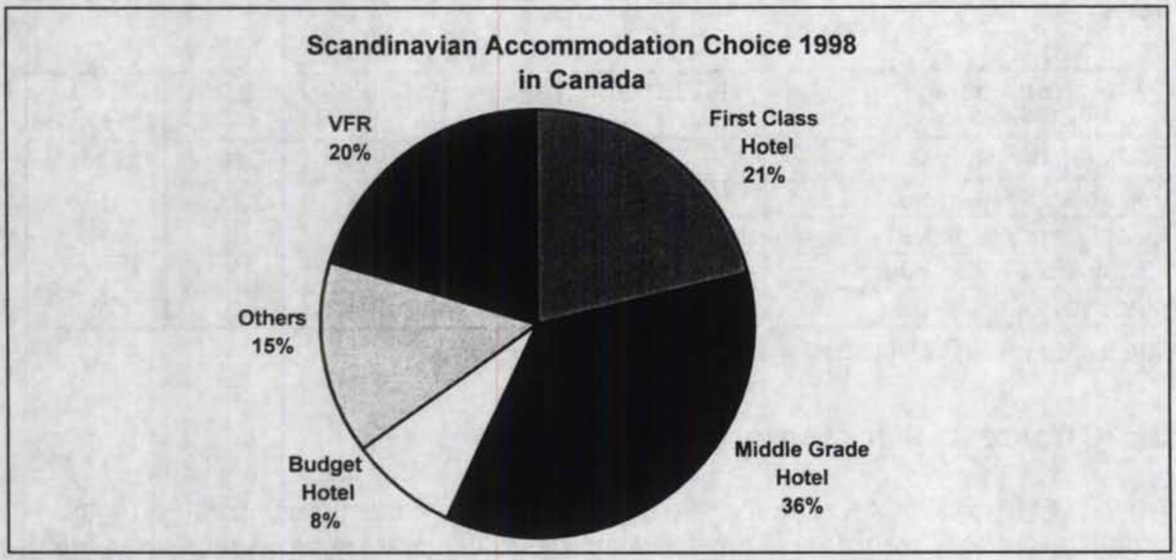
Chart 12



Source: European Travel Monitor 1991-1998; IPK International

In 1998, approximately 2/3 of all Scandinavians made use of hotels during their stay in Canada. Middle grade hotels were most preferred. Other accommodations used were 20% VFR not paid for, 4% youth hostels, 4% camper/mobile home and 7% other. Refer to chart 13.

Chart 13

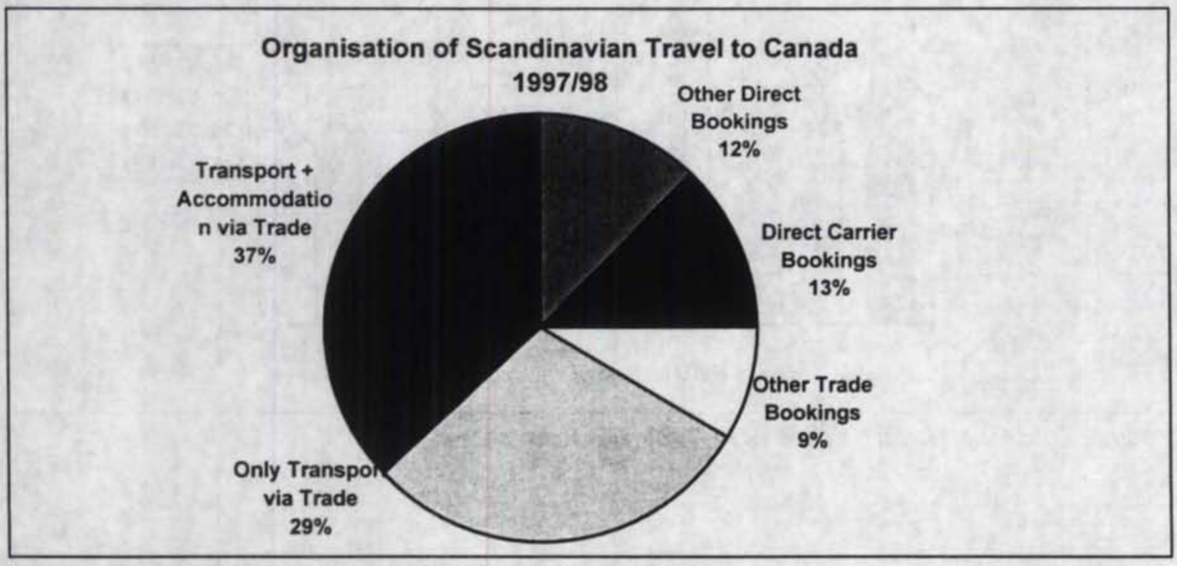


Source: European Travel Monitor 1997+1998; IPK International

7. Travel Organisation

At present, ¾ of all Canada trips are still booked through the traditional travel trade in Scandinavia. As chart 14 shows, this primarily encompasses travel agency bookings of "transport and accommodations" and "only transport".

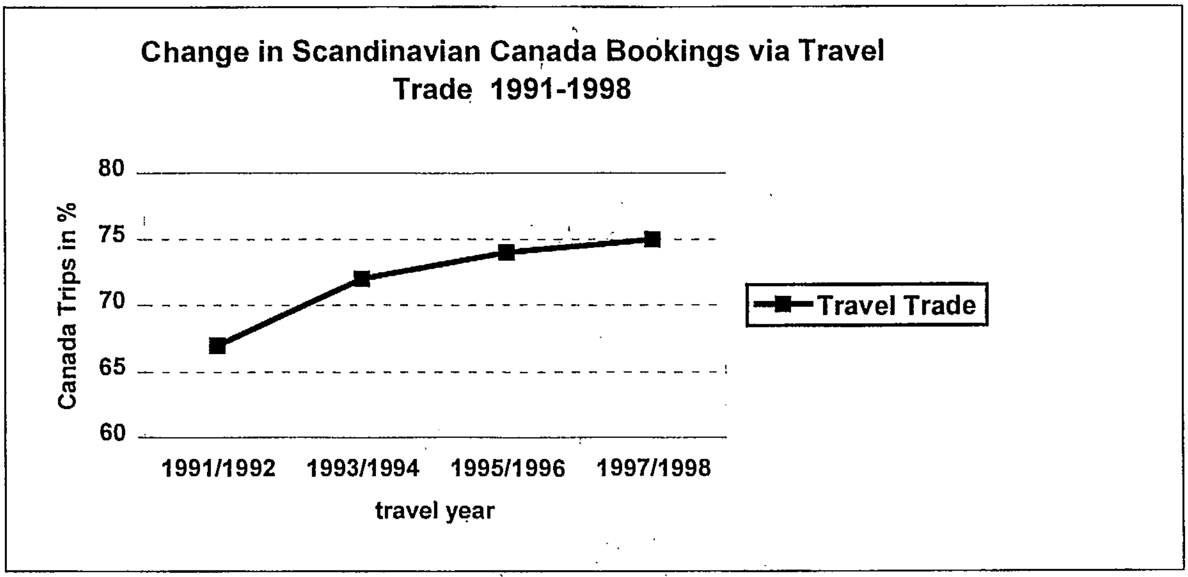
Chart 14



Source: European Travel Monitor 1997+1998; IPK International

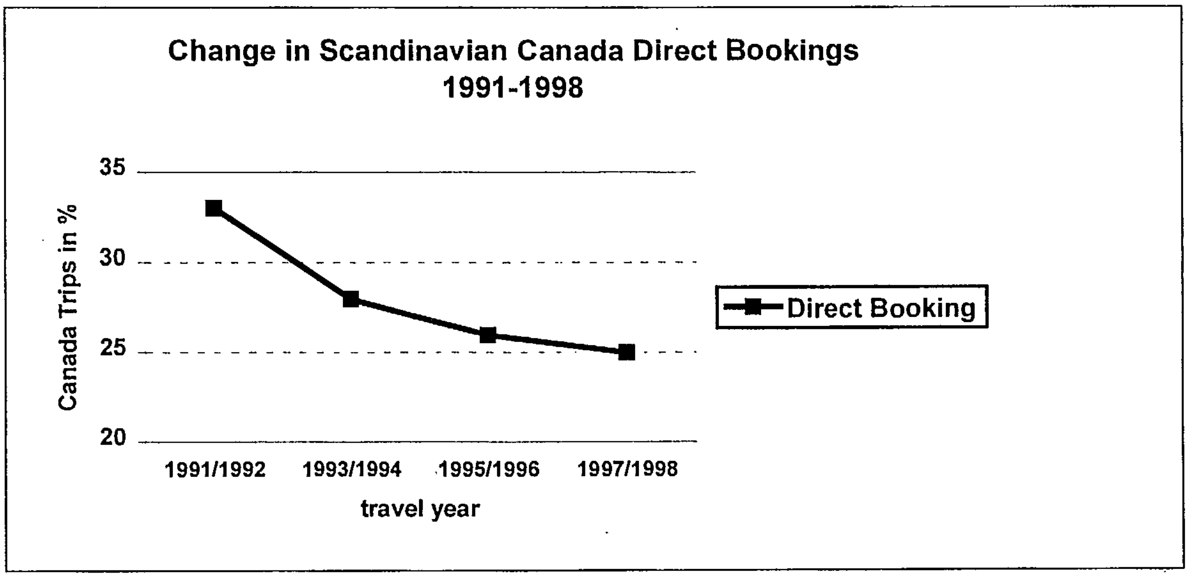
Despite the Internet and direct booking efforts, the percentage of travel trade bookings continued to rise slightly during the 1990's. Refer to charts 15 and 16. But Internet has become most popular, so that we expect already an increasing share of direct booking versus decline in trade bookings in 1999.

Chart 15



Source: European Travel Monitor 1991-1998; IPK International

Chart 16

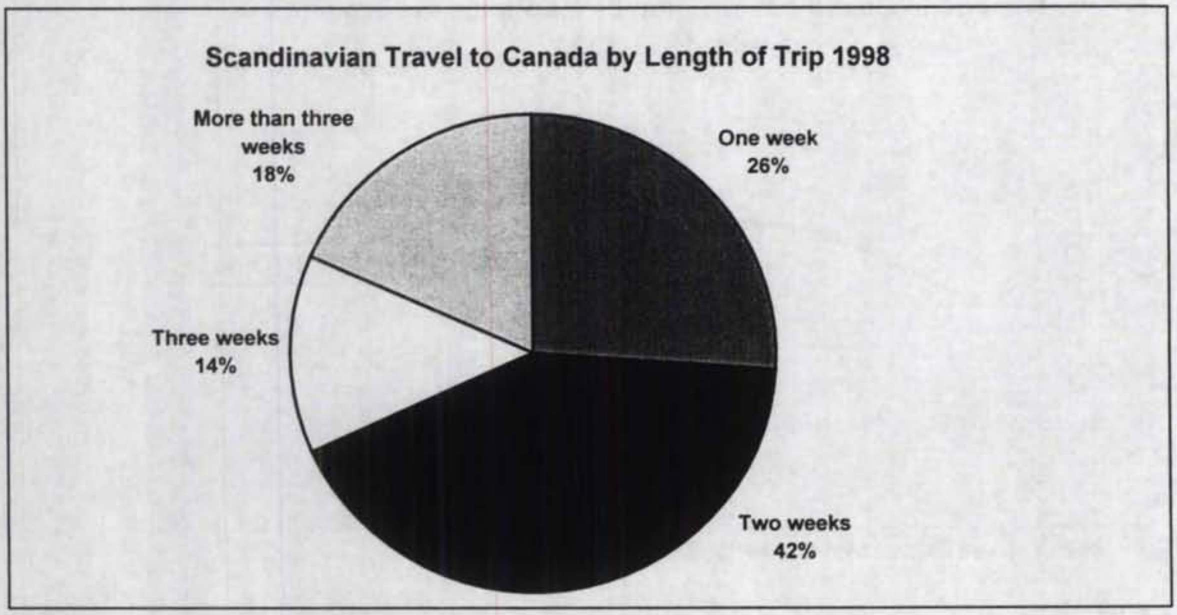


Source: European Travel Monitor 1991-1998; IPK International

8. Length of Canada Trip

In 1998, more than 2/3 of all travel comprised trips having a duration of up to a maximum of 15 nights. The remaining trips were fairly equally split among three weeks, respectively longer trips. Refer to chart 17.

Chart 17



Source: European Travel Monitor 1997/1998; IPK International

From 1991 to 1998 the share of short trips, those up to 3 nights, increased continually from 2% in 1991 to 12% in 1998. This development may feasibly be traced to three reasons:

- a doubling in the business travel segment
- a decline in the holiday travel segment
- more Scandinavian travel combining the USA with short holidays in Canada.

Length of trip	1991/92	1993/94	1995/96	1997/98
1-3 nights	2%	8%	10%	11%
4-7 nights	32%	13%	22%	15%
8-11 nights	13%	14%	14%	30%
12-15 nights	13%	23%	18%	12%
16-22 nights	22%	24%	15%	14%
23 nights or more	18%	18%	21%	18%

Source: European Travel Monitor 1991-1998; IPK International

9. Area of Residence

Politically, Scandinavia is divided into four nations: Sweden, Denmark, Finland and Norway. However, from a marketing standpoint, Scandinavia has five areas of major importance for Canada.

Scandinavian Travel to Canada by Area of Residence 1998

Rank	Region	Share in %	In Thousands
1	Oerestad	31	28
2	Helsinki	20	18
3	Central Sweden	14	13
4	Danish Jutland	11	10
5	Orlos Eastland	9	8
6	Others	15	13
1-6	Scandinavia	100	90

Source: European Travel Monitor 1997/1998; IPK International

Oerestad has recently, by means of the now longest bridge in Europe, become a part of the united metropolitan Euro-region stretching from Copenhagen in Denmark to Malmó and Lund on the Swedish side of the straits. Close to every third Scandinavian visitor to Canada comes from the Oerestad region. Its main gateway is Copenhagen, but two languages are spoken in the metropolitan area (Danish and Swedish).

Other important areas of origin are southern Finland clustered around gateway Helsinki, central Sweden with its Stockholm gateway, as well as the Danish Jutland and Oslos Eastland area.

In the period from 1991 to 1998, the demand from southern Finland increased, it stagnated in Oslos Eastland, Oerestad as well as central Sweden, and decreased somewhat in the other remaining regions of Scandinavia. It was the business travel from the large Scandinavian business metropolises which made for enlivened Canadian demand.

10. Socio-Demographic Profile

Gender

Throughout most of the 90's, Canada appeared to be more of a destination for Scandinavian males than for females, although 45% of all Scandinavian visitors at present are actually female.

Age

Scandinavian visitors to Canada are found in all age groups. However, two-thirds of them are younger than 45 years old.

Type of Residence

Canadian visitors live in the large Scandinavian towns and smaller towns clustered around the metropolises. Very few come from the vast lowly-populated Scandinavian countryside.

Status

Four out of every ten Scandinavian visitors to Canada have upper levels of education, an upper social status and incomes fairly above average. But the middle class also makes up a considerable part of the Canadian potential.

Size of Household

More than 2/3 of Scandinavian visitors to Canada come from 2 or 3 person households. 25% came from single households. Compared to the general population structure, single households are underrepresented. Reason: the high share of business travellers coming from 2-3 person households.

Profile of Scandinavian Visitors to Canada in the 90's

Socio-demography	1991/92 in %	1993/94 in %	1995/96 in %	1997/98 in %	1991-98 mean %
Gender:					
Male	67	53	59	55	59
Female	33	47	41	45	41
Age:					
15-44 years	53	57	52	55	54
45-64 years	25	27	33	34	30
65 years and over	22	16	15	11	16
Education level:					
Lower	*	*	23	17	20
Middle	*	*	34	44	39
Upper	*	*	43	39	41
Social status:					
Lower	29	25	29	21	26
Medium	33	33	35	36	34
Upper	38	42	36	43	40
Size of household:					
1 person	17	16	27	25	21
2 persons	41	37	38	29	36
3-4 persons	28	38	32	39	34
5 or more	14	9	3	7	9
Mean size	1.3 persons	1.2 persons	1.1 persons	1.3 persons	1.2 persons
Area of Residence:					
Rural area	22	10	16	12	15
Small town	47	61	31	10	37
Large town	32	30	53	78	48

Source: IPK International, Munich; European Travel Monitor 1991-1998

* Information on education was only first introduced in 1995.

E. KEY RESULTS AND CONCLUSION

➢ Our Mission

- Our mission, according to the October 29, 1999 order from the Canadian Tourism Commission, was to produce a Table Report on Scandinavian travel to Canada based on a special count to the European Travel Monitor.

- This report thus constitutes neither an analysis nor a marketing concept. Nevertheless, for the purpose of enhanced cognisance, we have made an effort above and beyond the scope of the present order to provide selected additional clarifications or comparisons of the Scandinavian Canadian travel with the Scandinavian long haul travel in general.

➢ Key Results

- With 28 million outbound trips and 28 billion Euro spending in 1998 Scandinavia is one of Europe's three most interesting outbound markets.

- But only 13.5 million trips go outbound to non-Scandinavian countries.

- Three out of five outbound trips are booked through the travel trade.

- The most popular holiday destinations are beside Scandinavian neighbour countries: Spain, Greece, Germany, France, Great Britain and Italy.

- 16% of Scandinavian (out of area) outbound goes long haul.

- Sun+Beach, City Breaks, Touring, Countryside Recreation and Snow Holidays are the top outbound favourites. The study lists the top ten benefits for each type of holiday.

- With 90,000 visitors and a non-Scandinavia destination share of 0.7%, Canada is a marginal destination for Scandinavians.

- Canada's long haul share is some 4%.

- After a decline in the early 90's, the following years have seen demand growing with +7% more trips to Canada.

- The total turnover for Canada trips from the Scandinavian market presently amounts to about 300 million Euro. Average spending per trip to Canada: 3250 Euro, which is 20% higher than Scandinavian mean long haul spending.

- While 66% of all visits to Canada were still holiday trips in 1992, the holiday share began steadily decreasing thereafter. Today, more than 50% of Scandinavian arrivals are traditional or promotable business trips, mainly in autumn.

- Promotable business travel alone, mainly for conferences, has a share of 22% of all Scandinavian arrivals in Canada.

- The Touring Holiday is the most popular way of spending one's holiday amidst the width and breath of the Canadian panorama. Waterside Holidays and City Breaks are popular as well.

- More than 2/3 of all Scandinavians stayed in Canadian hotels. Middle grade hotels were most preferred, but also first class hotels.

- ¾ of all trips to Canada are still booked through the traditional travel trade in Scandinavia. But the Internet is exceedingly popular throughout Scandinavia.

- More than 2/3 of all Canada trips have a duration of up to 15 nights. But the share of short stays mostly in combination with USA is increasing.

- The key sales area for Canada in Scandinavia is the so-called "Oerestad Euro-region", stretching from Danish Copenhagen to Swedish Malmö and Lund. Other important areas were not only southern Finland with its Helsinki gateway, but also central Sweden (Stockholm airport), Danish Jutland and Oslos Eastland.

➢ **Conclusion**

After concluding this study, we arrive at the following synopsis:

- Canada has not yet exhausted its sales prospects in Scandinavia because the market potential for Canada travel from this region should yield at least 200,000 Canadian trips per year.

- Therefore Canada should see more holiday seekers coming to Scandinavia in the future.

- The previous marketing work done by Canada in Scandinavia should be reworked from the ground up.

- The new positioning of Canada in Scandinavia should take into account the fact that the Canadian natural environment and seasons are, to a certain degree, rather similar to those of Scandinavia itself.

- For this reason, positioning of Canada in Scandinavia cannot be based wholly on nature, wilderness or other features of the landscape, or at least cannot be based on these factors alone.

- We recommend establishing this new positioning based on the results of psychological studies to be performed in Scandinavia.