Canadian Tourism Commission
Commission canadienne du tourisme

Global Tourism Watch Year 1

UK Key Findings

Canadian Tourism Commission (CTC)

Canada

www.canada.travel

Table of Contents

introduction

Background

The shocks of 2001and 2003 were strong reminders for the tourism industry regarding the speed of which consumer perceptions and decision-making processes can change based on a single event.

While there has not been a major shock to the tourism industry since 2004, a myriad of technological, social, environmental, and policy changes have occurred, affecting consumer perceptions, attitudes, motivations and travel intentions. Such changes include:

- Escalation of social media websites and their popularity across many age groups;
- Desire for healthier and more sustainable lifestyles;
- Climate change and related advocacy efforts by high-profile personalities; and
- Entry rules such as the Western Hemisphere Travel Initiative (WHTI).

To stay on top of and to adjust to the changes that are occurring, an annual research monitor was initiated to keep a pulse on consumer changes in eight of CTC's key markets.

Objectives

In 2007, the Canadian Tourism Commission, in conjunction with a partnership group that included Ontario, British Columbia, Manitoba, the Atlantic and the North, engaged Harris/Decima to conduct the Global Tourism Watch (GTW) tracking research. The program was implemented in eight global markets – the US, Mexico, the UK, France, Germany, Australia, Japan, and South Korea.

The research objectives are to collect market intelligence (across all markets in a consistent way) related to four over-arching themes:

- Monitoring key performance indicators;
- Tracking response to Brand Canada;
- Identifying and tracking product opportunities; and
- Providing input into marketing activities and strategic plans.

Methodology

The target population for the survey consisted of residents, 18 year of age and older, who have taken a long-haul 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.

A total of 1,509 UK respondents completed the online survey. A quota was set to reach n=300 past travellers to Canada. Fieldwork was conducted in November 2007.

The online survey sample was weighted by region, age and gender to align it with the long-haul traveller population in each market based on data collected through a random telephone Omnibus (n=2,000).

what is the outlook for travel to canada and the regions in the next 2 years?

Likelihood of Visiting Canada

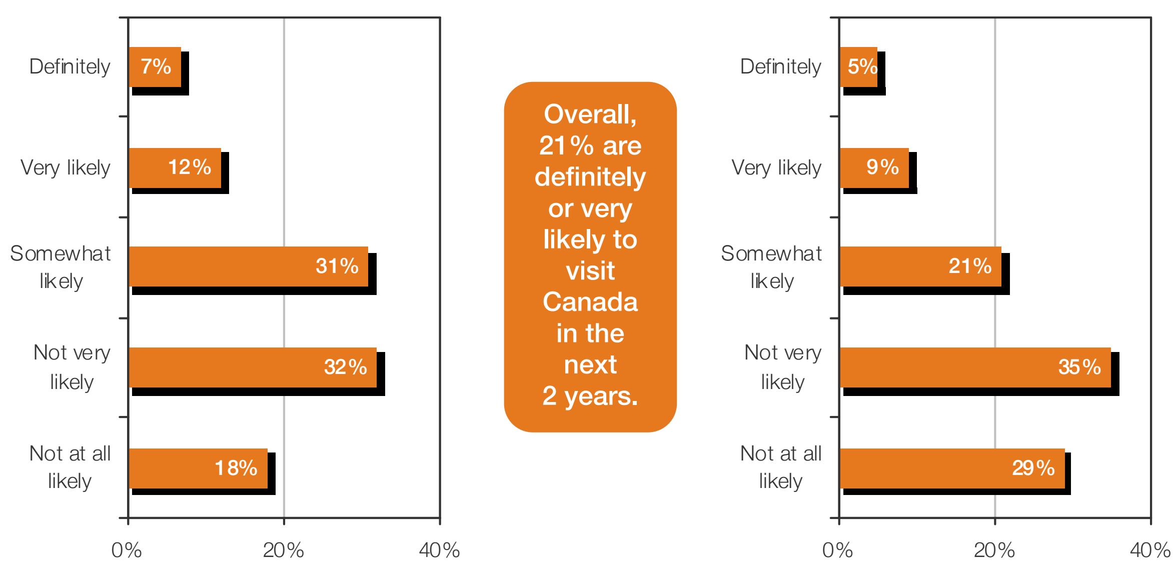
Exhibit 1 shows that 19% of UK travellers say they are definitely or very likely to take a trip of four or more nights to Canada in the next two years. In addition, 14% are likely to take a trip of one to three nights. In total, 21% are likely to visit Canada in the near-term.

The 14% figure for trips of 1 to 3 nights reflects a growing penchant for short-break travel among UK travellers, which started with short-haul European destinations, but is now spilling over to long-haul destinations (e.g., shopping trips to New York City). These shorter trips may also include Canadian add-ons to US travel.

Exhibit 1: Likelihood of Visiting Canada in the next 2 years

Likelihood of Taking a Trip of Four or More Nights (n=1,509)

Likelihood of Taking a Trip of One to Three Nights 1 (n=1,509)



Base: Long-haul pleasure travellers.

Note: 1 Including trips to other countries (e.g. the US) that involve a stay of one to three nights in Canada.

Size of the Potential Market to Canada

Exhibit 2 provides an estimate of the size of the potential market for Canada in two ways.

The target market is a broader estimate of the market size based on expressed interest among UK travellers, more specifically those very or somewhat interested in visiting Canada in the next two years. This yields a target market of more than 16 million travellers with some level of interest in Canada, making the UK the overseas market with the greatest potential for Canada in terms of travel volumes.

The immediate potential is a more conservative estimate based on those who say they are definitely or very likely to visit Canada in the next two years. This translates into close to 5 million travellers with immediate potential for conversion.

Exhibit 2 – Size of the Potential Market to Canada (next 2 years)

	Size of Potential Market to Canada
Total potential long-haul pleasure travellers (aged 18 plus)	22,486,000
Target Market for Canada	
Very/somewhat interested in visiting Canada in the next 2 years	73%
Size of the target market	16,415,000
Immediate Potential for Canada	
Will definitely/very likely visit Canada in the next 2 years	21%
Size of the immediate potential	4,722,000

Base: Long-haul pleasure travellers (n=1,509).

Canadian Destinations Likely to Visit[1] and Market Potential for the Regions

Exhibit 3 indicates that Ontario (86%) and British Columbia (72%) are the leading destinations of interest among likely travellers to Canada. About a third of respondent are interested in the Atlantic region. The Northern and Prairie regions garner the interest of roughly a fifth of likely travellers to Canada.

Niagara Falls is the individual destination that draws the most attention from UK travellers, with almost three-quarters who say they are likely to visit this popular vacation spot while in Canada. Toronto and Vancouver each post a healthy 60%, and interestingly, the UK is the only overseas market where interest in Toronto is as high as that for Vancouver.

A fifth to a quarter of UK travellers say they will visit Victoria, Ottawa and Whistler, showing there is some interest in moving beyond the largest cities.

1 Destinations of GTW regional partners.

Exhibit 3 also shows the size of the immediate potential for the regional partners on the GTW study, based on current levels of interest. The market sizes are obviously substantial for Ontario and British Columbia, but the UK market also offers good opportunities for the Atlantic region.

Exhibit 3: Destination Interest and Market Potential for the Regions

	BC	MB	ON	ATL	North
Likely to visit region	72%	11%	86%	33%	22%
Size of immediate potential for the regions*	3,400,000	519,000	4,061,000	1,558,000	1,039,000
Most popular destinations within region	Vancouver (60%)	n/a	Niagara Falls (73%)	Halifax NS (16%)	Yukon (17%)
	Victoria (25%)		Toronto (60%)	St. John's NFLD (12%)	NWT (13%)
	Whistler (15%)		Ottawa (22%)	Charlottetown (12%)	Nunavut (5%)

what are uk awareness levels of canada?

Unaided Performance Indicators

The Global Tourism Watch measured three unaided (or top-of-mind) indicators[2] – unaided awareness of Canada, unaided awareness of Canadian travel advertising, and unaided destination consideration.

In terms of unaided destination awareness, Canada ranked 4th, with 28% of long-haul respondents mentioning Canada as a destination which comes to mind for a long-haul vacation.

For top-of-mind Canadian travel advertising, Canada ranked 4th, with 11% of long-haul respondents mentioning that they had seen or heard Canadian advertising relating to travel or holidays within three months of the survey.

Regarding unaided destination consideration, Canada ranked 3rd, with 15% of long-haul respondents mentioning that they are seriously considering Canada and Canadian destinations for their holiday trips in the next 2 years.

2 All results for "Canada" include Canadian sub-destinations.

what do recent and potential uk visitors look like?

Target Market for Canada

Exhibit 4 provides demographic profiles of recent travellers to Canada and travellers interested in visiting Canada. The results show that demographically, the groups are fairly similar, being well-educated, well-positioned in the workforce, and generally well-off. Around 45% to 50% of each group are university educated, 75% have managerial or professional occupations, and 35% to 40% have annual household incomes in excess of 40,000 pounds per year.

Recent visitors to Canada tend to be older than long-haul travellers in general (44% over the age of 55). In addition, they are more likely to have friends and relatives living in Canada (56%), which suggests that VFR continues to be a strong driver of UK travel to Canada. The fact that potential travellers to Canada are also more likely to know people there (38%) than the travelling population at large (29%) indicates that VFR is a driver of interest as well.

Target Market for Canada's Regions

Exhibit 5 shows the demographic profile of travellers who are likely to visit Canada (or are considering a trip there) in the near-term, as well as those who plan to visit each of the regions (only GTW regional partners are included). The profiles for British Columbia and Ontario are based on those who say they are most likely to visit the region, while the other profiles are based on those who express an interest in visiting the region (as hardly anyone said they are most likely to visit these regions). Other than the fact that travellers likely to visit British Columbia and the North are older, there are very few meaningful significant differences between the groups.

Exhibit 4 – Target Market Demographics

	Recent Travellers to Canada (n=299)	Interested in Canada (n=543)
Gender		
Female	54%	54%
Age		
18 to 24	5%	9%
25 to 34	16%	22%
35 to 44	16%	21%
45 to 54	18%	18%
55 or older	44%	30%
Close Friends or Relatives Living in Canada		
Yes	56%	38%
Have Children in Household Under 18		
Yes	26%	29%
Marital Status		
Married / partnered	73%	70%
Single / never married	17%	20%
Other (e.g. separated, divorced, widowed)	10%	10%
Education		
High school or less	38%	37%
Technical / vocational	9%	10%
Completed college / university	48%	50%
Employment Status		
Employed full-time/part-time	63%	69%
Housewife / homemaker	7%	8%
Retired	24%	13%
Unemployed	2%	3%
Student	3%	4%
Occupation		
Senior managerial, administrative or professional	17%	17%
Intermediate managerial, administrative or professional	30%	30%
Supervisor, clerical, junior managerial, administrative or professional	28%	28%
Manual worker (with industry qualifications)	13%	15%
Manual (with no qualifications)	4%	3%
Never employed, state pensioner, casual worker	3%	1%

	Recent Travellers to Canada (n=299)	Interested in Canada (n=543)
Average Annual Household Income (GBP)		
Below 25,000 £	32%	32%
25,000 £ to 39,999 £	32%	30%
40,000 £ to 69,999 £	25%	29%
70,000 £ or above	10%	9%

Exhibit 5 – Target Market for Canada's Regions

	TOTAL (n=799)[1]	BC[3] (n=208)	MB[2] (n=92)4	ON[3] (n=414)	ATL[2] (n=253)	North[2] (n=168)
Gender						
Female	54%	44%	47%	56%	52%	50%
Age						
18 to 24	8%	8%	7%	9%	9%	5%
25 to 34	24%	23%	13%	28%	13%	11%
35 to 44	18%	11%	26%	21%	21%	18%
45 to 54	16%	14%	25%	17%	20%	23%
55 or older	33%	44%	29%	26%	38%	43%
Close Friends or Relatives Living in Canada						
Yes	37%	36%	40%	35%	38%	38%
Have Children in Household Under 18						
Yes	31%	21%	33%	36%	31%	26%
Marital Status						
Married / partnered	71%	71%	73%	68%	78%	71%
Single / never married	19%	17%	11%	22%	13%	14%
Other	11%	12%	16%	11%	9%	16%
Education						
High school or less	35%	34%	33%	36%	38%	38%
Technical / vocational	11%	9%	16%	14%	9%	9%
Completed college / university	52%	55%	49%	49%	51%	51%
Employment Status						
Employed full-time/part-time	69%	66%	71%	70%	68%	59%
Housewife / homemaker	7%	7%	7%	8%	6%	7%
Retired	17%	21%	10%	15%	18%	25%
Unemployed	2%	1%	5%	3%	4%	4%
Student	3%	2%	2%	3%	3%	4%
Occupation						
Senior manager / admin / prof.	18%	24%	19%	14%	20%	21%
Intermediate manager / admin / professional	31%	32%	32%	31%	29%	33%
Supervisor, clerical, junior manager / admin / prof.	28%	24%	19%	28%	25%	19%
Manual worker (with industry qualifications)	13%	10%	18%	16%	13%	16%
Manual (with no qualifications)	4%	2%	3%	5%	5%	4%
Never employed, state pensioner, casual worker	1%	1%	-	1%	<1%	1%

	TOTAL (n=799)[1]	BC[3] (n=208)	MB[2] (n=92)4	ON[3] (n=414)	ATL[2] (n=253)	North[2] (n=168)
Average Annual Household Income (GBP)						
Below 25,000 £	30%	24%	31%	32%	33%	29%
25,000 £ to 39,999 £	32%	38%	29%	30%	30%	31%
40,000 £ to 69,999 £	29%	27%	30%	31%	30%	30%
70,000 £ or above	9%	11%	11%	8%	7%	10%

Notes:

[1] *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.*

[2] *Those likely to visit the region.*

[3] *Those most likely to visit the region.*

[4] *Results should be interpreted with caution due to the small sample size.*

what is the impact of the 2010 Olympic Games on travel to canada?

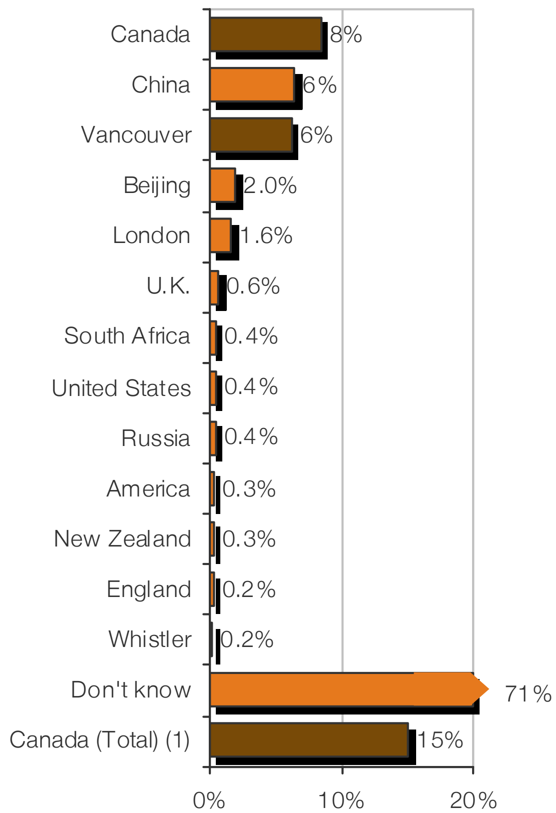
Exhibit 6 shows that, in total, 15% correctly identify Canada as the host of the 2010 Winter Olympic and Paralympic Games, mentioning Canada, Vancouver or Whistler. A relatively high proportion mention Beijing/China (host of the 2008 Summer Olympics) and London/UK (host of the 2012 Summer Olympics).

While the vast majority say that hosting the Olympics has no impact whatsoever on their interest in visiting Canada, roughly a quarter say that it has enhanced their desire to visit, a figure that will undoubtedly increase as media coverage ramps up closer to the Games.

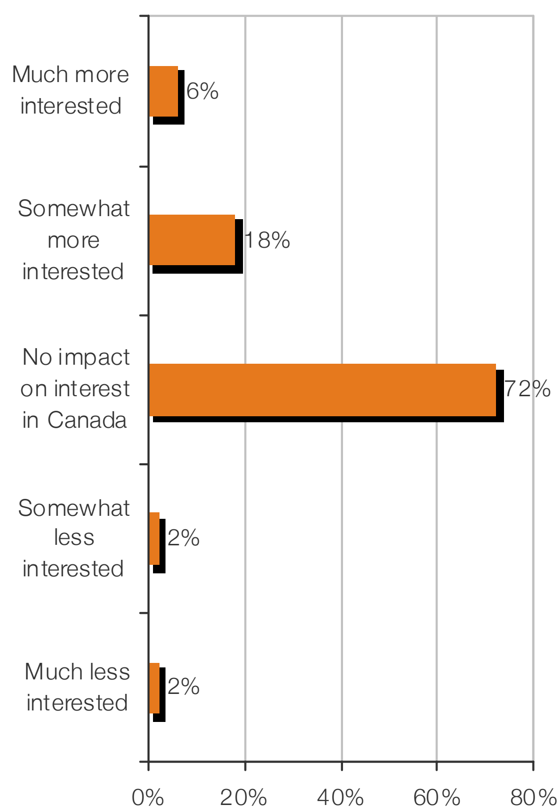
It goes without saying that the Olympics afford both British Columbia and Canada an unparalleled opportunity to enhance awareness and perceptions globally through advertising and media relations programs.

Exhibit 6 – Impact of 2010 Winter Olympics on General Interest in Canada

Unaided Awareness of 2010 Olympics Host Destination (n=1,509)



Impact of 2010 Olympics on Interest in Visiting Canada (n=1,509)



Base: Long-haul pleasure travellers.

Note: (1) Includes all mentions of Canada, British Columbia, Vancouver and Whistler.

what are canada's product strengths and weaknesses?

Canada's Product Strengths and Weaknesses

Exhibit 7 presents a product strengths and weaknesses map for Canada in the UK. Essentially, this looks at impressions of Canada's product offerings vs. the importance of these products to UK travellers on their long-haul trips. The purpose is to identify products of importance to the UK market where Canada is perceived favourably or where perceptions are a problem.

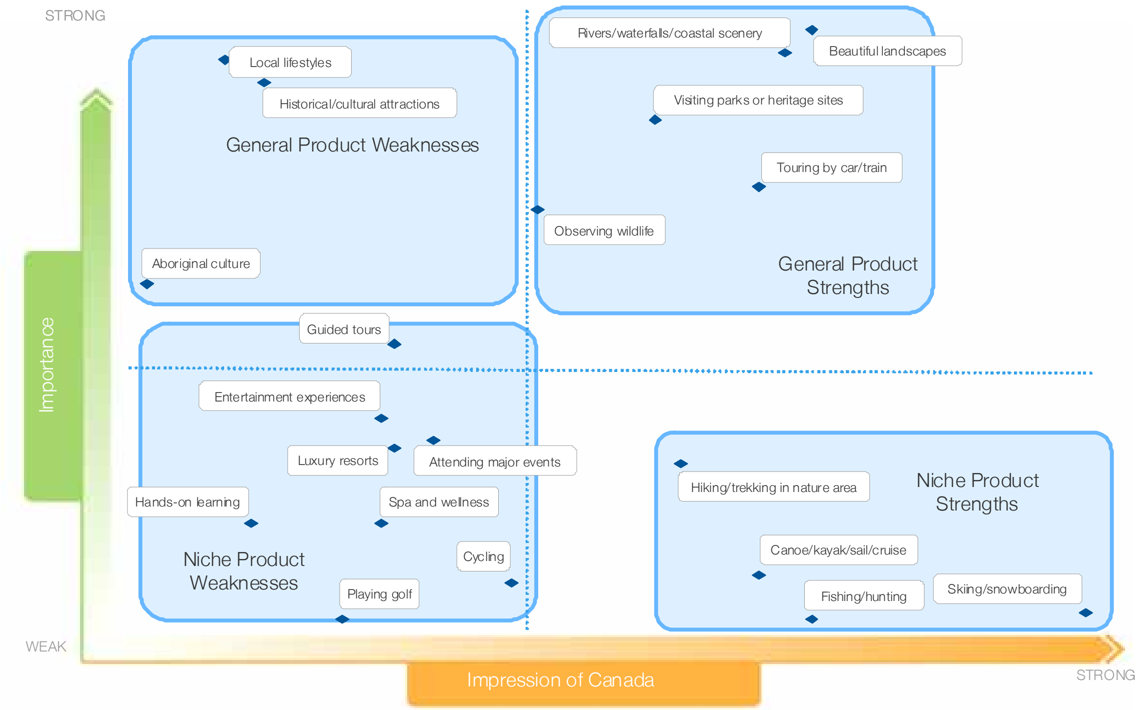
General product strengths for Canada are products that are both important in the minds of travellers in planning their long-haul trips and for which Canada is favourably viewed. Unsurprisingly, most of Canada's product strengths in the UK revolve around nature, including beautiful landscapes, rivers/waterfalls, coastal scenery, national parks, etc. Wildlife edges in as a strength, but just barely, which indicates some room for improvement. Perhaps because of its scenic beauty, touring by car or train is viewed as good way of seeing Canada.

Niche product strengths appeal to smaller groups of travellers and represent potential niche markets to be developed or targeted. For the UK, these centre on outdoors activities. Skiing is Canada's obvious strong suit, but hiking, canoeing/kayaking, fishing and hunting are also niche strengths.

General product weaknesses are products that are important to travellers, but for which Canada is not favourably rated, pointing to possible issues (perceptual or actual) to be mitigated. In the UK, Canada is felt to be lacking on the cultural front, with less to offer in the way of cultural attractions, local lifestyles and aboriginal culture. Clearly these are misperceptions that need to be addressed given the importance of these products to both the market as a whole and to two of Canada's key target segments in the UK (Cultural Explorers and Authentic Experiencers).

Niche marketing weaknesses are unfavourably rated activities that appeal to smaller groups of travellers. As such, a considerable investment may be required to improve product perceptions for a lower return. In particular, Canada is not really seen as being a luxury travel destination (e.g., it is weak on entertainment, luxury resorts, spas/wellness and golf). Major events (e.g., exhibitions, festivals and sports) is also perceived as a weakness, but should improve as the 2010 Olympics draw near.

Exhibit 7 – Product Strengths and Weaknesses Map



Base: Long-haul pleasure travellers (n=1,509).

Top-Rated Products for Canada

Decima conducted a competitive exercise that asked respondents to select the best places to visit for a variety of travel products from amongst seven competitors – Canada, Australia/New Zealand, the US, Thailand, China, India and South Africa.

Canada is seen as a leading destination for skiing. In fact, the very high rating of 83% indicates that it is seen as the long-haul destination when it comes to skiing. Scenery (landscapes, rivers/waterfalls, national parks) and nature-related outdoors activities (e.g., fishing, hunting, kayaking/canoeing, hiking, etc) are also competitive strengths.

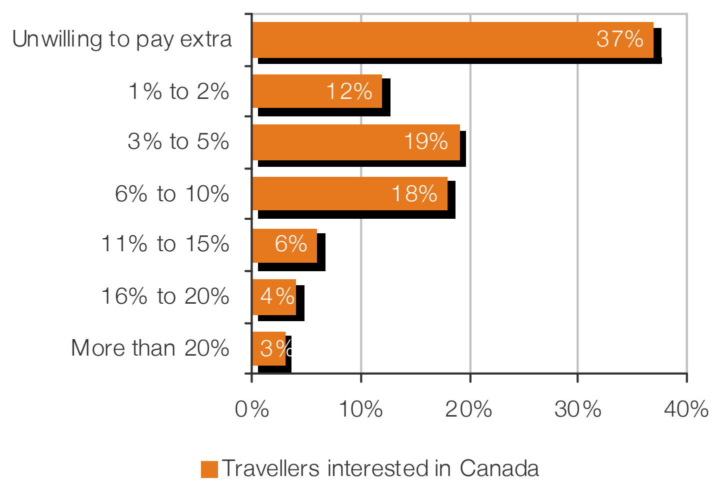
what are uk views on environmentally-friendly travel products?

Prompted by growing public awareness of the environmental impact of travel and an increasing focus on responsible tourism in many countries, the GTW survey examined the attitudes of travellers towards eco-friendly tourism and travel products.

Survey results shows travellers who are interested in visiting Canada are more concerned about eco-friendly travel than the long-haul travel population. Close to three-quarters of potential travellers to Canada feel that environmentally-friendly travel is important, and 64% consider Canada to be an environmentally-friendly destination. However, the fact that only around 40% actively make environmentally-friendly choices when they travel suggests that this may not be of any real advantage to Canada. Moreover, potential UK travellers to Canada also tend to be least environmentally-conscious when compared to their equivalents in the other GTW markets.

Exhibit 8 shows that almost 37% of UK travellers interested in Canada say they are unwilling to pay a premium for environmentally-friendly travel products. However, almost half say they are willing to pay between 1% and 10% more for such products.

Exhibit 8 – Willingness to Pay a Premium for Environmentally-Friendly Travel Products



Base: Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years, n=495.

how is canada perceived?

Unaided Brand Personality Perceptions

Brand personality often serves as a good metaphor for understanding travellers' perceptions of a destination. As such, respondents were asked to indicate three personality traits or characteristics that come to mind when they think of Canada as a person. The responses were coded into a number of personality dimensions, each comprised of a group of related personality traits. These included the eight dimensions encompassed by Brand Canada: Authentic, Confident, Informal, Intriguing, Open, Warm, Witty and Youthful, as defined by the CTC.

As shown in Exhibit 9, the personality dimension that UK travellers associate most closely with Canada is warm, which is defined by the CTC as being friendly, hospitable, welcoming, warm-hearted, kind, etc. Close to 30% of the market thinks of Canada in this way, mentioning these or related words to describe Canada on an unaided basis. Although incorporated into the new Brand Canada, friendly people and a welcoming atmosphere have long been part of Canada's traditional image, which may be one reason for the strong showing here.

Although none of the other Brand Canada personality dimensions come anywhere close to "warm," several dimensions were mentioned by between 5% and 10% of all respondents:

- Witty (e.g., humorous, quick, entertaining, clever, bright, intelligent);
- Informal (e.g., casual, relaxed, easy-going, laid-back, approachable);
- Intriguing (e.g., fascinating, interesting, exciting, appealing, engaging);
- Youthful (e.g., energetic, lively, young at heart, vigorous, fun, vibrant, peppy); and
- Authentic (e.g., genuine, sincere, honest, down-to-earth, trustworthy).

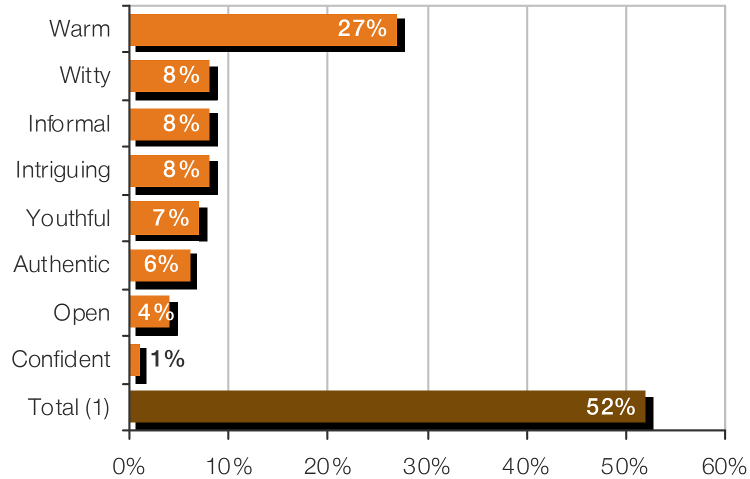
The mentions of Witty, Intriguing and Youthful suggest that, over the last few years, Canada has made some inroads in retooling its image in the UK from being a rather dull and boring place for older people to one that is an exciting, fun and entertaining vacation spot for the younger set. While there is still a long way to go, Canada's messages are starting to get across to travellers in the UK.

Components of the brand that have lower top-of-mind awareness (i.e., dimensions mentioned by less than 5% of travellers on an unaided basis) include:

- Open (e.g., accepting, liberal, open-minded, flexible, accessible); and
- Confident (e.g., self-assured, sure, secure, poised, positive).

Over 50% of travellers mentioned one of the eight Brand Canada personality traits, although, as mentioned, much of this is driven by mentions of friendly and welcoming.

Exhibit 9 – Unaided Brand Personality Perceptions



Base: Long-haul pleasure travellers (n=1,509).

Note: (1) Percent who mentioned any of the 8 Brand Canada personality traits (or synonyms thereof).

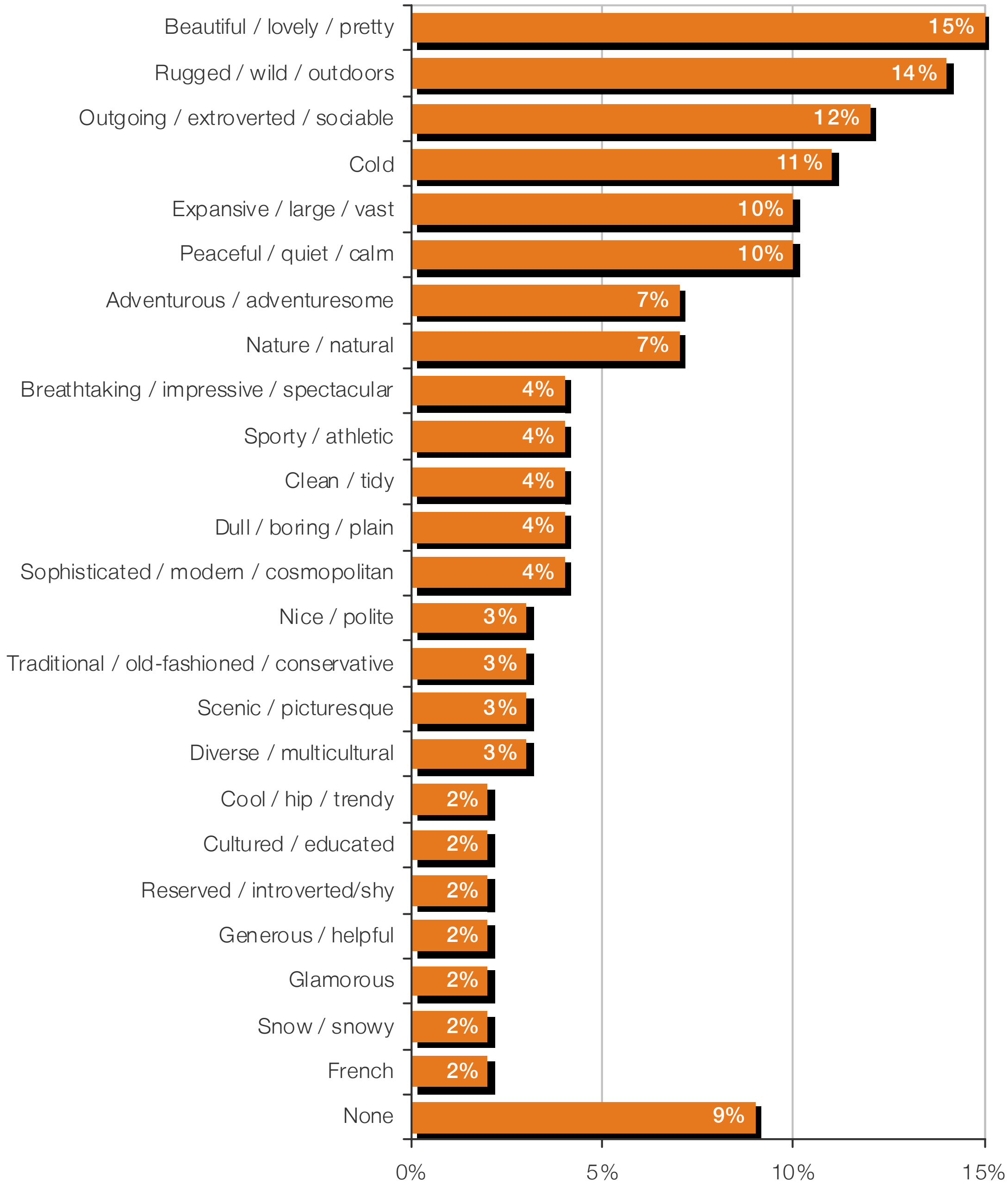
Exhibit 10 shows other personality traits that are associated with Canada in the UK market. At the top of the list is “beautiful/lovely/pretty,” which no doubt alludes to Canada’s natural beauty. Similar mentions further down the list include “breathtaking/spectacular” and “scenic/picturesque.”

The frequent mentions of “rugged/wild/outdoors” and “adventurous/adventuresome” suggests awareness of Canada’s outdoor offerings, along with some appreciation of its untamed/wilderness state (as opposed to a man-made/cultivated beauty) and recognition of opportunities for more adventurous travellers to interact with this environment.

Canada has long been thought of as a friendly nation, which is clearly supported by the frequent mentions of “outgoing/extroverted/sociable.” “Cold,” “peaceful/quiet/calm” and “clean/tidy” are also aligned with Canada’s traditional image as a place to relax in a pleasant and clean, albeit somewhat cold, environment.

The old image of being a bit staid, uninteresting or even boring does surface, with “dull/boring/plain” mentioned by 4%, “nice/polite” by 3%, “traditional/old-fashioned/conservative” by 3% and “reserved/introverted/shy” by 2%. But the new image has penetrated the market consciousness as well, as indicated by mentions of “sophisticated/modern/cosmopolitan” (4%), “diverse/multicultural” (3%) and “cool/hip/trendy” (2%). And while “outgoing/extroverted” ties in with Canada’s friendly nature, it also conveys a sense of excitement and fun.

Exhibit 10 – Unaided Brand Personality Perceptions – Other Mentions



Base: Long-haul pleasure travellers (n=1,509).

Value Perceptions

For a destination to have value, it should:

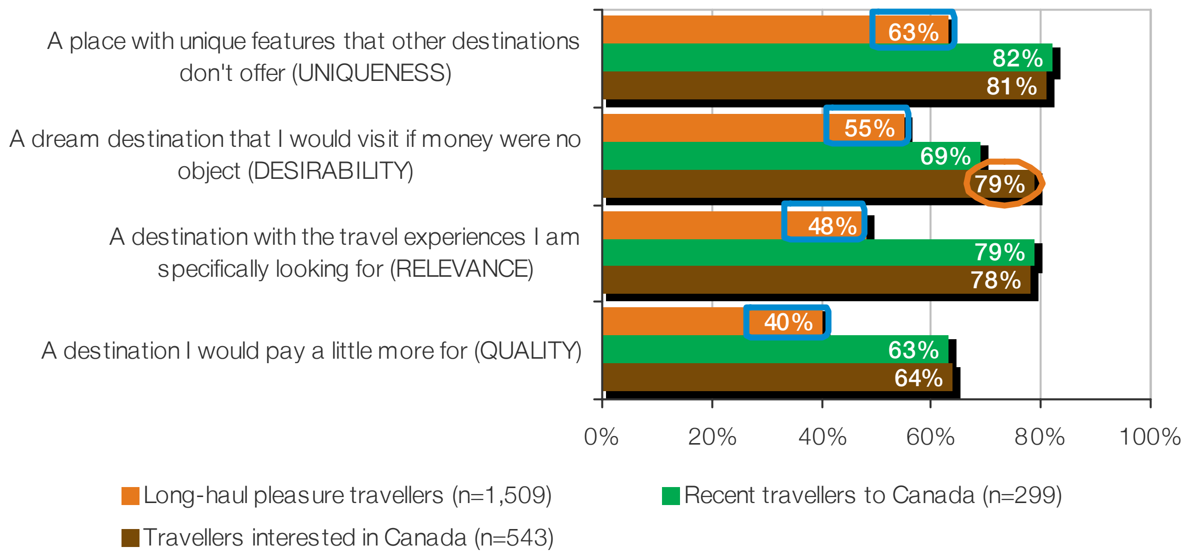
- Have an inherent desirability or appeal;
- Offer high quality experiences and travel products;
- Be relevant to travellers, with the experiences they are specifically looking for; and
- Offer a unique product relative to other destinations.

To assess value perceptions of Canada in the UK, respondents were asked to rate Canada on four value-related statements that embody each of the above criteria. Exhibit 11 shows that, of the four, Canada performs best on the uniqueness (63%) dimension. Just over half (55%) view it as a highly desirable destination, while just under half feel that it offers travel experiences that are relevant to them. Only 40% feel that Canada offers a high quality experience that they would pay a little more for.

The good news is that recent visitors to Canada and those interested in visiting in the future have a much better appreciation of the value of the Canadian travel experience. Both groups rate Canada higher than the UK market as a whole across all four dimensions, but particularly on relevance.

Interestingly, recent visitors give Canada a lower rating as a dream destination than potential visitors do – perhaps having already been there, it no longer qualifies as a “dream” for them.

Exhibit 11 – Value Perceptions



Base: Long-haul pleasure travellers.

Notes: Top 2 Box refers to a rating of 4 or 5 on a 5-point scale. **Blue squares** *indicate a result that is significantly* ***lower*** *than another group;* **orange circles** *indicate a result that is significantly* ***higher*** *than another group.*

Recent Travellers to Canada: those who have visited Canada in the past 3 years (pleasure trip, 4 or more nights, 1 or more nights in paid accommodations).

Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years.

Price Perceptions

In addition to brand image and destination value, cost obviously plays a major role when it comes to destination decision-making. Exhibit 12 shows how Canada is perceived by UK travellers on various travel cost components. The ratings are fairly low across the board, ranging from a high of 52% for food and entertainment costs down to 40% for package costs.

Although travellers interested in visiting Canada award higher ratings than the market as a whole, this group still tends to feel that cost is somewhat of a constraint.

Recent visitors tend to view Canada more favourably on cost, with ratings in the range of 70% to 80%. However, even among this group, package prices are felt to be on the high side (only 68% agree that package prices are reasonable).

Exhibit 12 – Price Perceptions

Base: Long-haul pleasure travellers.

Notes: Top 2 Box refers to a rating of 4 or 5 on a 5-point scale. **Blue squares** *indicate a result that is significantly* ***lower*** *than another group;* **orange circles** *indicate a result that is significantly* ***higher*** *than another group.*

Recent Travellers to Canada: those who have visited Canada in the past 3 years (pleasure trip, 4 or more nights, 1 or more nights in paid accommodations).

Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years.

why do uk travellers visit canada and the regions?

Key Motivations for Visiting Canada

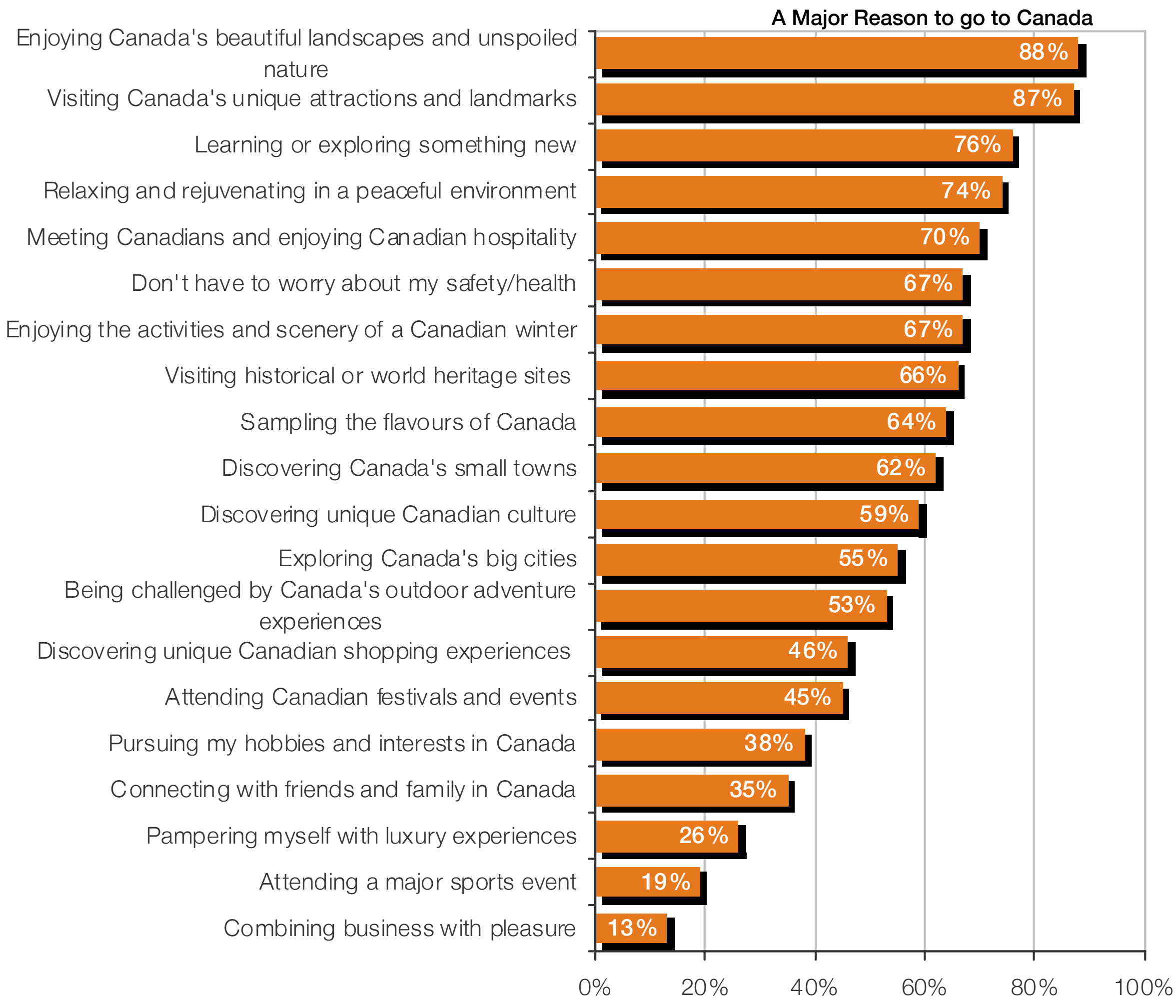
Among those likely to visit Canada (or are considering a trip there), nature/scenery and unique attractions/landmarks (e.g., Niagara Falls, Rocky Mountains) are firmly entrenched as the primary motivations for travelling to Canada, mentioned by almost 90% (see Exhibit 13).

Learning or exploring something new is a motivator for over three-quarters of likely visitors to Canada, which suggests that the main thrust of the new brand – Canada as a place for exploration and discovery – will resonate well with the UK market. However, the rather tepid results for discovering small towns, unique culture and big cities, suggests that, for the moment, the exploration concept may be tied primarily to nature in the minds of UK travellers.

Travellers also want to go to Canada to experience a worry-free vacation in a relaxing, friendly and safe environment, which is consistent with Canada's long-standing image in overseas markets. Experiencing winter activities/scenery and historical/heritage sites are other motivations mentioned by more than two-thirds of the market.

At the other end of the spectrum, few are drawn to Canada for luxury experiences (26%). As seen in the competitive positioning analysis, UK travellers feel there are far better places for this. Sporting events (19%) are also not a key motivator, although this could change as we get closer to the Olympics. Finally, Canada is not really seen as a place for doing business, hence few envision themselves going there to combine business with pleasure (13%).

Exhibit 13 – Key Motivations for Visiting Canada



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 (n=869).

Note: Top 2 Box refers to a rating of 4 or 5 on a 5-point importance scale.

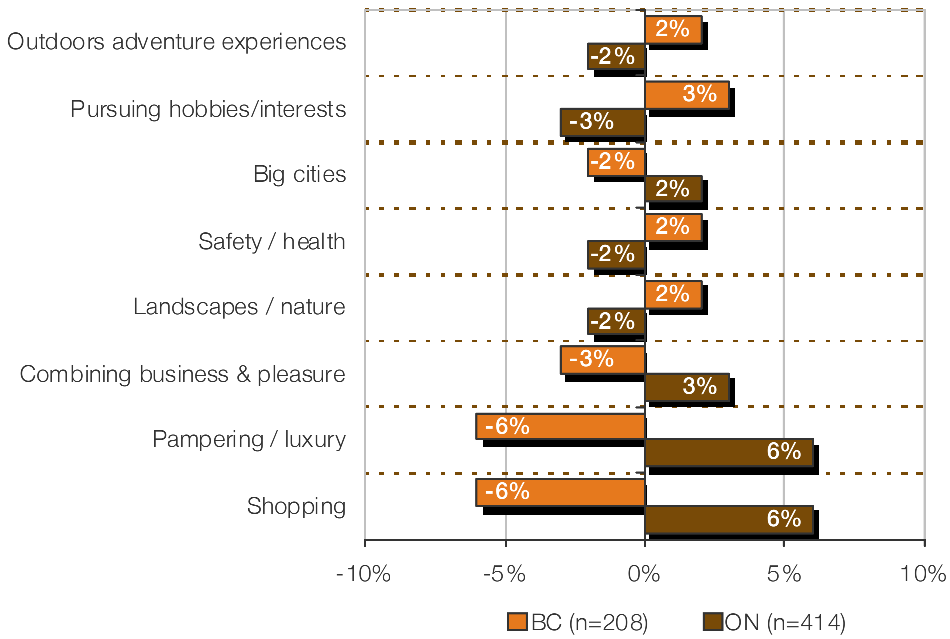
Regional Motivations

Exhibit 14 shows how travellers that are likely to visit each of the GTW partner regions are differentiated from each other in their motivations for visiting Canada. Note that motivational scores have been re-calibrated to remove “group and attribute” effects to better emphasize the differences between the regions. In essence, this involves a two-way normalization of scores across both regions and attributes to pull out the differentiating motivations for travellers likely to visit each of the regions.

In the exhibit, high positive values indicate motivations that are of greater relative importance for a region, while high negative values represent motivations that are of lesser relative importance. The exhibit shows that:

- Travellers likely to visit Ontario are more likely to be motivated by pampering/luxury experiences, unique shopping opportunities, seeing big cities and combining business with pleasure. Ontario is clearly seen as being the best region for city experiences.
- Relative to Ontario, likely travellers to British Columbia tend to be more nature-oriented, being driven by seeing beautiful landscapes/scenery and outdoors adventure experiences, all carried out in a safe and healthy environment. They are also looking to pursue their hobbies/interests while in Canada.
- None of the other GTW partner regions had a sufficiently large sample size (of those most likely to visit) to be included in this analysis.

Exhibit 14 – Regional Motivations



Base: Travellers most likely to visit BC, Alberta and Ontario. Sample sizes for other regions were too small to be included.

Note: High positive values represent motivations that are of greater relative importance for a region; High negative values represent motivations that are of lesser relative importance for a region.

what barriers does canada face in attracting visitors from the uk?

Barriers for Travel to Canada

Exhibit 15 shows why UK long-haul pleasure travellers are unlikely to visit Canada in the near-term. These results are important because, more likely than not, travellers that are likely to visit may have similar concerns that could ultimately lead them to select alternate destinations.

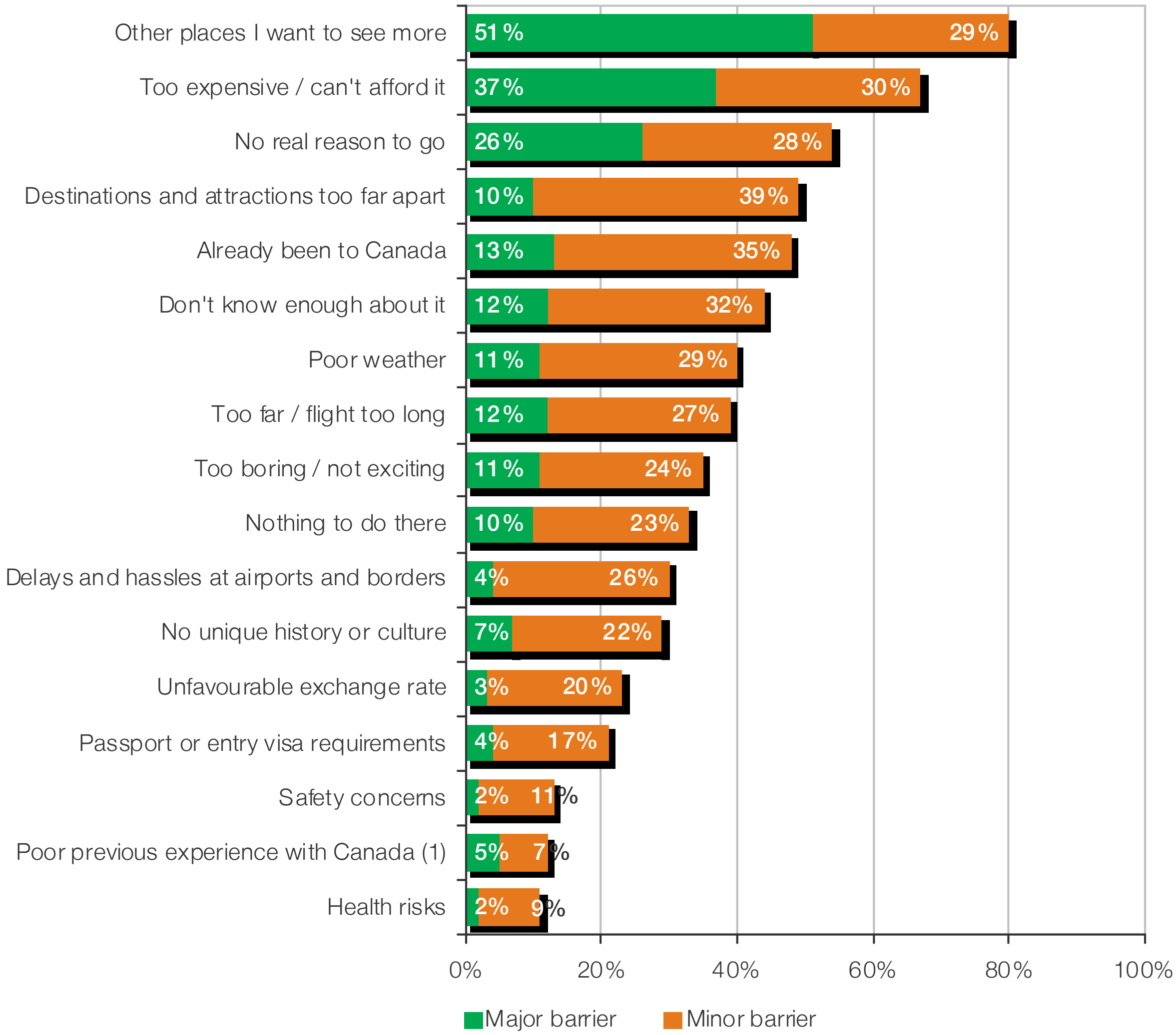
Competition from other destinations is by far the most notable barrier for travel to Canada (mentioned by 80% of travellers). This isn't particularly surprising given the intense competitive situation and the lack of stand-out products for Canada beyond skiing and fishing. Affordability is the second most frequently mentioned barrier, but at 67%, is less of a factor in the UK than in most other markets studied.

The only other issue to be raised by more than half of travellers is that there is no real reason to go to Canada – in other words, nothing in particular to draw them there. The CTC may benefit by providing travellers an immediate reason to visit Canada, whether this is a one-time exhibition or event, an exciting must-see attraction, or a best-in-class experience to stir up excitement and emotions.

Other barriers include a perception that Canada's attractions are spread too far apart, lack of awareness, bad weather and the long distance/flight (mentioned by roughly 40% to 50%). Further down the list is the impression that Canada is boring, with nothing to do there. However, the fact that only a third of travellers mention these as drawbacks again suggest that progress has been made in re-positioning Canada's image as a more exciting vacation spot.

Among past visitors to Canada who say they are unlikely to return, almost half cite the fact that they have already been there as a reason for not wanting to visit in the near-term.

Exhibit 15 – Key Barriers for Visiting Canada



Base: Long-haul pleasure travellers who are unlikely to visit Canada in the near future (n=640).

Note: (1) Base is long-haul pleasure travellers who have previously visited Canada and are unlikely to re-visit in the near future (n=126).

where do uk travellers see or hear information about canada?

Sources of Information on Canada

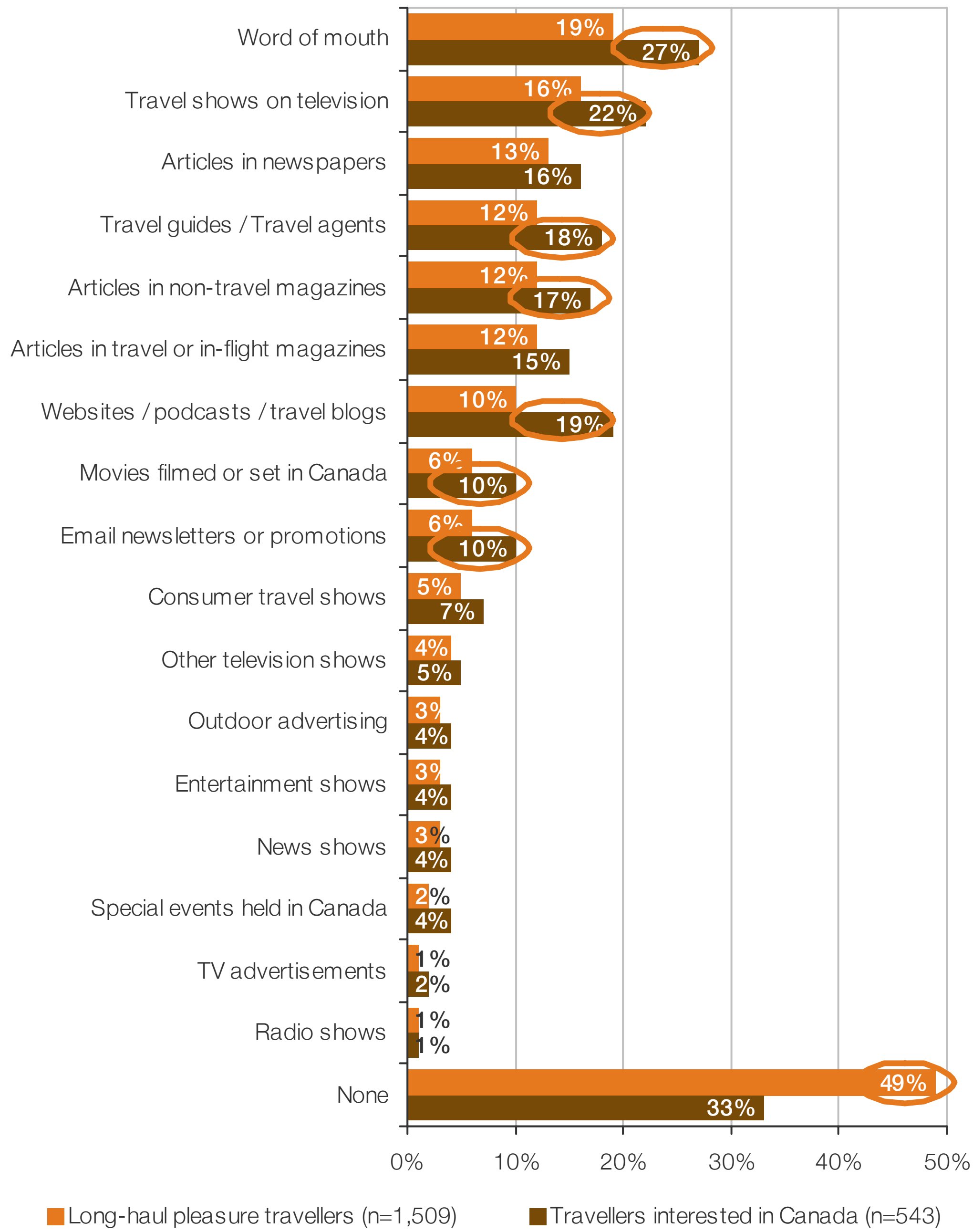
Approximately half of all UK long-haul pleasure travellers and two-thirds of potential travellers to Canada recall seeing or hearing information on travel to Canada in the past three months.

Aside from word-of-mouth, Exhibit 16 shows that traditional media is still the leading source of information on Canada for travellers in the UK, including television travel shows (16%), newspaper articles (13%) and articles in both travel (12%) and non-travel (12%) magazines. Travel guides/agents and websites/podcasts are the only other sources in which information on Canada was seen by 10% or more of the market.

These channels are also the best bets for the CTC to reach potential travellers to Canada. In fact, travellers interested in Canada are even more likely to have seen information in each of these sources – not surprising given the higher salience of the information to them. Online media is an especially good way to reach these travellers, with a fifth of the target market having seen information on websites, podcasts or travel blogs in the last three months. There may also be opportunities to promote Canada through movie tie-ins and direct email marketing.

However, it should be noted that a fairly high proportion (almost half of the overall market and a third of potential travellers to Canada) did not recall seeing any information on Canada in the past three months.

Exhibit 16 – Sources of Information on Canada in the past 3 months



Base: Long-haul pleasure travellers.

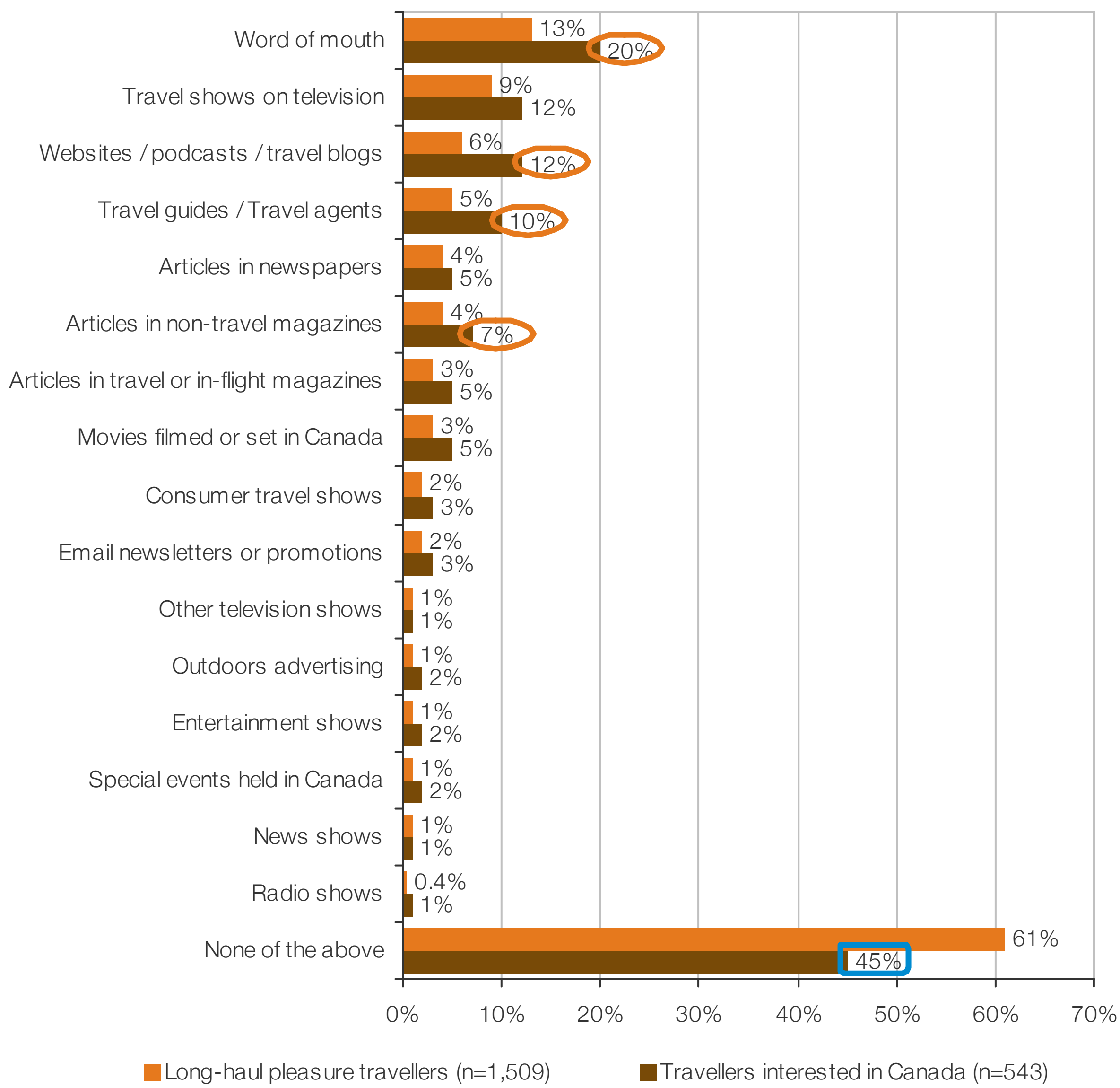
Notes: **Blue squares** *indicate a result that is significantly* ***lower*** *than another group;* **orange circles** *indicate a result that is significantly* ***higher*** *than another group.*

Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years.

Top Information Sources for Increasing Canada's Appeal

As shown in Exhibit 17, potential travellers to Canada feel that word of mouth is the best sources for increasing Canada's appeal, followed by television shows, website / podcasts / travel blogs, travel guides / agents, and articles in newspapers.

Exhibit 17 – Top Information Sources for Increasing Canada's Appeal



Base: Long-haul pleasure travellers.

Notes: **Blue squares** *indicate a result that is significantly lower than another group;* **orange circles** *indicate a result that is significantly higher than another group.*

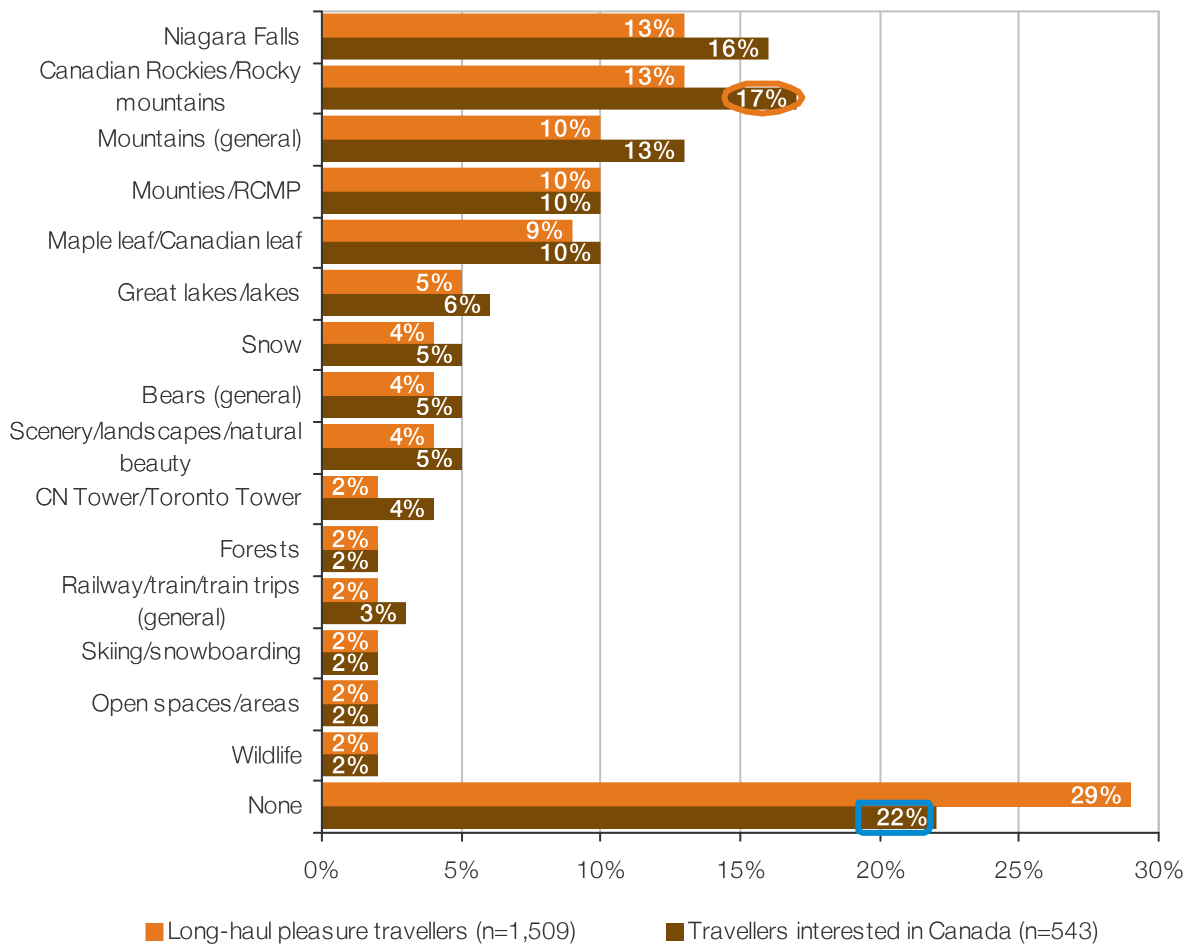
Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years.

what icons or images inspire interest in canada?

Exhibit 18 shows that UK travellers are largely inspired by traditional images and icons of Canada. At the top of the list are two of Canada's biggest natural attractions – Niagara Falls and the Rocky Mountains. Mountains in general and maple leaves are other nature-related images that travellers find inspirational. Rounding out the top five Canadian icons in the UK are Mounties / RCMP.

The remaining icons are almost totally related to nature and outdoors imagery, including winter images (e.g., snow, skiing), wildlife (e.g., bears), lakes and forests. The only remotely urban mention is the CN Tower.

Exhibit 18 – Icons or Images that Inspire Interest in Canada



Base: Long-haul pleasure travellers.

Notes: **Blue squares** *indicate a result that is significantly* ***lower*** *than another group;* **orange circles** *indicate a result that is significantly* ***higher*** *than another group.*

Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years.

what are uk traveller's key drivers for visiting canada?

Key Drivers for Visitation to Canada

A logistic regression analysis was conducted to examine the key drivers of intentions to visit Canada in the next two years. Logistic regression analysis is a statistical modelling technique that assesses the relationship between a single dichotomous dependent variable and several independent or explanatory variables to determine which factors drive the dependent variable.

A model was developed with the dependent variable being whether or not travellers are likely to take a pleasure trip of four or more nights to Canada in the next two years. The independent variables that were modelled against likelihood of visiting included:

- Demographics – including region, age, gender, education, household income, children in the household and friends/relatives living in Canada;
- Travel Attitudes / Motivations – as represented by Explorer Quotient segment membership;
- Perceptions of Canada – including price, value and brand image ratings, as well as brand personality perceptions;
- Product Interests – including nature, outdoor activities, culture and luxury/pampering (activity factors); and
- Travel Behaviour – including previous visitation of Canada, importance of long-haul travel, and willingness to pay for environmentally-friendly tourism products.

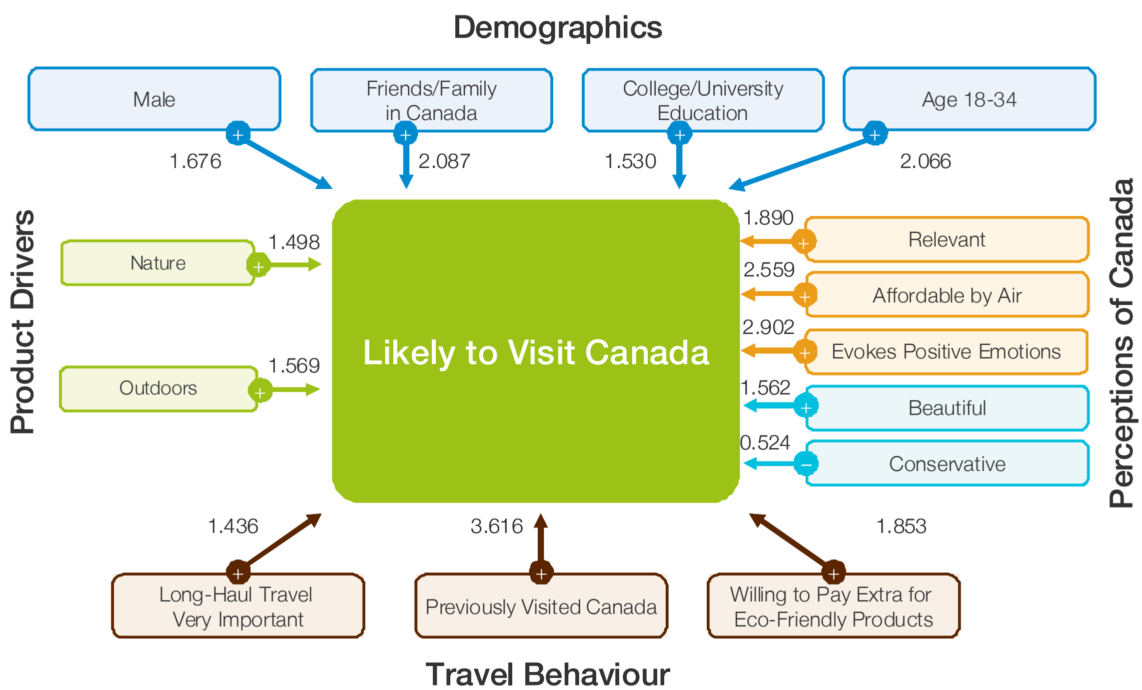
Exhibit 19 summarizes the results of the key drivers model, with key findings discussed below:

- Past travel to Canada is unquestionably the strongest predictor of future travel intentions. In fact, everything else being equal, those who have visited Canada in the past are about three and a half times more likely to say they will visit Canada in the next two years than those who have never been to Canada.
- Not surprisingly, having close friends and relatives in Canada is another key driver of travel intentions, which is consistent with previous findings relating to VFR.
- Although recent visitors to Canada skew older in age (i.e., more are 55 plus), those who are likely to visit in the future tend to be younger (18 to 34). The UK advertising evaluation study conducted by Harris/Decima in 2007 revealed a similar trend, suggesting that Canada's evolving image as a more dynamic destination has enhanced interest among the younger set.
- In terms of other demographics, Canada tends to appeal to more educated long-haul travellers, and also to men (both of which are consistent with the UK advertising evaluation study).
- Nature and outdoor activities are strong pull factors for Canada. Moreover, those likely to visit Canada in the next two years are generally more concerned about the environmental impacts of travel, being more willing to pay a premium for eco-friendly travel products.

- Perceptions of Canada have a strong influence on the purchase decision – stronger in fact, than demographics or vacation activities. In particular, long-haul travellers who view Canada as being affordable by air and those who say that Canada elicits positive emotions are 2.5 to 3 times more likely to visit than those who don't share these sentiments. This suggests that a successful marketing strategy needs to connect with travellers on both practical and emotional levels.
- Those who feel that Canada is beautiful are more likely to visit, and those who view it as conservative are less likely to do so.

These results support the direction that the new brand is taking – that of a more youthful and intriguing destination – while continuing to play on Canada's traditional strengths of nature and the great outdoors.

Exhibit 19 – Key Drivers for Likelihood to Visit Canada



Base: Long-haul pleasure travellers.

Notes: Numbers are odds ratios. Odds ratio is the exponentiated value of B. If >1, the odds ratio is the factor by which the odds of being likely to visit Canada increase as the independent variable increases; if <1, it is the factor by which the odds of being likely to visit Canada decrease.

conclusion and considerations

UK residents are inveterate long-haul travellers, with the highest incidence of travel of any of the GTW markets over the last three years (37%). Despite the potential economic challenges that await the UK in 2008, the key indicators for long-haul travel remain strong, with 36% of the adult population who plan to take such a trip in the next two years.

At over 16.4 million long-haul travellers with an interest in Canada, the UK continues to be a significant overseas market for Canada. In fact, it is the market that offers the most potential after the US, and one that Canada should continue to target aggressively.

The results of the GTW study suggest that Brand Canada is a good fit for this market, and reaffirm many of the CTC's current marketing strategies in the UK. Key marketing implications arising from this study that the CTC may wish to consider, depending on its mandate, priorities and budgets are as follows:

Key Performance Indicators

Improve realization of potential travel. While unaided awareness of Canada (28%) and interest in visiting (73%) is high, realization of these trips is relatively low, with only 7% of UK long-haul travellers who visited Canada in the past three years. While Canada is firmly in the destination consideration set of UK travellers, it has no immediacy. Canada may benefit from delivering more compelling reasons to visit through one-time events, best-in-class products, must-do experiences and attractively-priced offers.

Promote awareness of Canada's regions and major cities. While unaided awareness of "Canada" itself is relatively high in the UK, provincial and city brands are not top-of-mind. The CTC and its regional partners could consider increasing awareness of the specifics of where to go and what to see to help convert the nebulous interest in Canada into firm travel plans.

Target repeat travellers. Recent visitors to Canada offer good opportunities for repeat travel as they are already sold on Canada. In fact, having visited in the past is the single biggest determinant of future travel to Canada, and 60% of recent visitors say they are definitely or very likely to visit again in the next two years. In targeting this segment, Canada could promote lesser-known destinations, unique new attractions, and popular events to persuade travellers to return, as the lure of new destinations is extremely strong.

Brand Performance

Continue to promulgate Brand Canada across all marketing activities. The GTW survey results show that although elements of Brand Canada have started to permeate the marketplace in the first year of active use, there is obviously a long way to go. While Canada performs very well on the warm/welcoming front (largely a carry-over from the old brand), travellers have not yet grasped the other aspects of the brand. For the most part, Canada retains its traditional image of being a pleasant place to relax and enjoy beautiful nature and the great outdoors.

Strengthen the Culture and People brand pillars. Brand Canada is supported by three brand pillars – Geography, Culture and People. While Canada is relatively well-perceived on its physical attributes, it may wish to strengthen perceptions of its culture and people for a more well-rounded brand image. The culture and people are the soul of a destination and will help bring the brand to life.

Engage traveller emotions. Currently, 40% of UK travellers say that Canada doesn't really elicit positive feelings for them. This ho-hum attitude will no doubt cause them to pass over Canada when it comes to making their vacation plans. Where possible, marketing initiatives could be crafted to more fully engage traveller emotions, as this is a key driver of purchase intentions in this market. As such, the CTC would benefit from gaining a better understanding of the British psyche (e.g., through focus group and qualitative research).

Improve value and cost perceptions of Canada. Perceptions of destination value have the greatest impact on the decision to visit Canada (50%), followed by price (28%) and brand image (22%). In its drive to promote the brand, the CTC should not overlook the need to enhance impressions of both value (specifically product quality and relevance) and price (specifically the affordability of airfare and packages).

Product Opportunities

Fortify the positioning of Canada's nature and outdoors products. While in some markets, Canada is seen as being a clear market leader and having a strong competitive edge in the nature/outdoor area, in the UK, there are other destinations that are perceived as offering equally strong, if not stronger, products (e.g., Australia, the US, South Africa). In reality, the only real differentiators for Canada are skiing and fishing/hunting – both obviously niche interests. Canada could consider marketing other nature-related product strengths that are uniquely associated with it and generally fortify the positioning of its nature and outdoor products. Kayaking/canoeing, hiking/trekking, cycling, landscapes and rivers/waterfalls all represent excellent opportunities for Canada to assume a leadership position in the marketplace.

Enhance awareness of cultural products. Local lifestyles and historical/cultural attractions are keen interests of UK travellers, but distinct weaknesses for Canada. This gap in its product offerings makes it difficult for Canada to compete with more well-rounded destinations like Australia and the US, and culturally-rich destinations like China and India. Canada's weak competitive positioning belies the fact that it has some unique cultural products – communities and neighbourhoods, festivals and events, historical and cultural attractions, aboriginal lifestyles, etc. However, investment would be required to ensure these products are market-ready, and to package and market them better to an international audience.

Strategic Marketing

Leverage the 2010 Olympic Games. That a quarter of the market says their desire to visit is enhanced by Canada's hosting of the Olympics suggests there are already some opportunities to leverage the Games to further enhance Canada's positioning in the international arena and enrich image perceptions globally. According to the Australian Tourist Commission, hosting the 2000 Games was the single most beneficial event in the history of Australian tourism, and accelerated the development of Brand Australia by 10 years. The CTC should continue to work together with Tourism British Columbia, Olympic sponsors and the international media to build excitement in the years leading up to the Games and ensure that everything is ready for the few weeks in 2010 when the eyes of the world will be on Canada.

Use websites / podcasts and TV travel shows to reach potential travellers to Canada. In addition to advertising in traditional media, the CTC may wish to consider using travel-related television shows and websites/podcasts/ travel blogs to spur potential travellers to Canada to visit. These are the two top information sources for increasing both awareness and appeal of Canada among UK travellers interested in Canada, and re-affirm CTC campaigns such as the Simon Calder podcast and the Travel Channel partnership.

Continue to use nature/outdoors imagery and icons. The CTC should continue to use nature/outdoor imagery in its marketing initiatives, particularly recognizable and uniquely Canadian icons such as Niagara Falls. UK travellers find this imagery enormously appealing and nature/outdoor is the key product driver in the decision to visit Canada. However, in keeping with the new brand, static images should probably be avoided and nature imagery should be used in combination with people and activities to get across the concepts of exploration, discovery and the creation of personal stories. These messages will likely resonate well with UK travellers, as learning something new / exploring is one of the top three motivations for visiting Canada in this market.

Pursue opportunities among the younger set. While older travellers (e.g., 55 plus) have been the mainstay of UK travel to Canada in the past, Canada's evolving image has started to engage the interest of the younger set and these will be key visitor groups of the future. While the CTC's primary target segment in the UK has been the 35-59 age group, CTC and partners may want to actively pursue the younger age groups, focusing on the high-income segments for now.