



Canadian Tourism
Commission

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Global Tourism Watch Year 2

China - Key Findings

Canadian Tourism Commission (CTC)

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Introduction

Background

Driven by the launch of a new global brand and ongoing challenges in Canada's priority markets, the Canadian Tourism Commission (CTC) implemented an ongoing Global Tourism Watch (GTW) program in 2007 to expand consumer-based intelligence in its core markets.

In 2009, the second year of the program, the GTW was implemented in ten markets – Canada, the US, Mexico, the UK, France, Germany, Australia, Japan, China and South Korea¹. The Year 2 research was co-funded by a regional partner group that included British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Atlantic Canada, Yukon and Northwest Territories.

Objectives

The GTW program was designed to collect market intelligence across core markets in a consistent way. The specific study objectives were set around following four over-arching themes:

- Monitor key performance indicators;
- Track response to Brand Canada;
- Identify and track product opportunities; and
- Provide input into strategic market plans.

The primary focus of the 2009 reports is on identifying shifts in each market since 2007. The GTW is to continue to track the key indicators on an annual basis in order to develop trend lines, assess Canada's market performance and examine market shifts over time.

Ultimately, the GTW study will provide the CTC, its partners and the Canadian tourism industry with information to help enhance Canada's marketing strategies globally and draw international travellers to its shores.

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

Methodology

The target population for the survey consisted of residents, aged 18 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. For all markets, pleasure trips included vacation or holiday trips, trips to visit friends and relatives, and combined business-pleasure trips.

A total of 1,513 Chinese respondents (including 208 recent travellers to Canada) completed the online survey. In China, this methodology was modified to an in-person recruit with online completion to ensure a more representative sample of travellers. Fieldwork was conducted in September 2009 to align with the CTC's campaign timing.

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 (2007).

In China, the sample was restricted to the cities where Canada will be permitted to market to travellers once its Approved Destination Status (ADS) takes effect – Beijing, Shanghai, Guangzhou and Shenzhen – with the sample evenly split across the four cities.

Given the quota of recent travellers to Canada, the survey sample was also weighted to reflect the actual distribution of travellers to Canada vs. travellers to other long-haul destinations, based on the Omnibus survey. Because the sub-set of recent travellers to Canada in the Omnibus was too small to generate accurate age by gender weighting data, international Travel Survey (ITS) counts from Statistics Canada were used to weight this group.

China Competitive Set

To assess Canada's positioning in the Chinese market, a number of questions in the survey asked respondents to rate Canada against key competitors, as identified by the CTC. The competitive set for China was as follows: the US, the UK, France, Germany, Australia and New Zealand.

China Study Partners

Regional partners for the Year 3 study in China include: Alberta, British Columbia, Manitoba, Northwest Territories, Ontario, Québec and Yukon.

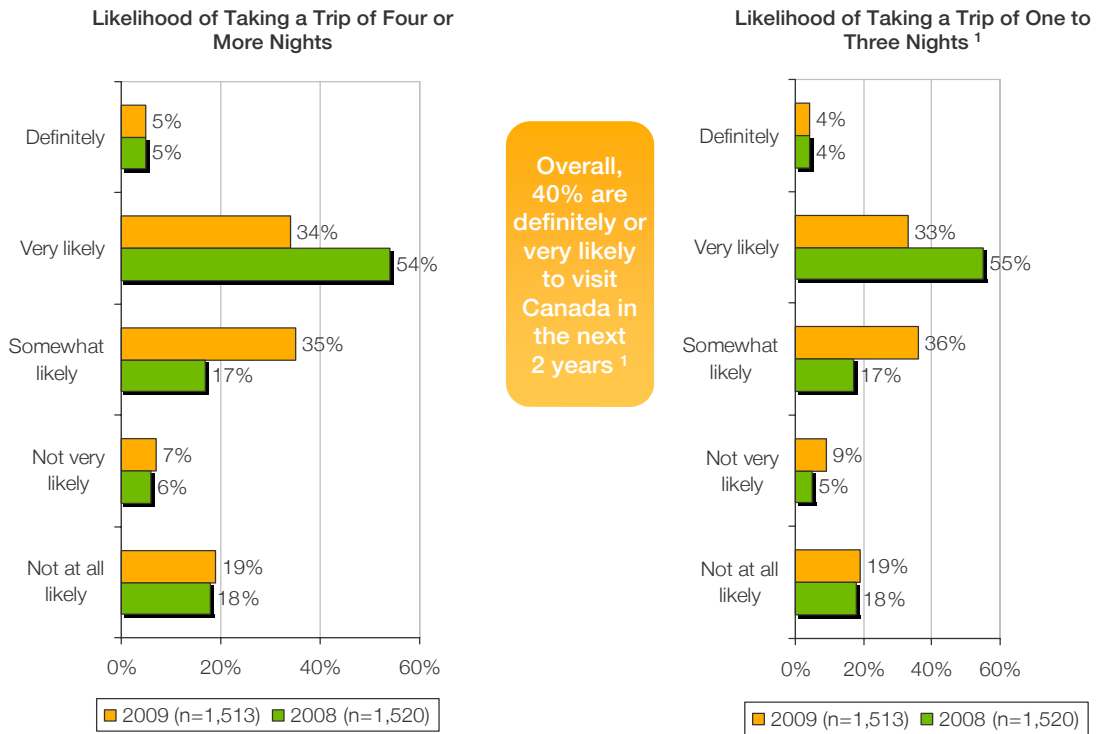
Outlook on Travel to Canada and the Regions in the Next 2 Years

Likelihood of Visiting Canada

The actual likelihood of visiting Canada in the next two years was assessed for both longer trips of four or more nights and shorter trips of one to three nights (e.g., as an add-on to a US trip). In total, around 4 in 10 travellers say they are definitely or very likely to visit Canada in the next two years (see [Exhibits 3.1](#)). Travel intentions are down substantially from 2008 due to a number of reasons, including the sluggish economy, the prevailing trend to shorter vacations in Asia and the growing number of neophyte travellers in the long-haul marketplace. Media relating to the Shanghai World Expo may also be a factor, introducing travellers to a world of potential new destinations, as well as their culture and heritage, through the expo website, the special daily newspaper and frequent television news coverage.

At 40%, the propensity to visit Canada in China is lower than in Mexico (49%), but ahead of all other markets, including France and the US. Again, the exceptionally high intentions may be due to the tendency of Chinese consumers to provide socially desirable or overly positive responses to surveys, particularly on questions that assess purchase intentions. For China, the proportion of travellers who say they will *definitely* visit Canada in the next two years is probably a more appropriate measure of travel intentions. This stands at only 5%, which places China at the bottom of the pack with Japan.

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



Base: Long-haul pleasure travellers.

Note: ¹Including 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 and the immediate potential.

The target market is a broader estimate of the market size based on expressed interest among Chinese travellers, more specifically those very or somewhat interested in visiting Canada in the next two years. This yields a target market of over 4.5 million travellers with some level of interest in Canada in the four cities of interest.

The immediate potential is a more conservative estimate of market size based on those who say they will definitely or are very likely to visit Canada in the next two years. Under this scenario, there are almost 2.3 million travellers in the four cities with more immediate potential for conversion. However, this estimate is likely overstated relative to the other GTW markets as it is based on the 40% likelihood figure.

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)	5,740,000
Target Market for Canada	
Very/somewhat interested in visiting Canada in the next 2 years ¹	79%
Size of the target market	4,535,000
Immediate Potential for Canada	
Will definitely/very likely visit Canada in the next 2 years ²	40%
Immediate potential	2,296,000

Base: Long-haul pleasure travellers in Beijing, Shanghai, Guangzhou and Shenzhen (n=1,513).

Note: ¹ In assessing interest, respondents were asked to assume that they had an entry visa to Canada.

² Includes respondents likely to visit Canada on a trip of one to three nights or a trip of four nights or more.

Canadian Destinations² Likely to Visit

Exhibit 3 shows that British Columbia is the leading destination of interest among those likely to visit Canada in the next two years, mentioned by close to 90% of such travellers. Vancouver is the single most appealing destination within this region, and at 74%, Chinese travellers are in line with the other Asia-Pacific destinations in terms of interest in this city (i.e., 70% to 80%). In addition to being “the gateway to Canada” and a major focal point for Chinese-Canadian business relations, Vancouver is attractive because of the large Chinese community there. Victoria is also highly popular, with an interest level (50%) that exceeds that of all other GTW markets.

Exhibit 3 - Destination Interest and Market Potential for the Regions

	BC	AB	MB	ON	QC	YK	NT
Immediate potential for Canada	2,296,000						
Likely to visit region ¹	88%	13%	3%	64%	22%	2%	3%
Immediate potential for the regions	2,021,000	299,000	69,000	1,469,000	505,000	46,000	69,000
Most popular destinations within region	Vancouver (74%) Victoria (50%) Whistler (5%)	Banff (8%) Edmonton (4%) Calgary (3%)	n/a	Toronto (54%) Niagara (44%) Ottawa (31%)	Montreal (19%) Quebec City (10%)	n/a	n/a

Base: Long-haul pleasure travellers in Beijing, Shanghai, Guangzhou and Shenzhen (n=1,513).

¹ Base for percentages is 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=1,123).

Note: Regional estimates are not additive since travellers may visit more than one region on a single trip.

² CTC partner regions only. (British Columbia, Alberta, Manitoba, Ontario, Quebec, Yukon and Northwest Territories)

Awareness Levels of Canada

Unaided Performance Indicators

The Global Tourism Watch measured three unaided (or top-of-mind) indicators³ – unaided awareness of Canada, unaided awareness of Canadian travel advertising, and unaided destination consideration.

To measure unaided destination awareness, respondents were asked to name destinations that come to mind for a long-haul vacation. The exact response was recorded, whether this was “Toronto,” “Ontario” or “Canada.” The top brands, as specifically mentioned by respondents, are shown in [Exhibit 4](#).

The exhibit shows a definitive shift in terms of unaided destination awareness in 2009, with destinations in Oceania, Europe and North America losing ground to closer destinations in Asia. This trend reflects the entry of more new travellers to the long-haul market, with first-timers tending to choose nearby Asian destinations. In addition, more experienced long-haul travellers are temporarily shifting their focus to closer destinations in Asia in response to the softer economy.

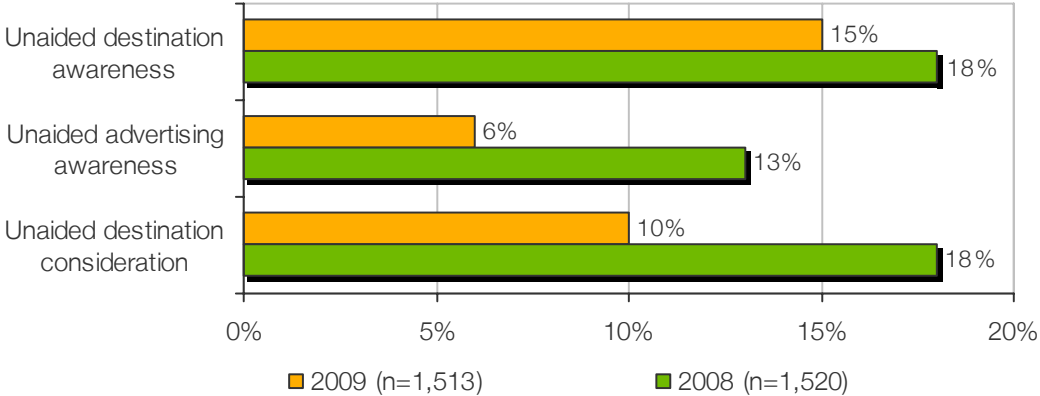
The top three long-haul destinations remain the same as last year – the US, Australia and France – although all three destinations have seen drops. Awareness of Canada is also bearing downward, but not to the same degree, enabling Canada to hang onto its fifth place position.

As seen in [Exhibit 4](#), just 6% of Chinese travellers recall seeing or hearing advertising for Canada on an unaided advertising awareness basis, which is down from 13% last year. As a result, Canada now places ninth in the competitor standings, dropping from 5th place in 2008. Canada is not alone in its plunge as Australia, New Zealand, the US, France, the UK and Italy all dropped considerably in terms of top-of-mind advertising recall this year.

For the most part, the destination consideration results parallel the unaided awareness results, with Australia, Canada, France, the UK and Italy all showing substantial drops as potential destinations for upcoming trips. The US is a notable exception, likely because this market just opened up to tour groups in mid-2008, making it a hot destination in terms of interest. The fact that Canada continues to place among the top five vacation spots being considered by Chinese travellers shows a strong inherent interest in the country, a potential that will start to be realized when the first travellers arrive on its shores under ADS.

³ Cumulative results including mentions of Canada and sub-destinations within Canada.

Exhibit 4 - Unaided Performance Indicators for Canada



Base: Long-haul pleasure travellers
 * Base : Those who are planning on taking a long-haul trip in the next two years 2009 (n=1,213) / 2008 (n=1,260)
 Notes: Roll-up of brand mentions by country, e.g., percentage who said Canada or any destination in Canada.

Recent and Potential Visitors from China

Target Market for Canada

Exhibit 5 provides demographic profiles of Chinese long-haul travellers as a whole, recent travellers to Canada and travellers interested in visiting Canada.

The most notable shift since 2008 is a trend to substantially higher incomes among potential travellers to Canada, with those earning 10,000 yuan per month (CDN \$18,000 per year⁴) or more having surged from 38% last year to 56% this year. With the Chinese economy on shakier ground and Canada seen as a relatively expensive destination, only more elite travellers are likely to have it under serious consideration this year. The long-haul market as a whole is also somewhat more upscale this year (48% in the top two income categories vs. 40% in 2008), which may reflect some losses at the lower end to short-haul destinations or domestic travel.

Like last year, recent visitors to Canada emerge as an ultra-elite group, being older (close to 60% over 45), more likely to be married (almost 80%) and in upper management positions (20%) with higher incomes (56% earn 10,000 yuan per month or more). Interestingly, with many blue collar workers dropping out of the long-haul market as a whole this year (falling from 17% to 9%), there are now more blue collar workers among past visitors to Canada than in the overall marketplace, with these trips likely financed by Canadian relatives. Travellers interested in Canada also tend to be more upscale and in upper management positions, with VFR (visiting friends and relatives) again being a major draw.

⁴ Exchange rate (October 15, 2009): 1 Renminbi = CDN\$0.1672.

Exhibit 5 – Target Market Demographics

	All L-H Travellers (n=1,513)	Recent Travellers to Canada (n=208)	Interested in Canada (n=417)
Gender			
Female	47%	46%	45%
Age			
18 to 24	15%	10%	11%
25 to 34	30%	11%	27%
35 to 44	22%	21%	26%
45 to 54	14%	23%	16%
55 or older	18%	35%	20%
Close Friends or Relatives Living in Canada			
Yes	15%	59%	28%
Have Children in Household Under 18			
Yes	38%	32%	43%
Marital Status			
Married / partnered	67%	78%	73%
Single / never married	32%	20%	25%
Other (e.g., separated, divorced, widowed)	1%	2%	1%
Education			
High school or less	28%	39%	24%
Technical / vocational	6%	1%	3%
Completed college / university	65%	53%	69%
Employment Status			
Employed full-time / part-time	79%	66%	78%
Housewife / homemaker	1%	1%	1%
Retired	12%	27%	14%
Unemployed	1%	0%	0%
Student	5%	1%	3%
Occupation			
Owner/upper management	12%	20%	17%
Manager/executive/supervisor/officer	28%	24%	30%
White collar worker	28%	19%	21%
Blue collar worker	9%	15%	6%
Other	23%	21%	25%
Average Monthly Household Income			
6,999 yuan or less	24%	21%	20%
7,000 to 9,999 yuan	28%	23%	24%
10,000 to 19,999 yuan	32%	39%	34%
20,000 yuan or above	16%	17%	22%

Note: **Blue squares** indicate a result that is significantly lower than the total (all long-haul travellers); **orange circles** indicate a result that is significantly higher than the total.

Target Market for Canadian Regions⁵.

Exhibit 6 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). Caution should be used in interpreting results for the North and Manitoba due to the small sample sizes.

⁵ CTC partner regions only. (British Columbia, Alberta, Manitoba, Quebec, Ontario, Yukon and Northwest Territories)

Exhibit 6 - Target market for Canada's regions

	Total ¹ (n=1,123)	BC ³ (n=630)	AB ² (n=178)	MB ² (n=48) ⁴	ON ³ (n=381)	QC ² (n=194)	North ² (n=52) ⁴
Gender							
Female	46%	44%	37%	45%	47%	44%	46%
Age							
18 to 24	17%	17%	14%	13%	17%	13%	18%
25 to 34	32%	35%	27%	24%	29%	32%	30%
35 to 44	22%	21%	27%	39%	22%	22%	37%
45 to 54	14%	12%	15%	10%	17%	16%	6%
55 or older	15%	16%	17%	14%	15%	16%	10%
Close Friends or Relatives Living in Canada							
Yes	16%	19%	20%	20%	11%	12%	26%
Have Children in Household Under 18							
Yes	37%	38%	40%	41%	34%	40%	45%
Marital Status							
Married / partnered	66%	62%	72%	63%	67%	72%	64%
Single / never married	34%	37%	28%	37%	32%	27%	36%
Other	1%	1%	0%	0%	1%	2%	0%
Education							
High school or less	22%	27%	20%	15%	17%	16%	15%
Technical / vocational	5%	5%	2%	4%	6%	7%	4%
Completed college / university	71%	67%	78%	81%	76%	75%	80%
Employment Status							
Employed full-time / part-time	81%	81%	79%	74%	80%	83%	73%
Housewife / homemaker	1%	1%	1%	4%	1%	0%	2%
Retired	10%	10%	10%	12%	9%	8%	10%
Unemployed	0%	0%	0%	0%	0%	0%	0%
Student	6%	6%	6%	8%	7%	4%	11%
Occupation							
Owner/upper management	14%	14%	16%	16%	16%	17%	16%
Manager/executive/supervisor/officer	31%	28%	37%	28%	33%	30%	24%
White collar worker	29%	29%	15%	14%	31%	31%	18%
Blue collar worker	6%	8%	5%	13%	4%	5%	12%
Other	19%	21%	27%	29%	18%	18%	29%
Average Monthly Household Income							
6,999 yuan or less	17%	21%	23%	34%	12%	13%	39%
7,000 to 9,999 yuan	28%	30%	15%	25%	26%	30%	23%
10,000 to 19,999 yuan	35%	34%	37%	33%	37%	32%	27%
20,000 yuan or above	20%	14%	25%	8%	25%	24%	12%

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.

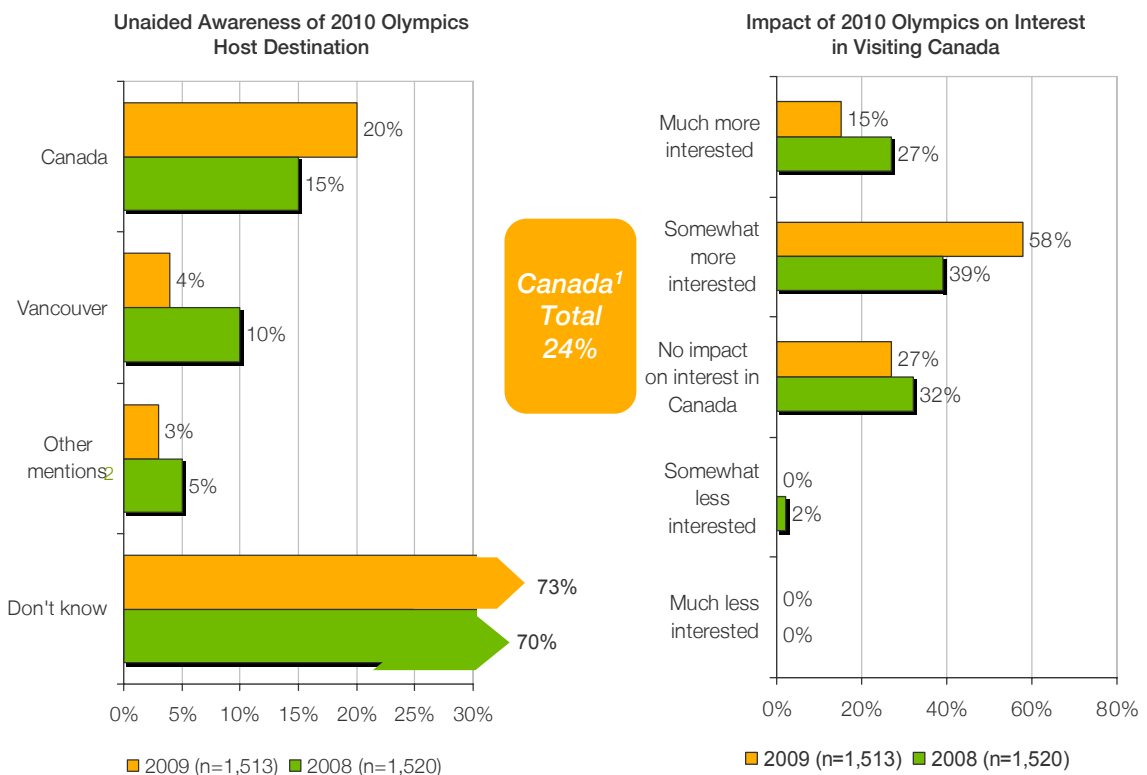
³ Those most likely to visit the region.

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

The Impact of the 2010 Winter Games on Travel to Canada

Exhibits 7 show that the proportion of Chinese travellers who were able to correctly identify Canada as the host country for the 2010 Olympic Games on an unaided basis remained steady in 2009 at around a quarter of the market. In fact, China is the only GTW market where awareness of Canada as the host country did not increase significantly in 2009. This is likely because awareness had already peaked in 2008, when the GTW was conducted immediately following the Beijing Olympics (as host of the next Games, Canada would have had a high profile). Almost three-quarters of Chinese travellers say that Canada's hosting of the Games increases their interest in visiting the destination, a score that ranks alongside South Korea as the highest of the GTW markets.

Exhibit 7 – Impact of 2010 Winter Games on General Interest in Canada



Base: Long-haul pleasure travellers.

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

² Includes all mentions of destinations other than Canada.

Canada's Product Strengths and Weaknesses

Exhibit 8 presents a map showing product strengths and weaknesses for Canada in China. This looks at impressions of Canada's product offerings vs. the importance of these products to Chinese travellers on their long-haul trips. The purpose is to identify products of importance to the China market where Canada is perceived favourably or where perceptions are a problem.

Product Strengths

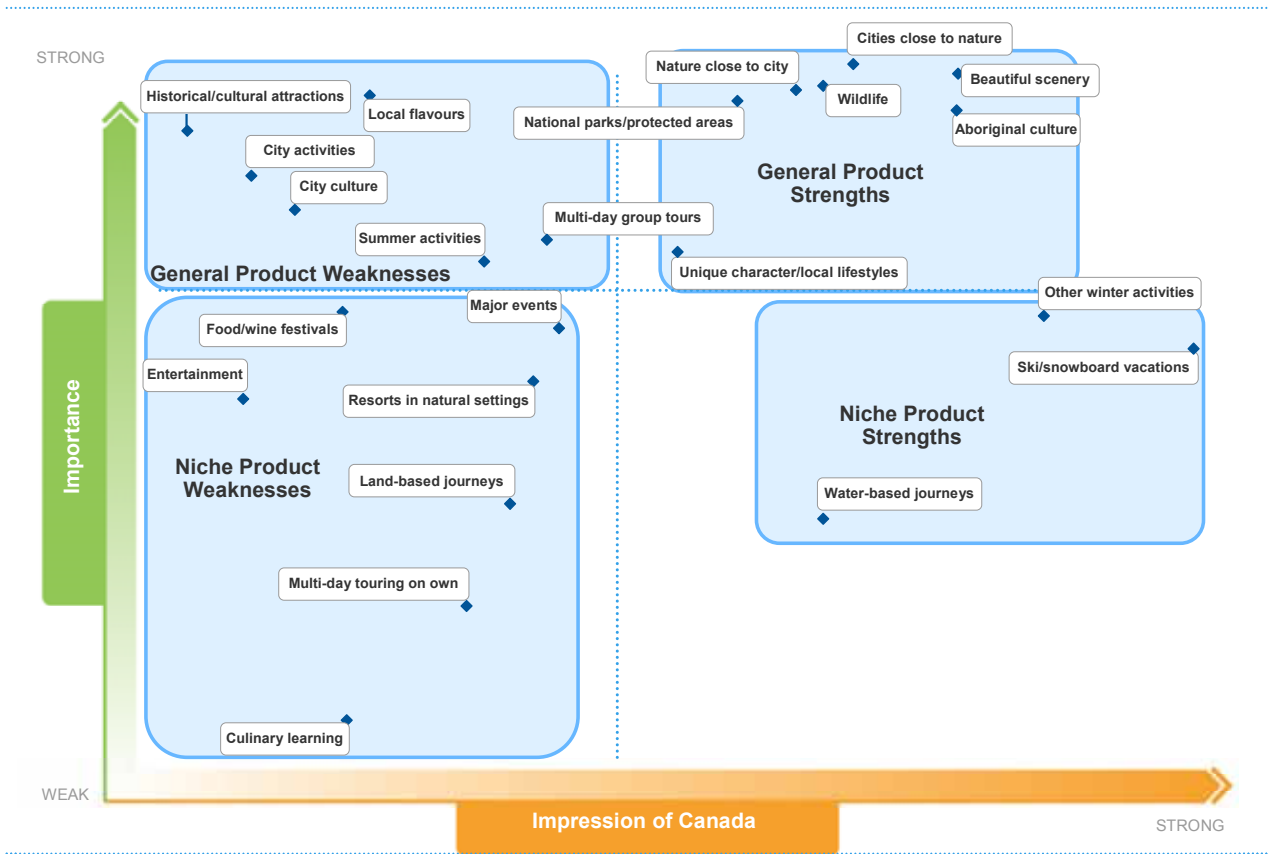
General product strengths for Canada are products that are important in the minds of travellers in planning their long-haul trips and for which Canada is favourably viewed. Like last year, nature emerges as Canada's forte, with beautiful scenery, wildlife, cities close to nature, nature close to cities and national parks all classified as strengths. Some cultural attributes also emerge as strengths, including aboriginal culture and local lifestyles. China is unique in this respect, being the only GTW market where cultural products are viewed as strengths.

Niche product strengths appeal to smaller groups of travellers and represent potential niche markets to be developed or targeted. For China, these include outdoor activities like skiing, other winter activities and water-based journeys.

Product Weaknesses

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. Stand-alone city products (e.g., sightseeing, shopping, museums, galleries), some cultural products (e.g., historical/cultural attractions, local flavours) and summer activities are generally seen as liabilities for Canada. Although multi-day group tours is also a weakness, there are good opportunities to nudge this product into a strength, particularly now that Canada is permitted to market these products directly to Chinese consumers.

Exhibit 8 – Product Strengths and Weaknesses Map



Base: Long-haul pleasure travellers (n=1,513).

China Views on Environmentally-friendly Travel Products⁶.

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.

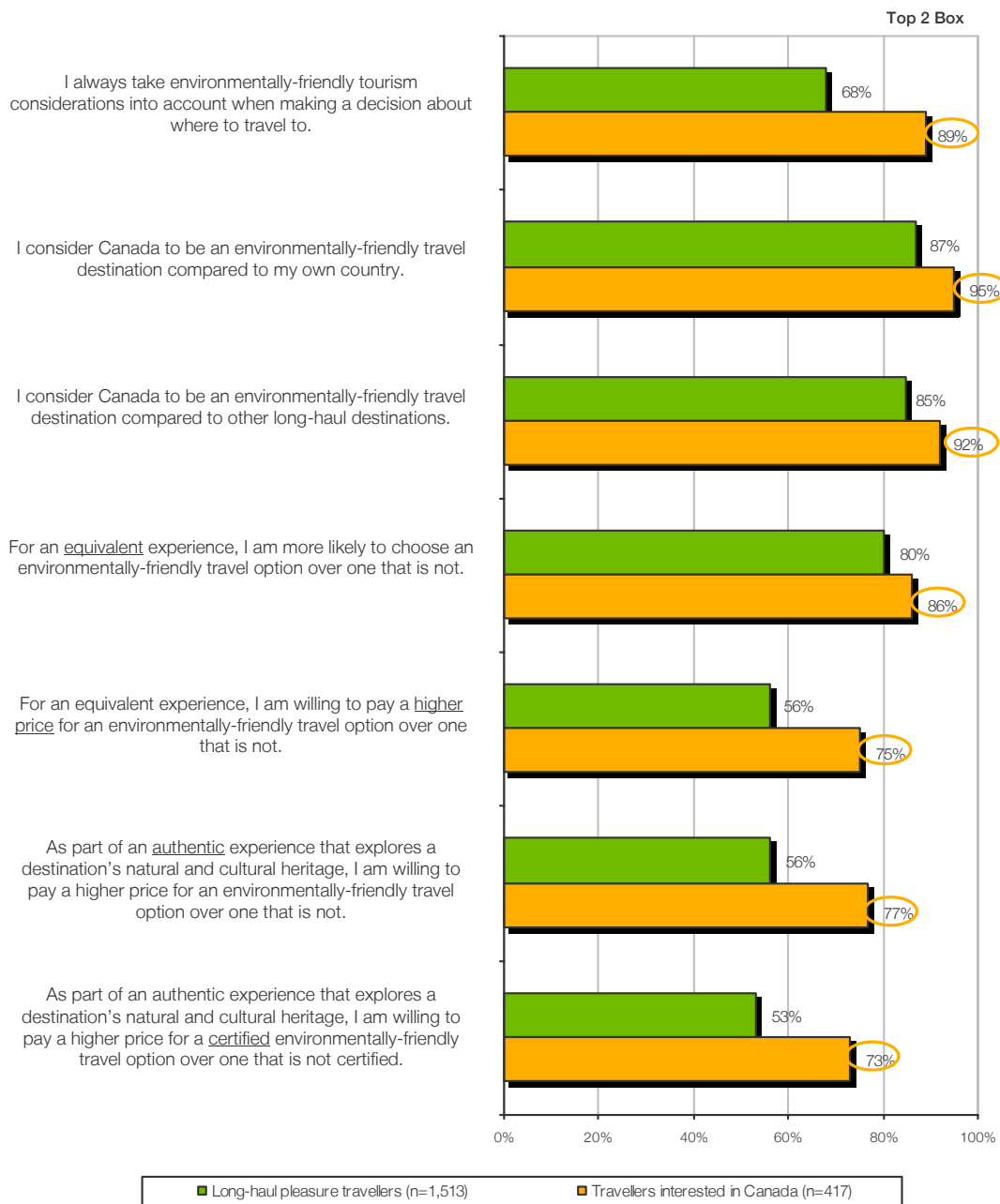
With 2009 being Chinese Eco-tourism Year, the Chinese government and travel industry have been actively promoting awareness of eco-friendly travel to consumers. China has announced a number of new initiatives in this regard, including the creation of 10,000 green hotels by 2012. Against this backdrop, it isn't surprising that China ranks alongside South Korea, France and Mexico as one of the four most environmentally-conscious GTW markets in 2009.

Exhibit 9 shows that close to 70% of Chinese travellers say they always take environmentally-friendly considerations into account when deciding where to travel, which is the highest score after Mexican travellers. An even higher proportion (80%) say that they will choose an environmentally-friendly travel option over an equivalent one that is not – the highest of any market by far. In addition, well over half of Chinese travellers are willing to pay more for a green travel option, with no increase for either an authentic or a certified experience. While social desirability bias may be inflating the actual scores to some degree, with Chinese respondents wanting to give politically correct responses, the fact that the scores are so high suggests that this market is generally an environmentally-conscious one.

Over 85% of Chinese travellers feel that Canada is an environmentally-friendly travel destination when benchmarked against China, again the highest of any market. This isn't surprising as China has been relatively late in jumping on the ecotourism bandwagon, with mass tourism damaging many of its most beautiful natural areas. However, an almost equal proportion consider Canada to be environmentally-friendly compared with other long-haul travel destinations, which suggests there will be good opportunities down the road to market Canada's green travel products in China.

⁶ Question changed in 2009, therefore results are not comparable to past years.

Exhibit 9 – Attitudes Toward Environmentally-Friendly Travel



Base: Long-haul pleasure travellers.

Notes: Top 2 Box refers to a rating of 4 or 5 on a 5-point scale where 1 is "Strongly Disagree" and 5 is "Strongly Agree".

Blue squares indicate a result that is significantly lower than the total (all long-haul travellers); orange circles indicate a result that is significantly higher than the total.

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

Question changed in 2009 so results are not comparable to past years.

How Canada is Perceived by Chinese Travellers

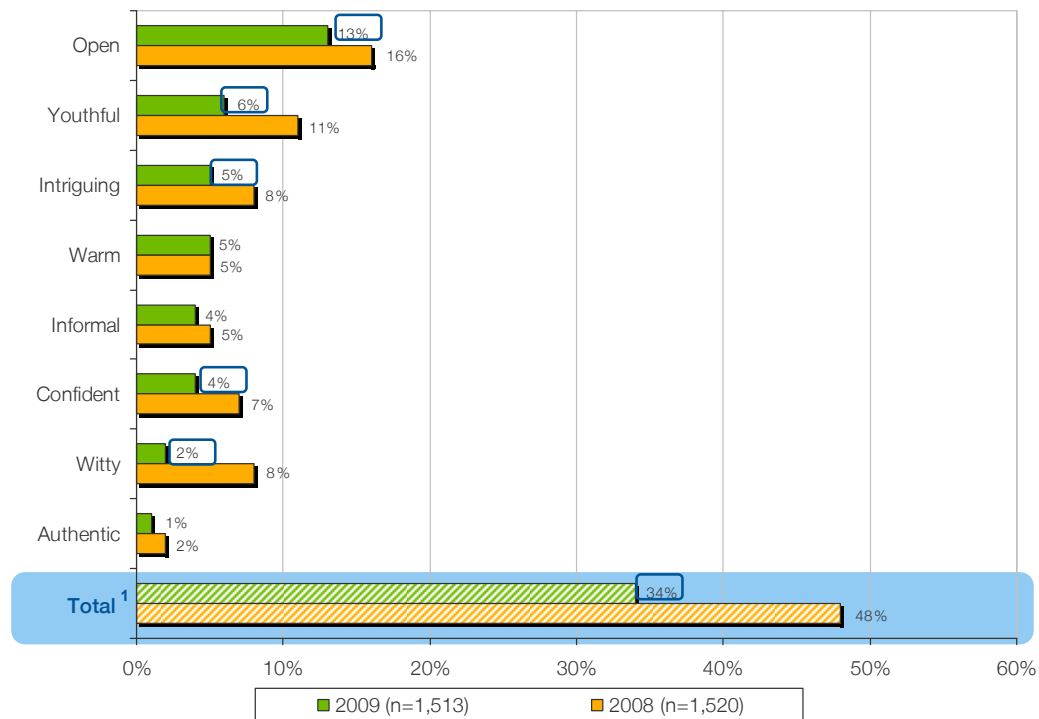
Unaided Brand Personality Perceptions

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 several personality dimensions, each comprised of a group of related personality traits. These included the eight dimensions encompassed by Brand Canada, as defined by the CTC:

- **Warm** (e.g., friendly, hospitable, welcoming, warm-hearted, kind);
- **Intriguing** (e.g., fascinating, interesting, exciting, appealing, engaging);
- **Informal** (e.g., casual, relaxed, easy-going, laid-back, approachable);
- **Open** (e.g., accepting, liberal, open-minded, flexible, accessible);
- **Authentic** (e.g., genuine, sincere, honest, down-to-earth, trustworthy);
- **Youthful** (e.g., energetic, lively, young at heart, vigorous, fun, vibrant, peppy);
- **Confident** (e.g., self-assured, sure, secure, poised, positive); and
- **Witty** (e.g., humorous, quick, entertaining, clever, bright, intelligent).

Like last year, the personality dimensions that Chinese travellers associate most with Canada are Open, Youthful and Intriguing (see [Exhibit 10](#)). However, all three have seen marked declines in their unaided mentions in 2009, with Confident and Witty also sliding to new lows. As a result, overall alignment with the brand Canada personality traits has slipped from 48% in 2008 to 34% in 2009, making China the second lowest market on this measure after Japan. The larger planner contingent may contribute to the overall downward trend this year, with planners far more likely to say none/don't know.

Exhibit 10 – Unaided Brand Personality Perceptions



Base: Long-haul pleasure travellers.

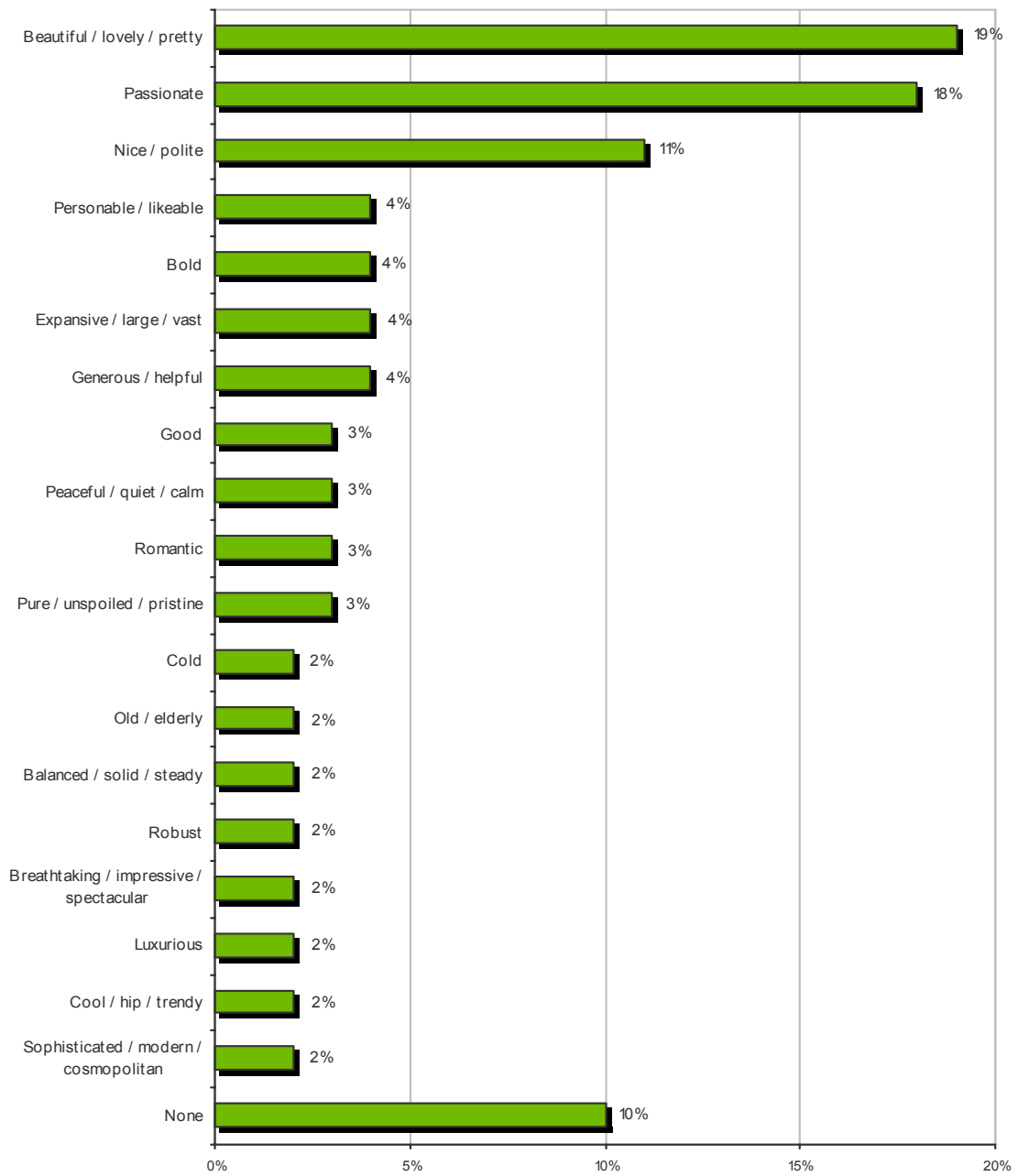
Notes: **Blue squares** indicate a result that is significantly lower than 2008; **Orange circles** indicate a result that is significantly higher than 2008.

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

Exhibit 11 shows other personality traits that are associated with Canada among Chinese travellers. As in most markets, “beautiful” is the most common mention (19%), which along with “breathtaking/impressive” (2%), no doubt alludes to Canada’s spectacular scenery and nature. Chinese travellers are distinctive, however, in their high mentions of “passionate” (18%). This could be associated with the fact that 2009 saw both the 70th anniversary celebrations of Norman Bethune’s arrival in China and the appointment of “Dashan” as Commissioner General for Canada at Expo 2010. Both are famous Canadians in China who are almost universally regarded as passionate, enthusiastic and dedicated.

More generally, Canadians are felt to be “nice/polite” (11%), “personable/likeable” (4%), “generous/helpful” (4%), “good” (3%) and “balanced/steady” (2%), which are all positive characteristics, if a little non-descript. Aside from “passionate,” mentions of more dynamic traits (e.g., “bold,” “robust,” “cool/hip/trendy” and “sophisticated”) tend to be cited less often, indicating that Canadians are typically not seen as innovators or trend-setters.

Exhibit 11 – Unaided Brand Personality Perceptions – Other Mentions



Base: Long-haul pleasure travellers (n=1,513).

Value Perceptions

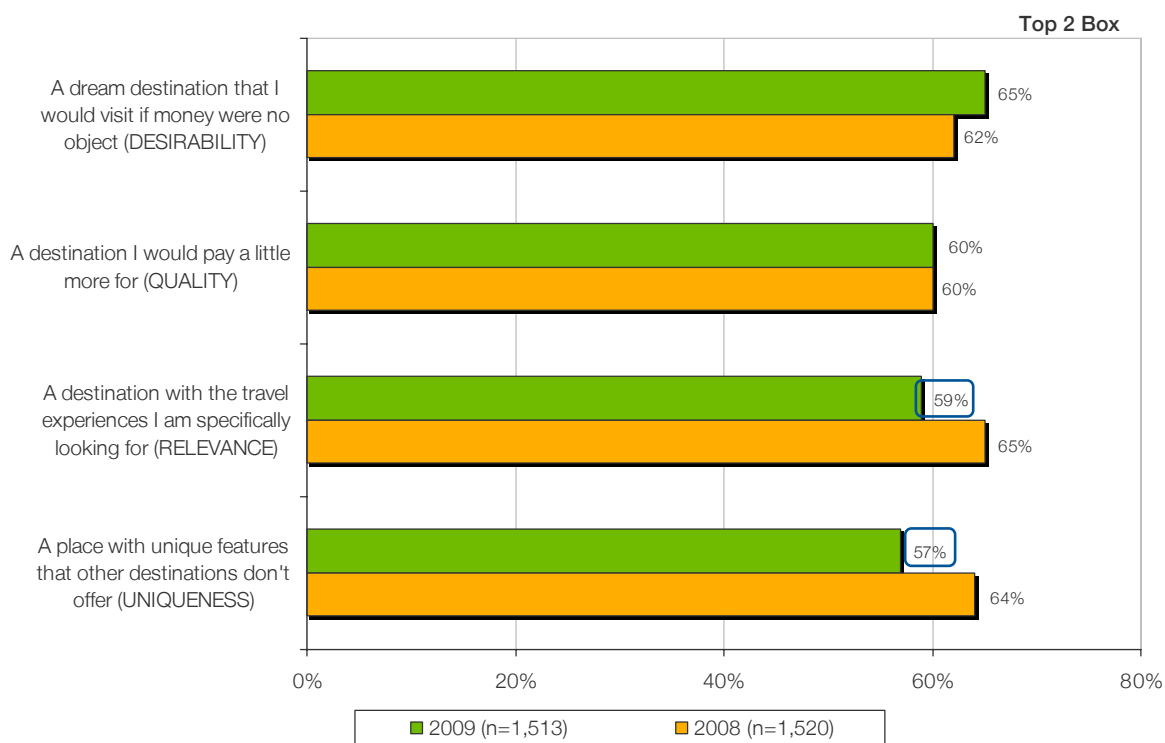
Destination success cannot be measured only by the degree to which the brand has established itself in the marketplace. Even if brand awareness is high, it is important for a destination or brand to be perceived as offering value to travellers. For a destination to have value, it should:

- 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 China, respondents were asked to rate it on four value-related statements that embody each of the above criteria.

Exhibit 12 shows that although Canada has seen some setbacks on Relevance and Uniqueness this year, Desirability and Quality have remained steadfast. This bodes well for Canada as Chinese consumers tend to be very quality-conscious. Although the economic slowdown has given birth to a new segment of bargain hunters in China, a recent China Polling survey showed that many Chinese consumers still consider quality to be the most important consideration in making a purchase.

Exhibit 12 – Value Perceptions



Base: Long-haul pleasure travellers.

Notes: Top 2 Box refers to a rating of 4 or 5 on a 5-point scale where 1 is "Strongly Disagree" and 5 is "Strongly Agree".

Blue squares indicate a result that is significantly lower than 2008; Orange circles indicate a result that is significantly higher than 2008.

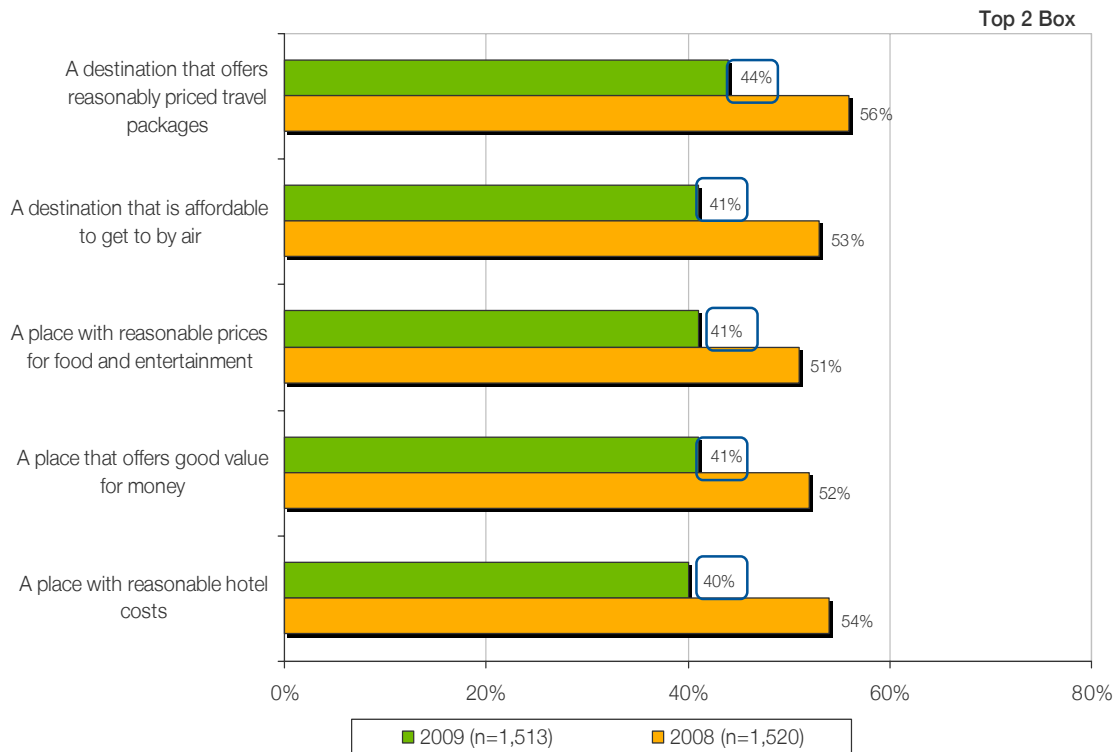
Price Perceptions

In addition to brand image and destination value, cost plays a major role when it comes to destination decision-making. Accordingly, **Exhibit 13** shows how Canada is perceived by Chinese travellers on various travel cost components.

The Chinese travel trade confirms that travellers have become increasingly budget-conscious, driven by a plethora of well-priced packages, discount airfares and hotel deals. According to the trade, travellers have become reluctant to pay full price for anything other than themed packages, personalized tours and innovative new products.

Another possible contributor to the more negative cost perceptions is the depreciation of the yuan, which fell by almost 20% against the Canadian dollar between March and October when the fieldwork was conducted. The softer results may also be attributable to the naivety of planners, with this group giving ratings as much as 15 percentage points lower than more experienced travellers.

Exhibit 13 – Price Perceptions



Base: Long-haul pleasure travellers.

Notes: Top 2 Box refers to a rating of 4 or 5 on a 5-point scale where 1 is "Strongly Disagree" and 5 is "Strongly Agree".

Blue squares indicate a result that is significantly lower than 2008; Orange circles indicate a result that is significantly higher than 2008.

Motivation for Visiting Canada and the Regions

Key Motivations for Visiting Canada

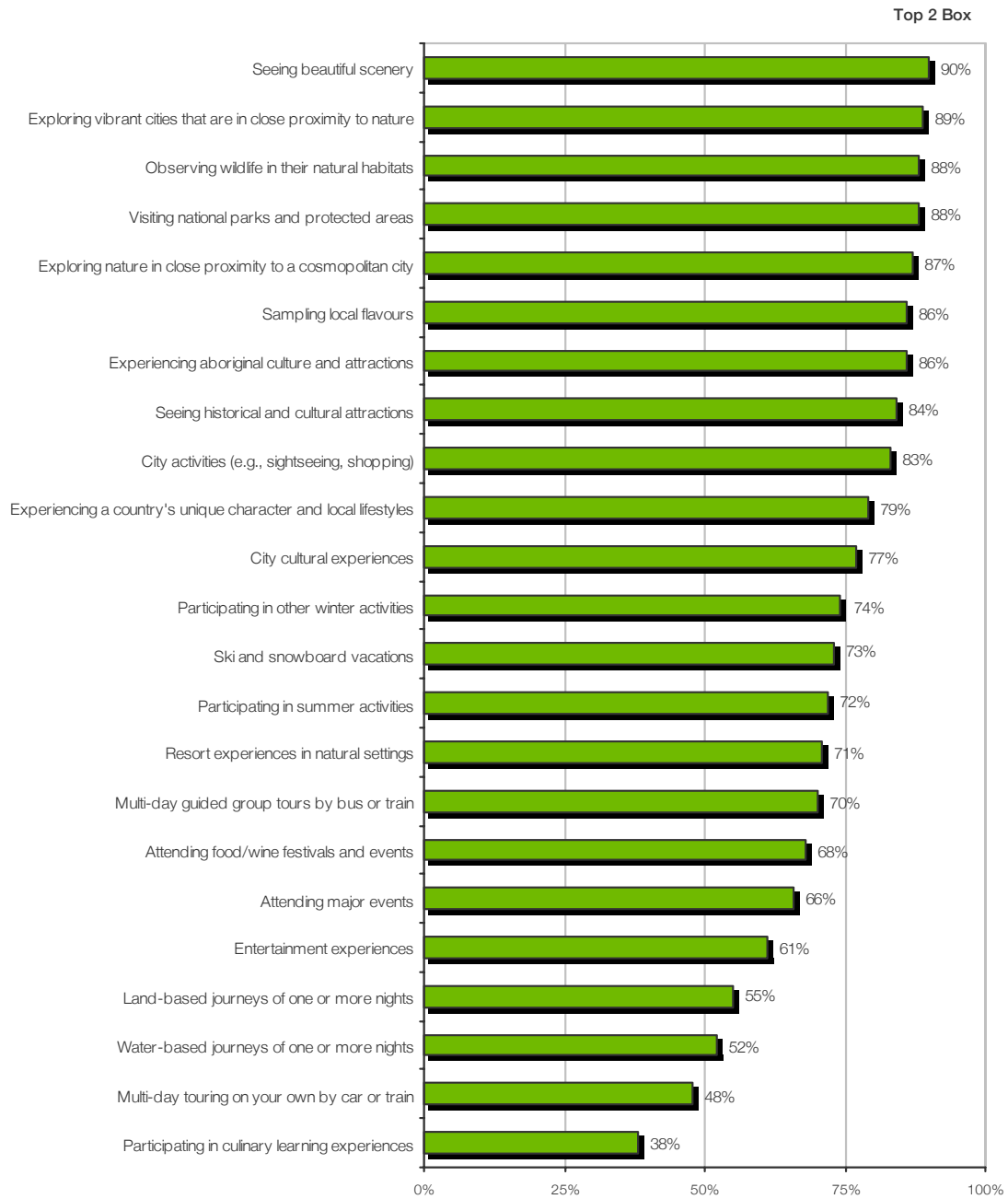
Travellers that are likely to visit Canada were asked to indicate their reasons for considering a visit. Echoing the product interest results, nature is the predominant driver for visiting Canada, with the top five motivations all relating to nature (see [Exhibit 14](#)). Again, Chinese travellers show a desire to explore nature from a nearby city and to see the beauty of the surrounding natural environment while in the big city, making them a natural target for Canada's hybrid products.

Culture takes a backseat to nature for travel to Canada, with sampling local specialities, exploring the culture of indigenous peoples and gaining insights into local lifestyles sparking interest for the majority of likely travellers to Canada. Chinese travellers are also highly interested in historical/cultural attractions, which suggests that attractions like the Bethune Memorial House, Vancouver Chinatown and the Chinese-Canadian Military Museum could be strong draws.

As an emerging market, sightseeing and shopping in the big city and city cultural experiences have an innate appeal for Chinese travellers regardless of the destination. Also reflecting this market's immaturity, multi-day group tours rank higher than multi-day self-touring, with China the only market other than Japan where this is the case.

Ski vacations and other winter activities are rated and ranked notably high as reasons for visiting Canada. Around three-quarters of travellers say these are important reasons for visiting Canada, and China is the only market where both of these quintessential Canadian activities are among the top 13 motivations. Major events, entertainment, multi-day land and water-based journeys and culinary learning do not tend to be strong triggers for travel to Canada, reflecting their niche status in this market.

Exhibit 14 – Key Motivations for Visiting Canada

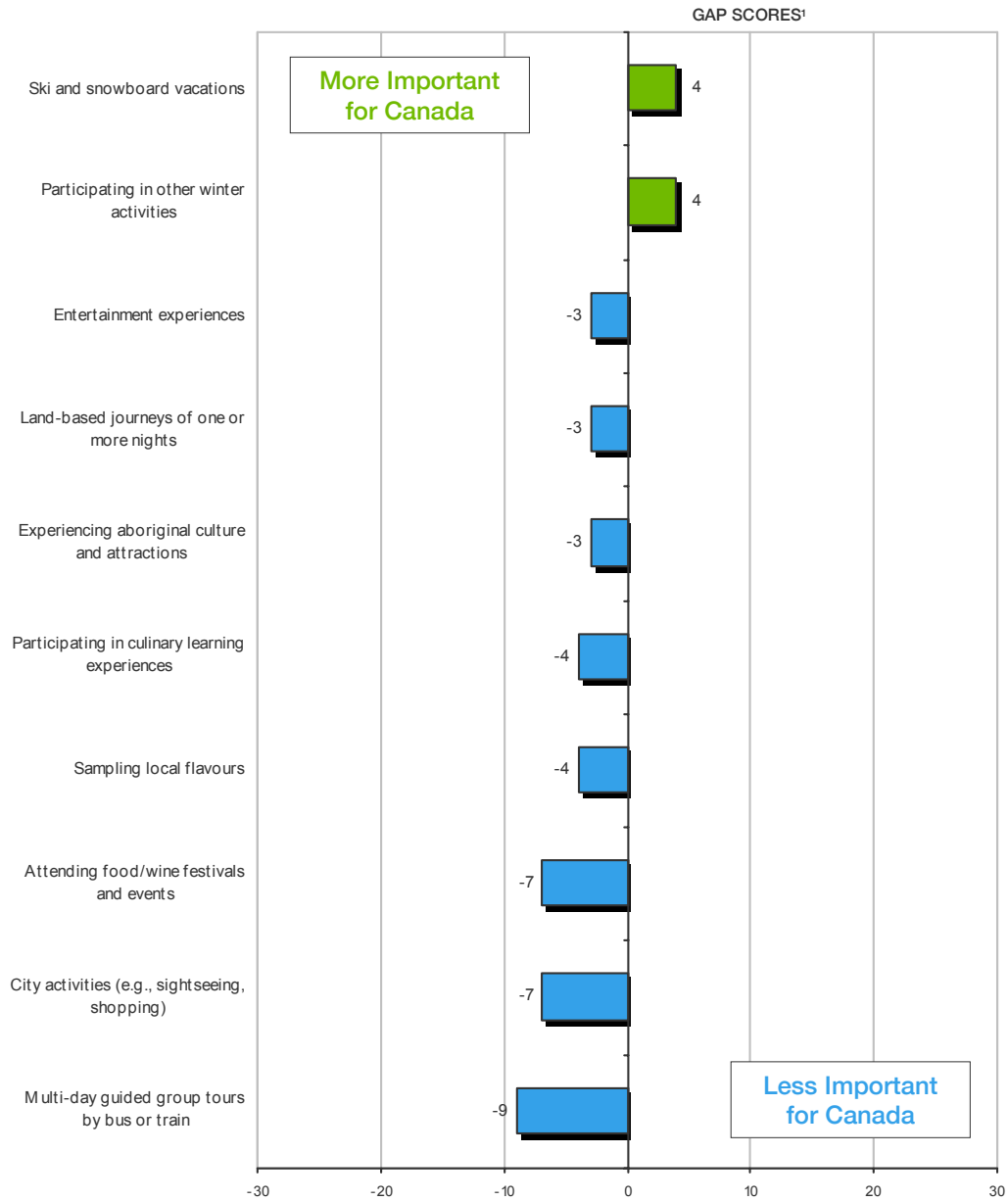


Base: Those likely to visit Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a trip there (n=1,155).

Note: Top 2 Box refers to a rating of 4 or 5 on a 5-point importance scale where 1 is "Very Unimportant" and 5 is "Very Important".

Exhibit 15 shows that there are only two motivations that are more important for travel to Canada than for long-haul travel in general – ski vacations and winter activities. On the other hand, there are a broad range of motivations that are less effective at drawing travellers to Canada, ranging from culinary tourism to city activities to guided tours and land-based journeys. And, although aboriginal culture is rated fairly well for Canada, destinations like Australia and New Zealand are seen as far better for this pursuit.

Exhibit 15 – Differences in Motivations for Travel to Canada vs. Long-haul Destinations in General



Base: Motivations for travel to long-haul destinations in general: Long-haul pleasure travellers (n=1,502).

Base: Motivations for travel to Canada: 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=1,155).

Notes: Only significant differences are shown.

¹A positive gap score indicates a motivation that is stronger for Canada relative to long-haul destinations in general. A negative gap score indicates a motivation that is weaker for Canada relative to long-haul destinations in general.

Barriers in Attracting Visitors from China

Barriers for Travel to Canada

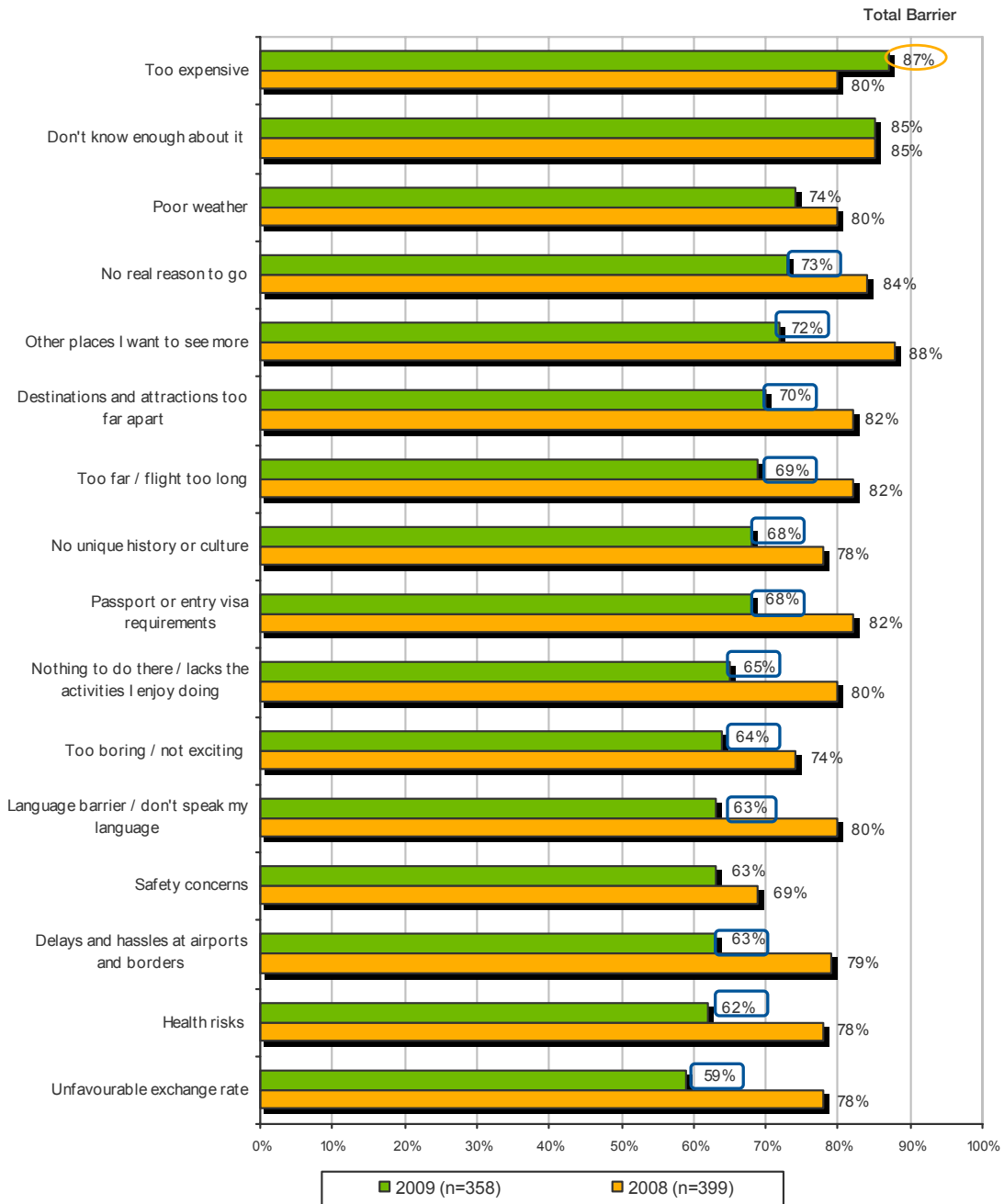
Exhibit 16 shows why Chinese long-haul pleasure travellers are unlikely to visit Canada in the near-term. These results are important because, more likely than not, travellers that *are* likely to visit may have similar concerns that could ultimately lead them to select alternate destinations.

Some shifts are apparent in the travel barriers in 2009, largely reflecting the changing marketplace. Too expensive is up considerably over last year, and at 87%, is now the top barrier for travel to Canada. This reflects not only the entrance of first-time long-haul travellers into the marketplace, but increased constraints on the travel budgets of more experienced travellers in response to the weaker economy.

Most other travel barriers have dropped in view of the generally stronger knowledge about Canada and heightened interest in the destination, likely due in part to increased news and television coverage of Canada over the year. As the market matures and Chinese travellers gain more experience with long-haul travel, the barriers, which currently rank among the stiffest of all GTW markets, will naturally lessen.

As was the case last year, lack of knowledge about Canada, lack of a firm reason to go and competition from other destinations are among the top barriers, indicating a continued need to build awareness and differentiate Canada from the competition.

Exhibit 16 – Key Barriers for Visiting Canada



Base: Long-haul pleasure travellers who are unlikely to visit Canada in the near future.

Notes: **Blue squares** indicate a result that is significantly lower than 2008; **Orange circles** indicate a result that is significantly higher than 2008. Results for past travellers to Canada who are unlikely to re-visit in the near future are not shown due to small sample size.

Sources of Information for Chinese Travellers

Sources of Information on Canada

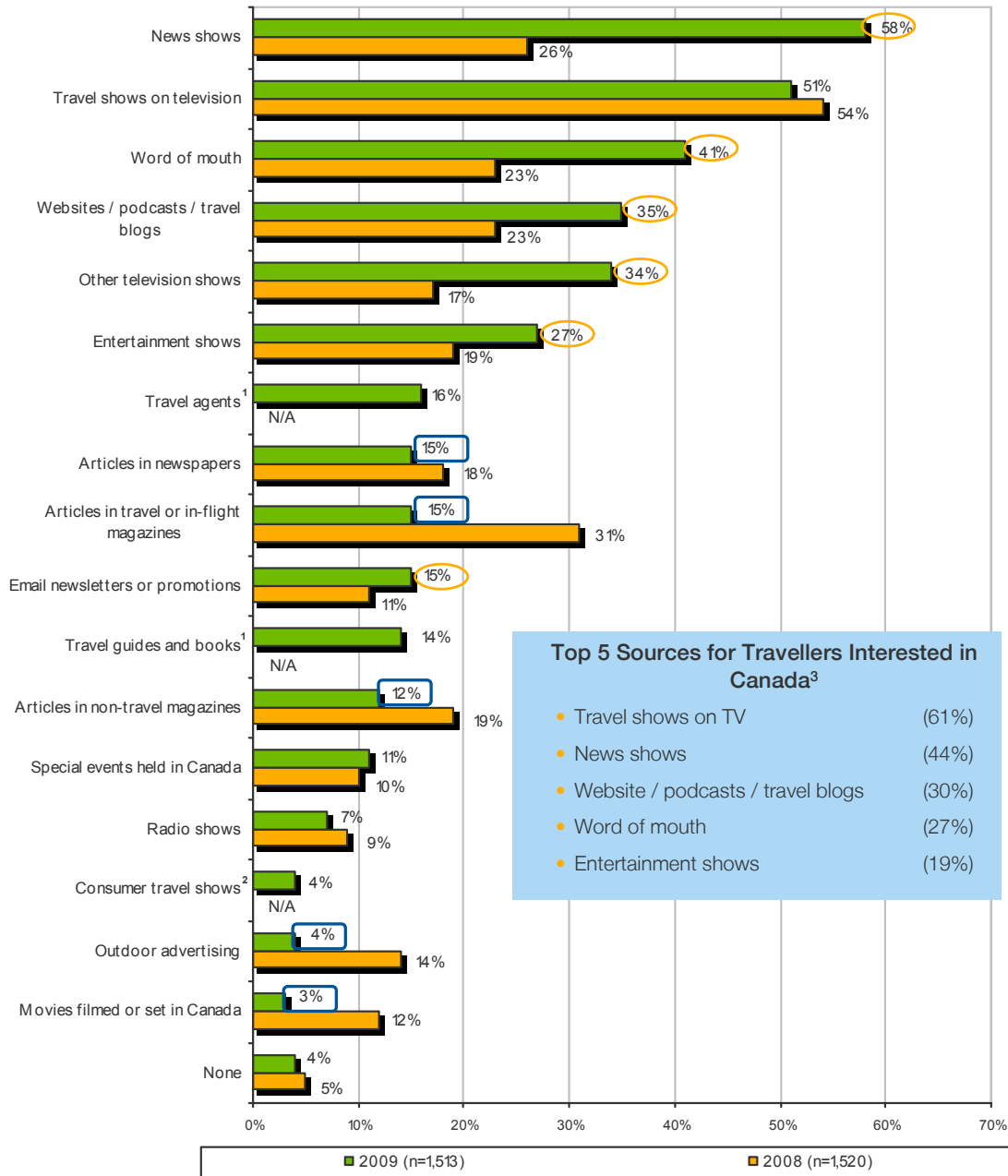
Exhibit 17 shows that, even without the ability to advertise directly to Chinese travellers, the CTC and its partners have been very successful at using the media and the travel trade to build Canada's presence in China.

In 2009, television has become a more dominant source of information on Canada. The proportion of travellers seeing information on news shows has more than doubled, bumping travel shows down to second spot. Other television shows and entertainment programs have also seen strong gains, with television now accounting for four of the top six information sources on Canada. The strong growth trend likely stems from increased coverage of the Winter Olympics in the latter part of 2009, including the torch relay and high-profile visits by Chinese athletes to Canada. Coverage of the Shanghai Expo also heated up through 2009, with Canada featured alongside the other Expo participants.

Other information sources that have increased dramatically this year are word of mouth and online media. Websites/podcasts/travel blogs have vaulted from 23% up to 35%, while email newsletters and promotions have seen a smaller, but still significant, jump from 11% to 15%. This is not surprising as use of the Internet in China is growing at the rate of 20% per year, with Chinese travellers increasingly turning to destination websites for research and to online forums/reviews to fine-tune their travel itineraries.

With television and online media both up, print media has taken on less importance as an information source this year, with articles in newspapers, travel magazines and non-travel magazines all seeing large drops.

Exhibit 17 – Sources of Information on Canada (past 3 months)



Base: Long-haul pleasure travellers.

Notes: **Blue squares** indicate a result that is significantly lower than 2008; **Orange circles** indicate a result that is significantly higher than 2008.

¹ Item changed in 2009.

² Item added in 2009.

³ Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years (n=417).

Top Information Sources for Increasing Canada's Appeal

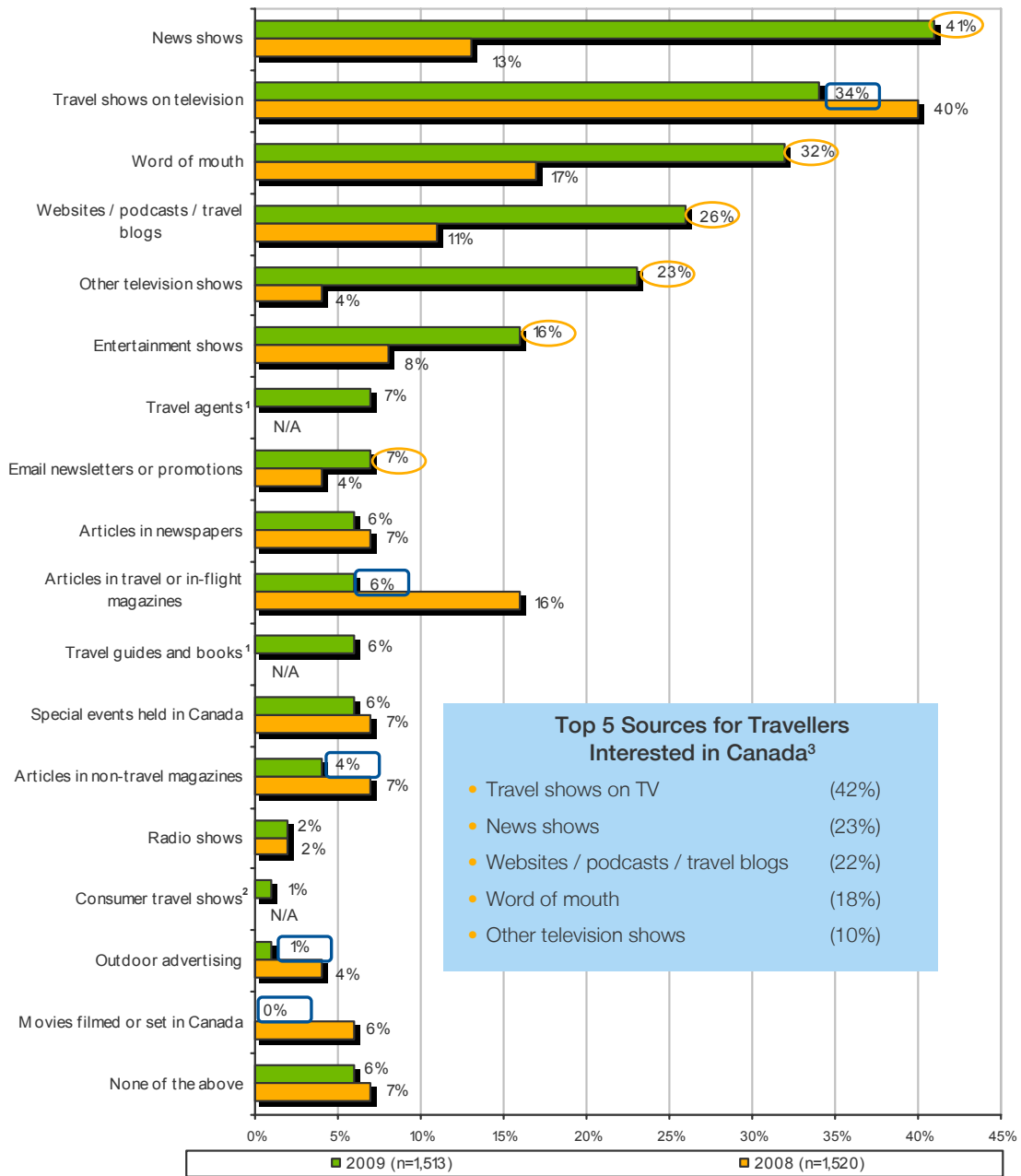
Exhibit 18 points to similar trends for information sources that enhance Canada's appeal, with television programming, word of mouth and online media all seeing robust increases this year, and magazine articles down substantially. The top ten sources for increasing appeal echo the top sources in terms of penetration, in virtually the same rank order.

Waterfalls/Niagara Falls and the CN Tower/Toronto Tower are the next most inspirational icons in China, with the Shanghai Expo website likely helping to prompt mentions by prominently featuring both attractions. In addition, Shanghai recently began construction on its own Tower – the Shanghai Dragon – which the media touts as being higher than the CN Tower.

Mentions of snow, mountains, snow-capped mountains, skiing and glaciers suggest that winter imagery has positive associations for many Chinese and that winter products are a definite part of Canada's inherent appeal in China. Other nature such as landscapes, forests, the Great Lakes and national parks also have potential to be effective in generating interest in Canada.

China stands out among the GTW markets in the extent to which Canada's cities have the potential to drive travel, especially when coupled with nature. Like last year, Vancouver, Victoria and Toronto are all on the list of appealing images, with Montreal a new addition this year. Dr Bethune is also a unique mention, with the 70th anniversary celebrations in 2009 likely making this famous Canadian top-of-mind for many Chinese.

Exhibit 18 – Top Information Sources for Increasing Canada’s Appeal



Base: Long-haul pleasure travellers.

Notes: **Blue squares** indicate a result that is significantly lower than 2008; **Orange circles** indicate a result that is significantly higher than 2008.

¹ Item changed in 2009.

² Item added in 2009.

³ Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years (n=417).

Icons or Images that Inspire Interest in Canada

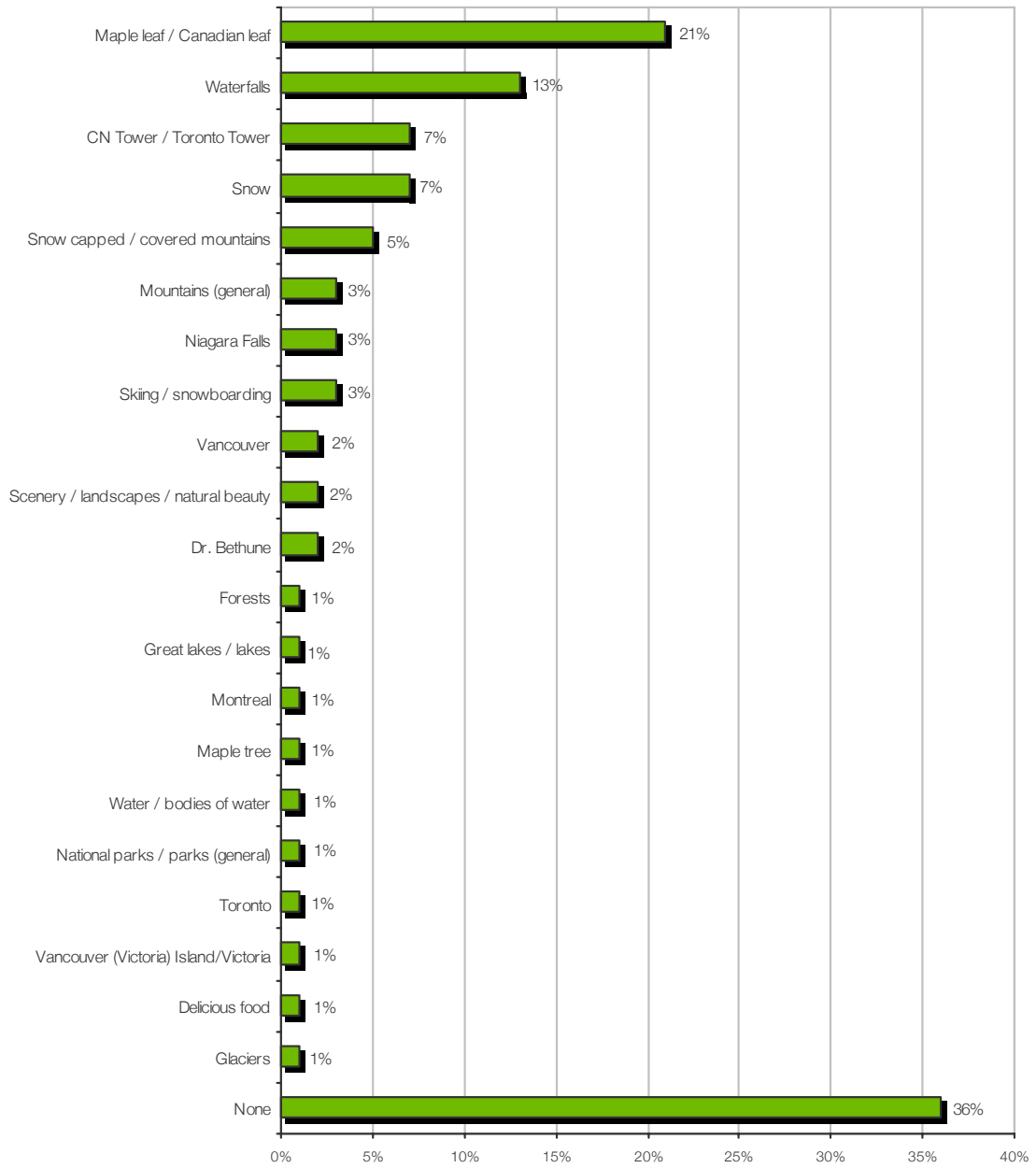
Canada is known to many Chinese as the “Maple Leaf Country,” so it is not surprising that the maple leaf is by far the most frequently mentioned icon at 21% (see [Exhibit 19](#)).

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Exhibit 19 – Icons or Images that Inspire Interest in Canada



Base: Long-haul pleasure travellers (n=1,513).

Notes: Figures are not directly comparable to 2008 as far fewer people said "none" in 2009.

Conclusion and Considerations

As the world's fastest growing major economy for the last three decades, China managed to sail through the global economic crisis relatively unscathed. Even at its lowest point, China enjoyed GDP growth that would make most western countries envious (6.1%), with immediate and forceful action by the Chinese government making it one of the first economies to turn around. With 2009 GDP growth at a healthy 8.7%, China's ongoing economic recovery is helping to drive the recovery worldwide.

China's stellar performance under adversity helped consumer confidence to rebound early in 2009, and as a result, consumer spending remained robust. In fact, the CNTA reports that the outbound market increased by 4% in 2009, with only a switch to closer destinations in Asia providing any indication of tougher times. As 2010 rolls out, the Chinese travel trade has pronounced that things are now more or less "back to normal" for the outbound market, boding well for a resurgence of visitor flows to Europe, the US and Canada later in the year.

The GTW results also point to a strong recovery in long-haul travel in 2010, with the market outlook indicator increasing from +31 in late 2008 to +55 in late 2009. Almost 60% of Chinese travellers are planning to travel more in the next three years, with only 4% saying they will travel less, indicating a strong optimism in the marketplace. With Chinese incomes on the rise and paid annual leave becoming commonplace, the personal barriers to long-haul travel are rapidly disappearing. At the same time, major events like the Beijing Olympics and the Shanghai World Expo are enhancing residents' connections to other countries and cultures, encouraging them to identify as global citizens and stoking their desire to see foreign lands. Against this backdrop, long-haul travel will continue to grow at a meteoric pace, and with ADS pending, Canada will finally be able to share in this growth.

While the future looks bright, the key performance indicators tracked by the GTW reflect the tougher external environment in 2009. Along with the US, Australia/New Zealand and Europe, Canada has seen a drop in top-of-mind awareness, advertising awareness and unaided consideration for upcoming trips, with immediate travel intentions down substantially as well. While Canada and other longer-haul destinations may be temporarily out-of-mind as Chinese travellers scale back, the good news is that general destination knowledge and long-term interest are on the rise. These widespread increases are part of the natural market maturation process, helped along by copious coverage of Canada and other Shanghai Expo participants in Chinese newspapers and television throughout the year.

The 2009 GTW also confirms that Chinese travellers are turning to Asian destinations this year, with Malaysia, Maldives, Indonesia and the Philippines all seeing marked increases in unaided awareness, advertising awareness and/or consideration. Asian destinations are soaring in popularity, both among the torrent of new travellers who have caught the long-haul travel bug and among more experienced travellers looking to trade down in response to the sluggish economy. While new travellers are choosing Asia on the basis of higher comfort levels, cheap travel packages, favourable regional exchange rates and added incentives like free visas and travel insurance, veteran travellers see it as an attractive option to more expensive European or North American vacations.

Canada has lost some ground this year in terms of perceptions among Chinese travellers. Alignment with Canada's desired brand personality perceptions has deteriorated, and more Chinese are now under the impression that Canada is Cold, Dull, Ordinary and Conservative. To some extent, these results are due to the influx of first-time travellers who may have weaker or stereotyped impressions of Canada. But greater knowledge of competing destinations among more avid travellers may also be factoring into the sinking scores. In addition, the fragile external environment is likely exerting some downward pressure, with travellers scrutinizing vacation destinations more carefully in the face of more limited budgets and fewer travel options.

With ADS imminent, the Canadian tourism industry will need to cater to a large segment of price-sensitive group travellers looking for competitively priced package tours. However, it can't afford to ignore the needs of the smaller, but more lucrative, segment of high-end travellers that will continue to visit the country through individual visas. With a millionaire class that is growing faster than that of any other country, China is on track to become the foremost luxury travel market in the world. The good news is that market perceptions of Canada's Quality and Desirability remain strong, with China ranking among the top GTW markets in this regard. These are pre-requisites for success in courting high-end travellers, who are searching for new and innovative products, themed trips and more in-depth travel experiences. More importantly, they are willing to pay more for these products if the added value is clear, making them a strong target market for Canada.

With virtually every tourism destination in the world angling for Chinese travellers, the competition for Canada's travel offerings is intense. Canada currently holds a strong second place position behind Australia on the Active Adventure Among Awe-Inspiring Natural Wonders USP, buoyed by its appealing winter products. Given that Chinese travellers are confirmed nature lovers, a top priority for Canada might be to gain a leadership position on this USP as it has managed to do in most other GTW markets. The Personal Journeys USP is another strong opportunity for Canada, although the competition is more formidable here, not only from Australia (the market leader), but from the US and European destinations as well. Ensuring well-priced guided group tours with a broad mix of activities and a focus on British Columbia and/or Ontario will no doubt boost Canada's standing here.

Another USP where Canada may want to gain a better foothold is Connecting with Locals, where it is again in second place behind Australia. As the market matures and Chinese tourists progress beyond whirlwind sightseeing tours that hit all the major attractions, travellers are increasingly seeking destinations with deep culture and history. Local lifestyles and aboriginal culture represent good bets for Canada to push forward on this front.

While the Vibrant Cities USP holds potential for Canada down the road, it currently ranks a distant fourth to the US, UK and France. Canada may want to play up the cities on the doorstep of nature theme as this is a fundamental strength relative to cities like New York, London and Paris. Highlighting shopping and gambling products – perennial vacation favourites for Chinese travellers – will also help to hone interest in Canada's cities. As an added bonus, the *Living City* theme of the Canada pavilion at the World Expo should help Canada to better perceptions on this dimension, with several million Chinese expected to pass through its doors between May and October.

The next few years should prove to be exciting ones for Canada, with ADS expected to provide a healthy boost to Chinese visitors to the country. To ensure Canada captures its full potential in this market, the CTC and its partners will need to work closely with the Chinese travel trade to build awareness, provide travellers with more specifics on what each Canadian region has to offer, and ensure that everything is in place to make Chinese travellers feel welcome.