Canadian Tourism Commission | Commission canadienne du tourisme

Global Tourism Watch
Year 2

UK – Key Findings

Canadian Tourism Commission (CTC)

Canada

www.canada.travel

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Introduction

Background

The shocks of 2001 and 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:

- The escalation of social media websites and their popularity across many age groups;
- The desire for healthier and more sustainable lifestyles;
- Climate change and related advocacy efforts by high-profile personalities; and
- The global financial/economic crisis

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 CTC key markets.

Objectives

In 2008, the second year of the GTW program was implemented in nine global markets – the US, Mexico, the UK, France, Germany, Australia, Japan, China and South Korea. The Year 2 research was co-funded by a partnership group including British Columbia, Alberta, Saskatchewan, Ontario, Manitoba, Yukon and the Northwest Territories.

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 strategic market plans.

The primary focus of the 2008 reports is on identifying shifts in each market since 2007. The ultimate goal of 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.

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.

A total of 1,520 U.K. respondents completed the online survey. A quota was set to reach n=300 past travellers to Canada. Fieldwork was conducted in May 2008.

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).

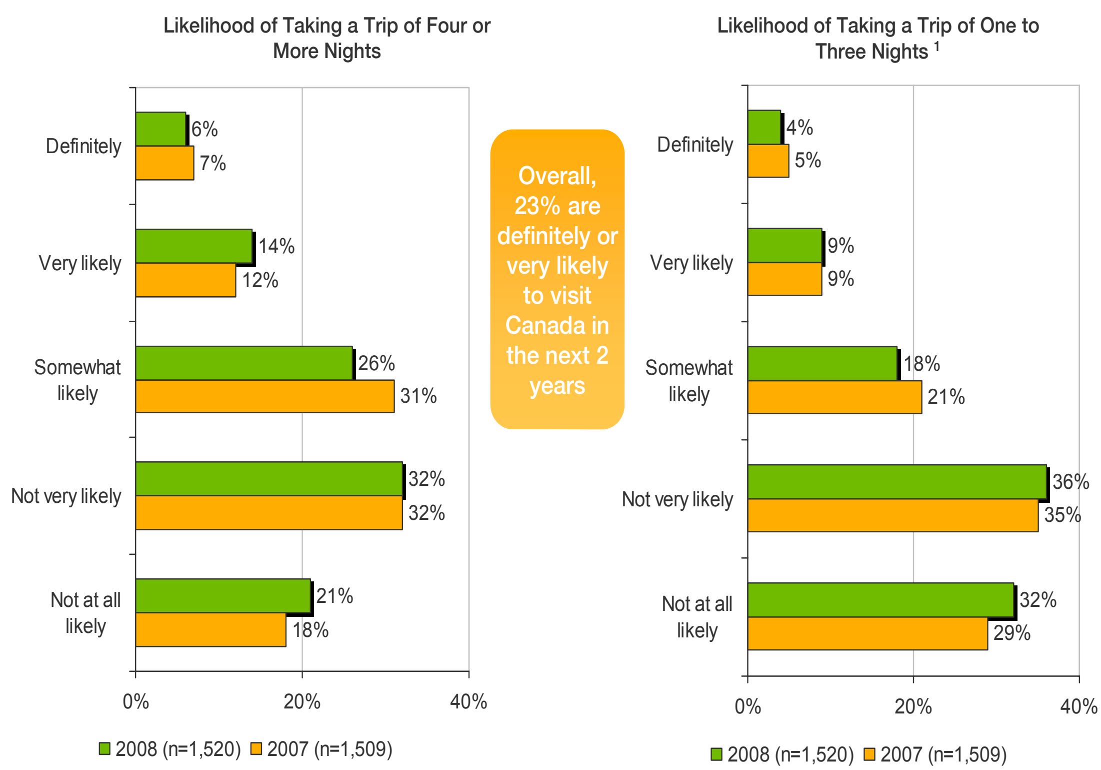
Given the quota of recent travellers to Canada, the survey sample was also weighted to reflect the actual distribution of travellers to Canada vs. travellers to other long-haul destinations, based on the Omunibus survey. Because the sub-set of recent travellers to Canada in the Omnibus was too small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

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

Likelihood of Visiting Canada

Exhibit 1 shows that 20% of U.K. 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, 13% are likely to take a shorter trip of one to three nights, possibly as an add-on to a U.S. trip. In total, 23% are likely to visit Canada in the near-term, which is effectively unchanged since last year.

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



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 U.K. 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 U.K. the overseas market with the greatest potential for Canada in terms of travel volumes.

The immediate market 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 just over 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	23%
Immediate potential	5,172,000

Base: Long-haul pleasure travellers (n=1,520)

Canadian Destinations[1] Likely to Visit

Exhibit 3 indicates that Ontario (81%) and B.C. (74%) are the leading regions of interest among likely travellers to Canada. About half say they will visit Quebec (51%) or Alberta (46%), while about a third are interested in the Atlantic region. The Northern and Prairie regions each garner the interest of roughly a fifth of likely travellers to Canada.

When it comes to individual destinations, Niagara Falls continues to be the most popular vacation spot (within the GTW partner regions). However, at 65%, it has lost some ground since last year – the only destination to do so of those shown in the exhibit. Toronto and Vancouver are the next most popular destinations, each at about 60%. Roughly 20% to 30% of U.K. travellers say they will visit Calgary, Victoria, Ottawa, Whistler and Banff, which shows there is continued interest in moving beyond Canada's major cities and attractions.

Exhibit 3 shows the size of the immediate potentical for the regional partners on the GTW study based on current levels of interest. The market is obviously substantial for Ontario, B.C. and Alberta, but also offers good opportunities for the North, with over a million potential travellers to this region.

Exhibit 3 - Destination Interest and Market Potential for the Regions

	BC	MB	AB	SK	ON	North
Immediate potential for Canada	5,172,000					
Likely to visit province	74%	12%	46%	12%	81%	22%
Immediate potential for the provinces	3,827,000	621,000	2,379,000	621,000	4,189,000	1,138,000
Most popular destinations within province	Vancouver (59%) Victoria (27%) Whistler (21%)	n/a	Calgary (31%) Banff (23%) Jasper (14%)	n/a	Niagara Falls (65%) Toronto (59%) Ottawa (20%)	NWT (16%) Yukon (15%) Nunavut (5%)

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=748).

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

1 Of CTC partner regions (British Columbia, Manitoba, Alberta, Saskatchewan, Ontario, the North).

Awareness Levels of Canada

Unaided Performance Indicators

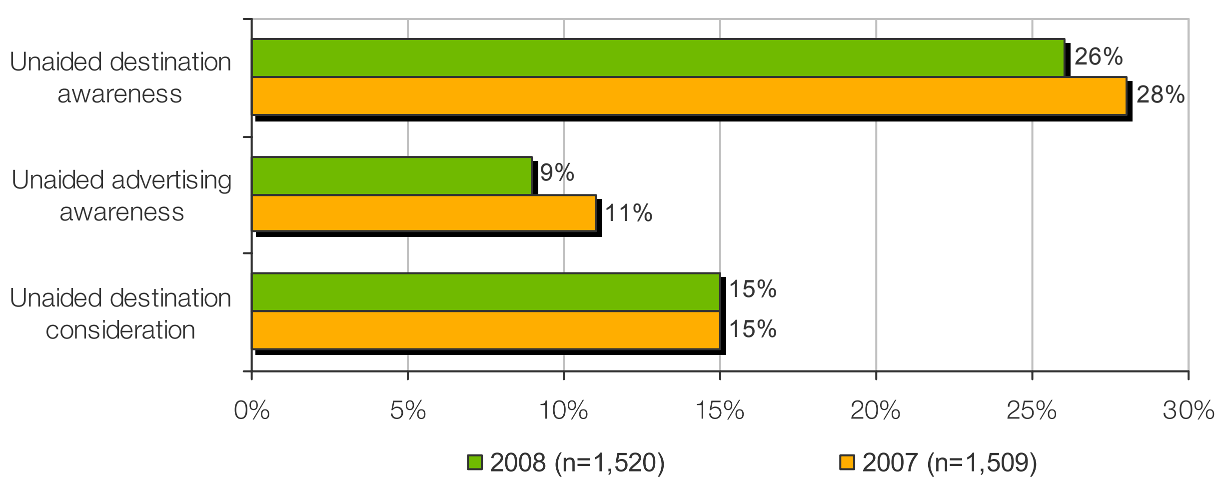
The Global Tourism Watch measured three unaided (or top-of-mind) indicators[2] – unaided awareness of Canada, unaided awareness of Canadian travel advertising, and unaided destination consideration.

To measure brand awareness, respondents were asked to name destinations that come to mind for a long-haul vacation. Canada continues to rank among the top five destinations for U.K. travellers, with more than 1 in 4 naming it as a place for a long-haul vacation on an unaided basis. Awareness of Canada is essentially the same as last year, which is true of most other countries on the list as well.

For top-of-mind Canadian travel advertising, the result remains steady for Canada, which continues to rank in fourth spot, with 9% 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 has not seen any measurable gain in consideration this year, but the drop for Australia has effectively improved its positioning and placed the number two spot within its grasp. 15% of long-haul respondents mentioned that they are seriously considering Canada and Canadian destinations for their holiday trips in the next 2 years.

Exhibit 4 - Unaided Performance Indicators



Base: Long-haul pleasure travellers.

2 Accumulative results are mentions of Canada and sub-destinations within Canada.

Recent and Potential Visitors from the U.K.

Target Market for Canada

Exhibit 5 provides demographic profiles of U.K. long-haul travellers as a whole, recent travellers to Canada and travellers interested in visiting Canada. Overall, there has been no notable change in the profile of any group since last year, with all three groups being well-educated, well-positioned in the workforce and generally well-off.

While recent visitors to Canada tend to be more educated than the other two groups, this doesn't tend to translate into higher incomes. In fact, the major distinguishing feature of recent visitors to Canada is that they tend to be older, and as a result, are more likely to be retired. With 44% of Canada's visitors being 55 plus, the U.K. emerges as one of Canada's oldest travel markets. However, it is important to note that potential future visitors are more likely to span all age groups, and Canada may want to craft campaigns that have a broader appeal in order to encourage conversion among the younger set.

Remarkably, one out of every two visitors to Canada has close friends and relatives living there (compared with under 30% of the market as a whole). This suggests that Visting Friends and Relatives (VFR) continues to be a strong driver of travel to Canada, a finding that has emerged in numerous previous studies. The fact that potential travellers to Canada are also more likely to know people there (36%) indicates that VFR is a driver of interest as well.

Exhibit 5 – Target market demographics for Canada

Gender	All L-H Travellers (n=1,520)	Recent Travellers to Canada (n=300)	Interested in Canada (n=552)
Female	52%	54%	55%
Age			
18 to 24	9%	9%	8%
25 to 34	22%	12%	20%
35 to 44	22%	21%	22%
45 to 54	17%	13%	17%
55 or older	30%	44%	33%
Close Friends or Relatives Living in Canada			
Yes	28%	54%	36%
Have Children in Household Under 18			
Yes	29%	25%	28%
Marital Status			
Married / partnered	70%	71%	71%
Single / never married	20%	17%	20%
Other (e.g. separated, divorced, widowed)	10%	12%	10%
Education			
High school or less	40%	33%	40%
Technical / vocational	11%	12%	13%
Completed college / university	47%	54%	44%
Employment Status			
Employed full-time/part-time	67%	60%	65%
Housewife / homemaker	7%	6%	7%
Retired	17%	23%	19%
Unemployed	3%	3%	4%
Student	5%	3%	3%
Occupation			
Senior manager / admin / prof.	16%	21%	15%
Intermediate manager / admin / professional	29%	32%	29%
Supervisor, clerical, junior manager / admin / prof.	32%	30%	31%
Manual worker (with industry qualifications)	13%	8%	15%
Manual (with no qualifications)	4%	5%	3%
Never employed, state pensioner, casual worker	2%	2%	1%
Average Annual Household Income			
Below 25,000 £	30%	29%	32%
25,000 £ to 39,999 £	32%	32%	31%
40,000 £ to 69,999 £	28%	26%	26%
70,000 £ or above	10%	13%	11%

Target Market for Canadian Regions[3]

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 B.C., Ontario and Alberta 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).

Travellers likely to visit Alberta have a lower income, while potential northern travellers tend to skew older, echoing last year's results. Beyond this, there are very few meaningful significant differences between the groups.

3 Of CTC partner regions (British Columbia, Manitoba, Alberta, Saskatchewan, Ontario, the North).

Exhibit 6 - Target market for Canada's regions

Gender	TOTAL (n=748)[1]	BC[3] (n=214)	AB[3] (n=73)[4]	MB[2] (n=86)[4]	SK[2] (n=85)[4]	ON[3] (n=343)	North[2] (n=160)
Female	52%	51%	60%	51%	46%	53%	50%
Age							
18 to 24	9%	7%	15%	3%	3%	9%	3%
25 to 34	23%	21%	14%	18%	18%	25%	16%
35 to 44	21%	21%	21%	18%	21%	23%	18%
45 to 54	15%	16%	11%	23%	18%	14%	23%
55 or older	32%	35%	39%	37%	40%	29%	40%
Close Friends or Relatives Living in Canada							
Yes	39%	41%	46%	55%	37%	35%	39%
Have Children in Household Under 18							
Yes	28%	30%	25%	28%	22%	31%	27%
Marital Status							
Married / partnered	72%	79%	71%	77%	75%	70%	77%
Single / never married	18%	14%	17%	10%	6%	18%	9%
Other	11%	7%	12%	13%	19%	11%	14%
Education							
High school or less	38%	36%	47%	37%	31%	39%	38%
Technical / vocational	11%	11%	14%	16%	16%	10%	14%
Completed college / university	49%	51%	35%	44%	47%	48%	45%
Employment Status							
Employed full-time/part-time	69%	66%	70%	55%	57%	69%	54%
Housewife / homemaker	6%	9%	3%	7%	9%	5%	7%
Retired	17%	18%	19%	24%	21%	17%	25%
Unemployed	2%	1%	7%	1%	3%	2%	4%
Student	5%	4%	1%	9%	5%	6%	7%
Occupation							
Senior manager / admin / prof.	17%	16%	11%	14%	19%	17%	16%
Intermediate manager / admin / professional	30%	28%	33%	22%	30%	33%	33%
Supervisor, clerical, junior manager / admin / prof.	30%	31%	37%	32%	27%	28%	23%
Manual worker (with industry qualifications)	14%	15%	9%	16%	9%	14%	20%
Manual (with no qualifications)	4%	5%	4%	4%	2%	4%	3%
Never employed, state pensioner, casual worker	1%	0%	4%	3%	2%	1%	1%
Average Annual Household Income							
Below 25,000 £	29%	26%	31%	41%	32%	31%	33%
25,000 £ to 39,999 £	33%	32%	49%	30%	36%	30%	34%
40,000 £ to 69,999 £	26%	29%	20%	18%	22%	26%	24%
70,000 £ or above	11%	13%	0%	12%	10%	13%	9%

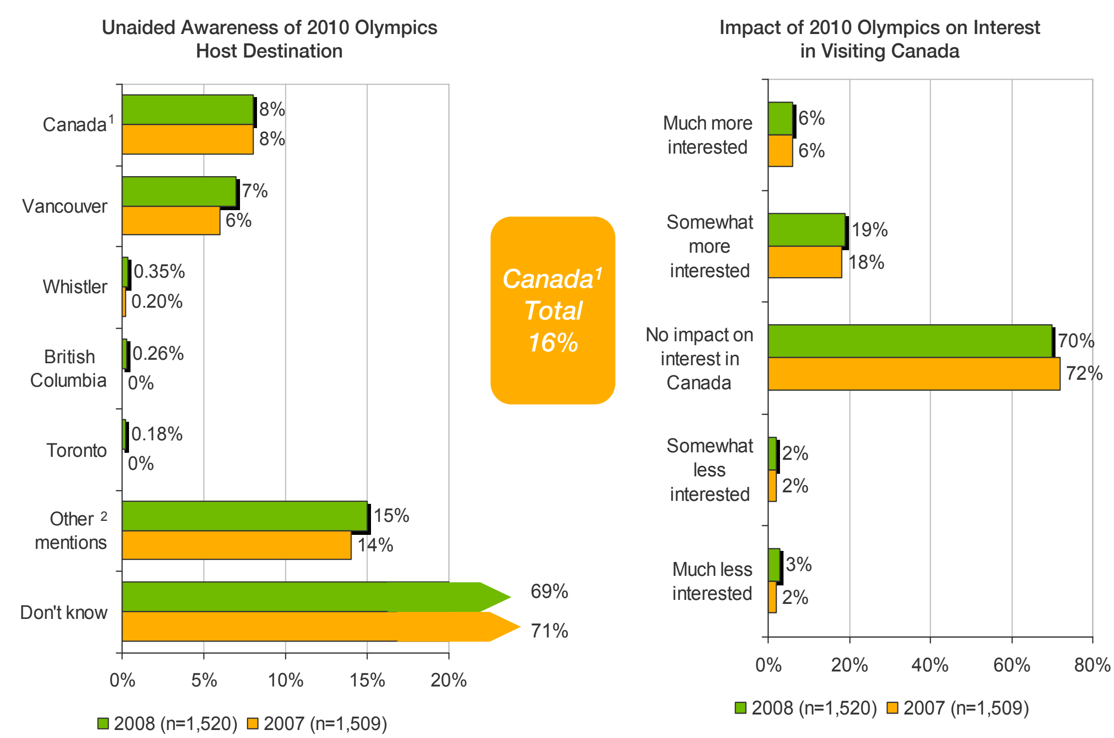
Notes:
[1] Those likely to visit Canada in the next 2 years and/or those who are considering, have decided to visit or have booked a trip there.
[2] Those likely to visit the region.
[3] Those most likely to visit the region.
[4] Results should be interpreted with caution due to the small sample size.

The Impact of the 2010 Winter Games on Travel to Canada

Exhibit 7 shows that, in total, 16% correctly identify Canada as the host of the Vancouver 2010 Olympic and Paralympic Winter Games, mentioning Canada or Vancouver, about equally. As far as awareness goes, this is only moderate. Interestingly, Beijing and China are the next most common mentions, despite the timing of the survey being relatively close to the onset of the 2008 Games there.

The vast majority of U.K. travellers (70%) continue to say that hosting the Winter Games has no impact whatsoever on their interest in coming to Canada. Only a quarter say that it has enhanced their desire to visit, which continues to be relatively low compared to other GTW markets. Taken together with the drop in interest for travel to China just prior to the 2008 Summer Games, these results suggest that the U.K. may be a rather tepid market for Olympics-related travel. However, it could be that, as hosts of the 2012 Summer Games, U.K. travellers feel they will soon have an opportunity for Olympics-related travel that is much closer to home.

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 China, Beijing, London, UK, Russia, Far East, Switzerland, US, South Africa, Austria for 2008 plus New Zealand for 2007.

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Canada’s Product Strengths and Weaknesses

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

Product Strengths

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 U.K. continue to revolve around nature, including beautiful landscapes, rivers/waterfalls and national parks/heritage sites. Self touring is also a strength, but has weakened somewhat this year, suggesting that Canada is not as well positioned on this product when boat and bike are thrown into the mix as modes of travel.

Niche product strengths appeal to smaller groups of travellers and represent potential niche markets to be developed or targeted. For the U.K., these centre on outdoor activities, including skiing, hiking, canoeing/kayaking and fishing/hunting.

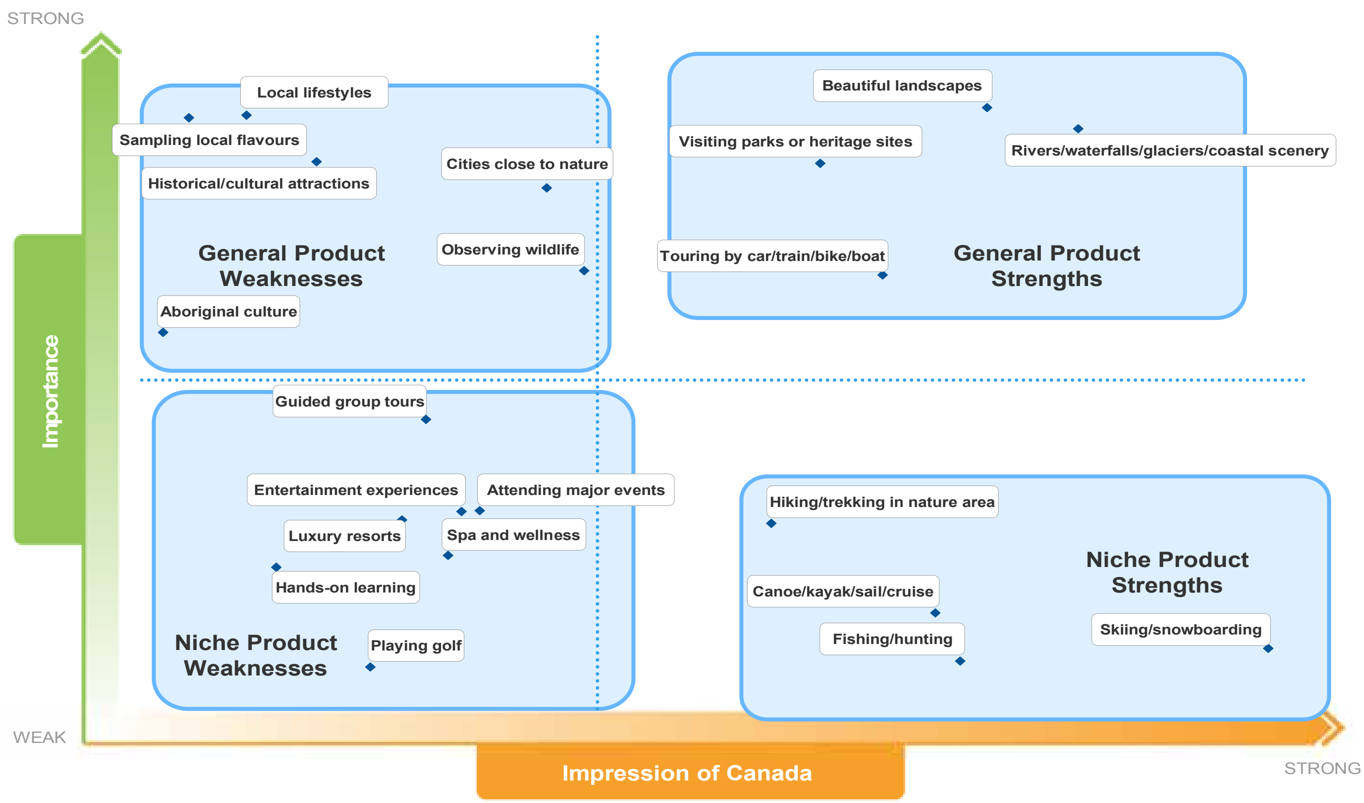
Product Weaknesses

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. In the U.K., Canada is felt to be lacking on the cultural front, with less to offer in the way of cultural attractions, local lifestyles, local flavours and aboriginal culture. It would be in Canada’s best interest to address these misperceptions given the importance of cultural products to the market as a whole.

A borderline strength last year, Canada’s wildlife offering has slipped a bit in 2008 and is now viewed as a product weakness. However, there are clearly opportunities to turn this back around given it is only a marginal weakness. Similarly, cities close to nature shows excellent potential for improvement.

Niche marketing weaknesses are unfavourably rated activities that appeal to smaller groups of travellers. As in most GTW markets, Canada is not really seen as being a luxury travel destination (e.g., it is weak on entertainment, resorts, spa/wellness and golf). Major events (e.g., exhibitions, festivals and sports) are also perceived as a weakness, as are group tours and hands-on learning.

Exhibit 8 – Product Strengths and Weaknesses Map



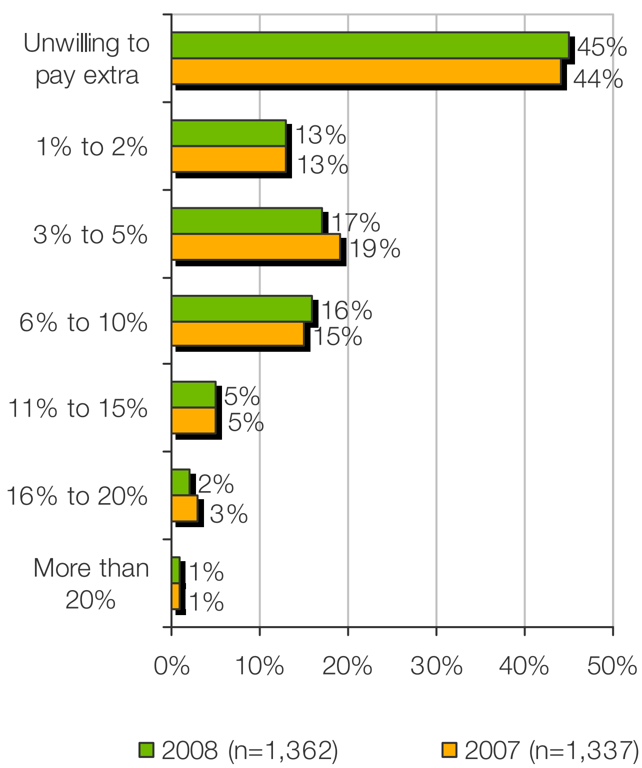
Base: Long-haul pleasure travellers (n=1,520).

U.K. Views on Environmentally-friendly Travel Products

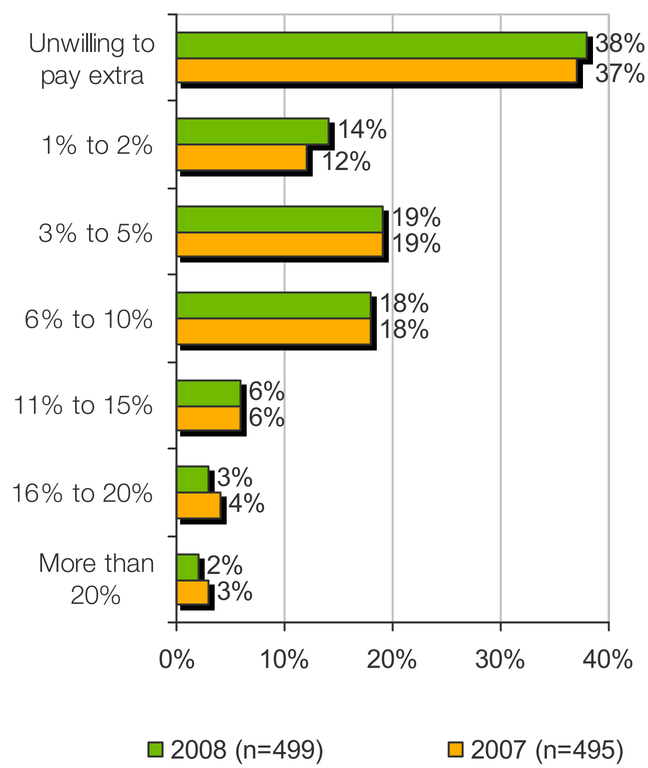
Prompted by growing public awareness of the environmental impact of travel and an increasing focus on responsible tourism in many countries, the GTW survey examined the attitudes of travellers towards eco-friendly tourism and travel products.

U.K. travellers continue to be somewhat indifferent on the subject of green travel, with no major shifts since 2007. While over 60% feel that environmentally-friendly travel is important, only a third actively put these principles into practice when deciding on a vacation destination, and even fewer make environmentally conscious choices when they travel. Moreover, 45% are unwilling to pay a premium for eco-tourism travel products, the highest of any GTW market. These low scores again earn U.K. travellers the distinction of being the least environmentally-conscious of the GTW markets. Those travellers interested in Canada are willing to pay slightly more than overall long-haul pleasure tarvellers at 38% compared to 45%.

Exhibit 9 – Willingness to Pay a Premium for Environmentally-Friendly Travel Products



Base: Long-haul pleasure travellers



Base: Travellers interested in Canada.

How Canada is Perceived by U.K. 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:

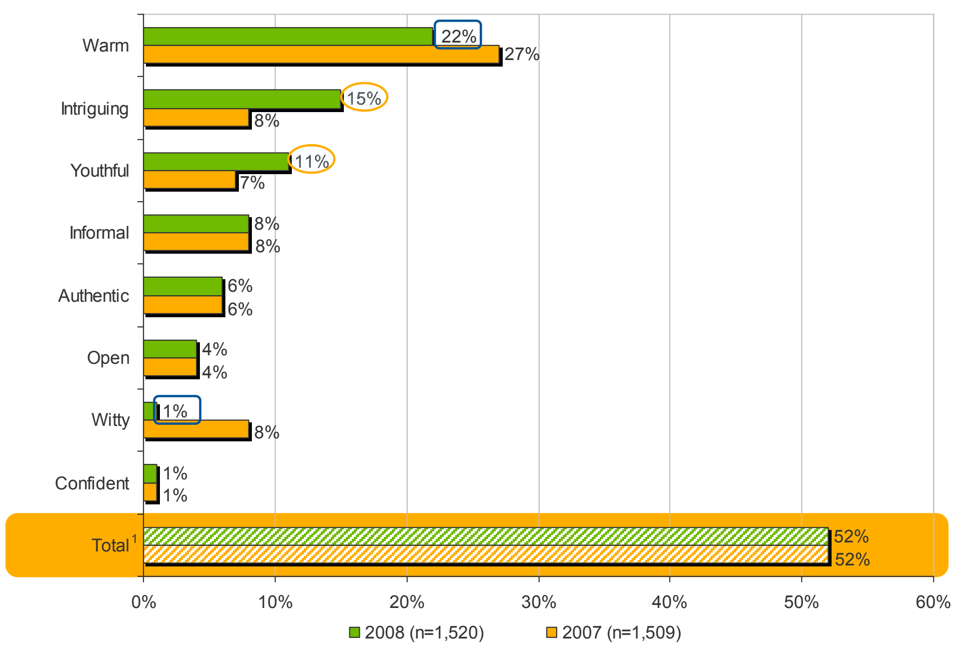
- **Warm** (e.g., friendly, hospitable, welcoming, warm-hearted, kind);
- **Intriguing** (e.g., fascinating, interesting, exciting, appealing, engaging);
- **Informal** (e.g., casual, relaxed, easy-going, laid-back, approachable);
- **Open** (e.g., accepting, liberal, open-minded, flexible, accessible);
- **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., humourous, quick, entertaining, clever, bright, intelligent).

As shown in **Exhibit 10**, the personality dimension that U.K. travellers continue to associate most closely with Canada is Warm, although, at 22%, the number of mentions is down notably this year. In fact, this trend has emerged in virtually all of the GTW markets, which suggests it could reflect the CTC's global efforts to take market perceptions of Canada beyond friendly and welcoming by emphasizing other brand attributes.

In fact, mentions of Canada as Intriguing and Youthful have both increased substantially in the U.K., making them the next most commonly cited traits on an unaided basis. This certainly suggests that inroads are being made in retooling Canada's image in the U.K. as a more dynamic and engaging vacation spot. There is still much to be done on this front, however, as unaided mentions of Canada as Confident remain very low at 1%, while mentions of Canada as Witty have dropped from 8% to 1% this year.

Overall, about half of all travellers mention at least one Brand Canada trait on an unaided basis, indicating that promoting and accelerating the brand in this market continues to be an important priority.

Exhibit 10 – Unaided Brand Personality Perceptions



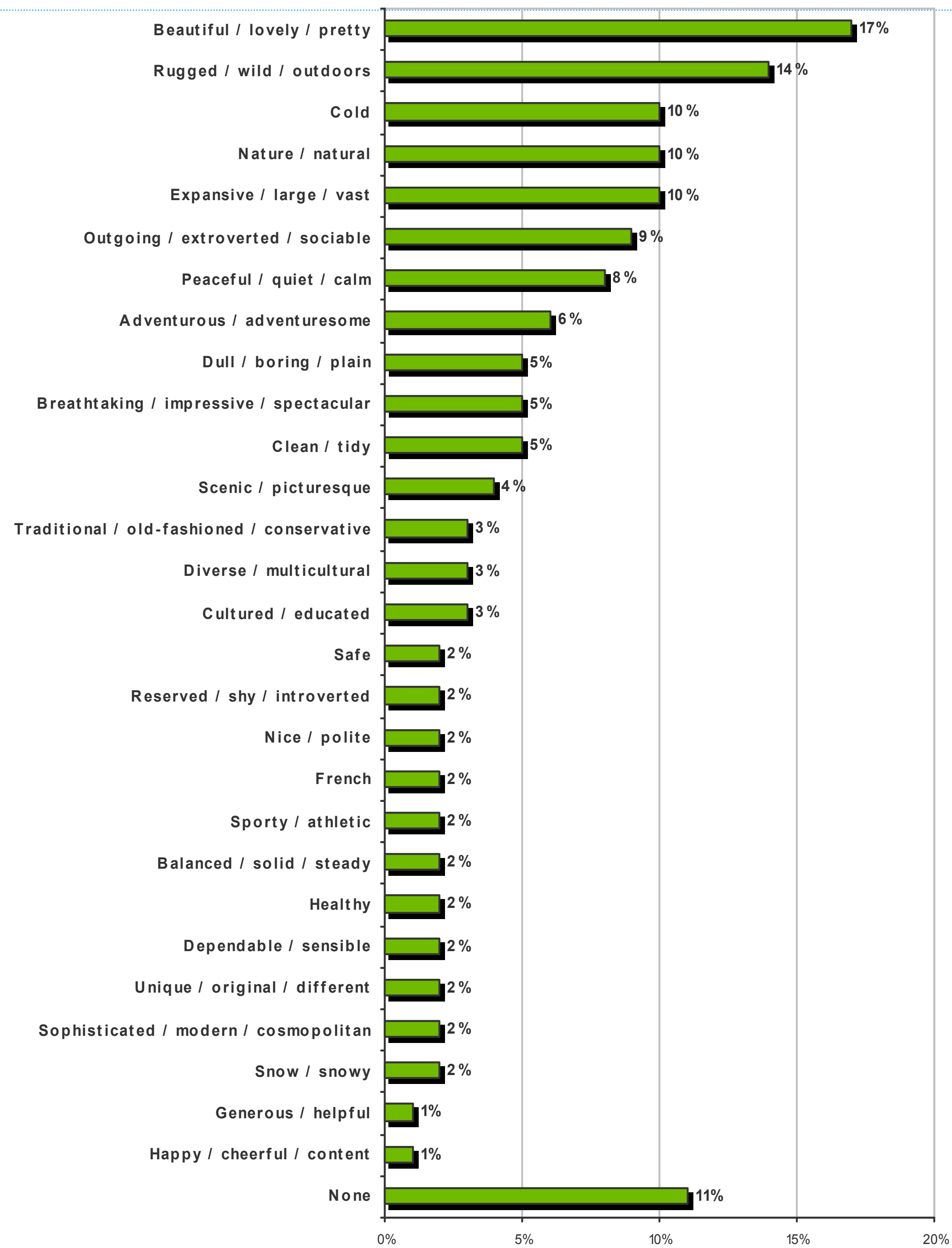
Base: Long-haul pleasure travellers
Note: [1] Percent who mentioned any of the 8 Brand Canada personality traits (or synonyms thereof).
Blue squares indicate a result that is significantly lower than 2007; orange circles indicate a result that is significantly higher than 2007.

Other personality traits associated with Canada in the minds of U.K. travellers are much the same as last year (see **Exhibit 11**). Nature and outdoor related traits continue to comprise a large part of the mental picture, with the country's northern climate also top of mind. As established last year, the U.K. is one of a couple of markets (Australia and the U.S. being the others) to make the connection between wondrous nature and opportunities for adventure, as evidenced by the relatively high mentions of "rugged/wild/outdoors" (14%) and "adventure/adventuresome" (6%). This is a positive sign as it indicates that U.K. travellers have a more active perspective of Canada than travellers in many other markets have.

Other elements of Canada's more traditional image persist in 2008. U.K. travellers continue to think of Canada as a dependable vacation spot that is peaceful and relaxing, friendly and polite, and safe, healthy and clean. The negative side of this image is that U.K. travellers are also more apt to view Canada as a bit dull or boring, and are on par with Americans in this respect.

While traditional traits clearly dominate in this market, the results do reveal that the more dynamic elements of the new brand are starting to make some headway in the mentions of "diverse/multicultural" (3%), "cultured/educated" (3%), "unique/original/different" (2%), and "sophisticated/modern/cosmopolitan" (2%). However, these mentions are still relatively few and far between on an unaided basis.

Exhibit 11 – Unaided Brand Personality Perceptions – Other Mentions



Base: Long-haul pleasure travellers (n=1,520).

Value Perceptions

For a destination to have value, it should:

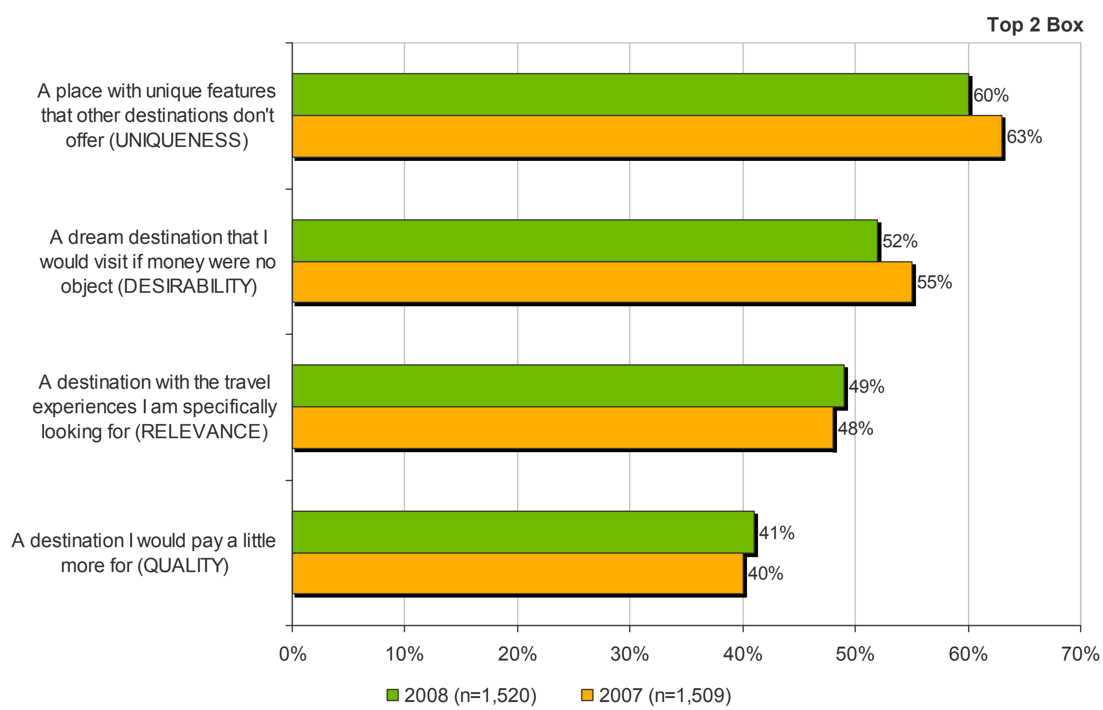
- Have an inherent desirability or appeal;
- Offer high quality experiences and travel products;
- Be relevant to travellers, with the experiences they are specifically looking for; and
- Offer a unique product relative to other destinations.

To assess value perceptions of Canada in the U.K., respondents were asked to rate Canada on four value-related statements that embody each of the above criteria.

Exhibit 12 shows that value perceptions have essentially maintained an even keel since 2007, with all ratings remaining unchanged.

As in most markets, Quality perceptions require the most improvement, but none of the ratings are particularly strong, suggesting that the overall value proposition may need some attention in the U.K.

Exhibit 12 – Value Perceptions



Base: Long-haul pleasure travellers.
Notes: Top 2 Box refers to a rating of 4 or 5 with 1 being "strongly disagree" and 5 being "strongly agree" on a 5-point scale.

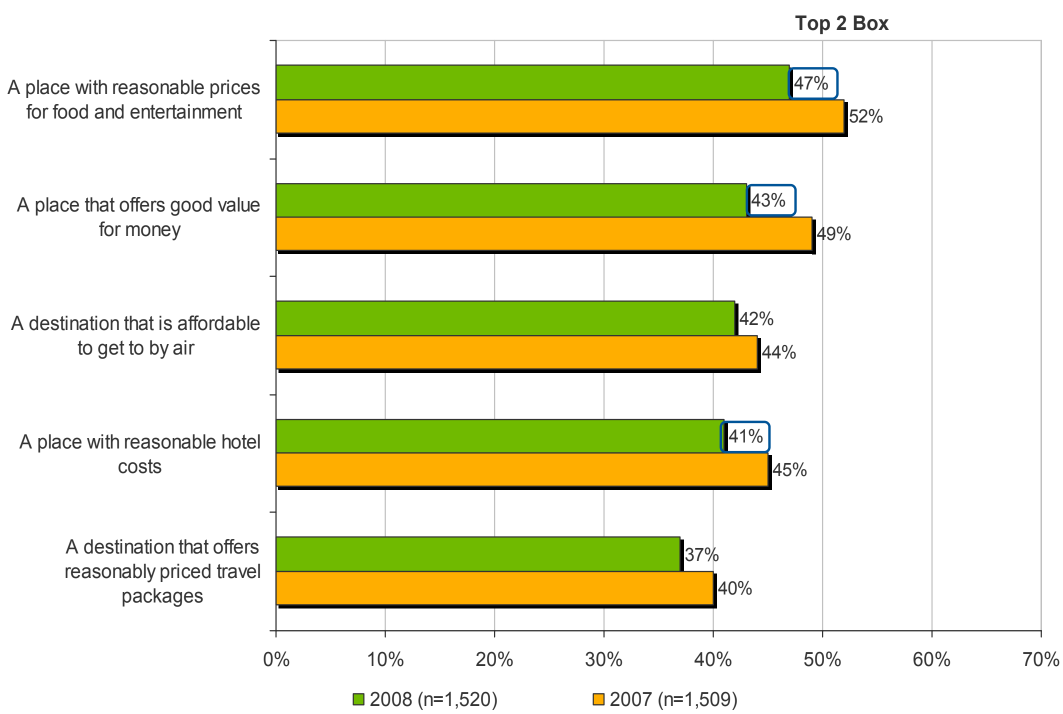
Price Perceptions

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

Unfortunately, ratings have dropped for a number of price components this year, including food and entertainment costs, value for money and hotel costs. This could reflect the growing inflationary and economic pressures in the U.K., as well as the general weakening of the pound. As the economic climate has continued to decay since the 2008 survey was conducted, travellers have likely become even more price sensitive and cautious in their destination choices than the GTW results would indicate.

On a positive note, price perceptions in the U.K. continue to be above average, particularly when compared with the other European markets.

Exhibit 13 – Price Perceptions



Base: Long-haul pleasure travellers.
Notes: Top 2 Box refers to a rating of 4 or 5 with 1 being "strongly disagree" and 5 being "strongly agree" on a 5-point scale. Blue squares indicate a result that is significantly lower than 2007; orange circles indicate a result that is significantly higher than 2007.

Motivation for Visiting Canada and the Regions

Key Motivations for Visiting Canada

Not surprisingly, nature continues to be the biggest draw for Canada among those who are likely to visit (or considering a trip). With national parks/heritage sites emerging in the list at around 80%, the top three motivations for travel to Canada are now completely nature-related (see **Exhibit 14**).

With culture a major weakness for Canada, cultural factors have far less pull, with only 6 in 10 interesting in discovering unique Canadian culture. However, there is a fairly good base of travellers wanting to sample local flavours (7 in 10), which has risen notably this year following the insertion of the word "local" into the product description.

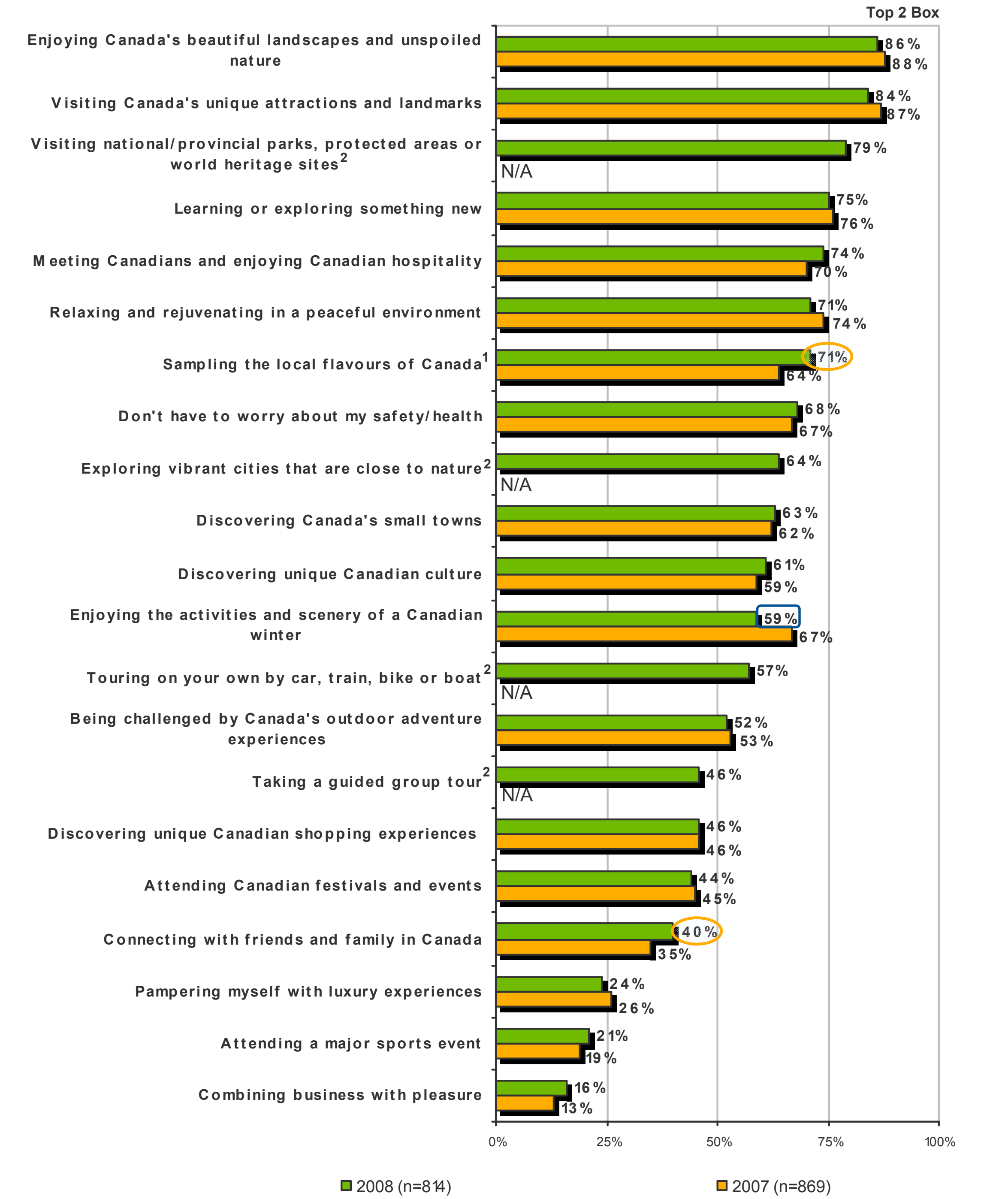
Just over 6 in 10 express interest in coming to Canada to explore vibrant cities close to nature, which suggests that more effort may be needed to bring this USP[4] to life for U.K. travellers. With nature being such a strong draw for Canada, it is likely the urban experience that is felt to be lacking, which is supported by the undistinguished ratings of shopping, luxury experiences, sports events and business-pleasure travel as motivators. Again, a focus on the energy, richness and vitality of its cities may be what is needed to lift Canada's somewhat dull image in the U.K..

The only motivator to see a decline this year is winter activities and scenery, which fell from 67% to 59%. Again, this could be due to the shift in the timing of the 2008 fieldwork, with winter activities/scenery doubtlessly having less appeal to U.K. travellers after a long Winter. Both Germany and Korea, which were fielded in March, saw a similar decline.

The self touring attribute, which was added this year, does not emerge as a particularly strong motivator. However, at 57%, it draws considerably more interest than guided group tours do (46%), which is true of most of the GTW markets.

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

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.

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 2007; orange circles indicate a result that is significantly higher than 2007.

1 Item changed slightly in 2008.

2 Not asked in 2007.

Regional Motivations[5]

Exhibit 15 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.

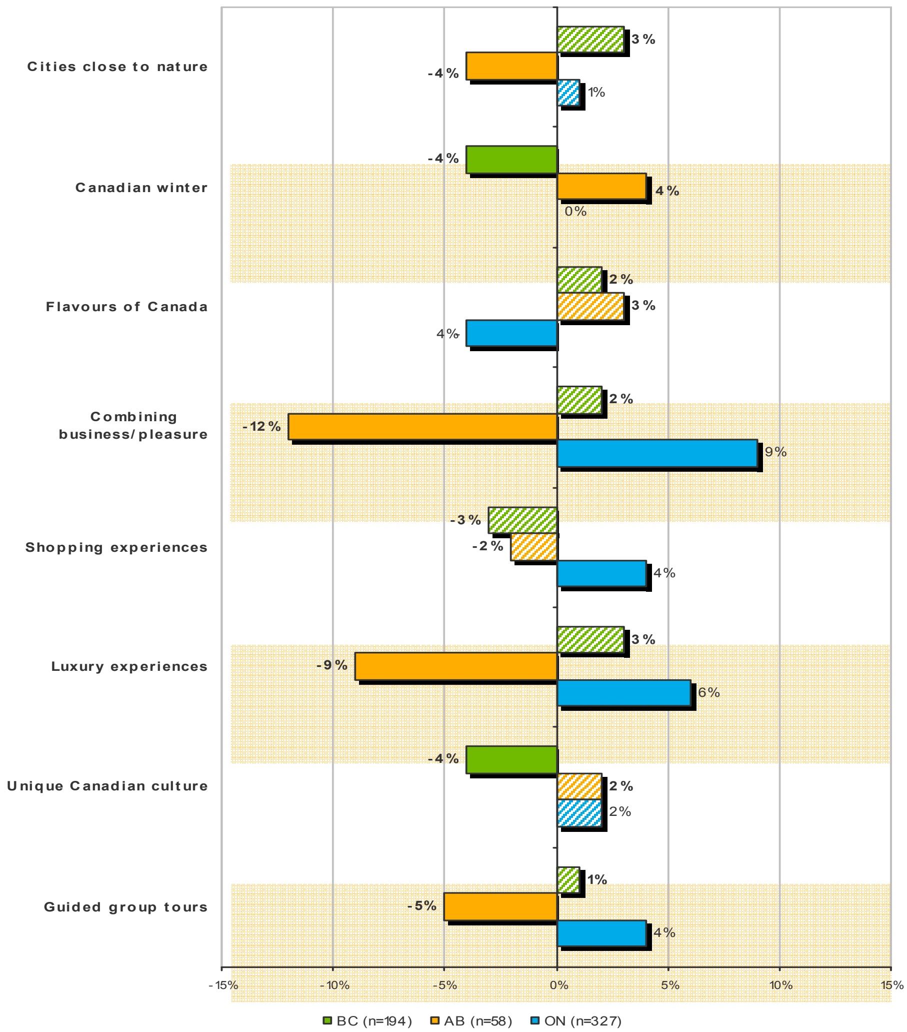
In the exhibit, high positive values indicate motivations that are of greater *relative* importance for a region, while high negative values represent motivations that are of lesser *relative* importance. The exhibit shows that:

- **Alberta**, with its mountain resorts in Banff and Jasper, is more likely to attract travellers interested in winter activities/scenery and cuisine.
- Those interested in **British Columbia** are more likely than others to be drawn by the prospect of cities close to nature, a nod to Vancouver's stunning mountain setting. British Columbia is also right on Alberta's heels when it comes to culinary experiences.
- Travellers likely to visit **Ontario** are quite different, being more likely to be motivated by pampering/luxury experiences, shopping opportunities and combining business with pleasure. Potential travellers to Ontario are also the most likely to book a guided group tour, perhaps because of their interest in major tourist sites like Niagara Falls and Toronto.

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.

5 Motivations of GTW regional partners with sufficient sample size.

Exhibit 15 - Regional Motivations



Base: Travellers most likely to visit British Columbia, Ontario or Alberta. Sample sizes for other regions were too small to be included.
Note: Solid bars with high positive values represent motivations that are of greater relative importance for a region, while solid bars with high negative values represent motivations that are of lesser relative importance for a region. Hatched bars represent low values that are not differentiating motivations.

Barriers in Attracting Visitors from the U.K.

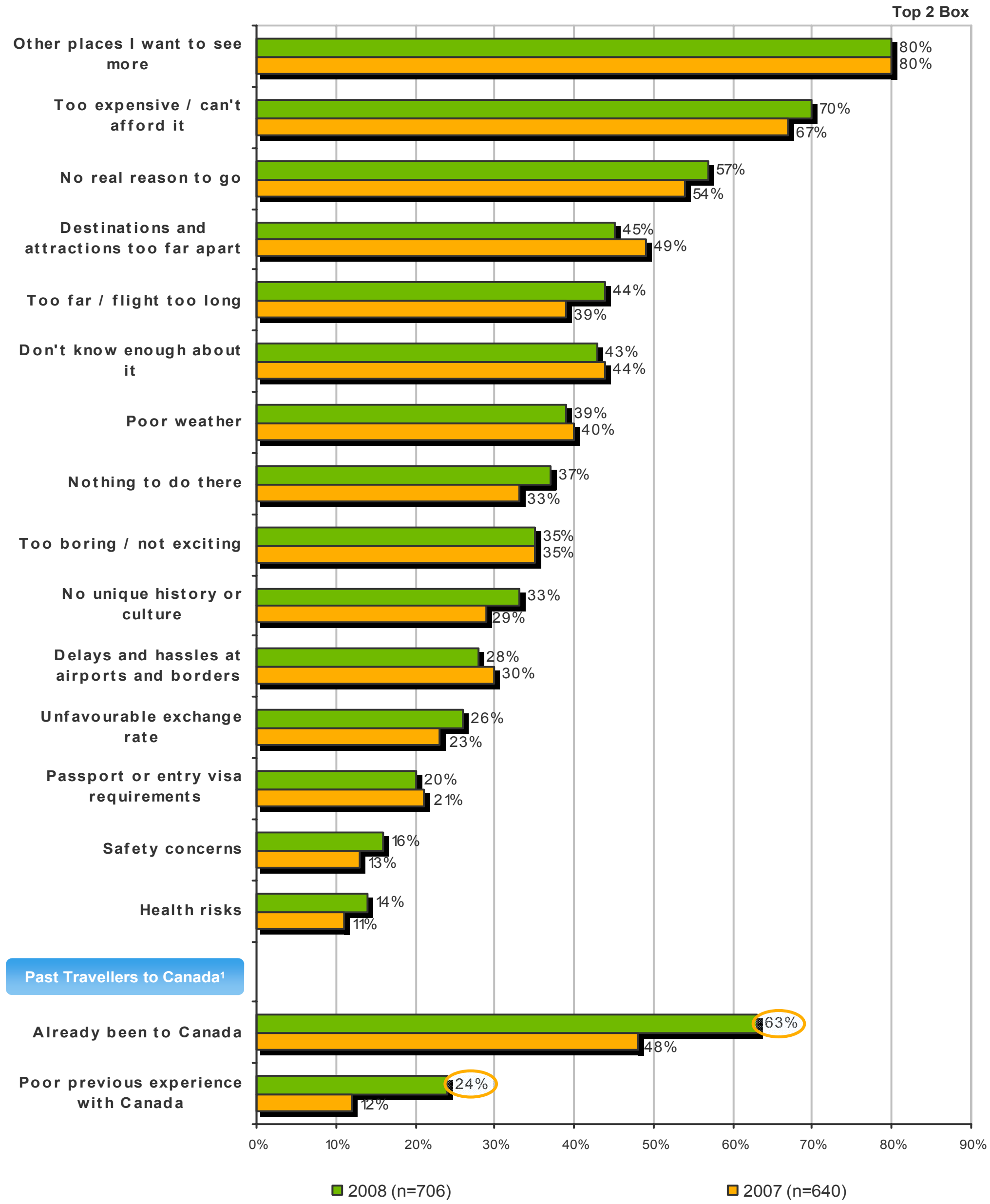
Barriers for Travel to Canada

Exhibit 16 shows why U.K. 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.

Consistent with the results showing a possible softening of the repeat travel market, the 2008 GTW reveals that the barriers for those who have visited Canada before have intensified. Both the proportion who say they won't visit again because they have already been to Canada, and the proportion who feel they had a poor previous experience with Canada, have spiked since 2007. This indicates that excitement around Canada as a repeat travel destination may have cooled somewhat, and possibly, some disillusionment with the Canada travel experience exists. More likely, the current economic woes are simply making travellers more cautious about their destination choices, perhaps making a new destination seem more appealing than one that they have visited before. Either way, this calls for the CTC to bring new attractions, events, experiences and destinations to the attention of potential repeat visitors.

Aside from this, there are no obvious shifts in travel barriers. The chief barrier continues to be competition from other destinations (80%), followed by affordability (70%), which has not increased materially, despite the declines in price perceptions this year. The only other issue to be raised by more than half of travellers is that there is no compelling reason to go to Canada, which dovetails with the rather ho-hum attitude towards Canada in this market.

Exhibit 16 – Key Barriers for Visiting Canada



Base: Long-haul pleasure travellers who are unlikely to visit Canada in the near future . Notes: Percentage is the sum of major barrier and minor barrier responses.
orange circles *indicate a result that is significantly higher than 2007.*
1 Base is long-haul pleasure travellers who have previously visited Canada and are unlikely to re-visit in the near future; 2008 (n=142), 2007 (n=142).

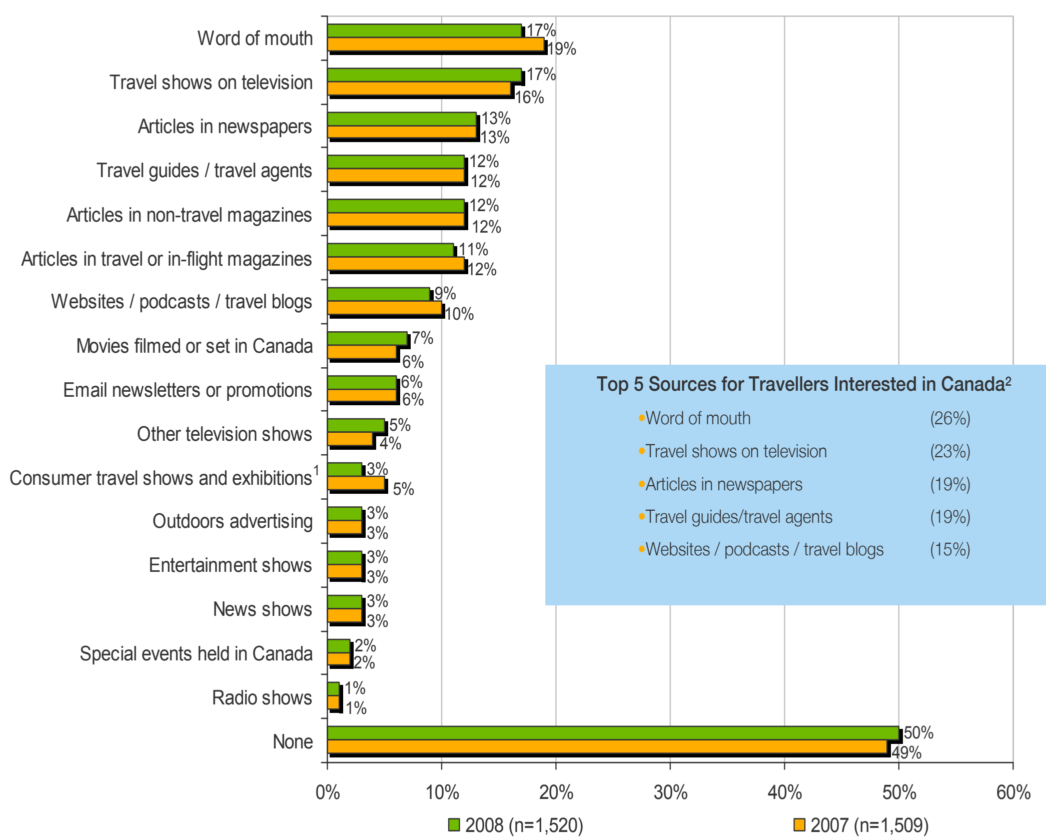
Sources of Information for U.K. Travellers

Sources of Information on Canada

Aside from word of mouth, **Exhibit 17** shows that U.K. travellers still rely to a great degree on traditional media sources. The top sources remained the same as last year, and include television travel shows, newspaper articles, travel agents/travel guides and magazines (cited by between 10% and 20% of the market). Potential visitors to Canada cite similar sources, with websites/podcasts/ travel blogs replacing magazines.

However, getting noticed persists as an issue in the U.K., as fully half of all travellers do not recall seeing any information on Canada in the past three months. This is very high by GTW standards, surpassing even the US, where the advertising space is recognizably crowded.

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

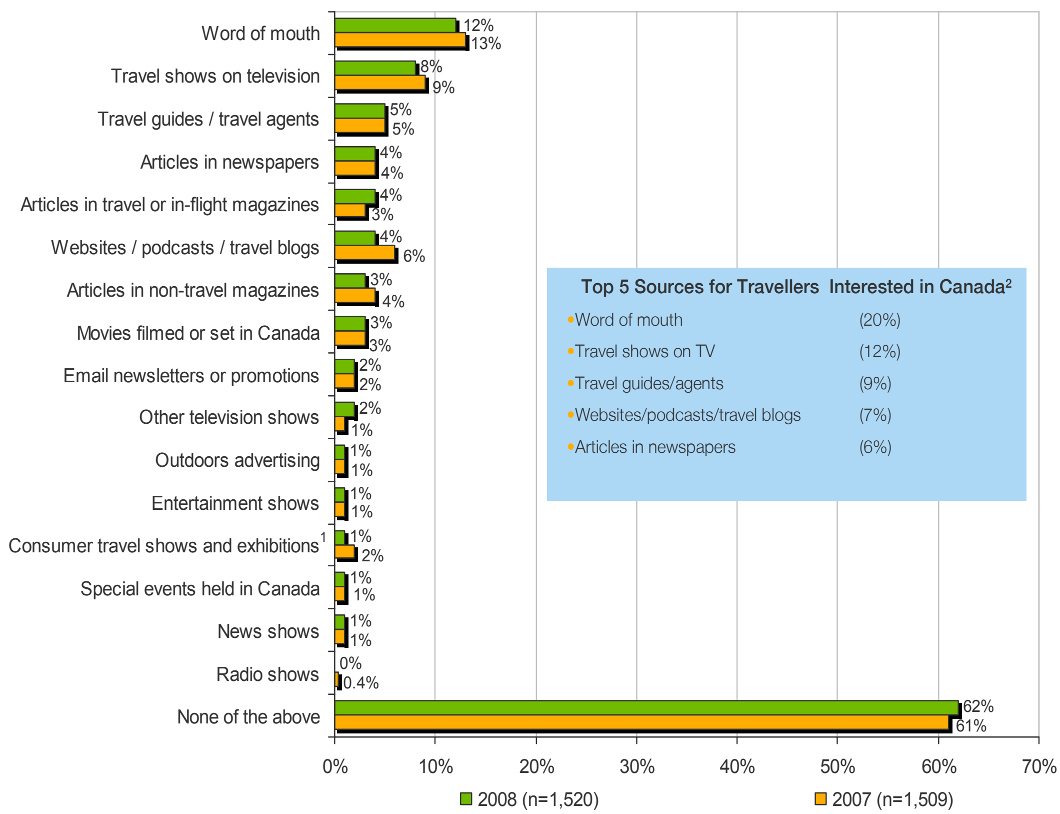


Base: Long-haul pleasure travellers.
Notes: Blue squares indicate a result that is significantly lower than 2007; orange circles indicate a result that is significantly higher than 2007.
1 Item changed slightly in 2008.
2 Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years.

Top Information Sources for Increasing Canada's Appeal

As shown in **Exhibit 18**, the top ways to increase Canada's appeal among UK long-haul travellers have not changed from last year. Among potential visitors, however, websites/podcasts/travel blogs has dropped notably in importance from 12% to 7%.

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 2007; orange circles indicate a result that is significantly higher than 2007.
1 Item changed slightly in 2008.
2 Travellers Interested in Canada: those who are very interested in visiting Canada in the next 2 years.

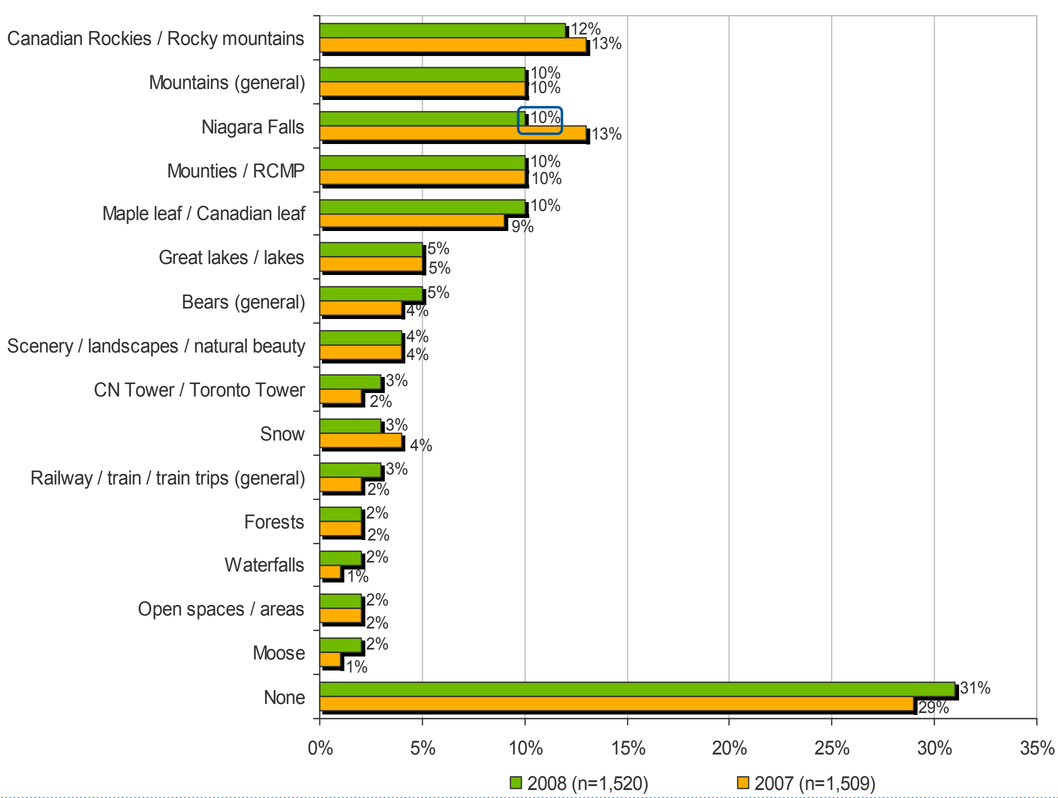
Icons or Images that Inspire Interest in Canada

The 2007 GTW revealed that U.K. travellers are partial to mountain imagery, and **Exhibit 19** shows that this continues to hold true in 2008. The Rocky Mountains, and mountains in general, top the list of Canadian icons, with U.K. travellers no doubt inspired by Canada's soaring peaks in contrast to the more rolling ranges of home.

Niagara Falls drops down in the list this year (falling from 13% to 10%), which is consistent with the decline seen in travel intentions for this destination, as well as the drop for geographic exploration in general.

Like last year, the Mounties/RCMP and the maple leaf round out the top five images of interest to this market. Most of the remaining icons relate in some way to nature/outdoors, and have less inspirational value (mentioned by 5% or fewer).

Exhibit 19 – Icons or Images that Inspire Interest in Canada



Base: Long-haul pleasure travellers.
Notes: Blue squares indicate a result that is significantly lower than 2007; orange circles indicate a result that is significantly higher than 2007.

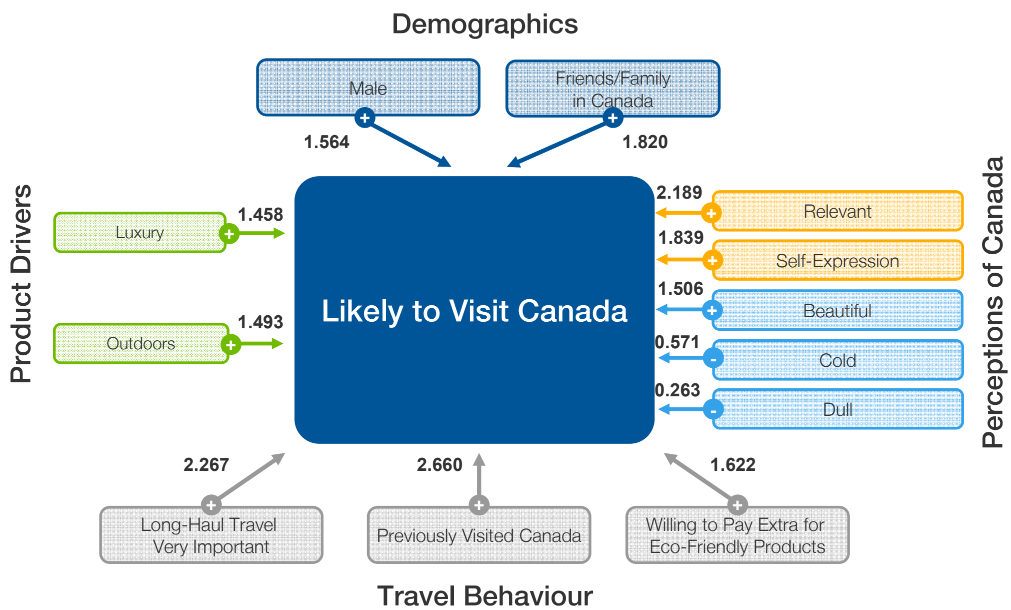
The Key Drivers for Visiting Canada

A key drivers 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, travel attitudes and motivations, perceptions of Canada, product interests and travel behaviour (previous visitation of Canada, importance of long-haul travel, etc).

Exhibit 20 shows that the key drivers of visitation intentions remain similar to last year:

- Past travel to Canada continues to be the strongest predictor of future travel intentions. In fact, everything else being equal, those who have visited Canada in the past are more than two and a half times as likely to say they will visit Canada in the next two years as those who have never been.
- Canada also has greater appeal for those who value long-haul travel and eco-friendly travel products.
- As in most markets, VFR emerges as a key driver of travel intentions. In addition, Canada tends to appeal more to men than women, which is consistent with both the 2007 findings and previous consumer studies.
- Not surprisingly, given Canada's product strengths in this market, those looking for outdoor activities are more likely to say they will visit. However, travellers seeking luxury products are also more apt to make the trip, which underscores the importance of having a well-rounded image in the U.K.
- Perceptions of Canada also have a strong influence on the purchase decision – stronger, in fact, than demographics or vacation activities. In particular, those who view Canada as having experiences that are relevant to them are roughly twice as likely to visit than those who don't share these sentiments. The same is true for those who view Canada as a place where they can express themselves, pointing to the importance of engaging the emotions of U.K. travellers.
- Like last year, travellers who feel that Canada is beautiful are more likely to visit, while those who view it as dull are less likely to do so. The latter again emphasizes the need to inject some excitement into the mental picture that U.K. travellers have of Canada.
- Unlike last year, cold emerges as a negative driver, which may again be triggered by the shift in the timing of the fieldwork and the lessened interest in travelling to Canada during the winter months.

Exhibit 20 – Key Drivers for Likelihood to visit Canada



Base: Long-haul pleasure travellers (n=1,520).

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

Despite the country's declining economic fortunes, U.K. travellers continue to have a positive outlook toward long-haul travel. However, the prospects for sustained optimism grow increasingly unlikely as a spate of gloomy statistics now make recession all but certain for the U.K. With inflation projected to reach 5% and the U.K. pound continuing its extended slide, the barriers to long-haul travel in this market can only intensify. In fact, at the time of the survey, the poor economy and unfavourable exchange rates were already more visible roadblocks, reaching levels more than quadruple those seen in 2007.

While Canada continues to be well-positioned as a destination of interest in the U.K., there has been little change in the 2008 results to suggest that it is better equipped to meet the challenges of tougher market conditions. In fact, the more taxing environment has already taken its toll on travel to Canada, with UK arrivals dropping by 2% in the first seven months of the year – a reversal of the healthy 5% growth seen in 2007.

Canada's scores on the KPIs[6] have held steady since 2007, and while declines for Australia on consideration and interest may have eased the competition somewhat, strong gains for the U.S. on destination awareness have fortified the U.S.' overall dominance. In fact, while Canada ranks among the top three or four destinations on most performance indicators, the U.S. and Australia continue to be powerhouse brands in this market, with top of mind awareness at least double that of Canada's and a far higher intensity of interest. This suggests that marketing initiatives would likely have to be ramped up if Canada wants to boost its visibility and presence in the U.K.

The study results also point to a need to advance brand and value perceptions, sitting at below average levels for the nine GTW markets. Although firm progress has been made this year in injecting a shot of intrigue into U.K. travellers' vision of Canada, its rather bland image still tends to dominate. As a result, taking marketplace perceptions of Canada beyond a relaxing and scenic destination for older travellers continues to be a priority in the U.K. Enhancing the value proposition is also critical, as this has the greatest impact on the purchase decision. U.K. travellers may be prepared to pay more as a result of the sinking pound, but if so, they will surely become more demanding in terms of quality and value for money.

The CTC and partners may want to safeguard this strength by promoting attractively-priced offers, as well as making U.K. travellers aware that the pound has eroded far less against the Canadian dollar than against the U.S. or Australian currencies. This will also be important to entice past visitors to Canada in view of the softening repeat travel market.

Consistent with the KPI results, Canada continues to face stiff competition from both Australia and the U.S. on the product front. Not only are these two destinations perceived as offering a more diverse set of offerings than Canada, but both are strong contenders on nature and the outdoors – Canada's main areas of strength. The good news is that

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

Canada's positioning on the Nature dimension has improved this year, with Canada emerging alongside Australia as a Challenged Leader. Canada also managed to cling to its hold on Outdoor leadership in the wake of sizeable declines for skiing and hiking. Given that the picture remains fiercely competitive, however, Canada may wish to fortify and differentiate its products so that it is seen as the definitive destination for *Active Adventure Among Awe-Inspiring Natural Wonders*.

Perhaps the greatest ongoing challenge for Canada in the U.K. market is to round out the country's image, on both the brand and product fronts. Results in the two areas dovetail, showing continued strengths on anything related to geography and nature, and notable weaknesses when it comes to the people and culture. Canada now ranks dead last on the Cultural dimension, thanks to 6^{th} and 7^{th} place rankings on most cultural offerings, including both new additions – unique character/local lifestyles and local flavours. Clearly, there is a long way to go before *Connections to Canadians* and *Award Winning Local Cuisine* can be leveraged as credible or compelling selling points for Canada. While Canada may never be viewed as a cultural mecca in this market, there are certainly opportunities to move the bar forward.