DESTINATION CANADA

Global Tourism Watch

2018 Australia Public Summary Report

Canada

Table of Contents

Introduction

Destination Canada began conducting the annual Global Tourism Watch (GTW) program in 2007. The primary purpose of this research program is to provide consumer-based intelligence in 11 core markets around the world: Australia, China, France, Germany, India, Japan, Mexico, South Korea, the United Kingdom, the United States, and the domestic Canadian market.

The overall objectives of the GTW study are to:

- Monitor awareness, travel intentions, and other key market indicators for Canada and the regions;
- Assess perceptions of Canada and track brand performance against competitors over time;
- Identify the general experiences sought by travellers, and identify growth opportunities;
- Identify motivators and barriers for travel to Canada; and,
- Determine the influence of various information sources on destination selection.

The GTW permits direct comparison of Canada to competing destinations in each market. Destination Canada has designated the following destinations as competitors in the Australian market: China, France, Germany, Greece, India, Ireland, Italy, Japan, Netherlands, South Korea, Spain, Switzerland, the UK, and the US. The countries included represent 95% of the outbound travel volume to long-haul destinations which are considered direct competitors to Canada (e.g., non-beach destinations).

Questionnaire Changes

In 2018, questions were added in the following areas:

- Cost-related barriers to visiting Canada;
- Time of year of a potential visit to Canada; and,
- Sources of inspiration in destination selection.

Methodology

Data was collected via an online survey and has been weighted to represent the Australian long-haul travel population. The target population in Australia was residents aged 18 years and older, who have taken a long-haul pleasure trip outside of Australia, New Zealand and the Pacific Islands where they had stayed at least 4 nights with a minimum of 1 night in paid accommodation in the past 3 years, or plan to take such a trip in the next 2 years.

Data was gathered from 1,500 respondents in Australia, including 200 recent visitors to Canada, in August 2018. Results are compared against previous GTW waves (data gathered in December 2016 and July 2017). In addition, select comparisons are made to the 2017 Pulse Check study conducted in November 2017. The Pulse Check is a shorter version of the GTW study, conducted to monitor movement of key metrics on a more frequent basis.

Throughout the report, statistically significant differences (95% confidence interval) from one wave to the next are denoted by arrows in the charts: green arrows pointing up if the metric has increased and red arrows pointing down if the metric has decreased. Results were also analyzed among different segments and demographic cohorts; throughout the report, references are made where there are statistically significant differences compared to the general traveller.

Study Overview: Australia Market

The target population are residents aged 18 years and older, who have taken a long-haul pleasure trip, where they had stayed at least 4 nights with a minimum of 1 night in paid accommodation in the past 3 years, or plan to take such a trip in the next 2 years.

Timing of Fieldwork

AUG

2018

Geographical Definition for Qualified Trips

Outside of: Australia, New Zealand and the Pacific Islands

GTW Sample Distribution

Sample distribution:	**National**
Recent visitors to Canada:	**200**
Other travellers:	**1,300**
Total sample size:	**1,500**

Background

Australia has the 13th largest global economy, with 1.7% share of global GDP (*International Monetary Fund, October 2018*). The Australian economy, as measured by GDP, improved by 2.8% in 2018. The economy's recent strong growth is expected to continue in the near term and is projected to hit 3.2% growth in 2019 (*International Monetary Fund, October 2018*).

In August 2018, at the time of data collection, a trade-war between the US and China was intensifying and starting to inject some uncertainty into Australia's economic outlook. As the most China-dependent developed economy (approximately one-third of Australia's exports go to China), Australia's economy can be impacted by a weaker-than-expected outlook in China *(Bloomberg, August 2018)*. Data collection also coincided with a period of political upheaval, which saw Scott Morrison replace ousted Malcolm Turnbull as Australian Prime Minister, resulting in business confidence slumping to a two-year low in August *(Bloomberg, September 2018*).

The unemployment rate stood at 5.3% in August 2018. The jobless rate remained at its the lowest level since November 2012, as the economy added 44,000 jobs *(Trading Economics, September 2018)*. Nonetheless, there was a significant worsening in the average earnings from part-time jobs relative to that of full-time jobs, which is associated with the rise of involuntary part-time employment. This contributed to lower overall wage growth *(OECD, July 2018*). Inflation rose to 2.1% year-on-year in the second quarter of 2018, from 1.9% in the first quarter, but slightly below market expectations of 2.2% *(Trading Economics, July 2018)*.

Under pressure from the US-China trade dispute and the political leadership change, the Australian dollar weakened more than 10% in August 2018, down from the year's high of US$0.81 in January *(Bloomberg, August 2018*).

In August 2018, the Consumer Confidence Index reached 53.9, which is in line with the score six months prior, but up from 51.2 twelve months earlier (*Thomson Reuters / Ipsos Primary Consumer Sentiment Index, August 2018*).

Australia is the world's 6th largest outbound tourism market with total spending of US$34.2 billion in 2017, growing by 7.7% year-over-year *(United Nations World Tourism Organization, April 2018)*.

Market Potential

HIGHLIGHTS

- ✓ *The immediate potential market has declined to 2.47 million travellers in 2018 compared to 2.67 million in 2017, a decrease of 200,000 travellers.*
- ✓ *The long-haul travel outlook is stable in 2018 compared to 2017 while the domestic outlook is up significantly.*

GTW data is used to estimate the size of the potential market for Canada. The table below provides an estimate of the size of the potential Australian market for Canada in two ways – the macro target market and the immediate potential market.

Size of Potential Market to Canada (Next 2 Years)

Measure	2016 GTW (Dec)	2017 GTW (Jul)	2018 GTW (Aug)
Long-haul pleasure travel market		**7.61 million**	
Target market for Canada (dream to purchase stage)	**72%**	**75%**	**76%**
Size of the target market	**5.49 million**	**5.71 million**	**5.77 million**
Immediate potential for Canada (definitely/very likely to visit in next 2 years[1])	**36%**	**47%**	**43%**
Size of the immediate potential	**1.95 million**	**2.67 million**	**2.47 million**
Actual Visitation	**333,437**	**357,942**	**348,984**

▲ / ▼ Significantly higher/lower than 2017 GTW wave.

[1] Includes respondents likely to visit Canada for a trip of 1 to 3 nights, or a trip of 4 nights or more.

Base: Target market for Canada = long-haul pleasure travellers (past 3 years or next 2 years); Immediate potential for Canada = dream to purchase stages for P2P for Canada

QMP1. Which of the following best describes your current situation when thinking about each of the following destinations for a holiday trip?
QMP6. Realistically, how likely are you to take a holiday trip to Canada in the next 2 years?

The long-haul travel market size is derived from a 2016 omnibus study of the Australian adult population. Long-haul travel incidence is comprised of travellers who indicate that they have travelled for a long-haul pleasure trip in the past three years or intend to do so in the next two years.

The proportion of GTW respondents who are in the dream to purchase stages for Canada is stable year-over-year (76%, versus 75% in 2017); however, it is up significantly from 2016 (72%). Based on the 2018 result, the size estimate for long-haul Australian travellers is 5.77 million, marginally up from 5.71 million in 2017 and up from 5.49 million in 2016. The result shows that Canada is expanding its overall base of interested travellers in the Australian market.

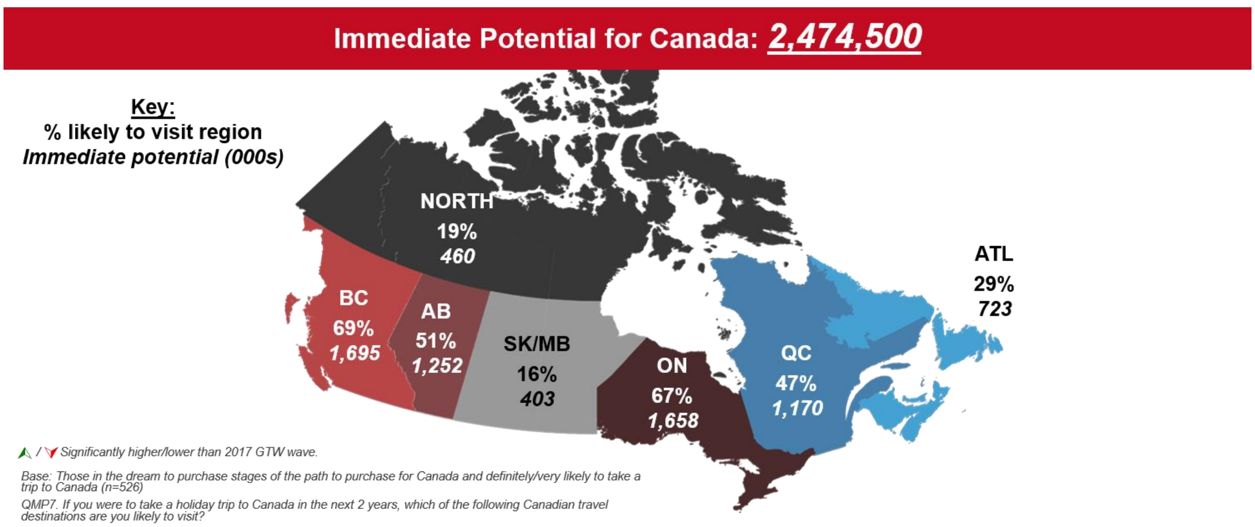
The immediate potential is a more conservative estimate based on GTW respondents who say they are definitely or very likely to visit Canada in the next two years. The 43% result in 2018 is marginally down versus 47% in 2017, but significantly increased versus 36% in 2016. There are 2.47 million travellers with immediate potential for conversion in 2018, a decrease of 200,000 potential Australian travellers (compared to 2.67 million in 2017).

Among Destination Canada's ten international markets, Australia was ranked 9th in immediate potential market size (behind the US, China, South Korea, the UK, Germany, France, India, and Japan). However, actual visitation from Australia was ranked 7th among Destination Canada's international markets in 2018.

For context, Canada attracted 349,000 visitors from Australia in 2018, down 3% from the 358,000 Australian visitors in 2017[1]. The 349,000 arrivals represent 14% of the immediate potential market.

Also of interest is the demonstrated interest in Canada's regions among the Immediate Potential market (2.47 million). BC continues to hold the greatest appeal (69%), with Ontario continuing to follow closely (67%), both with roughly 1.7 million potential visitors in 2018. Alberta (51%) and Quebec (47%) continue to be the next most likely provinces to visit.

Potential Market Size for the Regions



The proportion of Australian travellers saying they will spend more on long-haul travel continues to exceed those who report that they will spend less, resulting in a long-haul outlook of +21 in 2018, similar to 2017 (+20) and 2016 (+21). Australian travellers are likely to spend more on travel within the country (outlook of +22) or to long-haul destinations (outlook of +21) than on short-haul travel (outlook of +1). However, the domestic travel outlook has overtaken the long-haul travel outlook in 2018 (+22, up significantly from +18 in 2017).

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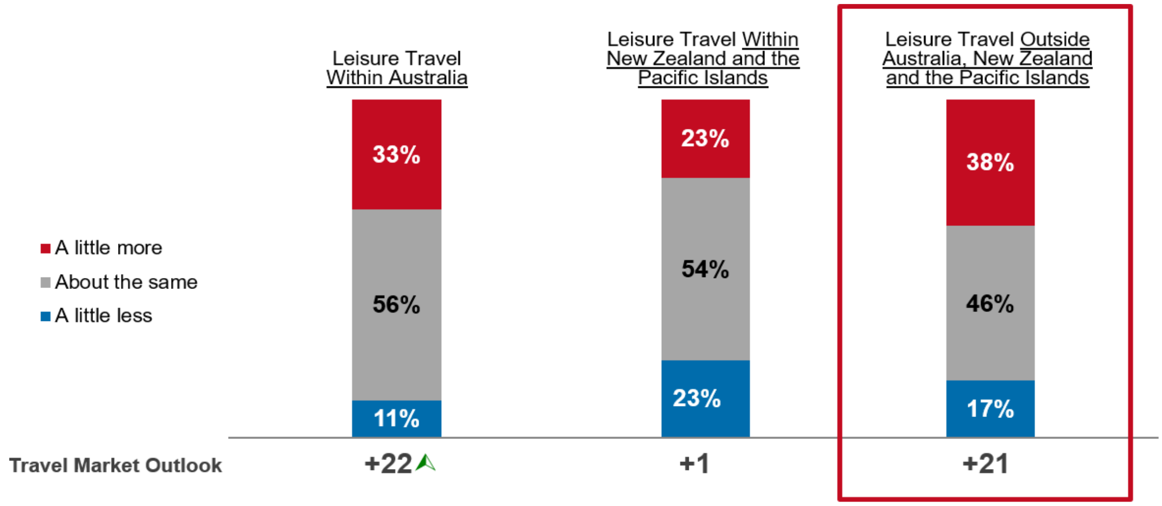
1 *Destination Canada, Tourism Snapshot, 2018.*

Spending Intentions (in the Next 12 Months)



Significantly higher/lower than 2017 GTW wave.
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)
QS2. How would you describe your spending intentions on the following items in the next 12 months, compared to the last 12 months? Will you spend …?

Competitive Environment – Key Performance Indicators Summary

HIGHLIGHTS

- ✓ *Canada continues to have a strong NPS result and achieves the highest NPS across all competitors, along with the UK.*
- ✓ *Knowledge of travel opportunities in Canada among Australian travellers declined slightly in 2018 but remains marginally higher than in 2016.*
- ✓ *Travellers aged 25-34 have stronger knowledge of travel opportunities in Canada compared to those aged 55+ and the general Australian traveller.*

The GTW tracks the following Key Performance Indicators (KPIs) for Canada: unaided and aided destination consideration, aided destination knowledge, and Net Promoter Score (NPS). Canada's performance is tracked against key competitors for the long-haul travel market. For Australia, these are China, France, Germany, Greece, India, Ireland, Italy, Japan, Netherlands, South Korea, Spain, Switzerland, the UK, and the US.

The outlook for Canada in Australia remains favourable. Out of the 15 competitive destinations that respondents were asked to evaluate, Canada is tied with China for 4th on unaided consideration (behind the US, the UK, and Japan) and ranks 3rd on aided consideration (behind the US and the UK), down from 2nd in 2017. Canada continues to rank 7th on destination knowledge, behind the UK, the US, India, Japan, Italy, and France.

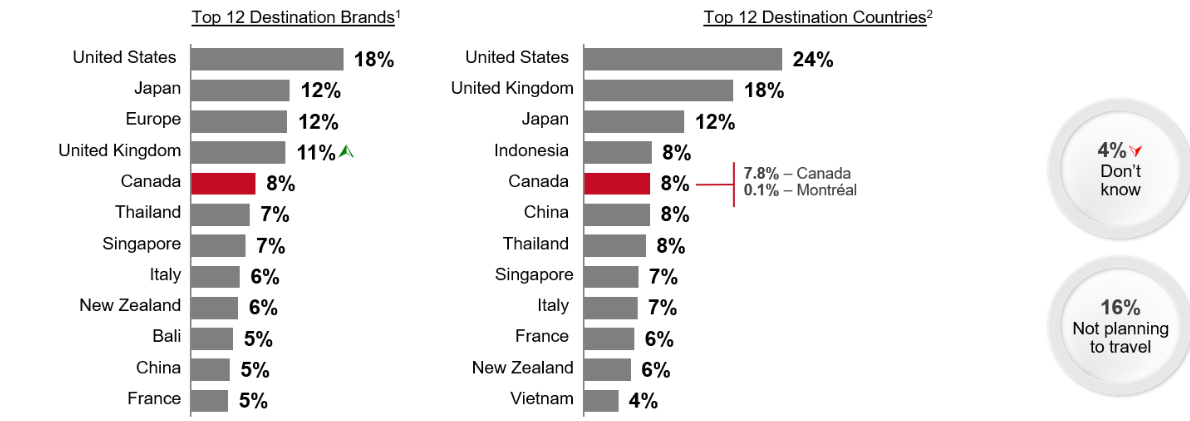
Consideration

Unaided consideration represents top-of-mind presence of destinations in the consumer mindset and requires travellers to think of destinations without being prompted. Unaided consideration indicates that a strong impression has rooted in the mind of a traveller for a destination. From a marketing perspective, travellers who have Canada on their unaided consideration list may be easier to attract since they are actively thinking of Canada as a travel destination.

On an unaided basis, 8% of Australian travellers mentioned Canada as a destination under serious consideration in the next 2 years, consistent with 2016 (8%) and 2017 (9%). Canada remains in 4th place among the competitive set, now tied with China and Indonesia on this metric, but outpaced by the US, the UK, and Japan.

Those who have visited Canada recently remain more likely to mention Canada on an unaided basis (20%). Australian travellers continue to mention very few specific places in Canada, suggesting knowledge of specific Canadian destinations remains low.

Unaided Long-Haul Destination Consideration (Next 2 Years)



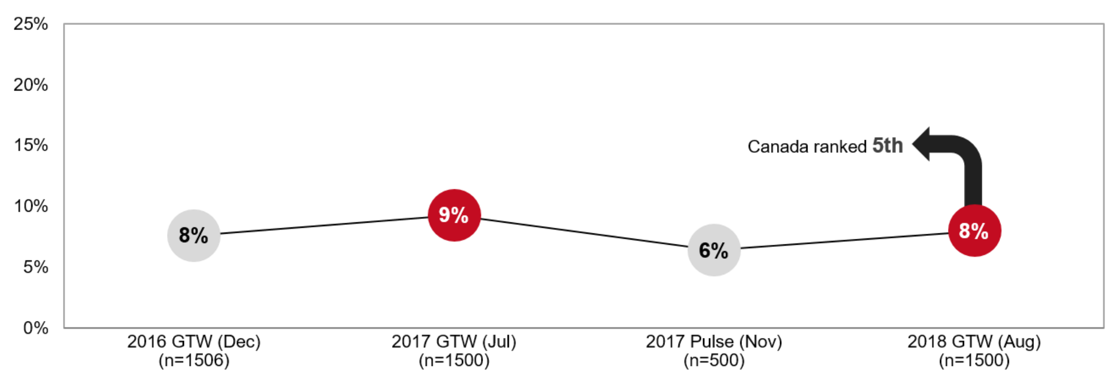
/ Significantly higher/lower than 2017 GTW wave.

Note: [1] Responses as mentioned by respondents (e.g., percentage who said "Canada" specifically).
[2] Roll-up of brand mentions by country (e.g., percentage who said "Canada" or any destination in Canada).

Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)

QS8. You mentioned that you are likely to take a long-haul holiday trip outside ofAustralia, New Zealand and the Pacific Islands in the next 2 years. Which destinations are you seriously considering? (Please list up to 3 destinations.)

Unaided Long-Haul Destination Consideration (Next 2 Years) – Canada Trended



/ Significantly higher/lower than 2017 GTW wave. / Significantly higher/lower than 2017 Pulse wave.

Base: Long-haul pleasure travellers (past 3 years or next 2 years)

QS8. You mentioned that you are likely to take a long-haul holiday trip outside of Australia, New Zealand and the Pacific Islands in the next 2 years. Which destinations are you seriously considering? (Please list up to 3 destinations.)

Aided consideration represents the proportion of travellers who say they would seriously consider visiting a destination, but only after they are prompted with a list of competitive destinations. Travellers who have aided consideration for Canada may not be thinking of Canada top-of-mind, but they are considering a visit. Continued prompts and cues through marketing efforts could help move these considerers down the Path-to-Purchase.

On an aided basis, 32% say they are seriously considering Canada for a leisure trip in the next 2 years, marginally down from 2017 (36%). Canada is no longer tied for 2nd place with the UK but slips to 3rd place behind the US (43%) and the UK (40%) in 2018. Of note, South Korea is the only destination with a significant increase in aided consideration in 2018 (9%, up from 7% in 2017). This shift for South Korea may be attributed to the Winter Olympics which were held in Pyeongchang in February 2018.

Similar to 2017, recent visitors to Canada and those considering a visit continue to rank Canada first overall in aided consideration among all destinations in the competitive set. Knowing that past visitors are more interested in returning, it is important to attract new visitors.

Knowledge

Twenty-nine percent of all Australian travellers rate their knowledge of travel opportunities in Canada as either excellent or very good, slightly down versus 32% in 2017, but up marginally versus 26% in 2016.

Among those considering Canada, destination knowledge stands at 43%. Canada continues to rank 7th in 2018, outpaced by the UK, the US, India, Japan, Italy and France. Compared to general Australian travellers, knowledge of Canada is higher among travellers aged 25-34 (53%), but slightly lower among travellers aged 55+ (40%).

Knowledge of travel opportunities in Canada steadily rises as travellers move down the Path-to-Purchase: 22% of those in the dreaming stage are knowledgeable about Canadian travel opportunities, moving up to 44% in the considering stage and further to 48% among those actively planning a visit. Efforts to boost knowledge of Canadian travel opportunities could pay off by helping to move potential visitors along the Path-to-Purchase.

Key Performance Indicators

Key Performance Indicators (KPIs) for Canada – Summary

Indicator	Definition	All Long-Haul Travellers (n=1500)	Recent Visitors to Canada[1] (n=200)	Considering Canada[2] (n=569)
Intentions:				
Unaided destination consideration	% who mentioned Canada or a destination in Canada on their consideration list[3]	**8%**	**20%**	**19%**
Competitive positioning on destination consideration	Rank on the consideration list among 15 destinations	**3**	**1**	**1**
Destination knowledge:				
Aided awareness of travel opportunities in Canada	% with excellent/very good knowledge of travel opportunities in Canada	**29%**	**54%**	**46%**

/ Significantly higher/lower than 2017 GTW wave.

1 Visited Canada in the past 3 years (pleasure trip of 4 or more nights, with at least 1 night in paid accommodations).
2 Those in the consider to purchase stages of the path to purchase for Canada.
3 For trips in the next 2 years.

Base: Long-haul pleasure travellers (past 3 years or next 2 years)

QS8. You mentioned that you are likely to take a long-haul holiday trip outside of Australia, New Zealand and the Pacific Islands in the next 2 years. Which destinations are you seriously considering? (Please list up to 3 destinations.)
QBVC1. You may have already mentioned this before, but which destinations would you seriously consider visiting in the next 2 years?
QMP3. How would you rate your level of knowledge of holiday opportunities in each of the following destinations? (asked among all respondents)

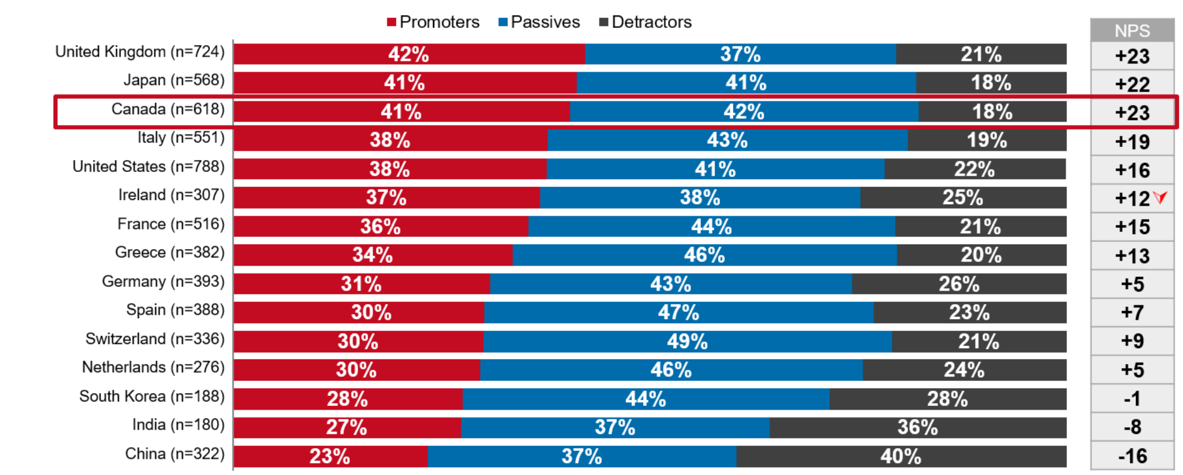
Net Promoter Score (NPS)

The Net Promoter Score (NPS) measures the likelihood of travellers to recommend a destination. Results are gathered among travellers with each destination in their consideration set (have visited previously and/or considering a visit). The measure has an 11pt scale (0-10). The score is calculated by subtracting Detractors (0-6 rating) from Promoters (9-10 rating). Passives are those who provided a rating of 7-8.

Canada and the UK achieve the highest NPS result (both +23) among Australian travellers in 2018. Other top performers are similar to 2017, namely Japan (+22) and Italy (+19). Ireland saw a significantly lower NPS result in 2018 (+12, down from +24 in 2017), while South Korea, India, and China continue to have negative NPS results.

When the results for Canada are examined among past three year visitors, the NPS result is +38, (slightly up from +32 in 2017); among those who have not visited Canada in the past 3 years, the NPS result is -11. This strongly underscores the opportunity to capitalize on advocacy from recent visitors as well as encouraging them to return. Among those who have ever visited Canada, the NPS result is +10, which is significantly lower than that of past three year visitors – this indicates the need to develop strategies that encourage visitors to advocate either during or immediately after a trip to Canada.

Net Promoter Score



/ Significantly higher/lower than 2017 GTW wave.

Base: Long-haul pleasure travellers (past 3 years or next 2 years) considering visiting each country

QMP11. Whether you have visited or not, how likely are you to recommend each of the following holiday destinations to a friend, family member or colleague?

Path-to-Purchase

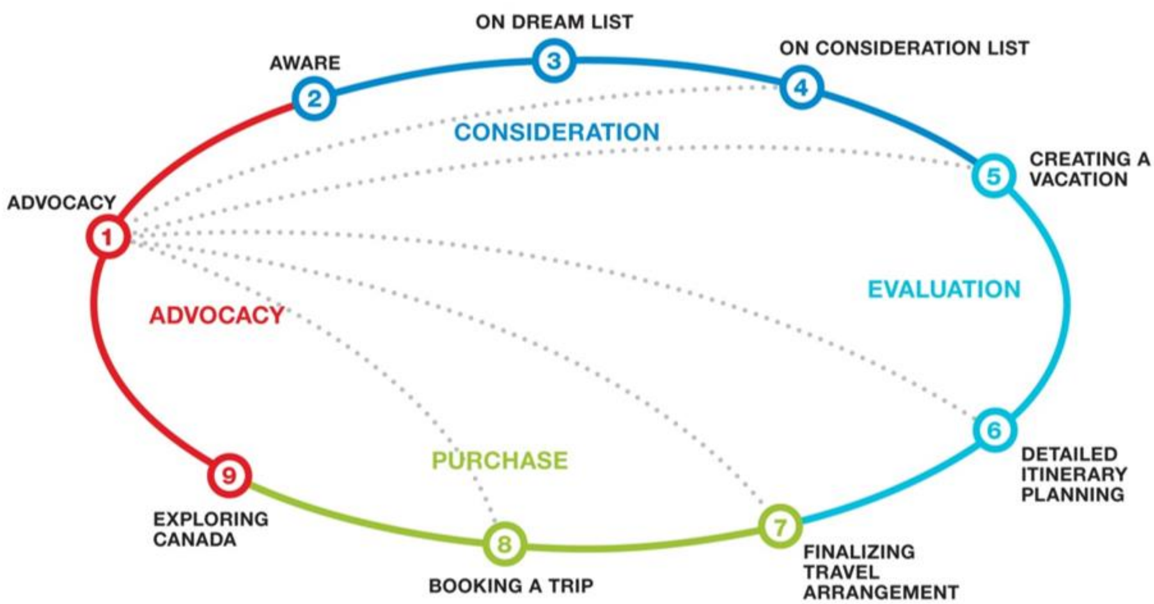
HIGHLIGHTS

- ✓ *Most destinations saw a rise in active planning rates in 2018 compared with 2017. The US, the UK, and Spain all recorded significant increases in the active planning stages.*
- ✓ *Younger Australian travellers aged 25-34 are more likely to be in the active planning stages of travel to Canada compared to the average Australian traveller.*
- ✓ *Canada continues to hold a strength in converting travellers between the awareness and dreaming stages.*
- ✓ *Additional focus could be placed on moving travellers from the dreaming to consideration stage, where Canada's performance is low relative to key competitors.*

Like any other expensive and discretionary consumer product, there is a purchasing or decision-making cycle associated with long-haul travel: consumers move through progressive stages from not knowing anything about a destination to booking a trip. Advocacy happens during and after the actual visit.

Destination Canada wants to understand where the organization can have the greatest influence in converting those with interest in Canada to actual visitors.

Destination Canada's Path-to-Purchase Model



In addition to looking at individual stages of the P2P, Destination Canada has identified phases travellers move through in the purchase cycle. Key phases are defined below and are referenced throughout this report.

Destination Canada's Path-to-Purchase Model

Unaware	Have never thought of taking a trip to this destination
Aware	Not interested in visiting/returning in the foreseeable future
On Dream List	Dreaming about visiting/returning someday
On Consideration List	Seriously considering visiting/ returning in the next 2 years
Creating a Vacation Movie	Have started to gather some travel information for a trip to this country
Detailed Itinerary Planning	Am planning the itinerary for a trip to this country
Finalizing Travel Arrangements	Am currently making transportation and accommodation arrangements
Booking a Trip	Have already booked my transportation and accommodations

Dream to Purchase

Consider to Purchase

Active Planning

Australian residents took a 1.1 million overseas holidays in 2017, up 6% over 2016[2]. As a consequence of this continued interest in travel, several competitive destinations recorded improved Path-to-Purchase results in 2018.

There are several noteworthy shifts across the competitive set in 2018. Compared to 2017, all destinations except France and China (which continue to be stable) saw a rise in active planning rates among Australian travellers. While not all shifts were significant, this general increase is an indication of a growing appetite for travel in this market.

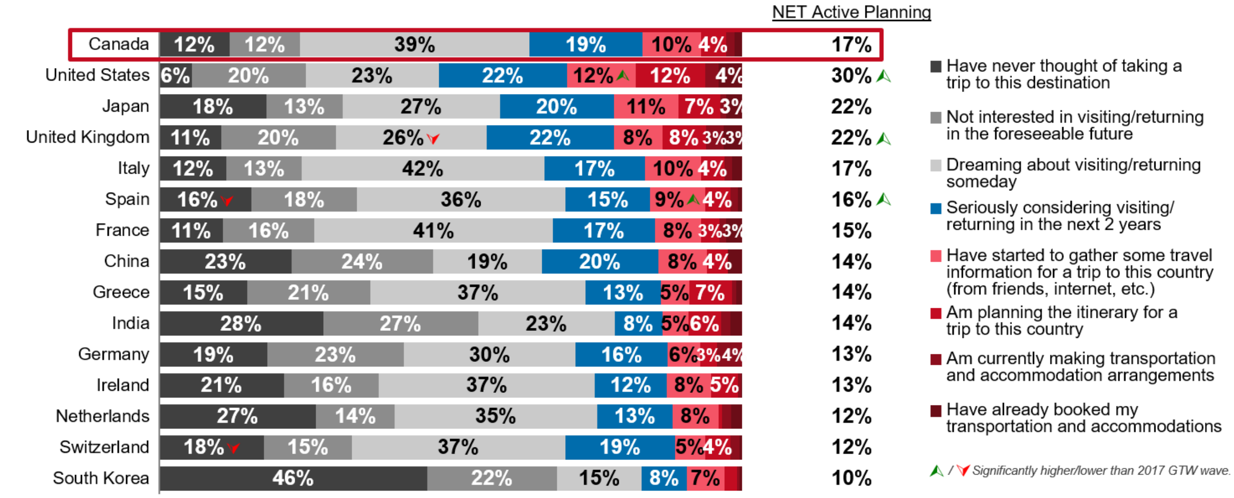
The US continues to have the strongest Path-to-Purchase result with 30% of Australian travellers actively planning a visit, up significantly from 16% in 2017. The US has widened its lead over Japan (22%, up marginally from 16% in 2017) and the UK (22%, significantly up from 12% in 2017).

For Canada, 17% of Australian travellers are actively planning a trip, marginally up from 14% in 2017 but significantly up from 12% in 2016. Canada trails the US, Japan, and the UK, and ties with Italy for active planning. Compared to general Australian travellers, active planning rates for Canada are highest among younger travellers aged 25-34 (28%).

There are several significant shifts in the purchase cycle for other destinations in the competitive set. Spain saw a significant increase in the information gathering stage (9%, up from 4% in 2017) and a commensurate decline in the unaware category (16%, down from 26% in 2017). Switzerland also saw a significant decline in those indicating that they had never thought of taking a trip there (18%, down from 28% in 2017).

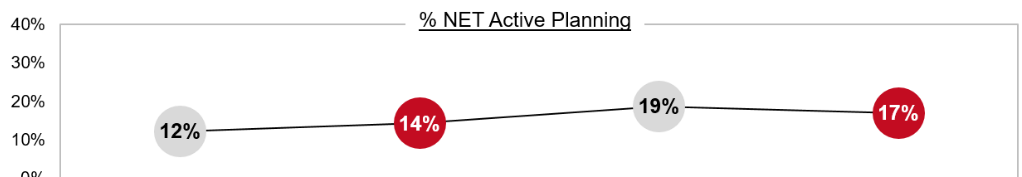
[2] *Business Insider Australia, March 2018.*

Stage in the Purchase Cycle by Country



Base: Long-haul pleasure travellers (past 3 years or next 2 years) – note all respondents evaluated Canada plus 2 randomly selected countries from the competitive set (n=varies)
QMP1. Which of the following best describes your current situation when thinking about each of the following countries for a holiday trip?

Stage in the Purchase Cycle – Canada Trended



	2016 GTW (Dec) (n=1506)	2017 GTW (Jul) (n=1500)	2017 Pulse (Nov) (n=500)	2018 GTW (Aug) (n=1500)
Have never thought of taking a trip to this destination	15%	14%	12%	12%
Not interested in visiting/returning in the foreseeable future	14%	11%	11%	12%
Dreaming about visiting/returning someday	40%	41%	39%	39%
Seriously considering visiting/returning in the next two years	20%	20%	19%	19%
Have started to gather some travel information for a trip to this country	6%	8%	10%	10%
Am planning the itinerary for a trip to this country	4%	4%	7%	4%
Am currently making transportation and accommodation arrangements	0%	1%	1%	2%
Have already booked my transportation and accommodations	1%	1%	1%	1%

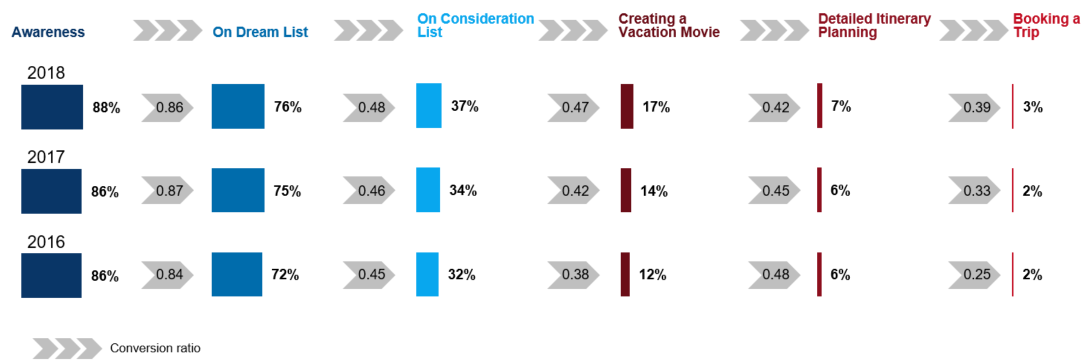
/ Significantly higher/lower than 2017 GTW wave. / Significantly higher/lower than 2017 Pulse wave.
Base: Long-haul pleasure travellers (past 3 years or next 2 years)
MP1. Which of the following best describes your current situation when thinking about each of the following countries for a holiday trip?

The charts below show Canada's progress converting travellers at crucial steps in the purchase cycle relative to top competitors. For reference, also shown is the average across the entire competitive set. 'Strong' and 'weak' conversion ratios were derived through statistical analysis; specifically, if a conversion ratio is greater than one standard deviation from the average, then it is considered 'strong' and if a conversion ratio is lower than one standard deviation from the average, then it is marked as 'weak'.

Consistent with 2017, Canada's performance continues to be above average in 2018 at converting travellers from the awareness to dreaming stage, but is average between all other stages. Compared to previous years, there is some modest improvement or stability in 2018 between all stages, except for conversion between creating a vacation movie and detailed itinerary planning, which has been trending downward. The conversion rate between the dreaming and consideration phases of the Path-to-Purchase is average compared to all other competitive destinations, but is low particularly in relation to key competitors, the US, the UK and Japan. There is an opportunity to place a greater focus on this stage of the Path-to-Purchase for the Australian market.

Travellers go no further than the dreaming stage because they have an incomplete vision of what their holiday in Canada could look like. In their minds, they cannot visualize a satisfying holiday concept – one that will address all of their fundamental holiday needs. Motivation to move forward from the dreaming stage occurs as travellers learn about different urban, cultural and experiential opportunities available in Canada.

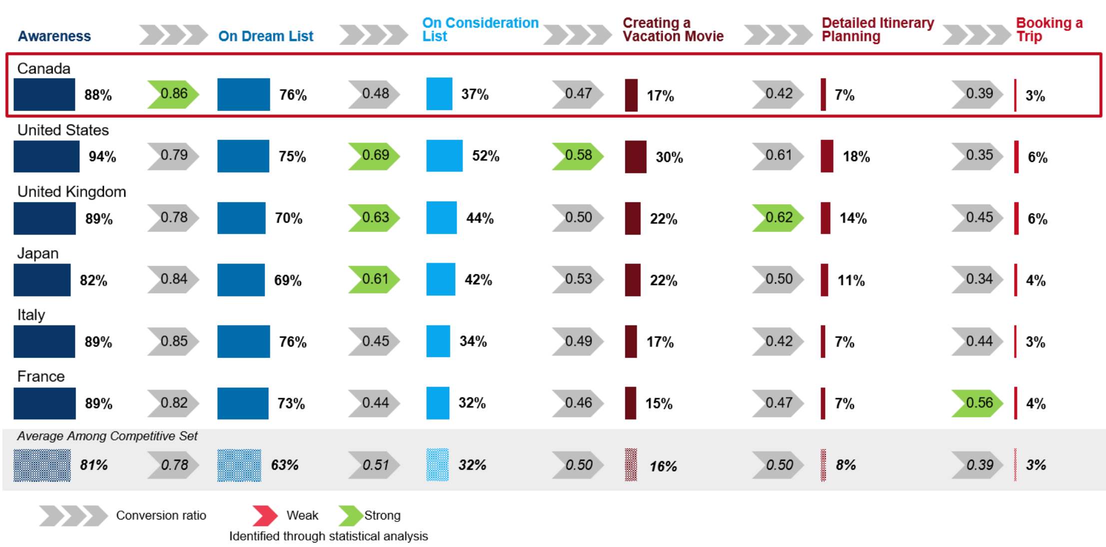
Path-to-Purchase Conversion – Canada



Looking at conversion results among competitors, the US continues to excel at getting on travellers' consideration list, and now also demonstrates above average performance at converting Australian travellers from consideration to the vacation movie stage. The UK and Japan are also now stronger performers in terms of converting travellers from dreaming to considering. In addition, the UK also has a strength in getting travellers from the vacation movie stage to detailed itinerary planning and France excels at converting travellers from detailed itinerary planning to actual booking.

For context, the US recorded 1.32 million arrivals from Australia, while the UK saw 1.09 million in 2017 and Japan welcomed 495,000. In 2018, Canada welcomed 349,000 arrivals from Australia[3].

Path-to-Purchase Conversion – Top Competitors



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[3] *National Travel and Tourism Office, US; Visit Britain; Destination Canada, Japan Tourism Bureau.*

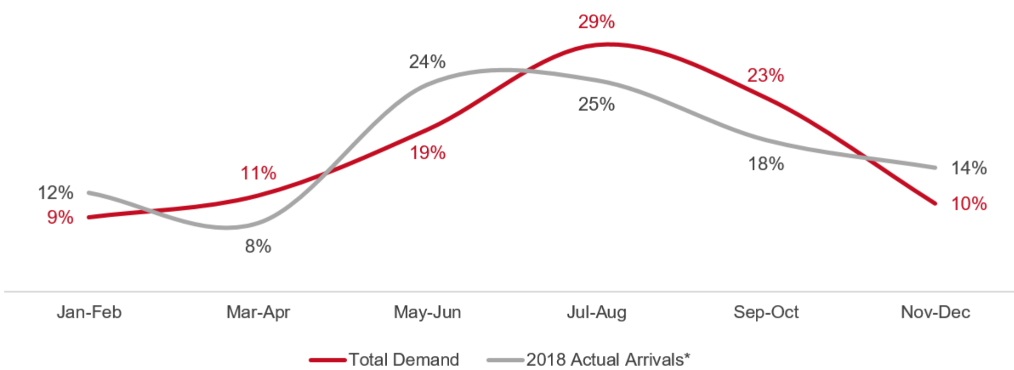
Time of Year Interest

HIGHLIGHTS

✓ *An opportunity exists to fill the September to October demand gap.*

A new question added to the Global Tourism Watch in 2018 asked prospective Australian visitors which time of year they would consider visiting Canada. July to August (29%) is the most popular time of year, followed by September to October (23%), and May to June (19%). Compared to the distribution of actual Australian arrivals in 2018, the largest gap in demand is for the months of September to October, where those interested (23%) are higher than those actually visiting (18%). Given compression issues in the peak July to August months, an opportunity exists to fill the September to October demand gap to relieve pressures.

Time of Year Interested in Visiting Canada (Next 2 Years) versus Actual Arrivals



** Source: 2018 StatsCan Frontier Border Counts.*
Base: Those in the dream to purchase stages of the path to purchase for Canada (n=1155); data re-based to create distribution of demand
QPC3. What time of year would you consider taking a vacation trip to Canada in the next 2 years?

Canadian Destination Interest

HIGHLIGHTS

✓ *BC and Ontario continue to draw the most interest from Australian travellers.*

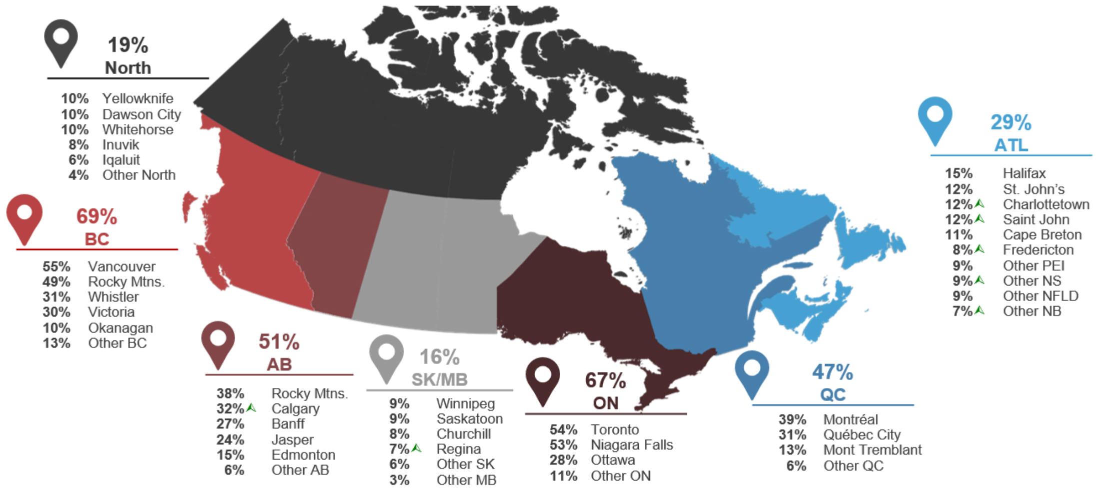
✓ *Interest in Calgary, Regina and several destinations in Atlantic Canada has rebounded to 2016 levels after decreases in 2017.*

Australian travellers in the dream-to-purchase stages and indicating they are definitely/very likely to visit Canada in the next 2 years were asked which parts of the country they would like to visit. Results are largely similar with 2017, with BC (69%) and Ontario (67%) seeing very similar levels of interest. Following a significant decrease in interest in 2017, interest in the Prairies is stable in 2018 (16%). While overall interest in Atlantic Canada is also stable in 2018, interest in several destinations within Atlantic Canada are on the rise.

Vancouver (55%), Toronto (54%), and Niagara Falls (53%) continue to be the biggest draws for Australian travellers. Montreal (39%), Calgary (32%, up significantly from 24% in 2017), Quebec City (31%), and Ottawa (28%) round out the most popular city destinations for Australian travellers. Outside of urban destinations, the Rocky Mountains remain a top draw with 49% of probable visitors heading to BC for this experience and 38% saying they would go to Alberta.

In addition to the increased interest in Calgary, there are several other significant increases in 2018, including: Regina (7%, up from 3% in 2017), Charlottetown (12%, up from 6%), Saint John (12%, up from 8%), Fredericton (8%, up from 4%), other destinations in Nova Scotia, and other destinations in New Brunswick. In the case of Calgary, Regina, Charlottetown, Fredericton, other destinations in Nova Scotia, and other destinations in New Brunswick, 2018 results are similar to 2016 and suggest a rebound from lower interest in 2017.

Canadian Destinations Likely to Visit (Among those definitely/very likely to visit)

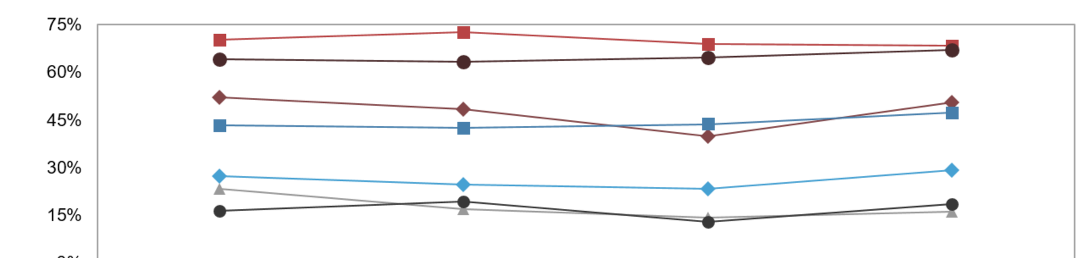


Base: Those in the dream to purchase stages of the path to purchase for Canada and definitely/very likely to take a trip to Canada (n=526)
QMP7. If you were to take a vacation trip to Canada in the next 2 years, which of the following Canadian travel destinations are you likely to visit?
QMP7a-g. Within [province/region], which travel destinations are you likely to visit?

/ Significantly higher/lower than 2017 GTW wave.

The trended results show that interest in individual provinces and regions has remained relatively consistent since 2016. The only change to note is the significant increase in visiting Alberta in 2018 compared to the 2017 Pulse study.

Canadian Destinations Likely to Visit – Provinces/Regions Trended

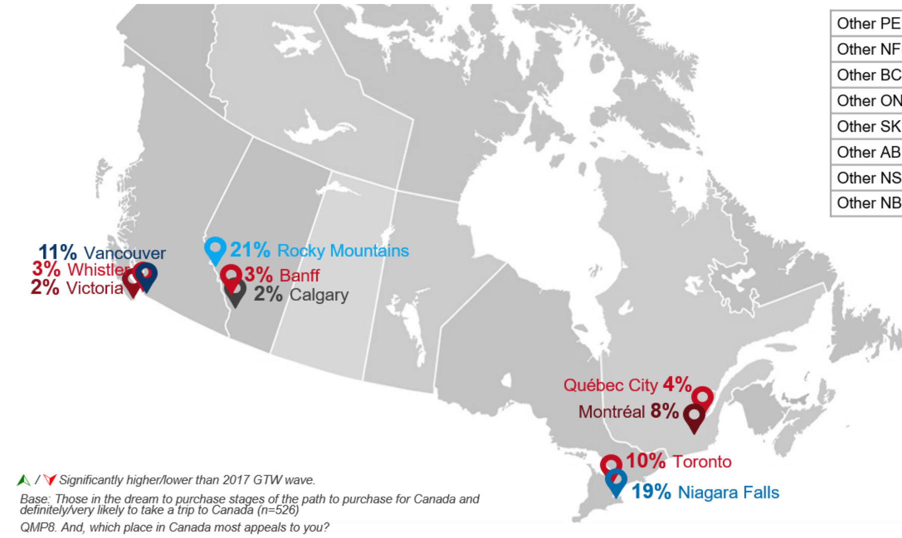


	2016 GTW (Dec) (n=410)	2017 GTW (Jul) (n=506)	2017 Pulse (Nov) (n=151)	2018 GTW (Aug) (n=526)
BC	70%	73%	69%	69%
AB	52%	48%	40%	$\boxed{51\%}$
SK/MB	23%	17%	14%	16%
ON	64%	63%	65%	67%
QC	43%	43%	44%	47%
ATL	27%	25%	24%	29%
North	17%	20%	13%	19%

/ Significantly higher/lower than 2017 GTW wave. / Significantly higher/lower than 2017 Pulse wave.
Base: Those in the dream to purchase stages of the path to purchase for Canada and definitely/very likely to take a trip to Canada
QMP7. If you were to take a holiday trip to Canada in the next 2 years, which of the following Canadian travel destinations are you likely to visit?

An additional question asked potential visitors to identify the one Canadian destination holding the greatest appeal. Overall, the Rocky Mountains, selected by 21% of prospective visitors, continues to lead, with Niagara Falls (19%) following closely. Vancouver remains the most attractive city destination (11%), followed by Toronto (10%) and Montreal (8%). 2018 results are stable compared to 2017, with Charlottetown (2%) as the only destination to see a significant increase in appeal.

Most Appealing Canadian Destination – Top 10 Mentions



Other PEI	1.2%
Other NFLD	0.8%
Other BC	0.6%
Other ON	0.6%
Other SK	0.5%
Other AB	0.2%
Other NS	0.1%
Other NB	0.1%

Charlottetown	1.5%▲
Ottawa	1.5%
Mont Tremblant	1.0%
Churchill	1.0%
Halifax	0.8%
Edmonton	0.7%
Jasper	0.6%
Cape Breton	0.6%
Winnipeg	0.6%
Okanagan	0.5%
St. John's	0.5%
Whitehorse	0.4%
Fredericton	0.3%
Saint John	0.3%
Saskatoon	0.2%
Yellowknife	0.1%
Inuvik	0.1%
Regina	0.1%

▲ / ▼ Significantly higher/lower than 2017 GTW wave.

Base: Those in the dream to purchase stages of the path to purchase for Canada and definitely/very likely to take a trip to Canada (n=526)

QMP8. And, which place in Canada most appeals to you?

Vacation Activities

HIGHLIGHTS

- ✓ *Older Australian travellers aged 55+ are more interested than younger travellers in several city based activities such as: trying local food and drink, visiting city parks, visiting art galleries/museums, and guided city tours. They are also more likely to be interested in seeing natural attractions, wildlife viewing, seeing historical sites, exploring Indigenous culture, cruises, guided train tours, and guided boat tours.*
- ✓ *Younger travellers aged 25-34 are more likely than older travellers to be interested in nightlife, camping, ziplining, downhill skiing or snowboarding, scuba diving, snowshoeing and cross country skiing, casual biking and mountain biking.*
- ✓ *Natural attractions, Northern lights, historical sites, trying local food/drink, and nature parks are the top trip anchor activities for Australian travellers.*

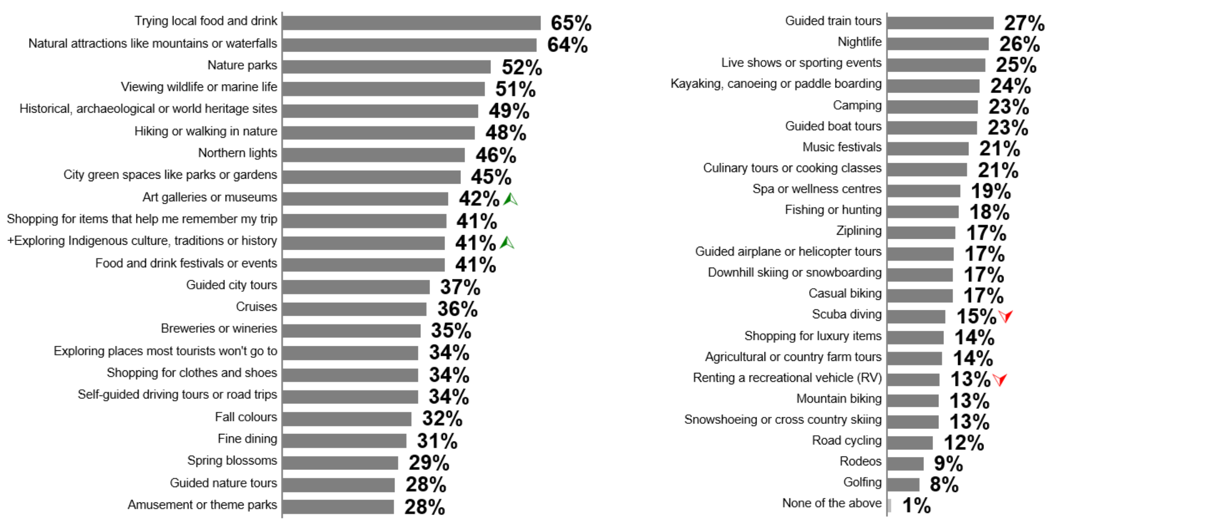
Australian travellers were asked about which activities and experiences they seek while on holidays in general, regardless of the destination. The chance to sample local food and drink remains the most sought-after holiday experience. This is followed by several nature-based or city-based activities, including: seeing natural attractions like mountains and waterfalls, visiting nature parks, viewing wildlife, hiking or walking in nature, viewing the Northern lights and visiting city green spaces. Rounding out the top ten are visiting historical sites, visiting art galleries/museums and shopping for souvenirs. The results are largely similar to 2017 with visiting art galleries/museums (42%, up significantly from 38% in 2017) replacing food/ drink festivals.

Outside of the top ten activities, there were several other significant shifts from 2017 to 2018. Only one activity had a significant upward shift, exploring Indigenous culture (41%, up from 28% in 2017). Previously, Indigenous culture was called Aboriginal culture and it is not possible to know whether increased interest reflects greater interest in Indigenous culture or is due to the wording change. Two activities experienced significant declines in 2018: scuba diving (15%, down from 19% in 2017) and renting a recreational vehicle (13%, down from 17% in 2017).

Older Australian travellers aged 55+ are more interested than younger travellers in several city based activities such as: trying local food and drink, visiting city parks, visiting art galleries/museums, and guided city tours. They are also more likely to be interested in seeing natural attractions, wildlife viewing, seeing historical sites, exploring Indigenous culture, cruises, guided train tours, and guided boat tours. The top ten activities among travellers aged 55+ are all similar to that of the general Australian traveller, except that exploring Indigenous culture and guided city tours takes the place of hiking/walking in nature and shopping for souvenirs.

Younger travellers aged 25-34 are more likely than older travellers to be interested in nightlife, camping, ziplining, downhill skiing or snowboarding, scuba diving, snowshoeing and cross country skiing, casual biking and mountain biking. The top ten activities among Australian travellers aged 25-34 are similar to that of the average Australian traveller except that attending food/drink festivals and nightlife replace visiting art galleries/museums and historical sites.

General Activities/Places Interested In – All Activities



+ Aboriginal was changed to Indigenous in 2018 – review trending with caution.
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)
QMP10. In general, what activities or places are you interested in while on holiday?

Trip Anchor Activities

A question added in 2017 asked Australian travellers which vacation activities are important enough that they would base an entire trip about them.

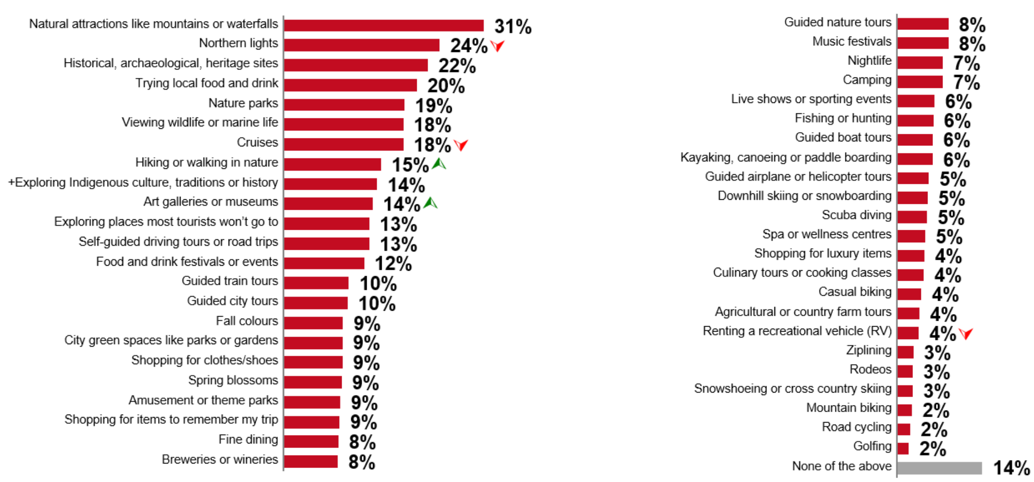
Similar to 2017, natural attractions (31%), Northern lights (24%, down significantly from 27% in 2017), historical sites (22%), and trying local food/drink (20%) remain among the top trip anchor activities in 2018. Visiting nature parks (19%) replaces cruises (18%, down significantly from 22%) as a top trip anchor activity in 2018.

While not top trip anchor activities, hiking/walking in nature (15%, up from 12% in 2017), and visiting art museums/galleries (14%, up from 10%) are up significantly in 2018, while renting a recreational vehicle was down significantly (4%, down from 6%).

Travellers aged 55+ are more likely than younger Australian travellers to cite cruises, visiting historical sites, exploring Indigenous culture, guided city tours, and guided train tours as trip anchor activities. The top ten trip anchor activities among Australian travellers aged 55+ are all similar to that of the general Australian traveller except that self-guided driving tours/road trips (16%) are slightly more popular than hiking/walking in nature (15%).

Compared to older Australian travellers, those aged 25-34 indicate higher likelihood to anchor a trip around music festivals and nightlife. The top ten trip anchor activities among Australian travellers aged 25-34 are largely similar to that of the general Australian traveller, except that food/drink festivals (15%), amusement/theme parks (13%), and shopping for clothes/shoes (13%) replaces visiting art galleries/museums (12%), cruises (9%), and exploring Indigenous culture (8%).

Trip Anchor Activities



+ Aboriginal was changed to Indigenous in 2018 – review trending with caution.
Base: Long-haul pleasure travellers (past 3 years or next 2 years) answering (n=1485)
MP12. Among these activities, are there any that are important enough that you would base an entire trip around that activity?

▲ / ▼ Significantly higher/lower than 2017 GTW wave.

Barriers

HIGHLIGHTS

- ✓ *Cost continues to be the primary deterrent to visiting Canada, followed by length of flight.*
- ✓ *The top cost-related barriers are the cost of flights to Canada and the cost of accommodation.*
- ✓ *Australian travellers are more concerned about poor value for money than in 2017.*

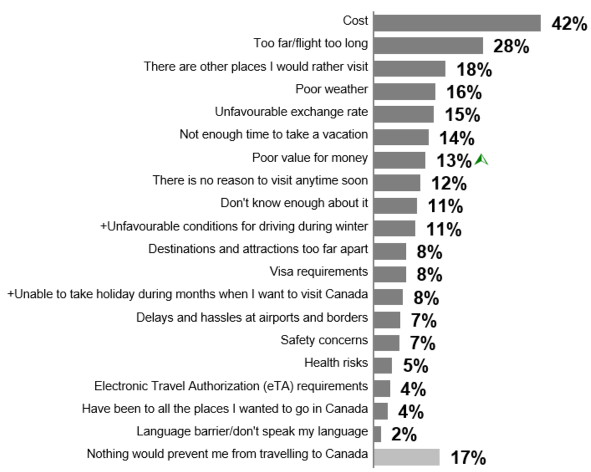
All Australian long-haul travellers were asked what could prevent them from visiting Canada. Cost (42%) remains the primary deterrent, followed by flight length (28%). A desire to visit other destinations (18%), poor weather (16%) and an unfavourable exchange rate (15%) are the next closest impediments. Travellers aged 25-34 are more likely than those aged 55+ to mention lack of vacation time, visa requirements, eTA requirements, and health risks as barriers for travel to Canada. Older travellers aged 55+ are more likely to say that there are other places they would rather visit, but also that there is nothing that would prevent them from visiting Canada.

The only significant shift to note in 2018 is the increase in Australian travellers who cite poor value for money as a barrier to travel to Canada (13%, up from 10% in 2017).

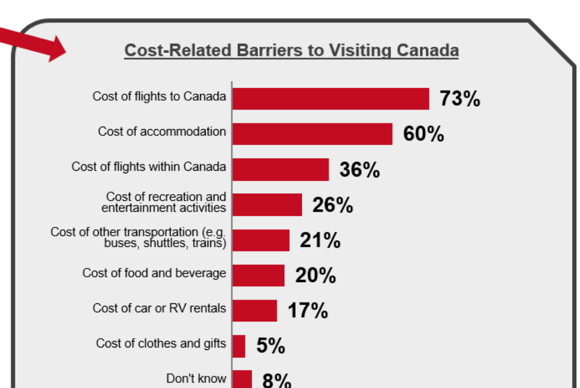
A new question added in 2018 asked those concerned about cost to elaborate on specific types of costs. The cost of flights to Canada (73%) is the greatest cost-related concern, followed by accommodation costs (60%), and cost of flights within Canada (36%).

While cost remains the top barrier among those who visited Canada in the past (33%), they are significantly less likely to cite it as a barrier compared to those who have never been (48%). Past visitors are more likely to mention they have been all the places they want to go in Canada (8%) versus those who have not visited Canada (1%). Past visitors are also more likely to mention language barriers (3% versus 1%) as an impediment to visiting Canada.

Key Barriers for Visiting Canada



/ Significantly higher/lower than 2017 GTW wave.
+ New statement added in 2018 – no trending
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)
QMP9. Which of the following factors might discourage you from visiting Canada?



+ New question added in 2018 – no trending
Base: Long-haul pleasure travellers (past 3 years or next 2 years) who mentioned cost as a barrier (n=644)
+QMP9b. You mentioned that cost might discourage you from visiting Canada. Are there any specific types of costs that might discourage you?

Recent Trip Profile

HIGHLIGHTS

- ✓ *A longstanding desire to visit and perceived safety remain the primary motivators for travel to Canada, and destinations in general. Visitors to Canada (50%) were more likely to travel solely with their spouse (on a couple's trip) compared to general travel to all destinations (36%).*
- ✓ *Australians visiting Canada (39%) are more likely to stay in luxury hotels compared to travel to any destination (27%).*
- ✓ *The proportion of Australian travellers visiting the US in combination with a trip to Canada has steadily declined since 2016, driven by a decrease in the number of overnight trips.*

The following section provides details on the most recent long-haul trip taken by Australian travellers to competitive set destinations in the past 3 years (68% took such a trip). If the most recent trip encompassed more than one destination, the data reflects where the most time was spent.

Trip Purpose

The primary reason for travelling among all Australian long-haul travellers to any destination continues to be for holiday purposes (63%, up significantly from 57% in 2017), followed distantly by visiting friends and family (24%). Going on a holiday (71%, up significantly from 60% in 2017) is also the primary reason to take a trip specifically to Canada, followed by visiting friends and family (17%, marginally down from 24% in 2017).

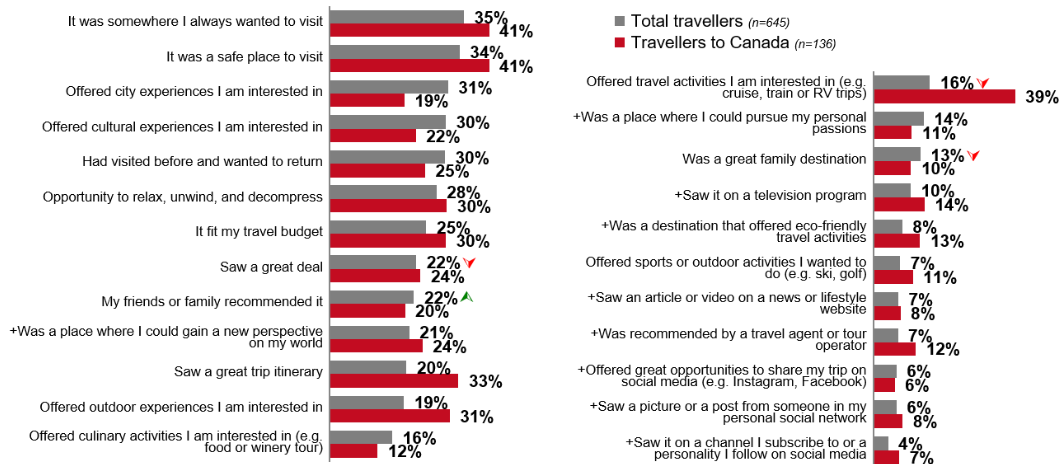
Motivators

Those travelling for holiday purposes were asked about factors which influenced their choice of destination.

The longstanding desire to visit (35%) and perceived safety of the destination (34%) remain the main motivators for destination choice among general Australian travellers. Following very closely are the offer of city experiences (31%), cultural experiences (30%), and the desire to return to a destination (30%). Among visitors to Canada, both a longstanding desire to visit (41%) and perceived safety (41%) are top motivators, followed by the offer of travel activities of interest (39%). Compared to general Australian travellers, travellers to Canada are more likely to mention travel activities of interest, seeing a great trip itinerary, and outdoor experiences as top motivators.

There are several significant shifts to note in 2018. Among all Australian travellers, a great deal (22%, down from 29% in 2017), travel activities of interest (16%, down from 22%), and great family destination (13%, down from 20%) are mentioned significantly less in 2018. Recommendations from family and friends was mentioned significantly more as a factor in destination selection (22%, up from 16%).

Factors Influencing Destination Selection



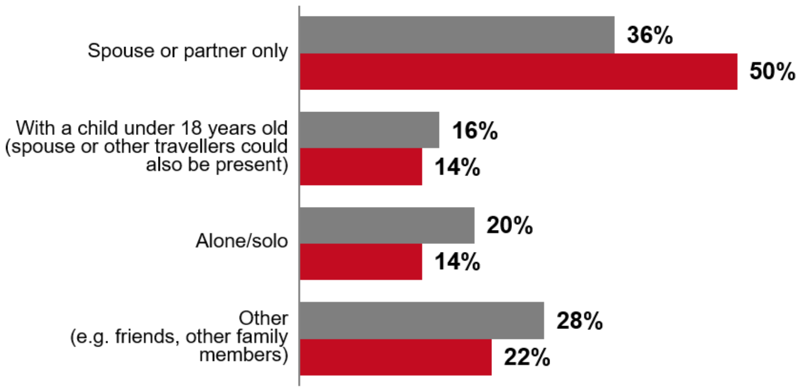
/ Significantly higher/lower than 2017 GTW wave.
+ New statement added in 2018 – no trending
Base: Long-haul pleasure travellers (past 3 years) travelling for holiday
QRT3. Which of the following factored into your choice of destination for this trip?

Travel Party

Australian travellers to any long-haul destination travelled solely with their spouse or partner (on a couple's trip) for 36% of total trips. Those travelling with children under the age of 18 accounted for 16% of total trips, while solo travel made up an additional 20% of trips. The remaining 28% of trips were a combination of other travel parties, such as travelling with other family members, friends, or business colleagues.

Among those who travelled to Canada, 50% travelled solely with their spouse or partner. The proportion travelling with children under 18 to Canada is 14% and solo travel accounted for 14% of trips. The remainder of trips (22%) consisted of other travel parties.

Travel Party



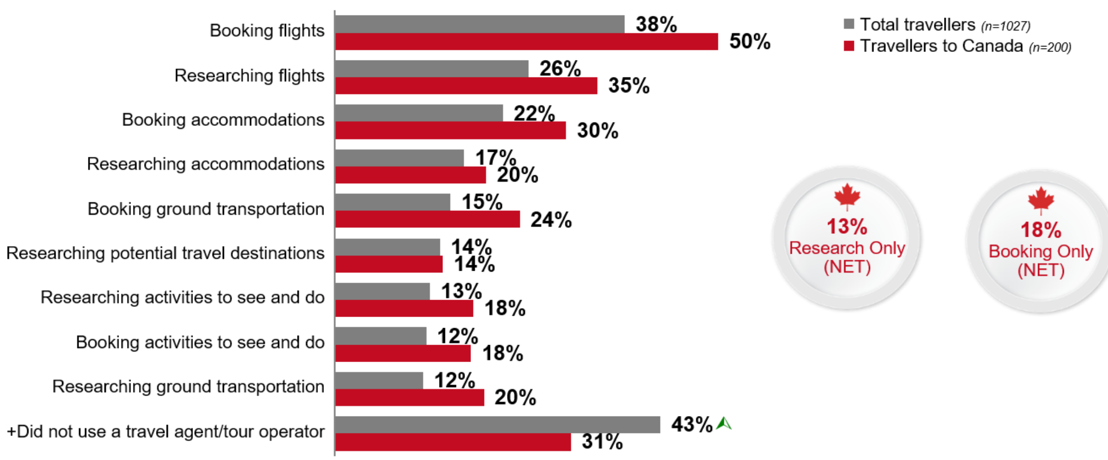
Base: Long-haul pleasure travellers (past 3 years)
QRT4. With whom did you travel on this trip?

Booking

Fifty-seven percent of all Australian travellers report consulting a travel agent/tour operator on their most recent long-haul trip for either planning or booking purposes (down significantly from 62% in 2017). Travel agents/tour operators are most often used for booking flights (38%), researching flights (26%), and booking accommodation (22%). Travel agent/tour operator use is higher among visitors to Canada compared to general Australian travellers (69% versus 57%). The booking profile is similar among recent visitors to Canada with booking flights (50%), researching flights (35%) and booking accommodation (30%) being the most prevalent.

Younger travellers aged 25-34 are more likely to use travel agents/tour operators for research only (22%) compared to those aged 55+ (5%). Conversely, travellers aged 55+ are more likely to use travel agents/tour operators for booking only (27%) compared to those aged 25-34 (17%).

Travel Agent/Tour Operator Usage



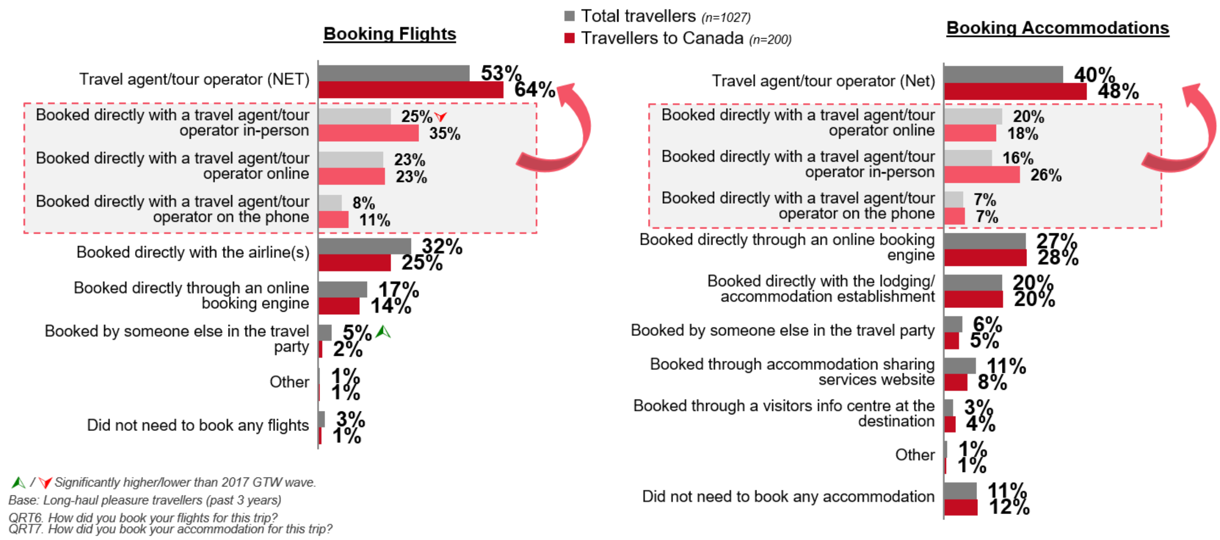
/ Significantly higher/lower than 2017 GTW wave.
+ 'Tour operator' wording was added to the statement in 2018 – review trending with caution.
Base: Long-haul pleasure travellers (past 3 years)
QRT15. Did you use a travel agent or tour operator to help you with any of the following for this trip?

The most popular way to book a flight to any destination is through a travel agent/tour operator (53%), with booking directly in-person (25%) or online (23%) being the most prevalent. This is followed by booking directly with the airline (32%) and through an online booking engine (17%). The proportion of Australian travellers who booked flights directly with a travel agent/tour operator in person has decreased significantly in 2018 (25%, down from 30% in 2017). Compared to general Australian travellers, those aged 25-34 are more likely to book flights with a travel agent tour-operator online (32% versus 23%) or through an online booking engine (27% versus 17%). Travellers aged 55+ are more likely than general Australian travellers to book flights through a travel agent/tour operator in-person (36% versus 25%).

The pattern for booking flights to Canada is largely similar, with the most popular method being through a travel agent/tour operator (64%). Booking with a travel agent/tour operator in-person (35%) is most prevalent, followed by directly with the airline (25%) and travel agent/tour operator online (23%).

For accommodation, booking with a travel agent is also most popular (40%), followed by booking through an online booking engine (27%) and directly with the accommodation establishment (20%). When using a travel agent, booking directly online is the most common method (20%), followed by booking in-person (16%).

Booking of Flights and Accommodations



Similar to 2017, thirty-six percent of Australian travellers indicated that at least a portion of their trip was part of an organized group tour. The proportion taking organized group tours among recent travellers to Canada is even higher, with 51% indicating that they participated in an organized group tour.

Compared to general Australian travellers, those aged 25-34 are more likely to participate in group tours (48% versus 36%) and also to join a group tour for their entire trip (31% versus 18%); travellers aged 55+ are less likely than their younger counterparts to join a group tour for their entire trip (11%).

A large majority of all group tours are booked through a travel agent/tour operator (84%), including those booked to Canada (92%). Organized group tours are most often booked through a travel agent/tour operator online (42%) or through a travel agent/tour operator in-person (36%). For group tours to Canada, booking with a travel agent/tour operator in-person (52%) is more popular than through a travel agent/tour operator online (37%).

Type of Accommodation

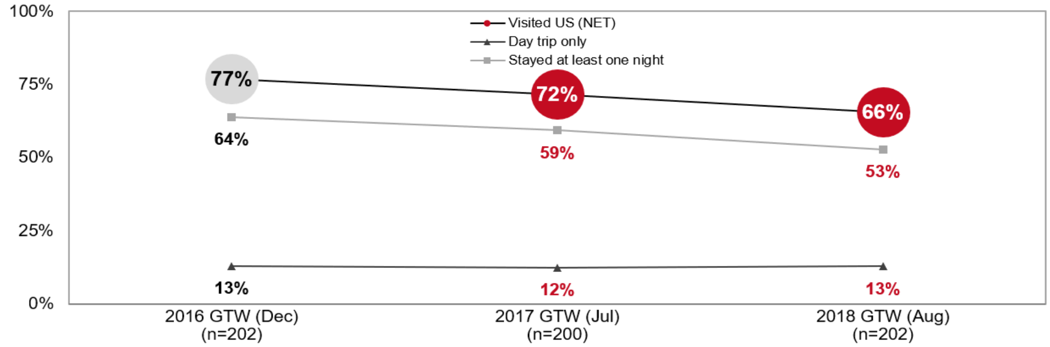
Overall, Australian travellers continue to opt for mid-priced hotels (49%) and luxury hotels (27%) for accommodation. Compared to general Australian travellers, those aged 55+ are more likely to stay in mid-priced hotels (59% versus 49%),. while travellers aged 25-34 are more likely to have stayed in B&Bs (27% versus 15%).

Recent visitors to Canada have a similar pattern of accommodation with 43% staying at mid-priced hotels; however, a higher proportion indicate that they stayed at luxury hotel during their trip to Canada compared to general Australian travellers (39% versus 27%).

US Visitation

Combining a trip to Canada with a visit to the US continues to trend downwards (66%, down from 72% in 2017 and 77% in 2016). While the proportion of Australian travellers visiting the US on day visits is steady, there is a downward trend in overnight stays (53%, down from 59% in 2017 and 64% in 2016). Given that Australia is among the top markets for combined US and Canada visits, this declining appetite for dual nation visits could be contributing to declines in overall Australian visitation to Canada.

Canada & US Visitation – Trended



Significantly higher/lower than 2017 GTW wave.

Base: Travellers to Canada
QRT13. Did you also visit the U.S. during this trip, either for a day or overnight stay?

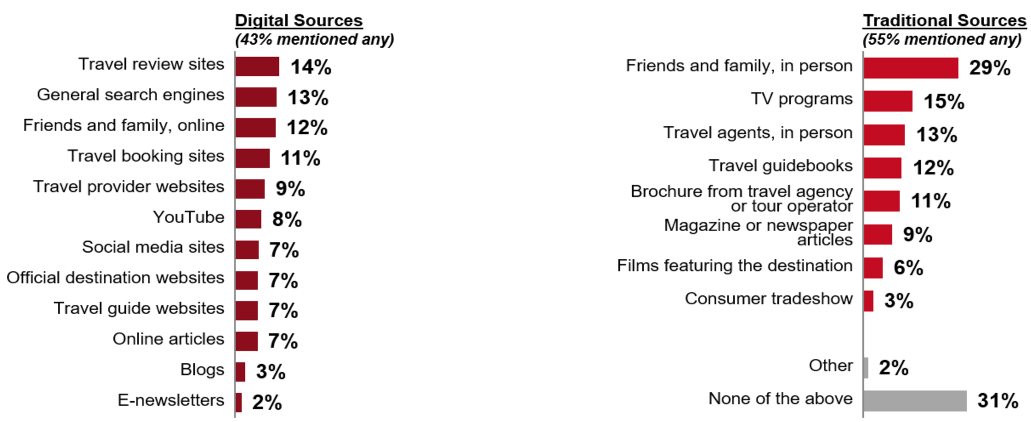
Information Sources

HIGHLIGHTS

- ✓ *Younger travellers aged 25-34 are more likely than travellers aged 55+ to cite digital sources like friends and family online, YouTube and social media sites as influential.*
- ✓ *Older travellers aged 55+ are more likely to indicate none of the listed sources were influential (37%), indicating that they are more likely to see themselves as the ultimate decision maker of where they travel.*

A new question added in 2018 asked Australian travellers whether they had booked a trip in the past three years based on a recommendation from any sources. The top source by a wide margin is word-of-mouth recommendations from friends and family (29%), followed by TV programs (15%), travel review sites (14%), general search engines and in-person travel agents (both 13%). Younger travellers aged 25-34 are more likely than travellers aged 55+ to cite digital sources like friends and family online, YouTube and social media sites as influential. Older travellers aged 55+, compared to those aged 25-34, are more likely to indicate none of the listed sources were influential (37% versus 21%), indicating that they are more likely to see themselves as the ultimate decision maker of where they travel. Among recent visitors to Canada, brochures from a travel agent/tour operator (21%) were significantly more likely to be cited.

Influence of Sources in Destination Selection



+ New question added in 2018 – no trending,
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)
+MT5. In the past 3 years, have you booked a trip based on a recommendation from any of the following sources?