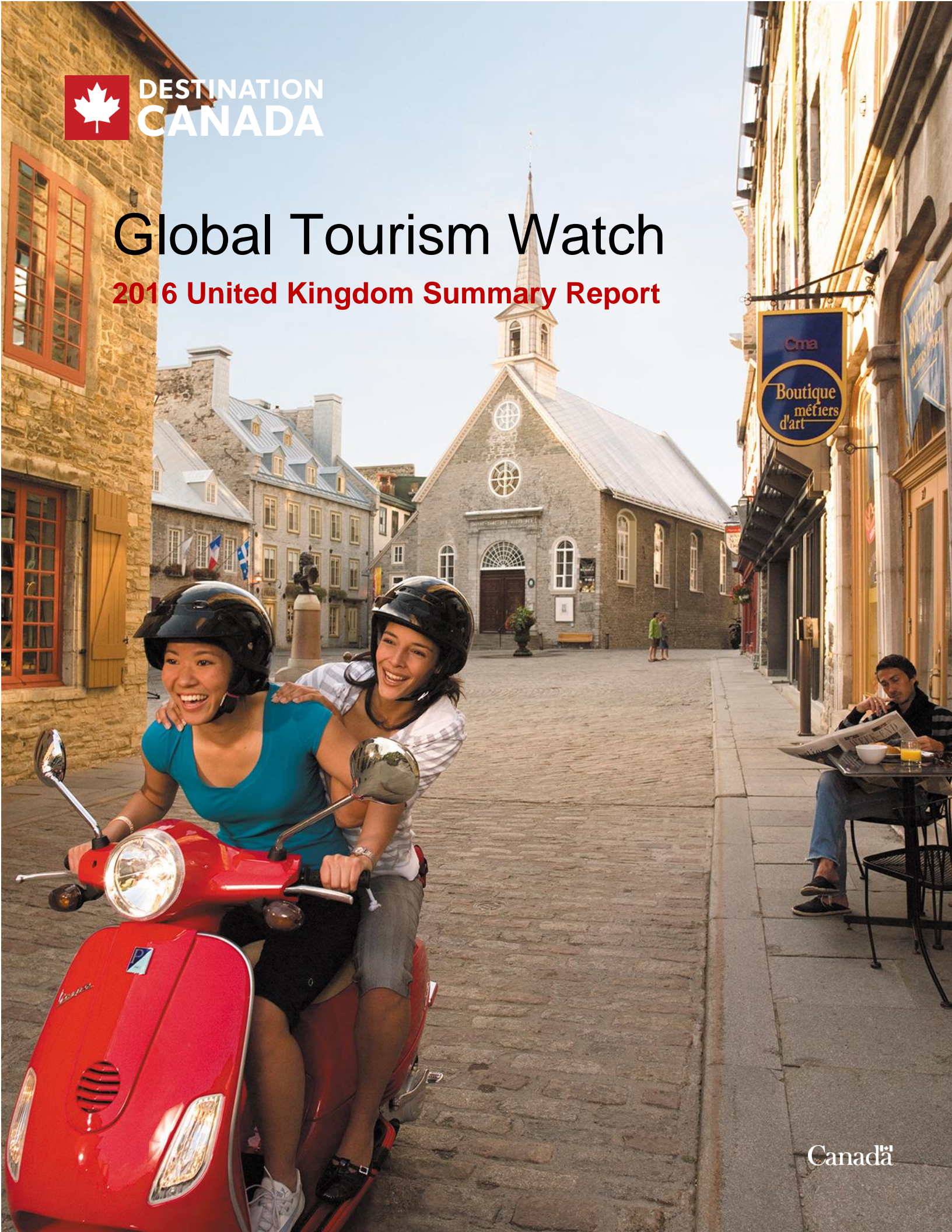




DESTINATION
CANADA

Global Tourism Watch

2016 United Kingdom Summary Report



Canada

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1. 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 12 core markets around the world: Australia, Brazil, 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 UK market: the US, India, Thailand, Australia, China, South Africa, Japan, Iceland, and New Zealand.

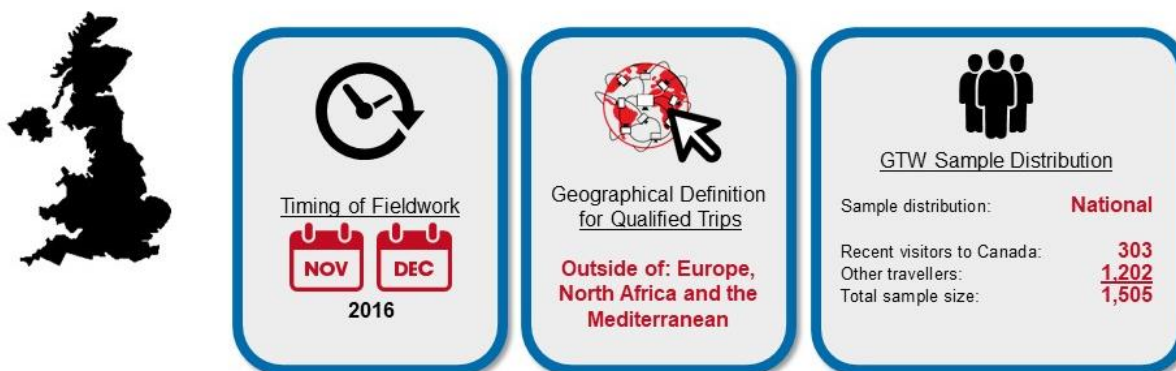
Methodology

Data was collected via an online survey and has been weighted to represent the UK long-haul travel population. The target population in the UK was residents aged 18 years and older, who have taken a long-haul pleasure trip outside of Europe, North Africa and the Mediterranean 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 1,505 respondents in the UK, including 303 recent visitors to Canada, in December 2016. In the past, data has been gathered earlier in the year (April through July), which is prime planning season for summer travel to destinations such as Canada. It is believed the timing of data collection impacts results and the later field window this wave may be responsible for some shifts in Key Performance Indicators (KPIs).

Figure 1.1: Study Overview: United Kingdom 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.



Background

The UK economy is the 5th largest global economy according to the IMF GDP Nominal ranking, with 3.52% share of global GDP (*International Monetary Fund, October 2016*).

On June 23, 2016, Britain voted to leave the European Union in a referendum known as Brexit (UK European Union membership referendum). Following the Brexit vote, there was a period of political instability, with a new Prime Minister and cabinet assuming power. Prior to the referendum, many economists had predicted an immediate and significant negative impact on the UK economy if the country voted to leave the EU.

The effect was not as dire as predicted, however, there has been a sharp depreciation in the British pound (GBP) since Brexit, which has implications for long-haul travel. As of November 2016, the pound is at a three-year low against the Euro (*BBC News, February 2017*) and is trading at the lowest rate against the USD since 1985 (*Macrotrends, February 2017*). The pound has also fallen against the Canadian dollar (1 pound = \$1.67 Canadian at the time of data collection, down from 1.88 prior to the Brexit vote). The depreciation of the GBP is expected to continue through to completion of negotiations for UK's departure from the EU, which is slated for the summer of 2019 (*BBC News, January 2017*).

Apart from the devalued GBP, the economy has continued to grow with both consumer spending and business investment holding up. GDP has grown at the same rate of growth as in the previous two quarters (*Office for National Statistics, December 2016*), and the Bank of England recently increased its GDP growth projections to 2% for 2017 and 1.6% for 2018. Year-over-year GDP is 2.2% (*Trading Economics, 2017*).

The UK's unemployment rate is expected to increase slightly, from 4.8% in 2016 to 5.5% in 2018 (*Office for National Statistics, December 2016*).

The rate of inflation is expected to overshoot its target of 2% for 2017. The depreciation of the pound may result in higher consumer prices as the cost of imports increase. Another contributor to inflation is the rise in the price of oil since November 2016, which is exacerbated by the decline of the GBP against the US dollar (*Bank of England, February 2017*). These factors are expected to filter down into costs of goods and services, including air travel.

Amidst economic uncertainty, the UK Consumer Confidence Indicator (UKCCI) closed 2016 at -8, down from +2 at the end of 2015. While down year-over-year, the year-end result is an improvement over the August 2016 UKCCI result of -12. Consumer confidence is forecasted to continue to improve into 2017 (*GfK, January 2017*).

2. Market Potential

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 UK market for Canada in two ways – the macro target market and the immediate potential market.

The long-haul travel market size is derived from a 2016 omnibus study of the UK adult population. Note that the long-haul market size was last calculated in 2010 and has declined by 1.2 million. This decline is explained by an overall decrease in the incidence of long-haul travellers in the UK market from 44% in 2010 to 40% in 2016. 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. While the incidence of past three year travel has remained steady since 2010 (33%), the next two year outlook for long-haul travel has decreased (from 33% to 29%).

The proportion of GTW respondents who are in the dream to purchase stages for Canada (70%) is used to calculate a target market estimate of 13.7 million.

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. This translates into a market of 4.87 million travellers with more immediate potential for conversion.

Among DC's eleven international markets, the UK is ranked 5th in immediate potential market size (behind the US, China, South Korea and France). However, actual visitation from the UK was ranked 2nd among DC's international markets in 2016¹. This means that Canada is doing well at converting potential travellers to actual visitors in the UK market.

For context, Canada attracted 833,000 visitors from the UK in 2016, an increase of 17% over 2015². The 833,000 arrivals represent 17% of the immediate potential market.

¹ *Destination Canada, Tourism Snapshot, December 2016.*

² *Destination Canada, Tourism Snapshot, December 2016.*

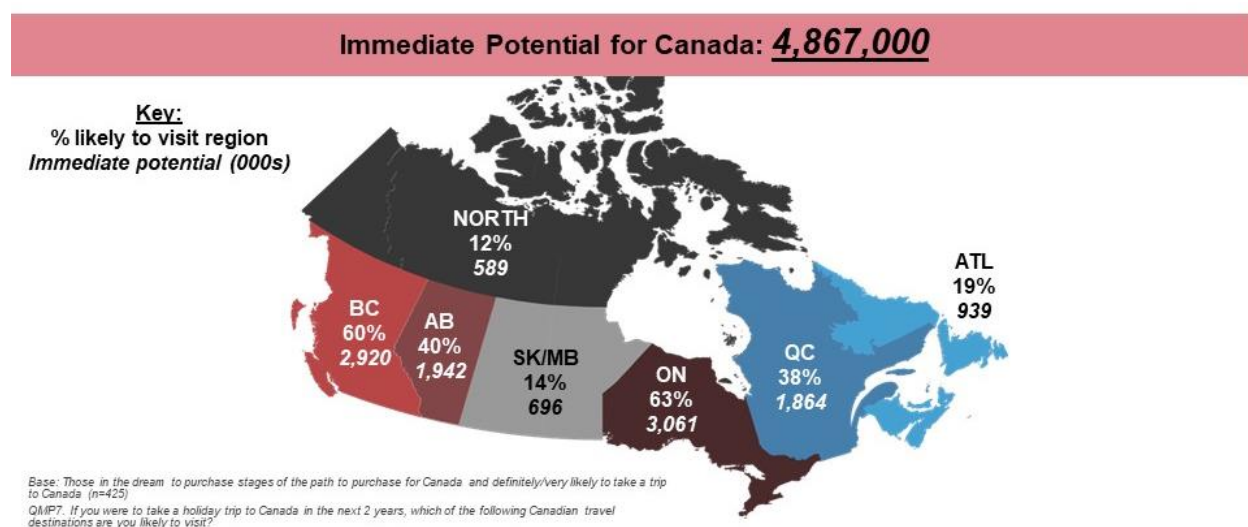
Figure 2.1: Size of Potential Market to Canada (Next 2 Years)

Measure	Size of Potential Market to Canada
Long-haul pleasure travel market	19.70 million
Target market for Canada (dream to purchase stage)	70%
Size of the target market	13.75 million
Immediate potential for Canada (definitely/very likely to visit in next 2 years)	35%
Immediate potential	4.87 million

Base: Target market for Canada = long-haul pleasure travellers (past 3 years or next 2 years) (n=1,505); Immediate potential for Canada = dream to purchase stages for P2P for Canada (n=1,097)
 QMIP1. Which of the following best describes your current situation when thinking about each of the following destinations for a holiday trip?
 QMIP6. Realistically, how likely are you to take a holiday trip to Canada in the next 2 years?

Also of interest is the demonstrated interest in Canada's regions among the Immediate Potential market (4.87 million). Ontario holds the greatest appeal (62% or just over 3 million potential visitors), followed closely by BC (2.9 million potential visitors), with Quebec and Alberta appealing to about 40% of potential visitors (1.9 million potential visitors each).

Figure 2.2: Potential Market Size for the Regions

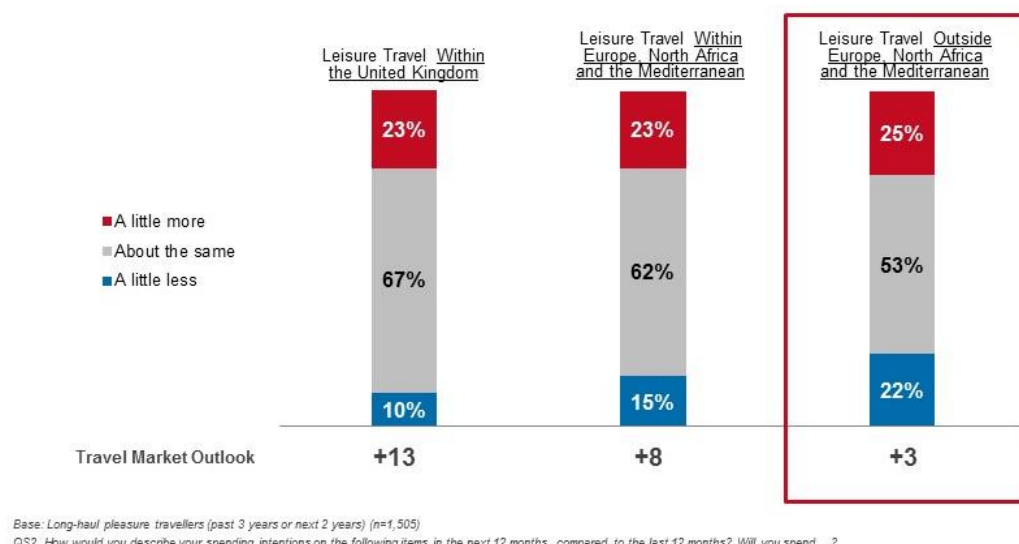


In the shadows of the Brexit vote in June 2016, long-haul travel intentions may be softening along with consumer confidence, which has suffered steep and persistent declines since July 2016³ and as the British pound lost significant ground against world currencies, shedding 17% of its purchasing power against both the USD and CAD.

³ GfK, 2016 (<http://www.gfk.com/en-gb/insights/report/uk-confidence/>).

The proportion of UK travellers saying they will spend less on long-haul travel is almost as high as those saying they will spend more, resulting in a tepid long-haul outlook of +3. Instead, UK travellers appear more likely to travel within the UK (outlook of +13) or short-haul, e.g., within Europe (+8).

Figure 2.3: Spending Intentions (in the Next 12 Months)



3. Competitive Environment – Key Performance Indicators Summary

The outlook for Canada in the UK is favourable. Out of the 10 competitive destinations that respondents were asked to evaluate, Canada is 2nd to the US on aided consideration, 3rd on unaided consideration (behind the US and Australia) and 4th on destination knowledge (behind the US, Australia, and Thailand).

The GTW tracks the following Key Performance Indicators (KPIs) for Canada: unaided and aided destination consideration, aided destination knowledge, and past visitation. Canada's performance is tracked against key competitors for the long-haul travel market. The competitive set was updated for 2016 to reflect actual travel patterns from each market. 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). For the UK, these destinations are the US, India, Thailand, Australia, New Zealand, South Africa, Japan, China, and Iceland. Japan, China, and Iceland were not in the competitive set previously. It is also important to note that 2016 data was collected in December versus earlier in the year (April to July) in previous years. Seasonality may have impacted KPI results this year, although it is impossible to know how much the results might have been affected.

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, 12% of UK travellers mentioned Canada as a destination under serious consideration in the next 2 years, in line with Australia (also 12%), but trailing the US by a wide margin (39%). Those 55+ years were more likely to mention Canada (17%) as were those who have visited Canada recently (31%). Very few specific places in Canada were mentioned by UK long-haul travellers, with the majority just saying Canada, suggesting knowledge of specific Canadian destinations is low.

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. Canada fares better on an aided basis with 43% saying they are seriously considering Canada for a leisure trip in the next 2 years, placing second to the US (62%), but substantially ahead of 3rd place Australia (32%). Of note, younger travellers aged 18-34 express stronger than average interest in both the US and Australia, while Canada does not see any significant differences among age groups. Both recent visitors to Canada and those considering a visit 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, with younger travellers representing a greater opportunity.

Knowledge

The aided destination knowledge KPI (previously called aided awareness, but changed for clarity purposes) measures knowledge of travel opportunities in each destination. Twenty-six percent of all UK long-haul travellers rate their knowledge of travel opportunities in Canada as either excellent or very good. Among those considering Canada, destination knowledge stands at 36%, which puts Canada in fourth spot behind the US (54%), Australia (45%), and Thailand (41%). Efforts to boost knowledge of Canadian travel opportunities could help to move potential visitors along the path-to-purchase.

Visitation

In terms of past visitation, 39% of UK long-haul travellers have visited Canada on a leisure trip at some point in their lifetime. Those 55+ years and older are most likely to have visited Canada (46%). Those considering a trip to Canada are considerably more likely to have visited previously (49%). Messaging designed to encourage a repeat visit is recommended since past visitors to Canada voice considerably higher interest in returning.

Figure 3.1: Key Performance Indicators

Key Performance Indicators (KPIs) for Canada – Summary				
Indicator	Definition	All Long-Haul Travellers (n=1,505)	Recent Visitors to Canada ¹ (n=303)	Considering Canada ² (n=575)
Intentions:				
Unaided destination consideration	% who mentioned Canada or a destination in Canada on their consideration list ³	12%	31%	30%
Competitive positioning on aided destination consideration	Rank on the consideration list among 10 destinations	2	1	1
Destination knowledge:				
Aided awareness of travel opportunities in Canada	% with excellent/very good knowledge of travel opportunities in Canada	26%	59%	40%
Past visitation:				
Past visitation	% who have ever visited Canada for pleasure	39%	99%	49%

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)

Q58. You mentioned that you are likely to take a long-haul holiday trip outside of Europe, North Africa and the Mediterranean in the next 2 years. Which destinations are you seriously considering? (Please list up to 3 destinations.)

Q59C1. You may have already mentioned this before, but which destinations would you seriously consider visiting in the next 2 years?

Q1P2. How would you rate your level of knowledge of holiday opportunities in each of the following destinations (asked only for destinations in consideration set)?

QRT14a. Approximately, how many times have you been to Canada?

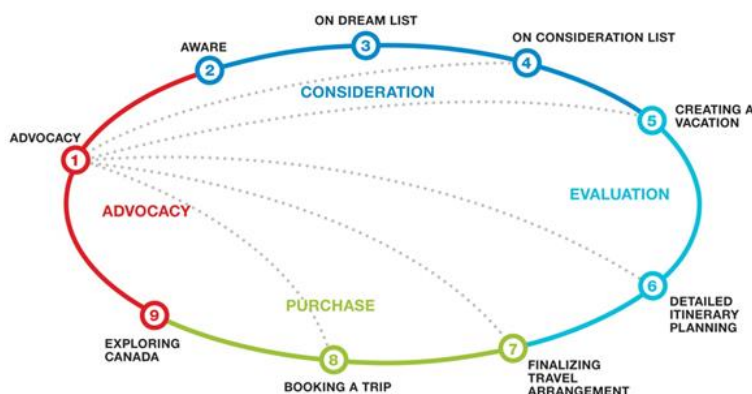
4. Path-to-Purchase

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.

Through additional research, Destination Canada has developed a nine stage Path-to-Purchase (P2P) model for long-haul travel, starting with awareness of the opportunity and interest in a destination, through to planning an itinerary, and booking travel and accommodations. The final stage, 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.

Figure 4.1: DC'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.

Figure 4.2: DC'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			



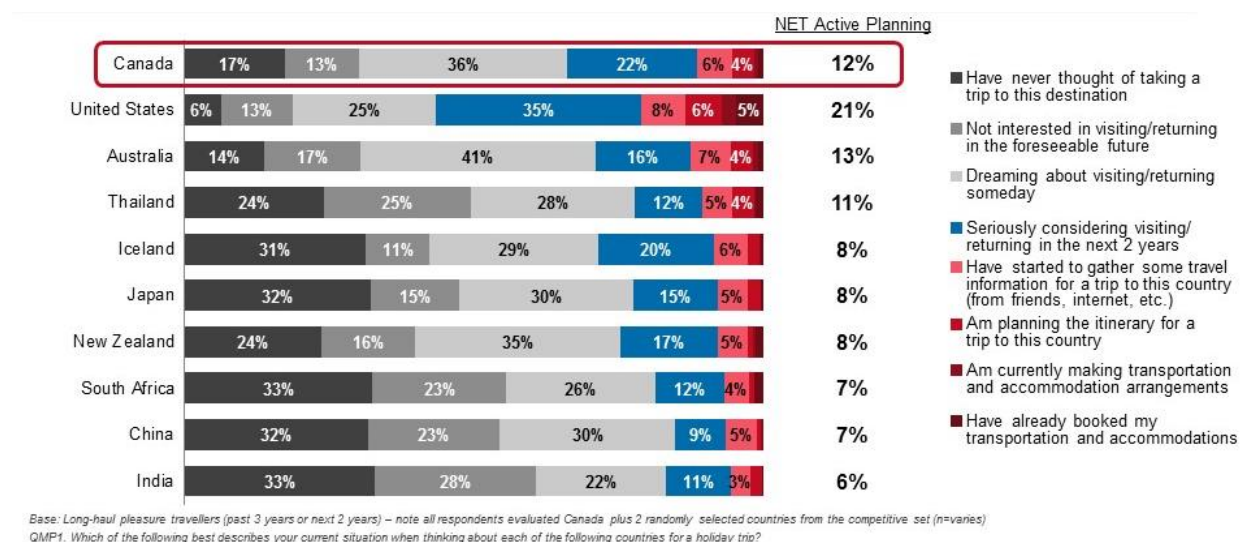
In looking at results for the UK, the dominance of the US is apparent, with 21% of UK long-haul travellers actively engaged in planning a visit to the country and an additional 35% seriously considering a trip. In contrast, just 12% are actively planning a trip to Canada, which is on par with Australia's result. Once again, results may be impacted by the timing of data collection in 2016 (respondents may be thinking of winter trips). For this reason, 2016 results should not be compared with previous years.

Slightly more encouraging for Canada is an additional 22% are seriously considering a visit compared to 16% for Australia. Both Canada and Australia have a large portion of the potential market in the dream phase. Travellers aged 18-54 are overrepresented in the dreaming phase for Canada. Increasing the urgency to visit Canada among younger travellers is key.

Thailand is in 4th spot, with 11% actively planning a visit and a further 12% seriously considering the destination. Thailand's appeal is largely limited to young and middle-aged travellers, with 32% of those 55+ not even considering a visit.

Iceland is in 5th place with only 8% actively planning a visit, but a relatively larger proportion seriously considering the destination (20%).

Figure 4.3: Stage in the Purchase Cycle by Country



Getting travellers to move through the purchase cycle to booking a trip is critical. The charts below show Canada's progress converting travellers at crucial steps in the purchase cycle relative to top competitors (determined by past 3-year visitation) and other destinations in the competitive set. 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'.

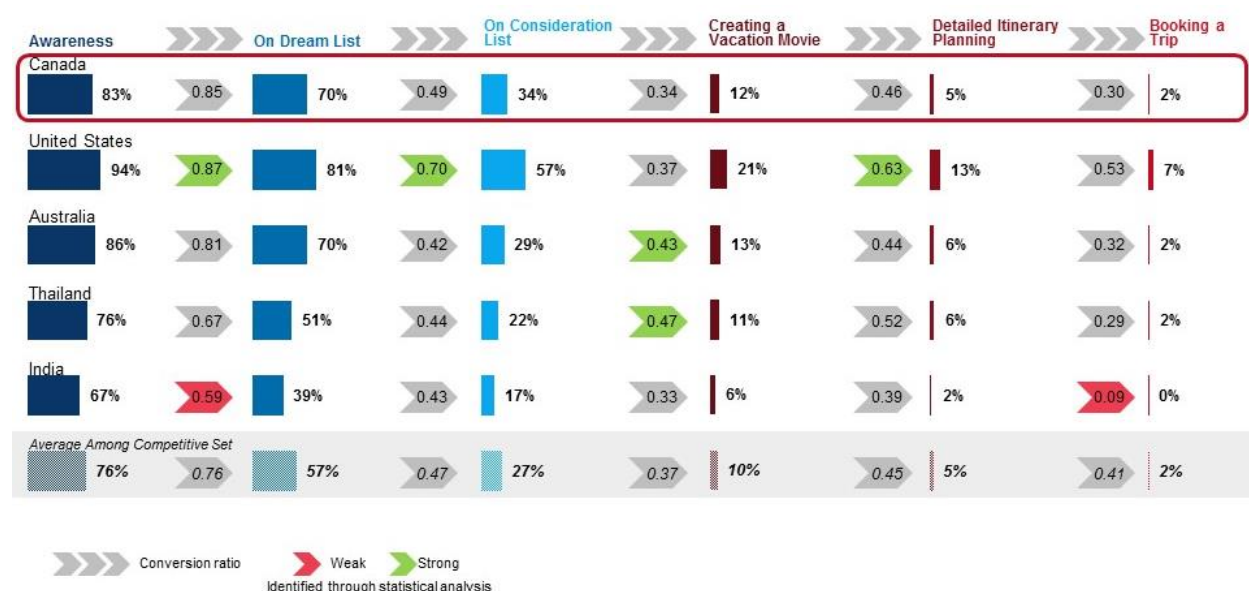
At the dreaming stage, Canada's performance is average as are all of the other top competitors with the exception of the US, which is the strongest performer. As noted earlier, Canada has a disproportionate number of travellers under 55 in the dreaming stage.

Canada's performance continues to be average at the creating a vacation movie stage (where Thailand and Australia excel). Since this stage is focussed on information gathering, ensuring prospective visitors can find the information they seek is paramount. The key to helping prospective visitors move further along in the purchase cycle is to provide information which presents a full picture of what a trip to Canada could look like e.g., a focal point to anchor a trip or itinerary suggestions.

At the final stage, booking a trip, Canada has converted 2% of UK travellers into actual visitors, on par with Australia and Thailand. The US is far ahead of all other destinations, converting 7% of prospective visitors to actual visitors.

For context, the US recorded 4.6 million arrivals from the UK in 2015, while Thailand saw 1 million in 2016, Canada welcomed 833,000 and Australia logged 716,000.⁴

Figure 4.4: Path-to-Purchase Conversion – Top Competitors



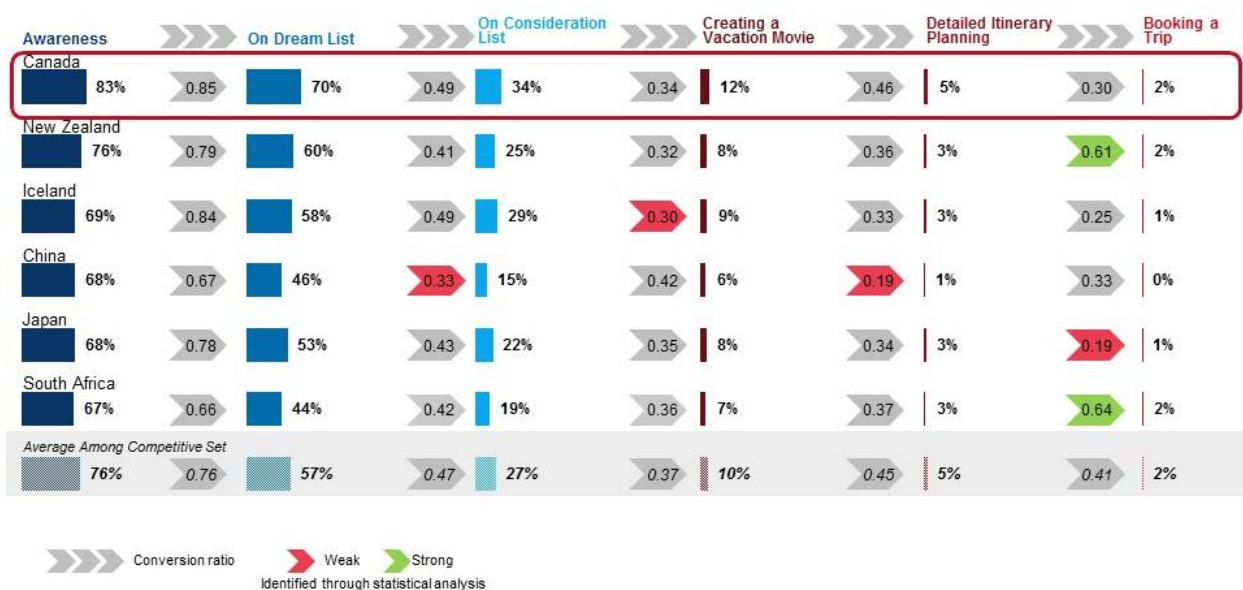
Examining purchase cycle results for destinations visited less frequently by UK travellers is also illuminating. Most notably, New Zealand and South Africa are strong performers at the final stage, seeing conversion ratios between detailed itinerary planning and actual booking far above average, outperforming even the US at this stage.

While examining what New Zealand and South Africa are doing to convince UK travellers to move from planning to booking is worthwhile, it is important to keep in mind the proportion booking is equivalent or lower than Canada's result. Further, the relative size of the market is also important to keep in mind with South Africa attracting 407,000 UK visitors in 2015 while New Zealand saw 224,000 UK arrivals⁵.

⁴ Destination Canada, US National Travel & Tourism Office, Tourism Australia, Department of Tourism Thailand.

⁵ South Africa Tourism Board and Tourism New Zealand.

Figure 4.5: Path-to-Purchase Conversion – Rest of Competitors

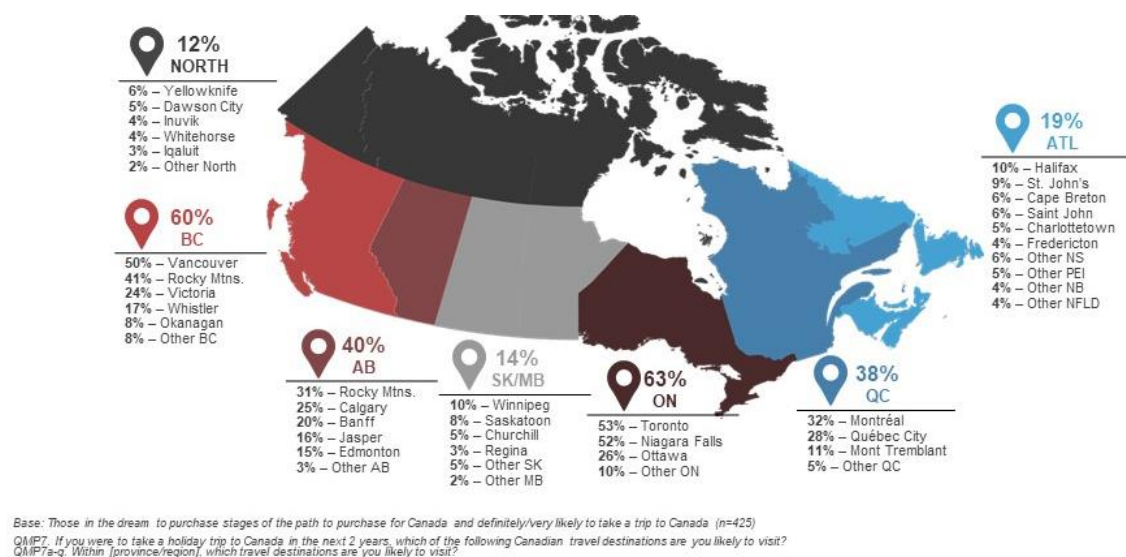


Destinations

UK 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 likely visit. Ontario is the most popular province (cited by 63%), with Toronto (53%) and Niagara Falls (52%) vying for top destination. British Columbia is close behind, with Vancouver being the primary draw (50%). Montreal (32%) and Quebec City (28%) are the 3rd and 4th most popular city destinations for UK travellers.

There is clear interest in visiting the Rocky Mountains, with 41% of probable visitors heading to BC for this experience and 31% saying they would go to Alberta for this. The relatively high level of interest in ski destinations (Whistler, Banff, Jasper and Mont Tremblant) may be in part linked to the timing of data collection, which occurred in December 2016.

Figure 4.6: Canadian Destinations Likely to Visit (Among those definitely/very likely to visit)



An additional question asked potential visitors to identify the one Canadian destination holding the greatest appeal. Niagara Falls, selected by 22% of potential visitors, is clearly the top attraction followed by the Rocky Mountains (16%), while the top cities are Vancouver (picked by 15%) followed by Toronto (11%) and Montreal (6%). This would suggest Canada's landscape-based icons (Niagara Falls and Rocky Mountains) still clearly hold greater appeal for UK travellers than Canada's city destinations and is consistent with the low level of knowledge UK travellers generally have of Canadian vacation opportunities. There is an opportunity to use well known natural landscapes as anchors and highlight their proximity to cities and lesser known/desirable destinations to attract UK travellers.

Figure 4.7: Most Appealing Canadian Destination – Top 10 Mentions

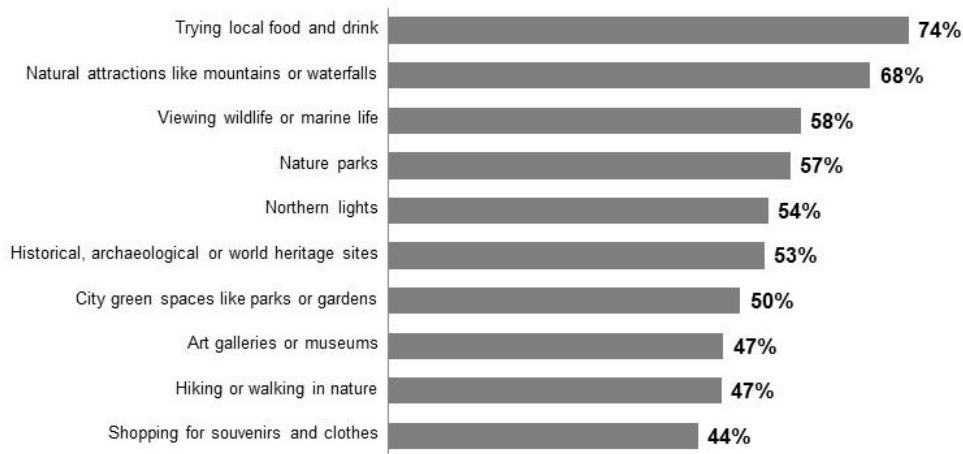


5. Vacation Activities

UK travellers were asked about which activities and experiences they seek while on holidays in general, regardless of the destination. The chance to sample local cuisine and drink is the most sought-after holiday experience. This is followed by seeing natural attractions such as mountains and waterfalls, then viewing wildlife, visiting parks, Northern lights, and visiting historical sites. Apart from Northern lights and nature parks, which holds appeal to all age groups, the top activities all hold stronger than average appeal for older travellers (55+).

These results bode well for Canada, which can offer the full range of outdoor experiences UK travellers say they seek.

Figure 5.1: General Activities/Places Interested In – Top 10



Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1,505)
Q1P10. In general, what activities or places are you interested in while on holiday?

In terms of things to see & do, UK travellers are most interested in natural attractions like mountains or waterfalls (68%). They also show strong interest in viewing wildlife (58%), visiting nature parks (57%), seeing the Northern lights (54%), visiting historical, archaeological or world heritage sites (53%). Several of the activities are of more interest to those 55+ than those 18-54, including natural attractions, viewing wildlife, historical sites, fall colours, aboriginal culture, and guided train tours.

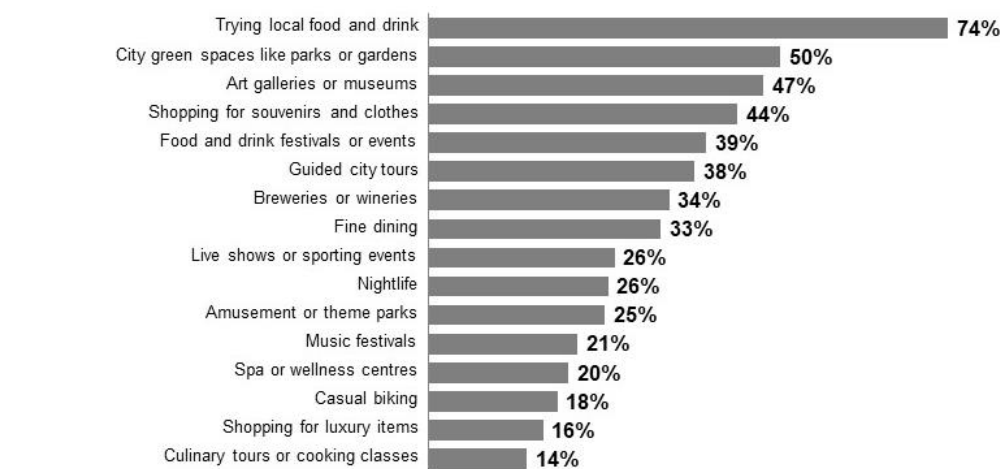
Figure 5.2: General Activities/Places Interested In – Things to See & Do



Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1,505)
Q1P10. In general, what activities or places are you interested in while on holiday?

Among city activities specifically, trying local food and drink holds the greatest appeal by far for UK travellers (74%). The next most frequently selected city activities are visiting city green spaces like parks and gardens (50%), visiting art galleries or museums (47%), and shopping for souvenirs and clothes (44%). Some city activities, such as local food and drink, museums, and guided city tours, are of more interest to those 55+ while others are of more interest to those 18-34, such as nightlife, music festivals, spas, and shopping for luxury items.

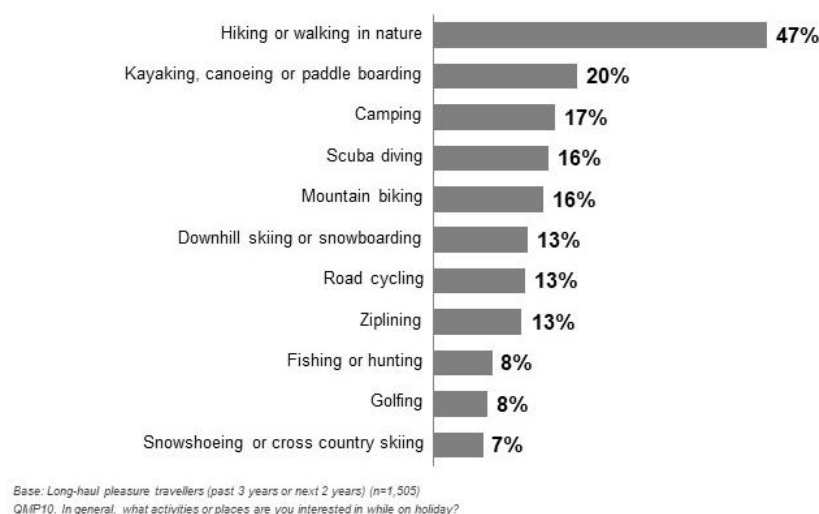
Figure 5.3: General Activities/Places Interested In – City Activities



Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1,505)
Q1P10. In general, what activities or places are you interested in while on holiday?

In terms of outdoor activities, UK travellers are most interested in hiking or walking in nature (47%). With significantly less mentions, kayaking, canoeing or paddle boarding (20%), camping (17%), scuba diving (16%), and mountain biking (16%) are the next most frequently cited outdoor activities. Generally, those 55+ are least interested in outdoor activities while those 18-34 are the most interested.

Figure 5.4: General Activities/Places Interested In – Outdoor Activities



6. Barriers

All UK long-haul travellers were asked what could prevent them from visiting Canada. Cost is the primary deterrent, cited twice as often as the next closest impediments – the desire to visit other places and the length of the flight. Those under 35 are most likely to mention cost, feel it is too far, say they don't have enough time to take a vacation, and indicate they do not know enough about the destination. While travellers over 55 years are most likely to feel destinations within Canada are too far apart (yet are least likely to feel the overseas flight is too far) and are the most concerned about airport hassles/border delays, they are also the most likely to say nothing will prevent them from visiting Canada.

While the cost barrier is challenging to address, it can be indirectly dispelled through messaging about the value offered by a Canadian vacation experience. Highlighting the increasing availability of direct flights between the UK and Canada (up 13% over 2015⁶) and shorter travel times relative to other long-haul destinations such as Thailand and Australia, may help address issues around distance to travel to Canada.

Emphasizing the ability to anchor a trip to specific regions/experiences rather than having to see the whole country, or that you don't have to see the whole country all at once, could help counter the notion that Canadian destinations are too far apart. Secondary barriers such as don't know enough about it and lack of a compelling reason to visit can be addressed through advertising. Other peripheral reasons including visa requirements and

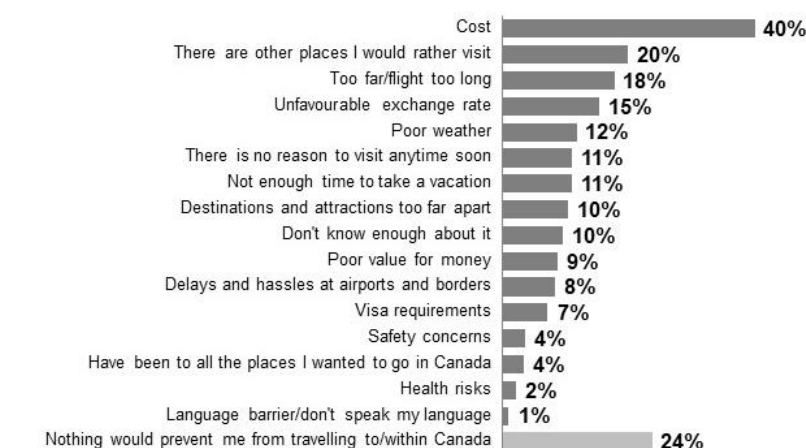
⁶ Destination Canada, *Tourism Snapshot*, December 2016.

hassles at borders and airports are issues for the Canadian government to address. It is notable that even though there are no formal visa requirements for UK citizens to enter Canada, respondents likely included the recently introduced Electronic Travel Authorization (eTA) as a proxy for the visa requirements response option. In fact, a similar pattern was observed in other markets where no visas are required for Canada. Although not explored in this survey given timing, the new eTA requirement is a potential barrier. Collaboration with key accounts in the UK could assist in identifying whether more clarity is needed about this new entry requirement.

Older travellers represent the best immediate opportunity as they are less concerned with cost, have the strongest desire to visit Canada, and are farther down the path-to-purchase. From a lifetime value standpoint, younger travellers may require more efforts to attract, but the pay-off can be greater. Attracting younger travellers will take more effort as travellers need to be informed about what Canada can offer as well as dispel perceptions about distance to travel. From a strategic marketing viewpoint, Destination Canada could consider focusing branding awareness efforts on younger travellers and split tactical efforts in collaboration with partners between the younger and older generation.

While cost remains the top barrier among those who visited Canada in the past (34%), they are much less likely to cite it as a barrier compared to those who have never been (43%). However, past visitors are much more likely to mention an unfavourable exchange rate as a barrier (21%) vs. those who have not visited Canada (12%).

Figure 6.1: Key Barriers for Visiting Canada



Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1,505)
Q1P9. Which of the following factors might discourage you from visiting Canada?

Examining barriers at key path-to-purchase stages provides additional insight. For those considering a visit, cost is an acute barrier with an unfavourable exchange rate, a related impairment, in 2nd spot. Canada struggles moving travellers from the consideration phase to latter stages in the purchase cycle, so finding ways to emphasize where Canada can offer value is paramount.

Those at the evaluation stage (gathering information or planning a visit) also cite cost and the exchange rate as primary barriers, but concerns about general costs drop substantially. Instead, practical considerations such as distance to travel within Canada and weather rise in importance. Providing sample itineraries anchored to destinations/regions or experiences can help counter the perception that destinations are too far apart. Notably, the proportion saying nothing would prevent them from visiting Canada is lower among those in the evaluation stage than in the consider stage. This suggests the cumulative effect of increased barriers are putting some UK travellers at risk of changing their minds about visiting Canada as they proceed along the purchase path.

Figure 6.2: Key Barriers for Visiting Canada – by Path-to-Purchase Segments

	Consider (n=377)	Evaluation (n=167)	Change between Evaluation and Consider
Cost	46%	30%	-16
Unfavourable exchange rate	18%	16%	-2
Too far/flights too long	12%	11%	-1
Not enough time to take a vacation	12%	11%	-1
Destinations and attractions too far apart	11%	17%	+6
Poor value for money	10%	7%	-4
There are other places I would rather visit	9%	9%	-
Poor weather	7%	13%	+6
Delays and hassles at airports and borders	7%	7%	-
Visa requirements	6%	9%	+3
Safety concerns	4%	4%	-
Health risks	3%	3%	-
Don't know enough about it	3%	4%	+1
There is no reason to visit anytime soon	3%	5%	+2
Have been to all the places I wanted to go in Canada	2%	1%	-1
Language barrier/don't speak my language	1%	3%	+2
Nothing would prevent me from travelling to/within Canada	32%	26%	-6

Base: Long-haul pleasure travellers in specific path-to-purchase segments
QMP9. Which of the following factors might discourage you from visiting Canada?

7. Recent Trip Profile

The following section provides details on the most recent long-haul trip taken by UK travellers to competitive set destinations in the past 3 years (71% 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

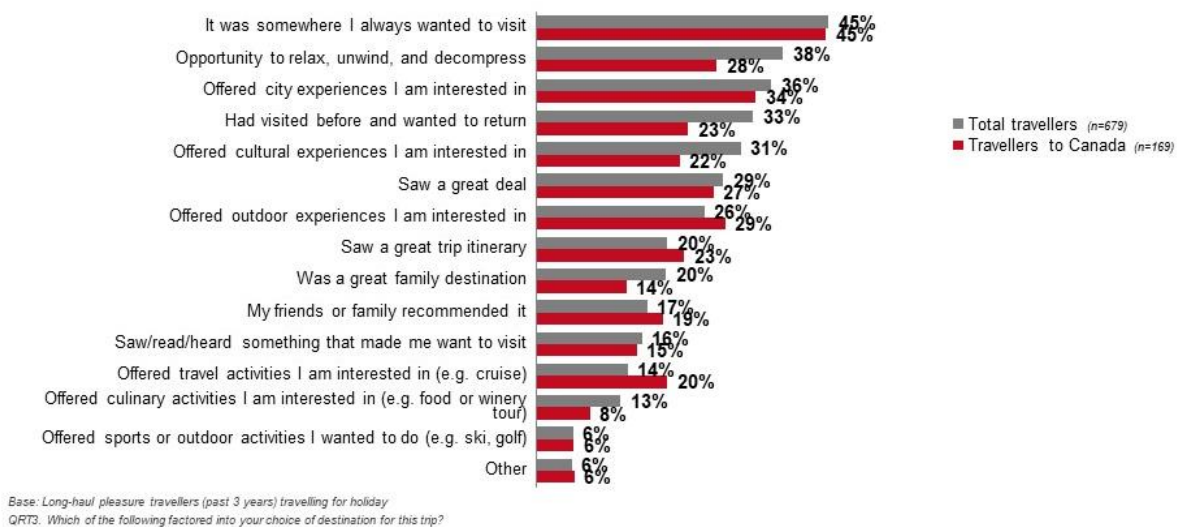
The primary reason for travelling among all UK long-haul travellers was for holiday purposes (cited by 65% of all travellers). In Canada's case, 56% cited holiday as the primary purpose, but a disproportionate number (33%) mentioned visiting friends and relatives as their primary purpose, underscoring the importance of VFR (Visiting Friends and Relatives) as a reason for UK travellers to visit Canada.

Motivators

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

A longstanding desire to visit was the primary reason for choosing the destination, both among travellers generally and visitors to Canada. Almost as important to UK travellers is the opportunity the destination offered for relaxation. However, relaxation opportunities were relatively less important as a motivation to choose Canada. A similar pattern is evident for desire to return and cultural experiences, which are primary motivators, but less so for Canada. Instead, those who visited were more likely to cite outdoor experiences as a more important reason for their trip to Canada. Also, travel activities of interest were cited as a motivator relatively more frequently for those who came to Canada (20% versus 14% overall).

Figure 7.1: Factors Influencing Destination Selection



Travel Party

Regardless of destination, UK travellers were most likely to be accompanied by their spouse (59%) This is particularly common among older travellers, especially those 55+ years (78% travelled with their spouse). Seventeen percent of UK travel parties contained children under the age of 18 (most common among those 35-54 years), which suggests the family market is small. Younger travellers aged 18-34 were the most likely group to have travelled with their parents or other family members.

Booking

UK long-haul travellers have traditionally been heavily reliant on travel agents, but patterns are changing. Thirty-eight percent book flights directly with the airline, followed by use of online travel agencies (29%) and travel agents (29%). Those who visited Canada recently were slightly more likely to use travel agents (30%) than online booking options (26%). In addition, women and those 55+ are more likely to use travel agents.

For accommodation, online travel agencies are the most popular (29%), followed by booking directly with the provider (22%), and using a travel agent (22%). Once again, those who visited Canada were more likely to have used a travel agent (27%). Also, travellers living in households with adults and children and travellers 35+ are more likely to use a travel agent to book their accommodation.

Type of Accommodation

Regardless of destination, UK travellers show a preference for mid-priced hotels (42%) followed by luxury hotels (34%). The same pattern is true among recent visitors to Canada (48% opted for a mid-price hotel and 31% for a luxury property). Owing to the prevalence of VFR travel, it is not surprising that visitors to Canada were more likely to stay with friends and family (17%) than visitors to other destinations (10%).

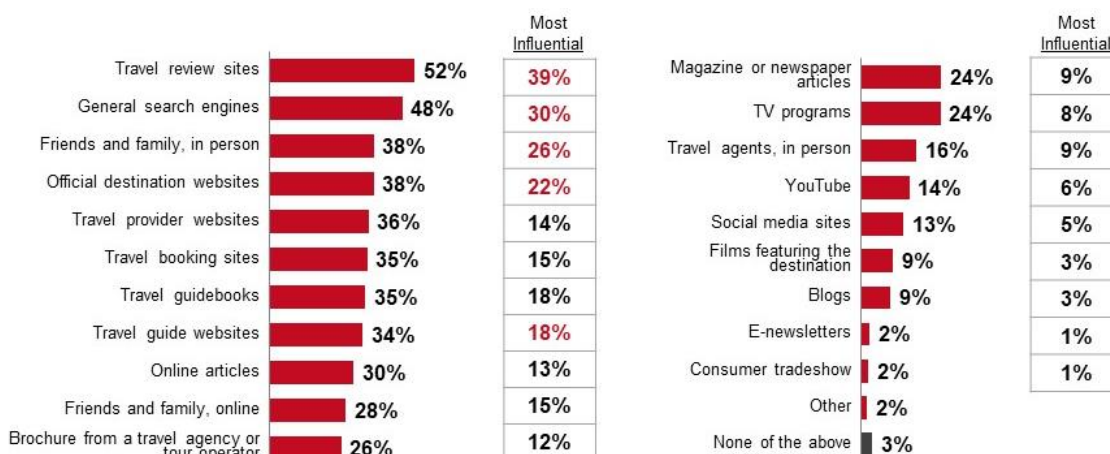
8. Marketing Tactics

Sources Used to Look for Information

UK long-haul travellers rely heavily on travel review sites (52%) and general search engines (48%) for finding information on potential vacation destinations. The most popular information sources used by UK long-haul travellers are almost exclusively online sources, apart from personal interactions with friends and family and travel guidebooks.

Travel review sites were deemed the most influential information source by the largest number of UK long-haul travellers (39%), followed by general search engines (30%), and personal interactions with friends and family (26%). Also of note, official destination websites are more likely to be considered an influential source by older travellers (30%) as are travel guidebooks (26%). Ensuring these two sources have content which meets the needs of older travellers is important.

Figure 8.1: General Source of Destination Information / Most Influential Source



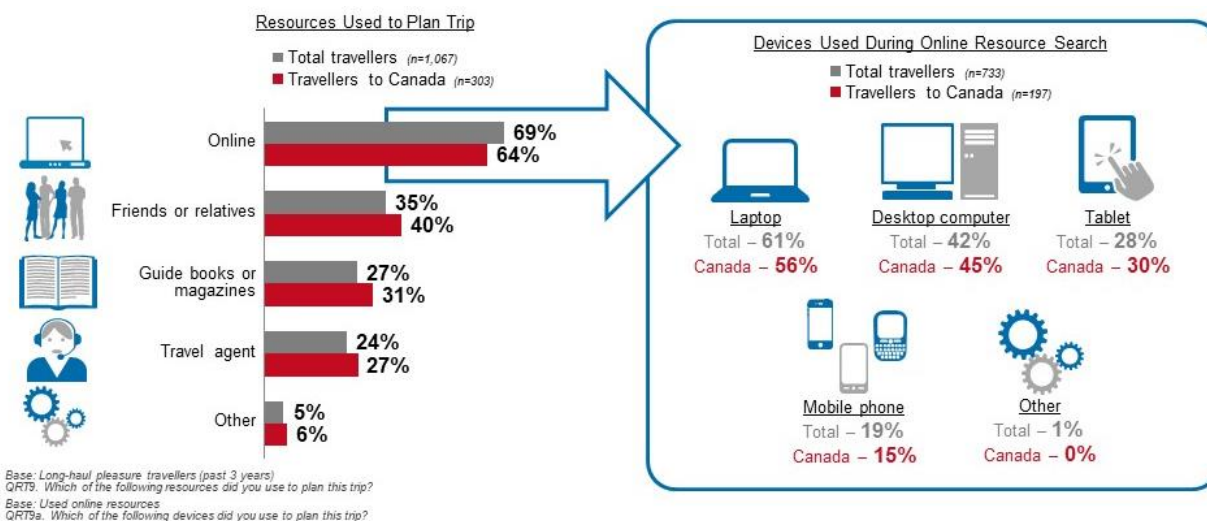
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1,505)
 QMT1. When you research possible vacation destinations for your next trip, what sources do you use to look for information?
 Base: Long-haul pleasure travellers (past 3 years or next 2 years) who mentioned an information source (n=1,456)
 QMT2. Please select the 3 most influential information sources.

Resources, Devices Used to Plan Recent Trip

As noted above, UK long-haul travellers rely heavily on online resources to plan vacations, with laptops and desktops being most prevalent. Despite the prevalence of mobile phones in the UK, they are used less commonly for travel planning (used by 19% travellers, but are more popular among those under 35).

Friends and family were cited as a resource for planning for roughly one-third of trips. Of note, those visiting Canada rely more heavily on personal recommendations, which is likely tied to the prevalence of VFR travel. Guidebooks/magazines are fairly popular for planning, slightly ahead of travel agent consultation.

Figure 8.2: Resources and Devices Used to Plan Trip



9. Destination Canada's UK Target

Destination Canada has identified a more defined target for marketing efforts in the UK. Analysis and findings on this target are available to Destination Canada's marketing partners; for more information, please contact Destination Canada to become a marketing partner.