

Economic Challenges and Opportunities for Canadian Tourism

Presentation to the Symposium on Measuring the Performance and Economic Contribution of Tourism
September 25, 2012



Canadian Tourism
Commission

Commission canadienne
du tourisme

www.canada.travel

What does tourism mean globally?



One of the world's **largest & fastest growing** sectors.

4th largest export category (after fuels, chemicals and food).

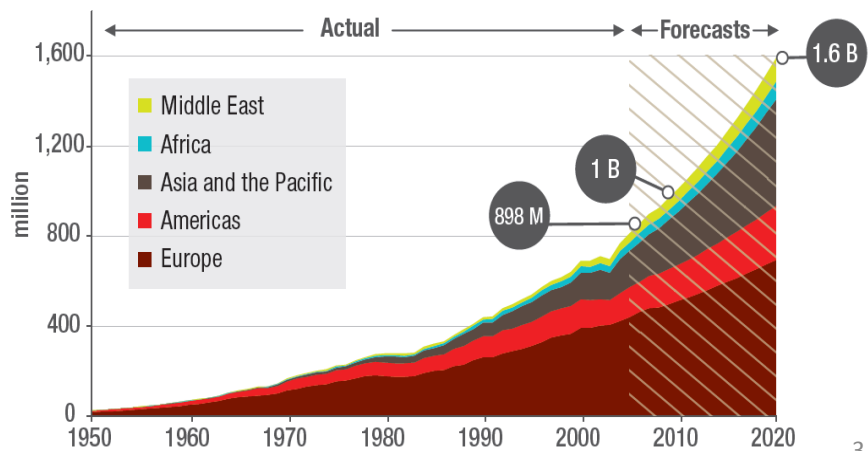
more than **40m** additional trips taken each year.

An unprecedented opportunity

Huge growth expected.

International arrivals to grow from 1.0b to 1.6b by 2020

International Tourist Arrivals, 1950-2020
Current situation & forecasts UNWTO *Tourism 2020 Vision*



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What does tourism mean for Canada?



Jobs & Growth

600,000+ jobs

\$79b in revenue (\$15b in export revenue)

2% of GDP

\$22b in government revenue

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But Canada is not capitalizing on this

Of the world's top 50 destinations, **we are one of only 5 that lost international arrivals over the last decade**

Ireland -2%

Canada -18%

Poland -23%

Tunisia -6%

Brazil -2%

France	0%	Morocco	116%
US	22%	Denmark	149%
China	85%	Switzerland	9%
Spain	22%	S. Africa	37%
Italy	12%	UAE	161%
Turkey	205%	Indonesia	49%
UK	22%	Belgium	11%
Germany	49%	Portugal	29%
Malaysia	142%	Ireland	-2%
Austria	28%	Czech R.	42%
Russia	18%	Bulgaria	114%
Mexico	10%	India	142%
Hong Kong	153%	Japan	29%
Ukraine	234%	Taiwan	135%
Thailand	99%	Vietnam	186%
S. Arabia	162%	Australia	20%
Greece	25%	Argentina	83%
Canada	-18%	Brazil	-2%
Poland	-23%	Syria	143%
Macao	148%	Sweden	32%
Netherlands	13%	Norway	55%
Singapore	70%	Tunisia	-6%
Hungary	243%	Jordan	188%
Croatia	87%	Dominican R.	43%
Korea	85%	New Zealand	13%
Egypt	86%		5

*Growth of international arrivals, 2011 over 2000. UNWTO World Tourism Barometer, March 2012.

Losing market share quickly



Canada's long-haul market share of international arrivals will drop another quarter by 2015, a loss of 1.2m potential travellers, loss of \$834m in new export revenue

*CTC estimates based on Tourism Economics forecast of market growth and Canada's 1996 to 2011 growth rates continuing. Long-haul market share in CTC's markets, i.e. Canada's top 11 markets - US, UK, FR, GR, AU, SK, JP, CN, MX, BR, IN

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We focus on markets of highest ROI where Canada's brand leads



The “Canada. Keep Exploring” brand enables potential visitors to imagination what a trip to Canada would look like.



We focus on inspiring long-haul, high-yield international travellers because they stay longer and spend more money in Canada.

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Challenges

barriers to increasing
our market share

Several challenges have created this situation...

- ✓ **more competition** to attract international travellers
- ✓ strong dollar makes Canada **more expensive** to visit
- ✓ **difficult & costly to fly direct** to Canada vs. other countries
- ✓ perceived **lengthy visa processing** time vs. other countries
- ✓ **industry's focus on domestic** vs. international travellers
- ✓ Canada's **declining tourism marketing budget**

Tourism Marketing Budgets of Select Countries*



Marketing comparatives

* CTC research
[†] Budget for 2012-2013
[‡] Budget for 2013
[§] Budget for 2010

Major competitors are ramping up

Brand USA

new direct competition in our markets and in Canada. They have up to \$200m/yr.



Britain

£8 million in new funding for tourism campaigns in China.

Australia

increasing Air Passenger Movement Charge to fund more tourism marketing in Asia.



Brazil

launching major new campaign in advance of 2014 FIFA World Cup and Rio 2016 Olympics.

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Is Canada too expensive?

Out of 139 countries, **Canada ranks 105th in terms of travel and tourism price competitiveness.**

strong Canadian dollar

+

relatively high costs of air travel to and within Canada

=

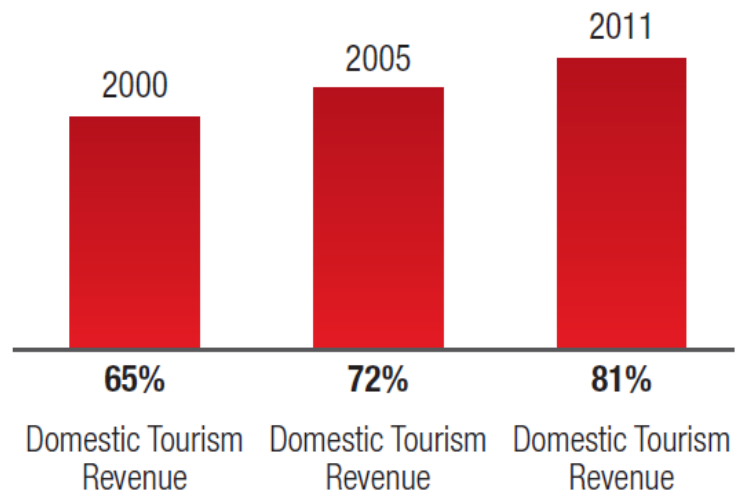
international tourists and Canadians opting to travel to other parts of the world, serving to erode Canada's price competitiveness.

Source: Travel & Tourism Competitiveness Index, World Economic Forum, 2011.

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Canada has a growing reliance on domestic tourism

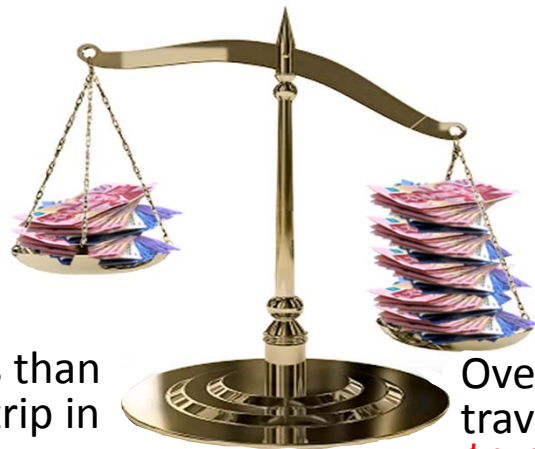
it's now 81% of our tourism revenue



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Overseas travellers are the highest spenders per trip

Canadian travellers spend less than **\$300** per trip in Canada

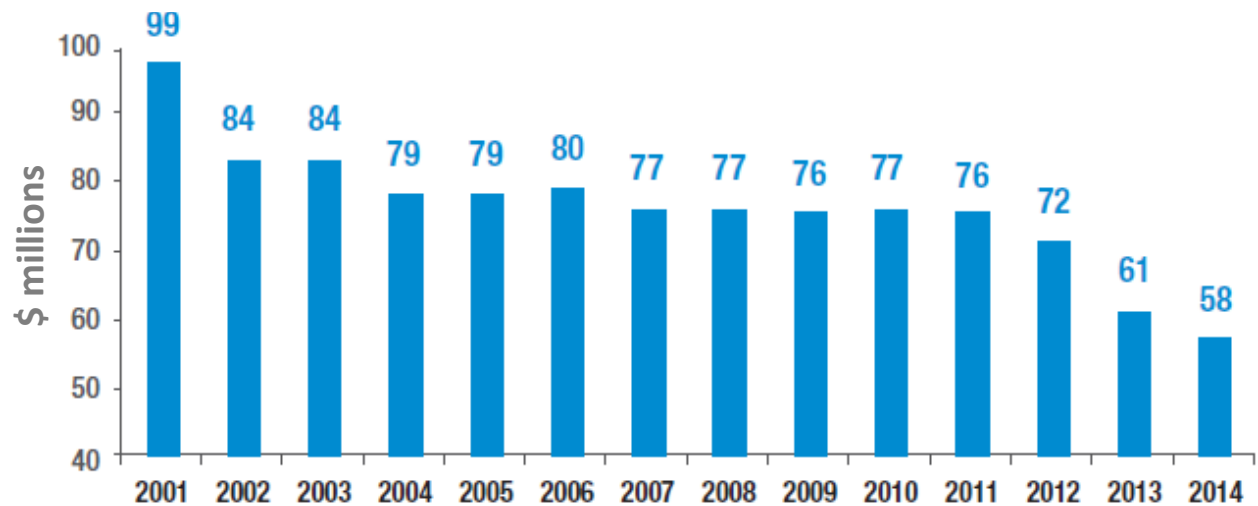


Overseas* travellers spend **\$1,459** per trip to Canada

*Average spend per traveller from the CTC's key markets (excluding the US) per overnight trip to Canada in 2011 (source: International Travel Survey 2011, Statistics Canada).

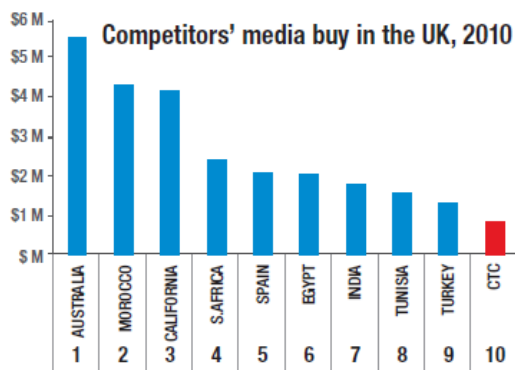
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CTC base funding levels



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CTC's smaller budget is making Canada less able to compete effectively



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Opportunities

tools that help
us succeed

**Marketing
helps drive
visitation**

58%
of the decision to visit
Canada is driven by the
tourism brand*

* Interbrand study



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A strong *national* brand is critical

International travellers' awareness of destinations



Global Tourism Watch surveys, 2011
administered by Harris Decima.

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2012

1	Canada	
2	Australia	
3	Sweden	
4	Switzerland	
5	Norway	
6	New Zealand	
7	Finland	
8	Denmark	
9	Austria	
10	Netherlands	

2012 Global Country RepTrak™

✓ Canada is the **#1** country overall (for the second year in a row)

✓ Canada is the **#1** most recommended country to visit

REPUTATION INSTITUTE

"A strong country reputation builds stakeholder support, making Canada a country people will recommend as a place to visit, invest in, live in and work in."

--Nicolas Trad, Managing Partner, Reputation Institute



Visit	
Canada	82.42
Australia	82.29
New Zealand	79.88

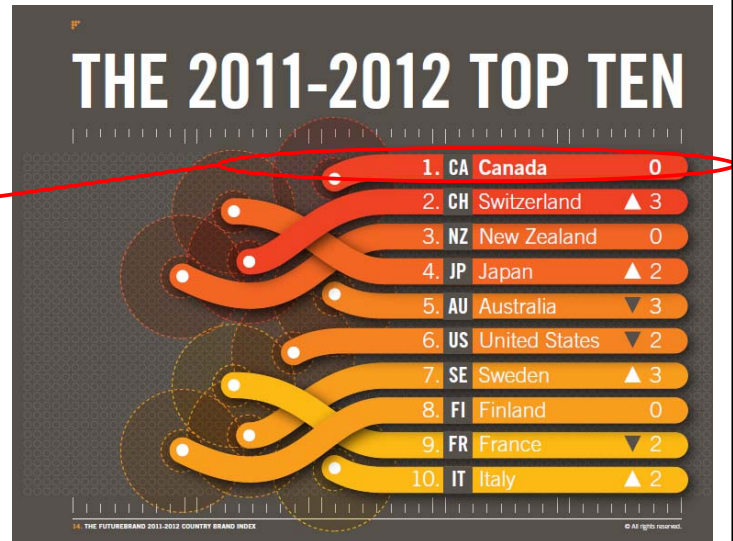
"...is a country I would recommend visiting"

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2011 FutureBrand Country Brand Index



- Canada has the **#1** country brand overall (for the second year in a row)



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Brand Canada

explorez sans fin
Canada
keep exploring



How much impact does CTC make?

Without CTC's performance, Canada would have seen a decline in 8 of its key markets last year instead of just 3

Growth in international overnight visits to Canada (% change 2010/11)*

CTC key market	Actual market performance	Market performance <i>without</i> travellers converted by CTC
UK	-6%	-19%
Germany	-8%	-23%
France	+3%	-15%
Australia	+7%	-2%
China	+23%	-6%
S Korea	-11%	-25%
Mexico	+7%	-4%
Brazil	+5%	-1%

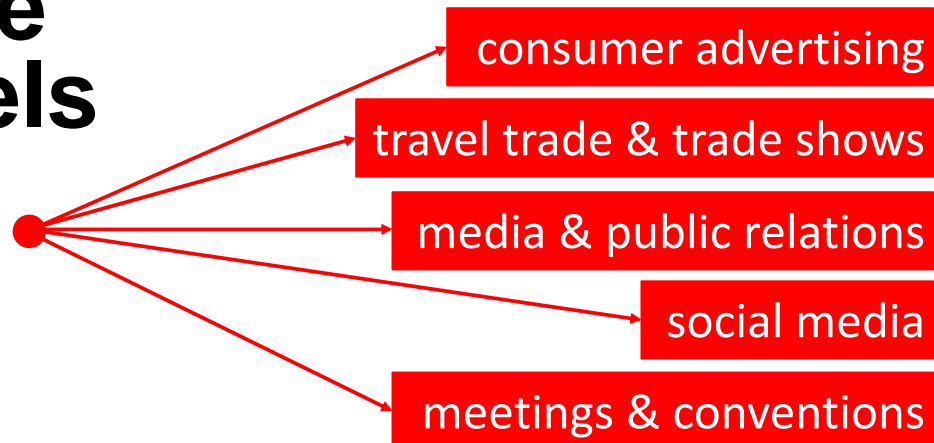
*Estimates based on StatsCan ITS and independent 2011 ad tracking and conversion results.

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Marketing channels & tools for industry

how we get the message out

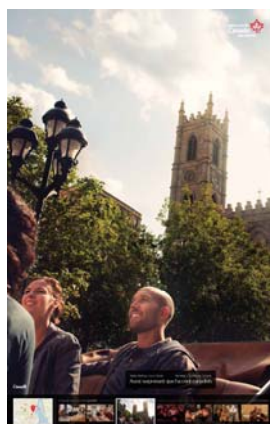
Multiple channels



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Consumer advertising

getting out directly to the consumer through paid media – broadcast, print, e-marketing



At 06:52 in Canada, you could be fossil spotting in a dinosaur graveyard.

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Travel trade

getting travel agents and tour operators to sell Canada...partnerships include:



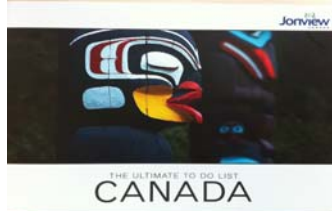
Paro um conto de fadas, mas é de verdade.



point of sale ads
(in retail shops)



training & FAM tours



sales books



co-op campaigns

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Trade Shows

bringing Canadian tourism sellers face to face with international buyers and media

These are the shows we host:

GoMedia Canada
Rendez-vous Canada
GoMedia Mexico
Conozca Canada Mexico
Canada Media Marketplace US
Showcase Canada-Asia Japan, China, India, S.Korea
Showcase Canada-Brazil
Canada Corroboree Australia



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Media & PR

don't just have CTC talk about Canada, but get others to



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Social Media

platforms for real travellers to provide us that powerful 'advocacy'

explore
Canada like a local



From Toronto to Niagara Falls

Where else can you experience a natural wonder of this magnitude within an hour's drive of a major metropolitan area? Transition seamlessly from the energy of the city to the raw power of Niagara's rushing waters and still make it back to Toronto in time for dinner.

Created by Explore like a local

Add all spots to My list

- Canada's Wonderland**
I like this theme park. There's this one ride you stand up on. No rush to it, but it's different and fun.
5645 Check-ins | Tip from TJ via Foursquare
- Metro Toronto Zoo**
Taking pictures here are great! Lol
3279 Check-ins | Tip from Adriane O. via Foursquare
- Royal Ontario Museum**
Just testing this out really.
5137 Check-ins | Tip from Lotus L. via Foursquare
- Ontario Science Centre**
Get to the Planetarium on level 4 early. Only holds 50 people.
3380 Check-ins | Tip from Ray S. via Foursquare
- Saint Lawrence Market**
You don't have to buy anything to enjoy the Saint Lawrence Market. Might sound strange to recommend a market ...
11179 Check-ins | By MacCamack via Local Knowledge

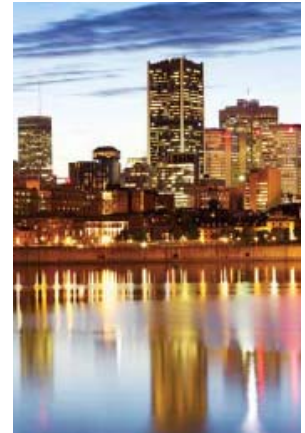
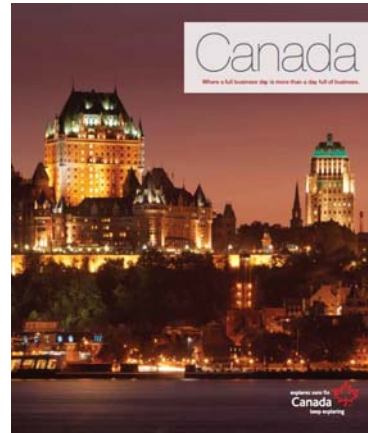
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MC&IT

going after the business traveller –
drawing meetings, conventions and
incentive travel to Canada



CTC has a team of dedicated
sales agents in Canada & US



8月21日-24日与加拿大旅游局相会于
洛杉矶美国经理人协会大会

► 更多



加拿大唯一从海岸到海岸的会议和大会
专用场所。

► 更多



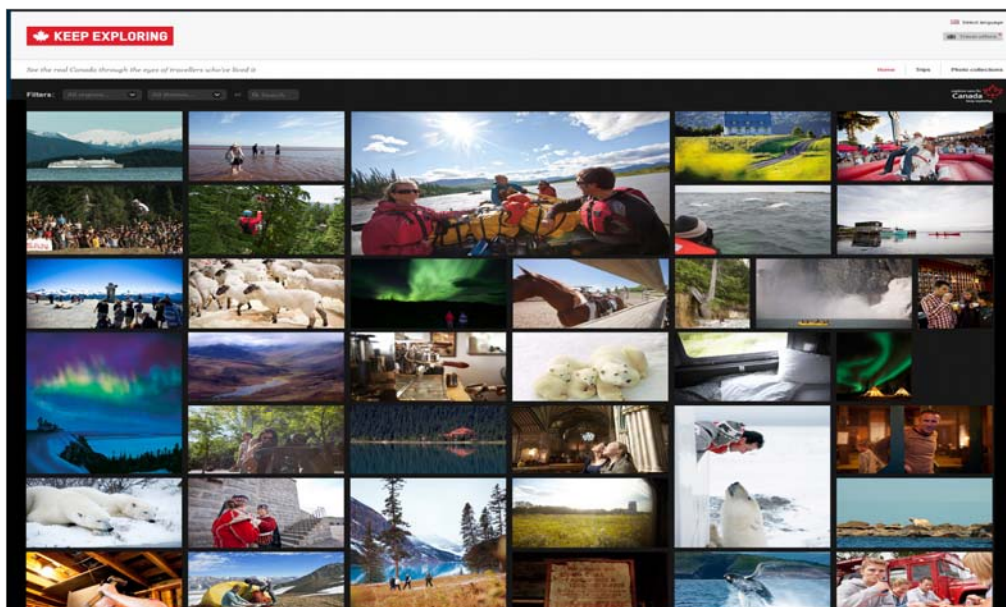
请着最新的体验，为您团队的成功奠定
基础

► 更多

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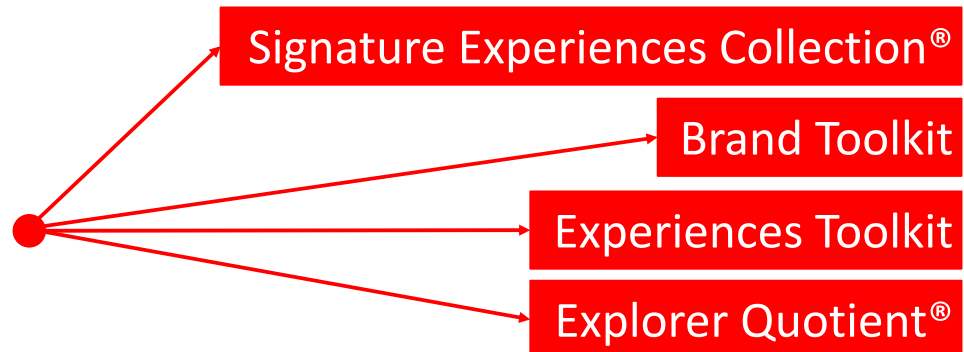
keepexploring.canada.travel

new consumer site – inspiration and information for the traveller



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Tools to help the industry succeed



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Signature Experiences Collection®

selected from an application-driven process each year, SEC members become the priority pool from which the CTC chooses content for advertising, media and trade activities



What is a Signature Experience?

An immersive, hands-on experiential offering that is aligned with Canada's tourism brand and is unique and differentiated, that engages local people and showcases special places.

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Promoting the “**experience**”

toolkits created for Canada's tourism industry



Brand Toolkit



Experiences Toolkit



EQ Toolkit

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Looking forward...

Future growth and investment for Canada requires a **competitive international strategy**.

We will continue to:

- ✓ **push creative boundaries** to develop exciting, inventive ways to inspire travellers to make Canada their first choice as a tourism destination;
- ✓ **leverage innovative marketing campaigns in lucrative markets** and compete on the basis of our **solid brand appeal**, market and **consumer insights** and strong ties to the **travel trade** around the world; and
- ✓ **focus on the strength of our public and private sector partnerships** to achieve meaningful results for Canada's tourism industry and for all Canadians.

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Corporate site: corporate.canada.travel

Consumer site: Canada.travel



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