The Canadian Vacation Travel Market

Hospitality Newfoundland and Labrador Annual Conference and Trade Show
Gander, 27 February 2014
The Canadian Vacation Travel Market

- **82% of vacation visitors to province are from Canada (May to October)**
- **Source: Non-resident Travel Attitudes and Motivations study, Nov 2013**
  - Understand general travel attitudes, preferences and motivations
  - Understand perceptions of Newfoundland and Labrador
  - Understand travel planning behaviour
- **3 segments**
  - Canadian travellers (1,500)
  - US travellers (500)
  - Past travellers and those interested in travelling to the province (1,050)
## Market Size

<table>
<thead>
<tr>
<th>Region</th>
<th>Potential Travellers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maritimes</td>
<td>1.2 million</td>
</tr>
<tr>
<td>BC</td>
<td>3.1 million</td>
</tr>
<tr>
<td>AB</td>
<td>2.6 million</td>
</tr>
<tr>
<td>MB/SK</td>
<td>1.5 million</td>
</tr>
<tr>
<td>QC</td>
<td>5.0 million</td>
</tr>
<tr>
<td>ON</td>
<td>8.5 million</td>
</tr>
</tbody>
</table>

22 million potential vacation travellers in Canada
Canadian Travellers by Age

18-24: 11%
25-34: 16%
35-44: 16%
45-54: 22%
55-64: 17%
65+: 17%

Vacation travel market dominated by 45+ year olds
Other Market Characteristics

- 2.6 people, on average, per household
- 25% with children under 18 at home
- 50% with min. of university degree
- 29% with incomes greater than $100,000
- 13% have friends or relatives in NL
- 83% were born in Canada
- 11% immigrated more than 15 years ago
- 6% immigrated less than 15 years ago
Vacation Travel

Travel Incidence (past 3 years)

<table>
<thead>
<tr>
<th>No trips</th>
<th>1 trip</th>
<th>2 trips</th>
<th>3-4 trips</th>
<th>5-9 trips</th>
<th>10+ trips</th>
</tr>
</thead>
<tbody>
<tr>
<td>6%</td>
<td>19%</td>
<td>19%</td>
<td>22%</td>
<td>25%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Likely to Travel for Vacation (next year)

<table>
<thead>
<tr>
<th>Definitely</th>
<th>Very likely</th>
<th>Somewhat Likely</th>
<th>Not very likely</th>
<th>Not at all likely</th>
</tr>
</thead>
<tbody>
<tr>
<td>52%</td>
<td>28%</td>
<td>14%</td>
<td>5%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Over half of potential travellers do travel in a given year.
Top Vacation Destinations Visited

US, Canada are most popular vacation destinations

% of those who took a trip in past 3 years
Top Canadian Vacation Destinations

% of those who took a trip within Canada in past 3 years

BC, ON are favourite Canadian vacation destinations
Travel to Newfoundland and Labrador

Over one quarter of Canadian travellers have visited the province.

- 17% Visited for VACATION
- 9% Visited for other reasons
- 71% Have never visited
Factors Impacting Out-of-Province Travel

- **Can’t afford it**: 1/2 of those unlikely to take an out-of-province vacation trip
- **No time / too busy**: 1/4
- **Personal reasons**: 2 in 10
- **Prefer to spend on other things**: More than 1 in 10

Affordability is the top concern for Canadians limiting out-of-province vacation travel.
Canadians have diverse vacation travel preferences

- **Look for bargains**: 47% - Look for bargains
- **Travel arrangements made in advance**: 53% - Vacation is a time to splurge
- **Several short vacations**: 24% - Spontaneous decisions at destination
- **Summer vacations only**: 29% - One or two long vacations
- **Set own itinerary**: 47% - Year-round vacations
- **Seek new destinations**: 30% - Inclusive package vacation
- **Extend business trips for some vacation activities**: 26% - Go back to favourite place
- **Go on winter vacations**: 12% - Separate business and vacation travel
- **Go on winter vacations**: 54% - Sun destinations
Important Vacation Travel Experiences

- 66% Pleasure walking
- 65% Historic sites/attractions
- 61% Experiencing local culture/heritage & connecting with local people
- 54% Culinary experiences/festivals
- 52% Local festivals/events
- 52% Scenic driving tours
- 48% City experiences
- 47% Local artisan products and crafts
- 43% Museums, galleries, exhibits
- 42% Nature & Wildlife

Connecting with the destination is important
Top of Mind Vacation Destinations

Mexico  Florida  Europe  Hawaii  California  New York City  United States

Australia  Las Vegas  Quebec  Caribbean  England  Vancouver  Italy

Newfoundland  New York City  Canada  Florida  British Columbia  Dominican Republic  United States

Montreal  France  New York City  British Columbia  England  California  Italy
Potential for Newfoundland and Labrador

22 million potential travellers

12.6 million INTERESTED in visiting

2.9 million LIKELY to visit in next 5 years

Top Source Markets:

1.4 M
0.5 M
0.4 M

Market potential supports continued tourism momentum in the province
Impact of Advertising

Awareness of NL advertising among Canadian travellers 53%

Increased INTEREST in visiting

Increased LIKELIHOOD of visiting

Among those who have seen or heard advertising

Increased ACTUAL visits

Among those who were considering a trip

Advertising creates market momentum
Associations with Newfoundland and Labrador as a Vacation Destination

- St. John’s
- Gros Morne
- L’Anse Aux Meadows
- Whale Watching
- Ocean Adventures
- Ocean/Coastlines
- Local Culture
- Parks
- Nature
- St. John’s
- Fishing
- Hunting
- UNESCO Sites
- Nature
- Picturesque Scenery
- Whale Watching
- Wildflowers
- seascape
- Hiking
- History
- Wildlife
- Remote
- Whale Watching
- Music
- Lighthouses
Conclusion

- Healthy Canadian travel market, with high demand for vacation travel

- Competition for mind share and selection is tough among vacation destinations

- Experiences connecting the traveller to the destination are very important for vacation destination selection

- High levels of advertising awareness and interest in travelling to the province create market momentum

Province is well positioned to take advantage of the Canadian travel market
THANK YOU!