Travel Intentions Study Report
Summer '05 Intentions

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Presented to:

Ontario Ministry Of Tourism And Recreation

Ontario Tourism Marketing Partnership Corp.

June 29, 2005

tns canadian facts

the sixth sense of business™

Background

- This study is intended to measure intent to travel to Ontario and specific Ontario destinations within key US and domestic markets.
- Information will be used to:
  - gauge the impact of negative events on travel to Ontario;
  - forecast demand to assist with industry planning;
  - provide information to assist with messaging and targeting of promotional communications and other marketing initiatives.
- This presentation focuses on findings in the following areas:
  - gauging Summer demand for Ontario as a travel destination in key domestic and US markets;
  - obtaining an early perspective on Fall travel intention;
  - understanding the factors affecting demand;
  - highlighting shifts in impressions of Ontario that have occurred over time;
  - examining issues related to possible new passport requirements for travel between Canada and the U.S.

Methodology

- Interviewing was conducted by telephone among individuals 18 years or older.
- The survey for this sixth wave was essentially confined to the month of May, 2005. This follows five seasonal waves conducted in 2003/2004 and in February 2005.
- A stringent methodology was used:
  - modified random digit dialing using a seed sample drawn from up-to-date telephone listings;
  - Multiple callbacks (up to 8 calls to achieve a completion once contact is made with the household);
  - One additional callback to “soft” refusals.

Methodology (Cont'd)

- The Trodahl-Carder methodology was used to select a single age-eligible respondent to interview in each household.
- The sample was assigned disproportionately by market as follows:

Canada:	Assigned	Achieved In Wave 6
Toronto CMA	400	413
Ottawa CMA	200	191
Hamilton CMA	80	80
Ontario 100 – 499M	180	196
Ontario 30 – 99M	80	88
Ontario 10 – 29M	60	63
Ontario under 10M	100	90
Montreal CMA	300	344
Quebec City CMA	200	201
Winnipeg CMA	300	307

Methodology (Cont'd)

	Assigned	Achieved In Wave 6
United States:		
Rochester MSA	300	308
Buffalo — Niagara Falls MSA	300	288
Syracuse MSA	200	194
New York City PMSA	181	179
Nassau — Suffolk PMSA	43	43
Other NY State	87	69
Chicago PMSA	230	222
Other Illinois	70	74
Indianapolis MSA	90	91
Other Indiana	55	53
Boston NECMA	150	145
Mass. Ex-Boston	31	36

Methodology (Cont'd)

	Assigned	Achieved In Wave 6
United States: (Cont'd)		
Detroit PMSA	300	314
Northern Michigan PMSAs/MSAs	84	88
Other Michigan	64	70
Minneapolis—St. Paul UA	200	186
Other Minnesota	41	41
Cleveland—Lorain—Elyria PMSA	200	194
Cincinnati PMSA	100	120
Columbus MSA	104	104
Other Ohio	60	59
Pittsburgh MSA	300	306
Philadelphia PMSA	150	157
Other Pennsylvania	77	78
Milwaukee—Waukesha PMSA	200	202
Other Wisconsin	67	67
Washington DC PMSA	100	107
Maryland Ex. Washington DC	118	107

Methodology (Cont'd)

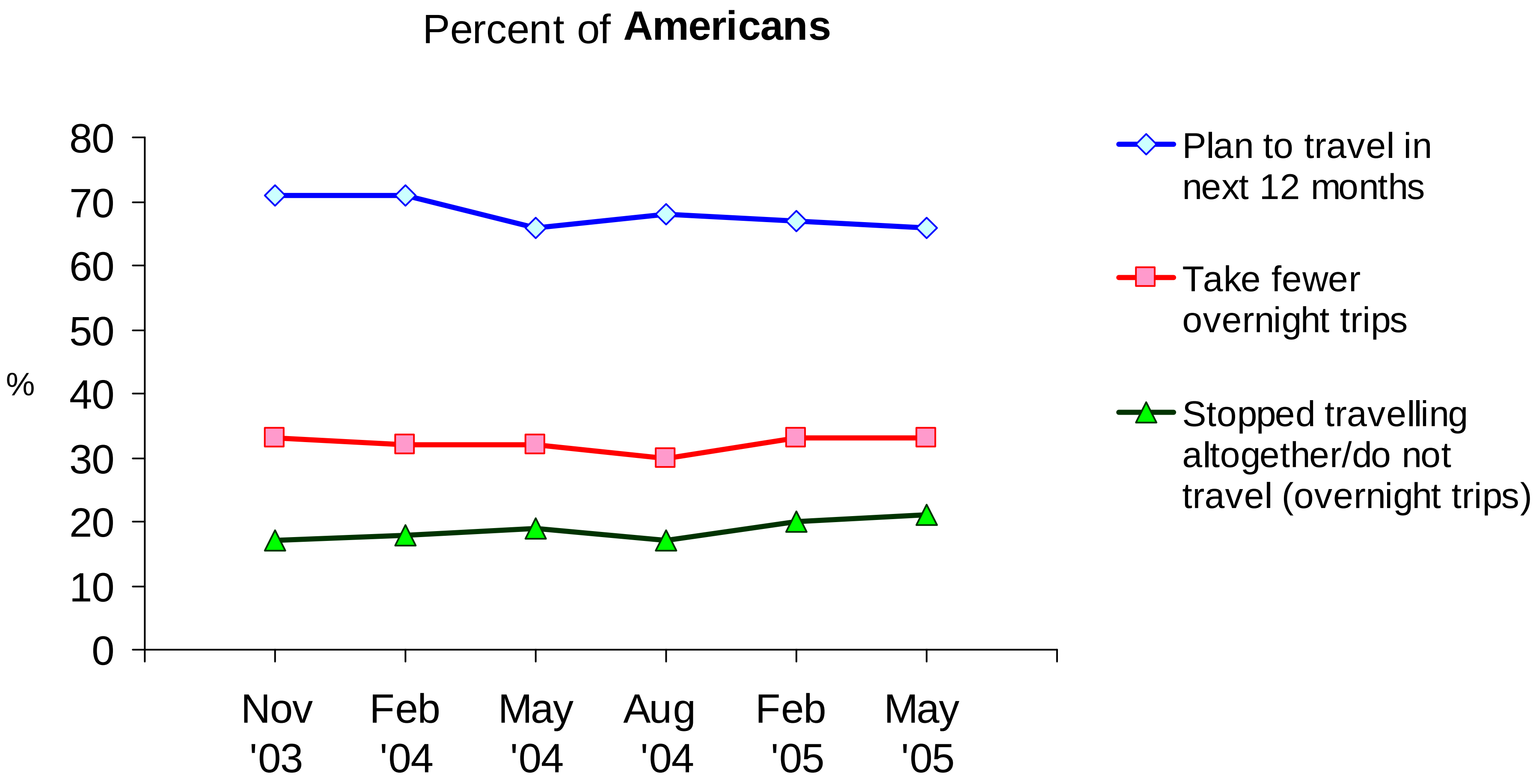
- In total, 5,875 interviews were completed:
  - 1,973 in Canada;
  - 3,902 in the United States.
- As part of data processing, the sample was weighted in three stages using the most recently available census information from each country:
  - household size within market;
  - household conversion weight (to correct for differential selection probabilities within household due to variations in number of age-qualified individuals within each);
  - age within gender within market.

Presentation Outline

- Travel Incidence Trends
- General Travel Attitudes and Planning
- Travel Intentions
  - Next Season and Season After Next
  - By Specific Source Market
  - By Trip Purpose
  - Conferences and Conventions
- Ontario Experience and Interest
- Travel Motivations and Barriers
- Impressions Of Ontario
- Passport Issues

Propensity To Travel & Trip Planning

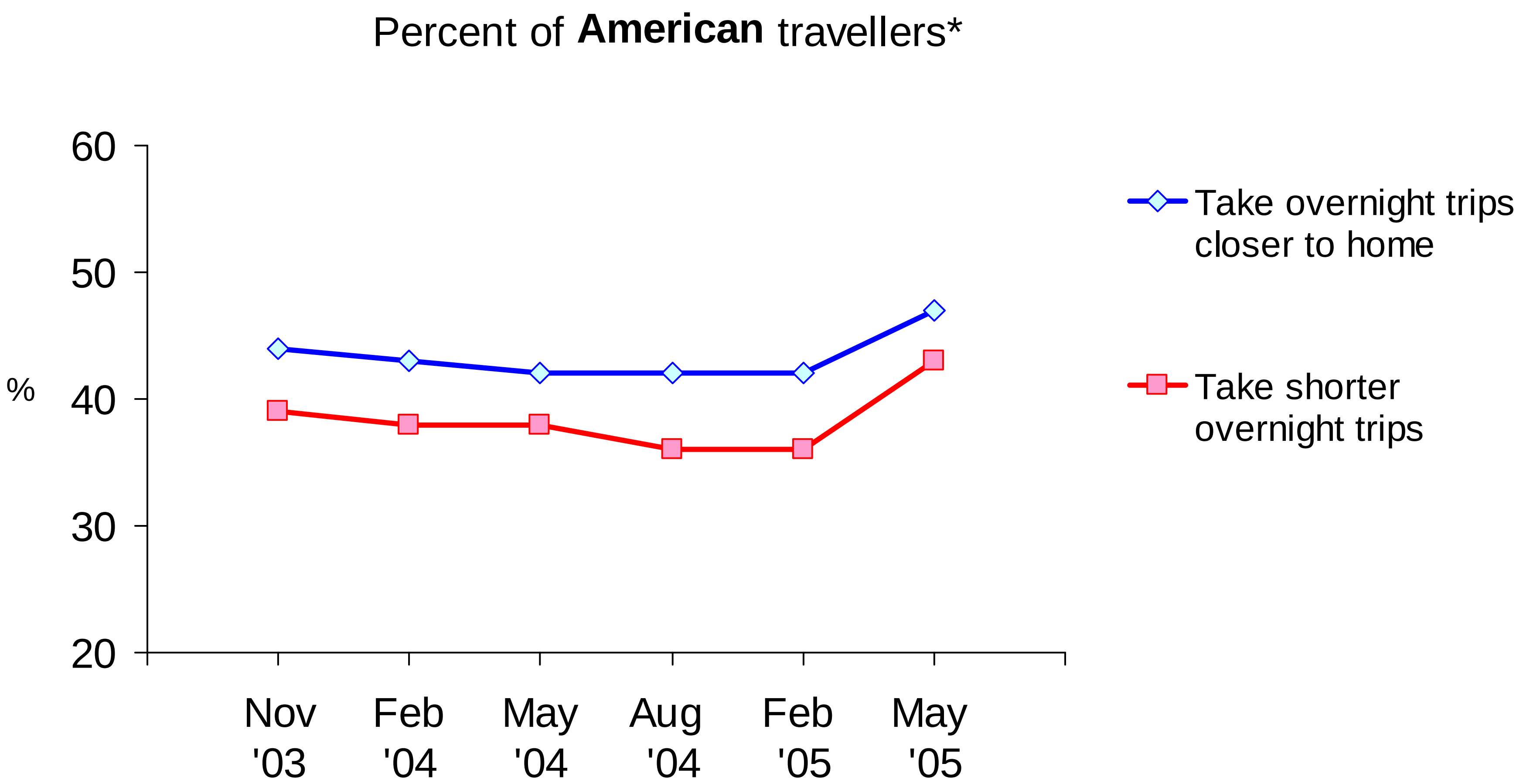
Trend in general travel intentions and propensity to travel



Q. Are you considering taking an out-of-town trip of one or more nights away from home in the next 12 months?

Q. How, if at all, have your travel plans changed over the past two years? Are you inclined to… ?

Trend in duration and distance of overnight trips



* Have taken an overnight trip in the past two years or will take one in the next 12 months.

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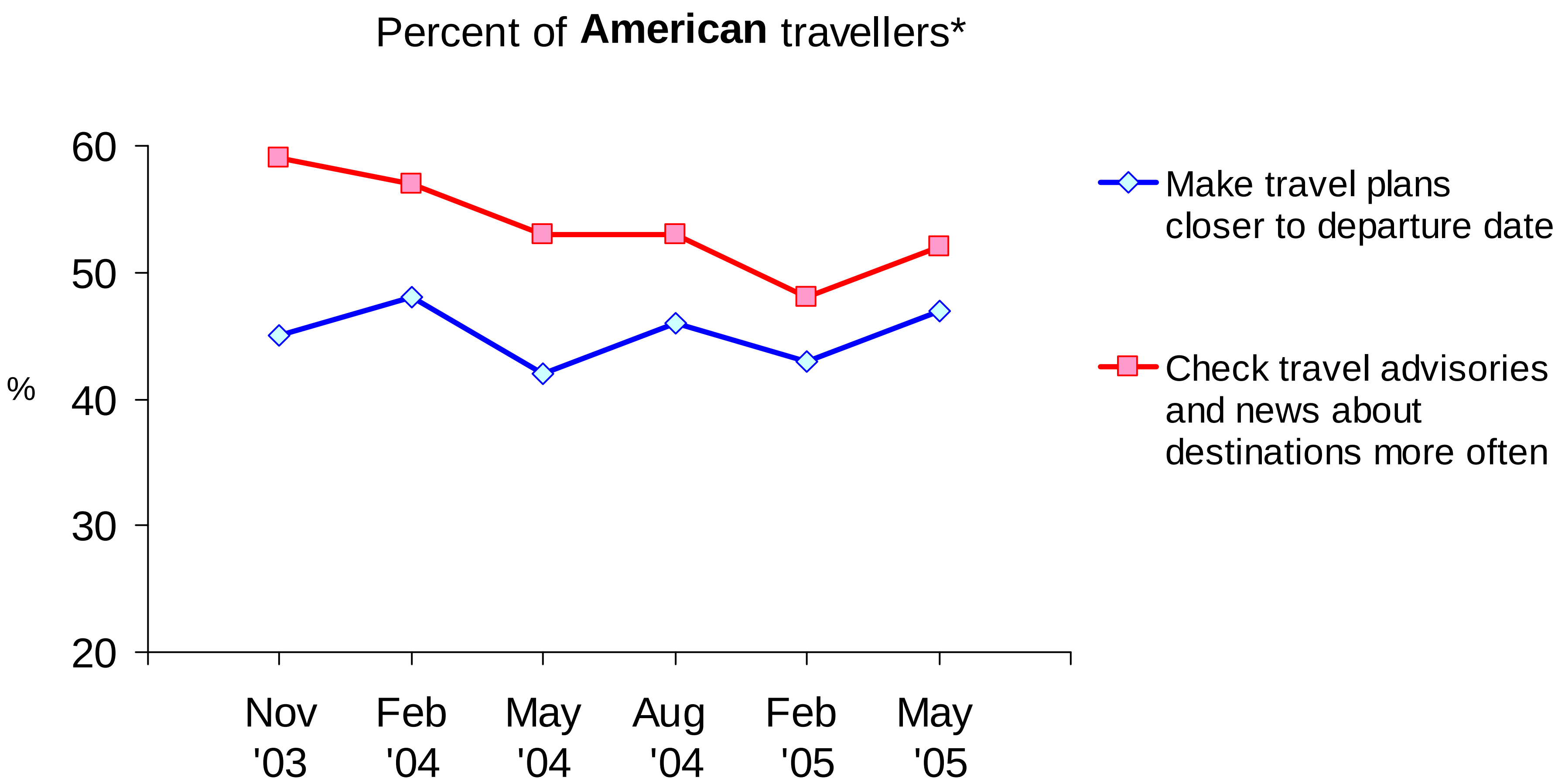
Trend in overnight trip planning



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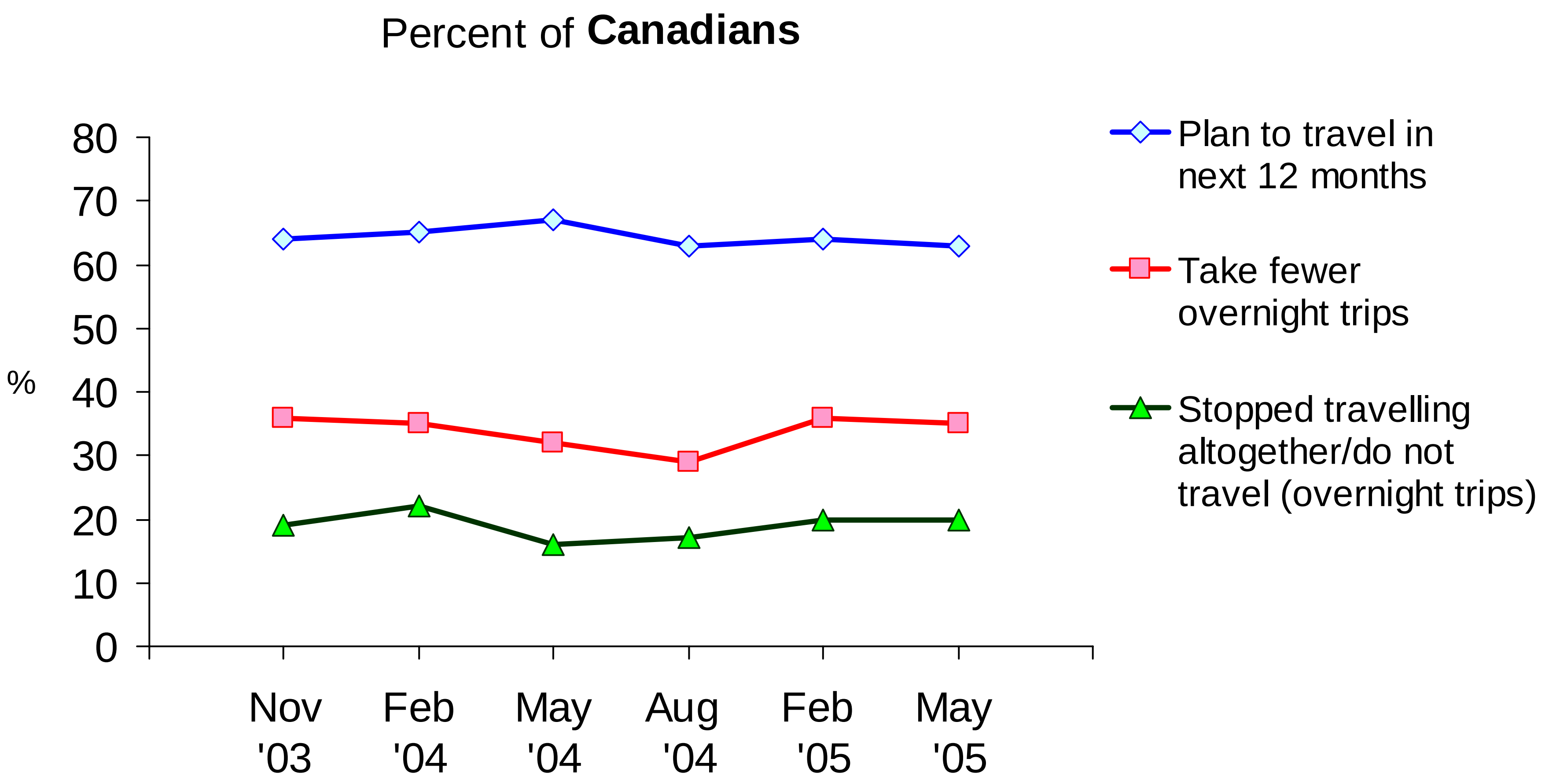
Trend in general travel intentions and propensity to travel



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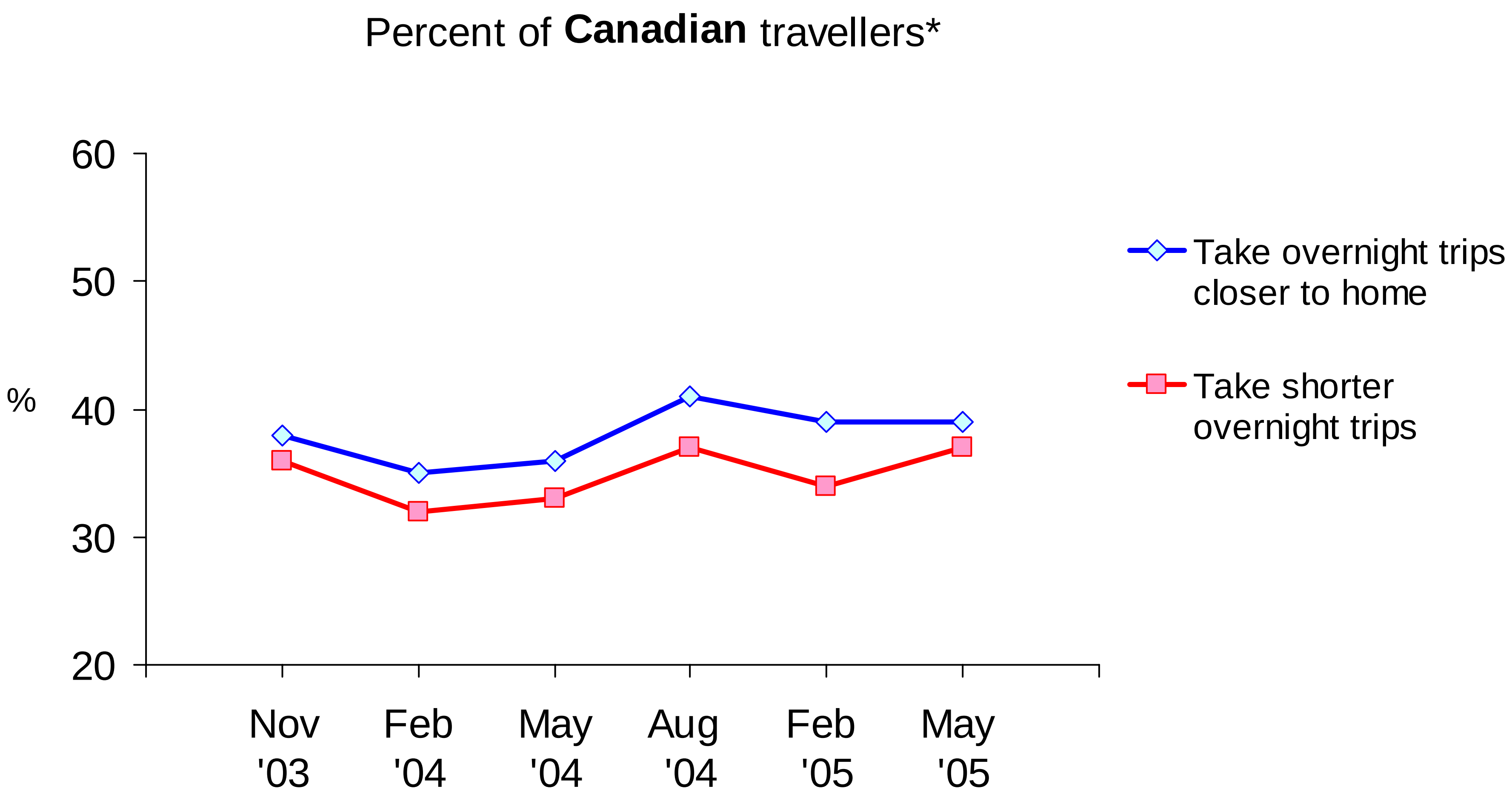

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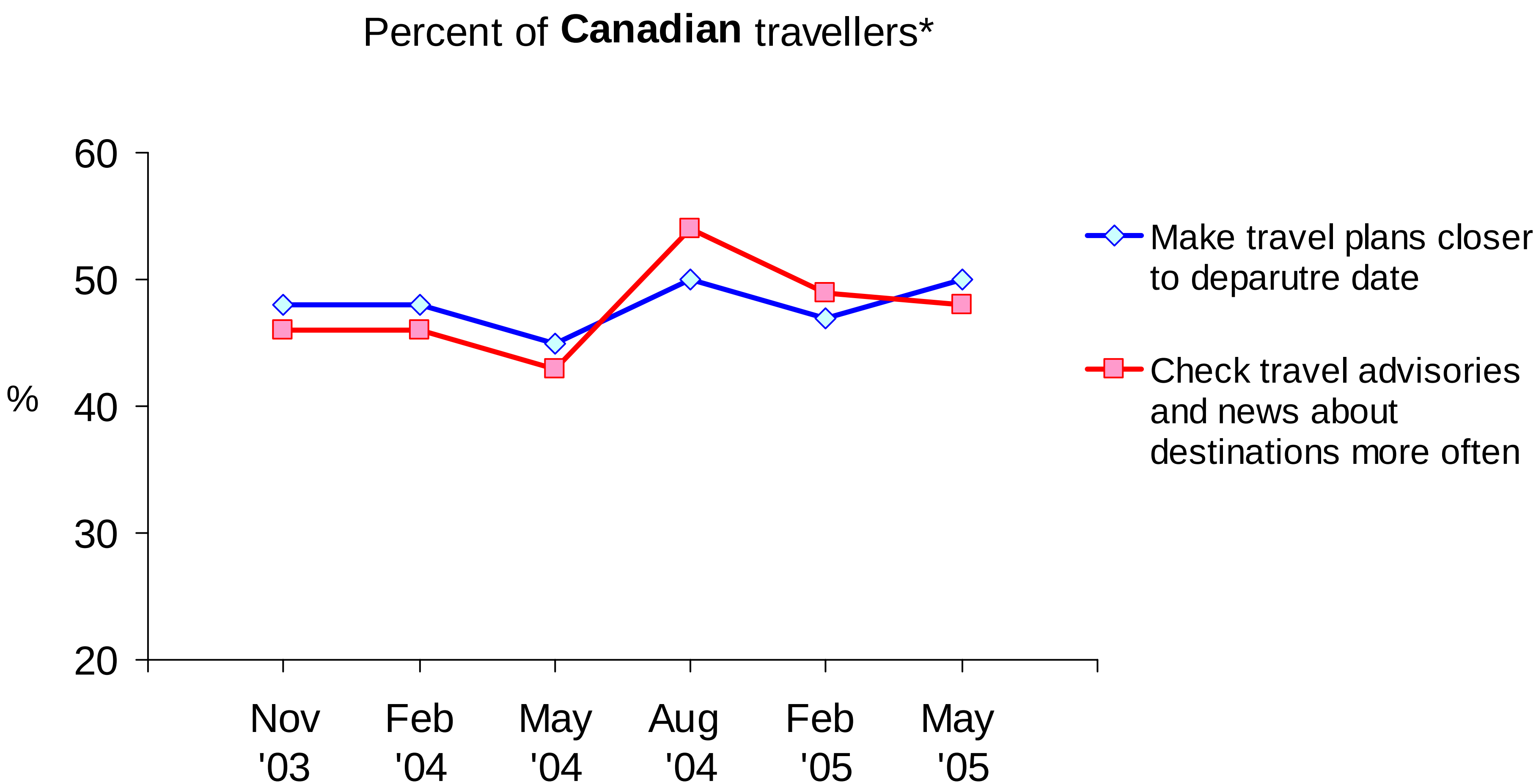
Trend in overnight trip planning



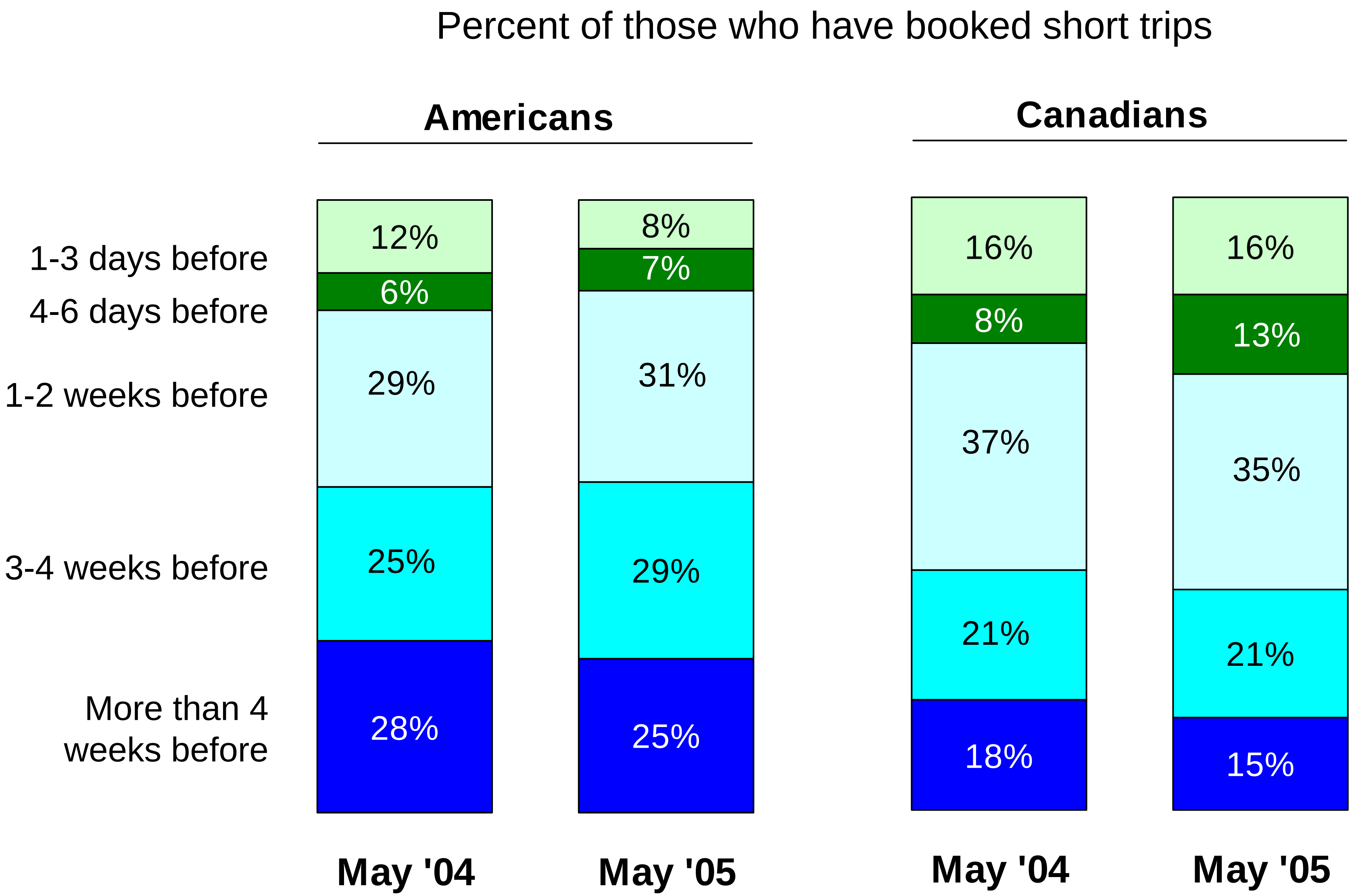
* Have taken an overnight trip in the past two years or will take one in the next 12 months.

Q. How, if at all, have your travel plans changed over the past two years? Are you inclined to… ?

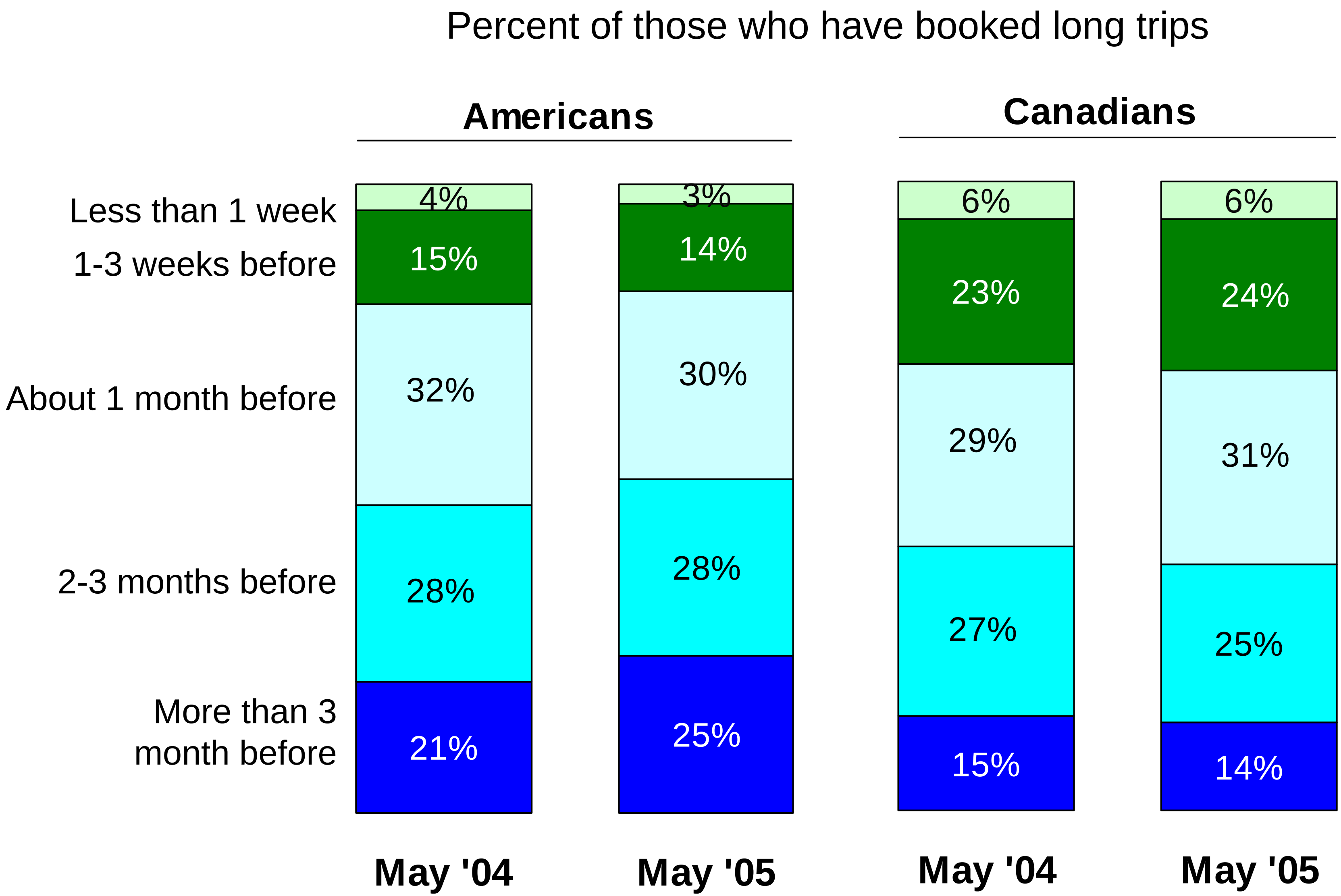
Variations In Travel Propensity (Overnight Trip In Next 12 Months) By Demographics

		Americans May '05	Americans Change Since May '04	Canadians May '05	Canadians Change Since May '04
Age:					
18 – 34	%	66	-1%	66	-5%
35 – 54	%	71	+3%	64	-7%
55+	%	59	±0%	60	+4%
Family Composition:					
Any children 12 or under	%	64	+2%	62	-2%
No children 12 or under	%	66	-1%	64	-4%
Gender:					
Male	%	68	+1%	65	-3%
Female	%	64	±0%	62	-3%
Household Income:					
Under $40,000	%	47	-4%	48	-4%
$40,000 to $99,999	%	71	+2%	69	-1%
$100,000+	%	89	+2%	87	-1%

Planning cycle for overnight trips of short duration — 1 to 3 nights

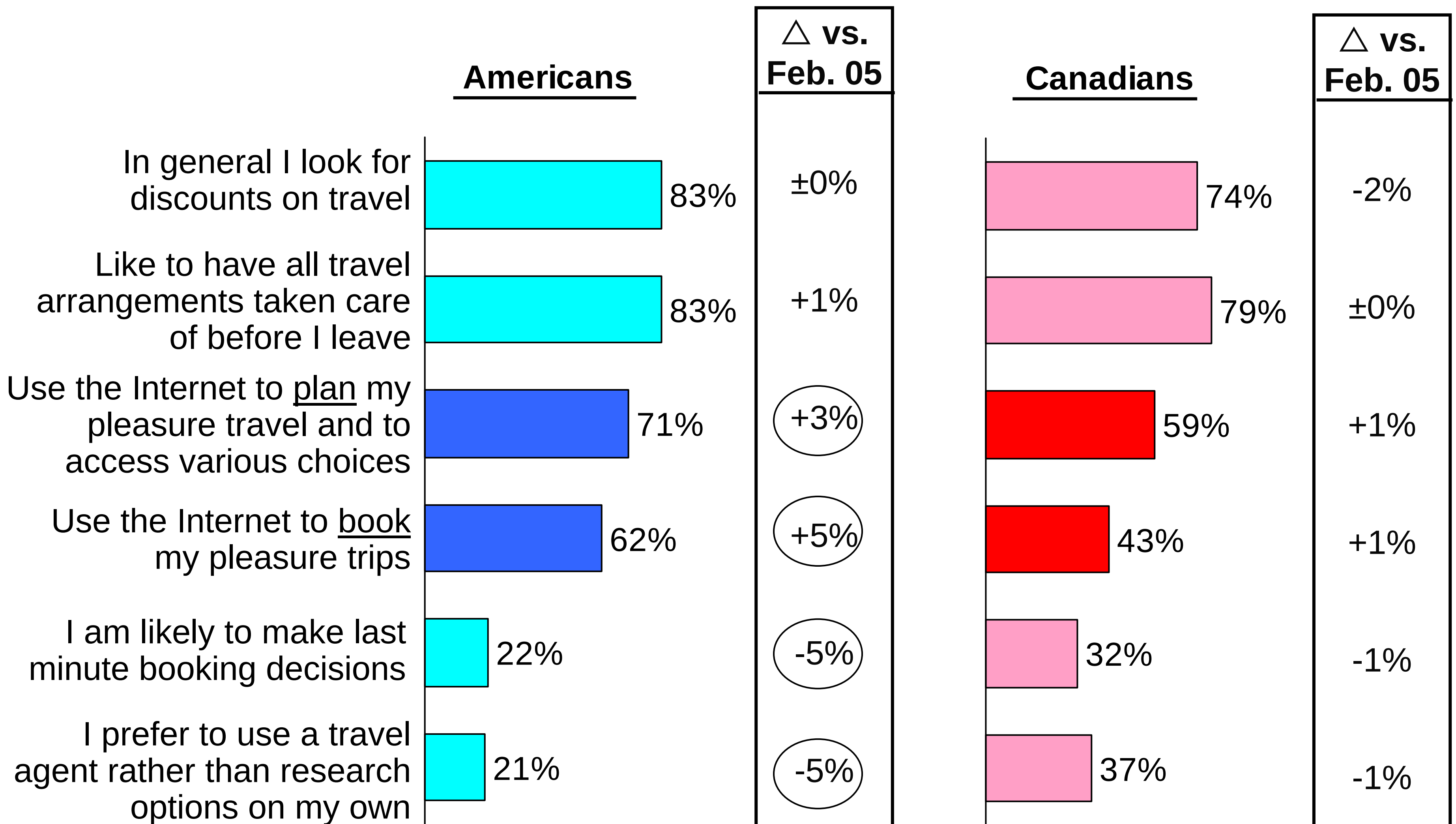


Planning cycle for overnight trips of long duration — 4 nights+



Various aspects considered in planning process for pleasure travel

Percent of travellers — May ‘05



Statistically significant at 95% level of confidence.

Travel Intention Details

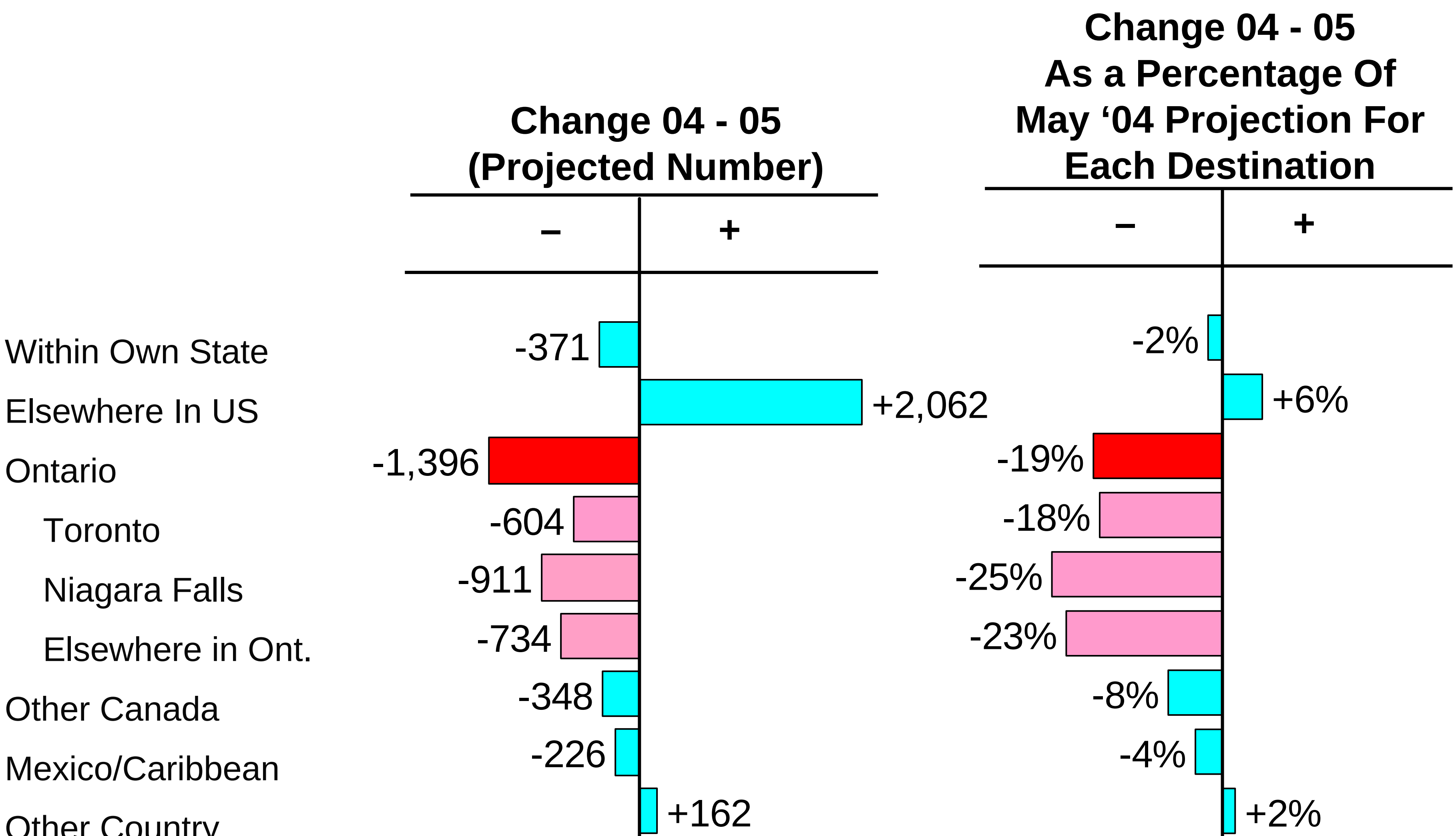
Intended Travel Patterns Of US Residents — **Next Season**

Number of adults claiming overnight trip (thousands)

	May '04 Next Season (June/Aug)	May '04 As % Of Total Adults	May '05 Next Season (June/Aug)	May '05 As % Of Total Adults	Change 04 - 05 (Projected Number) –	Change 04 - 05 (Projected Number) +
Within Own State	22,019	30	21,648	30	-371	
Elsewhere In US	33,062	46	35,124	48		+2,062
Ontario	7,234	10	5,838	8	-1,396	
Toronto	3,295	5	2,691	4	-604	
Niagara Falls	3,674	5	2,763	4	-911	
Elsewhere in Ont.	3,251	4	2,517	4	-734	
Other Canada	4,364	6	4,016	6	-348	
Mexico/Caribbean	5,771	8	5,545	8	-226	
Other Country	6,884	10	7,046	10		+162

Relative Shift In Travel Intent Among US Residents — **Next Season**

Change in number of adults claiming overnight trip (thousands)



Ontario Travel Intention Incidence
By Specific US Market

Percent Of Adults In Each Case Stating…
Intend To Travel To Ontario

		As Of May '04		As Of May '05		June/Aug Projection Change 04 To 05	Sept/Nov Projection Change 04 To 05
		During June/Aug	During Sept/Nov	During June/Aug	During Sept/Nov		
Buffalo	%	35	23	31	14	-4	-9
Rochester	%	36	22	28	11	-8	-11
Syracuse	%	22	16	24	6	+2	-10
New York City	%	12	10	7	4	-5	-6
Pittsburgh	%	9	13	19	5	-4	-8
Detroit	%	23	18	14	10	-4	-8
Cleveland	%	18	3	14	9	+5	+6
Boston	%	6	4	6	2	±0	-2
Washington DC	%	6	6	11	5	+5	-1
Cincinnati	%	7	3	7	4	±0	+1
Milwaukee	%	3	4	9	2	+6	-2
Indianapolis	%	4	2	4	–	±0	-2
Chicago	%	6	11	10	2	+4	-9
Philadelphia	%	11	5	7	2	-4	-3
Minneapolis	%	5	2	9	4	+4	+2
TOTAL US	**%**	**10**	**8**	**8**	**4**	**-2**	**-4**

Statistically significant at 95% level of confidence.

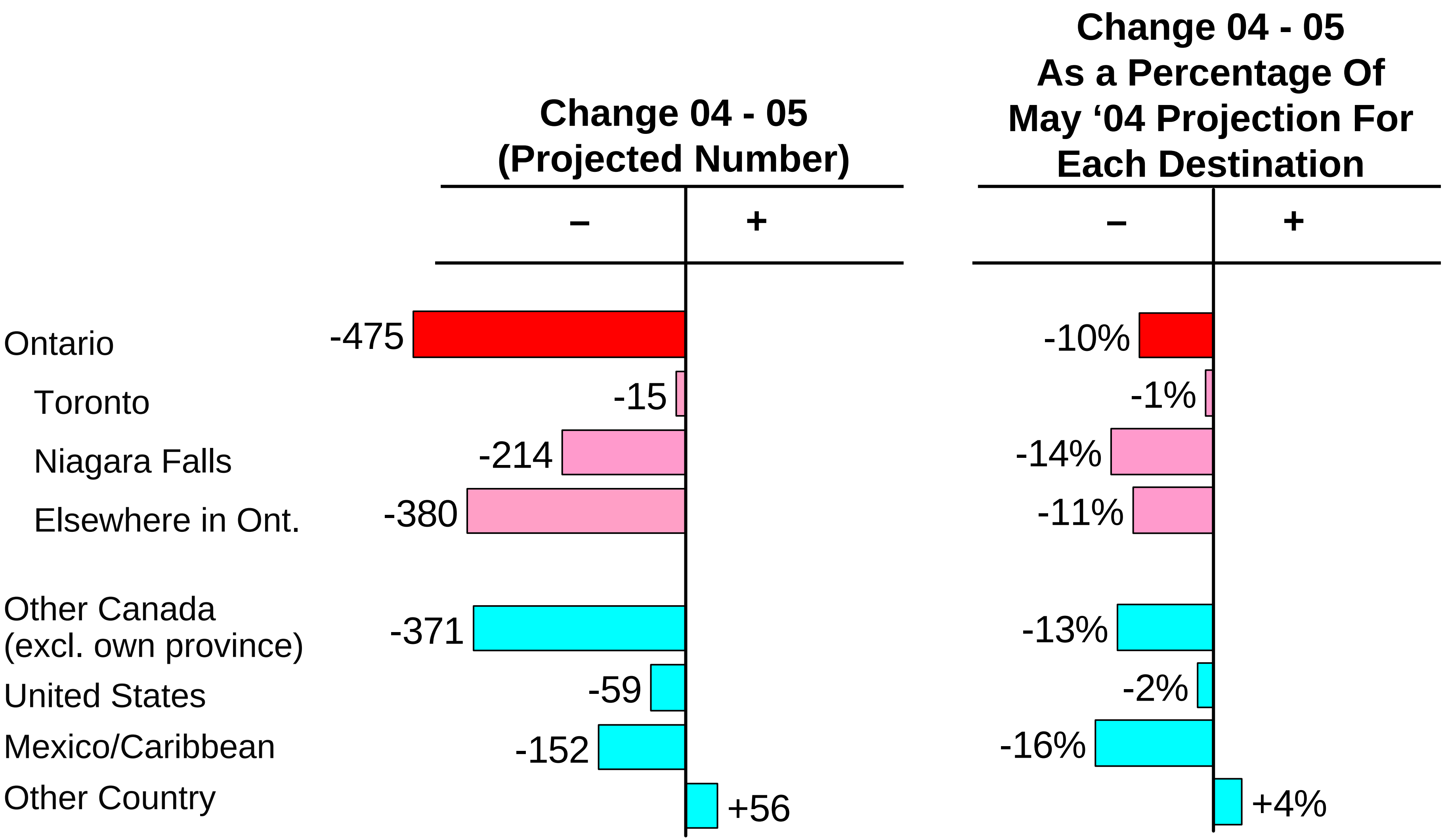
Intended Travel Patterns Of Canadian Residents — **Next Season**

Number of adults claiming overnight trip (thousands)

	May ‘04		May ‘05		Change 04 - 05 (Projected Number)	
	Next Season (June/Aug)	As % Of Total Adults	Next Season (June/Aug)	As % Of Total Adults	–	+
Ontario	4,702	38	4,227	34	-475	
Toronto	1,640	13	1,625	13	-15	
Niagara Falls	1,579	13	1,365	11	-214	
Elsewhere in Ont.	3,456	28	3,076	25	-380	
Other Canada (excl. own province)	2,926	24	2,551	21	-375	
United States	2,904	24	2,845	23	-59	
Mexico/Caribbean	980	8	828	7	-152	
Other Country	1,354	11	1,410	12		+56

Relative Shift In Travel Intent Among Canadians — **Next Season**

Change in number of adults claiming overnight trip (thousands)



Ontario Travel Intention Incidence By Specific Canadian Market

Percent Of Adults In Each Case Stating…
Intend To Travel To/Within Ontario

		As Of May '04		As Of May '05		June/Aug Projection Change 04 To 05	Sept/Nov Projection Change 04 To 05
		During June/Aug	During Sept/Nov	During June/Aug	During Sept/Nov		
Quebec City	%	12	5	16	6	+4	+1
Montreal	%	22	16	27	11	+5	-5
Ottawa	%	46	35	46	28	±0	-7
Toronto	%	36	26	28	19	-8	-7
Other Ontario	%	46	29	42	24	-4	-5
Winnipeg	%	29	19	19	8	-10	-11
TOTAL CANADA	**%**	**38**	**24**	**34**	**18**	**-4**	**-6**

* Excluding trips within GTA among GTA residents.

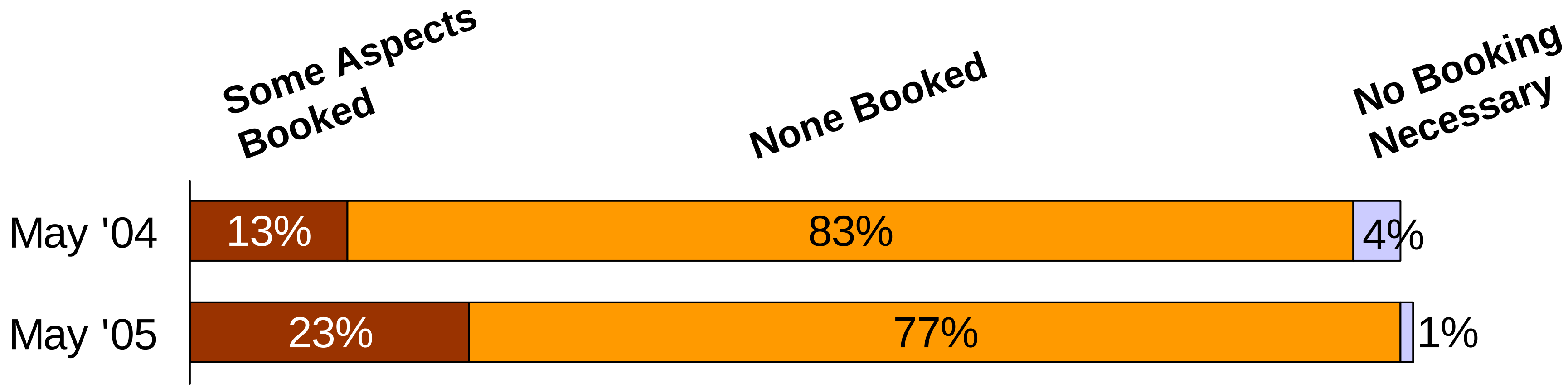
Variations In Ontario Travel Intentions (Next Season) By Demographics

		Americans: May '05	Americans: Change Since May '04	Canadians: May '05	Canadians: Change Since May '04
Age:					
18 – 34	%	9	-1%	34	-7%
35 – 54	%	9	-2%	37	-3%
55+	%	7	-1%	33	+1%
Family Composition:					
Any children 12 or under	%	8	-2%	36	-3%
No children 12 or under	%	8	-2%	34	-4%
Gender:					
Male	%	9	-2%	37	-4%
Female	%	7	-2%	32	-3%
Household Income:					
Under $40,000	%	6	-2%	24	-4%
$40,000 to $99,999	%	9	-2%	39	-3%
$100,000+	%	12	-2%	50	-3%

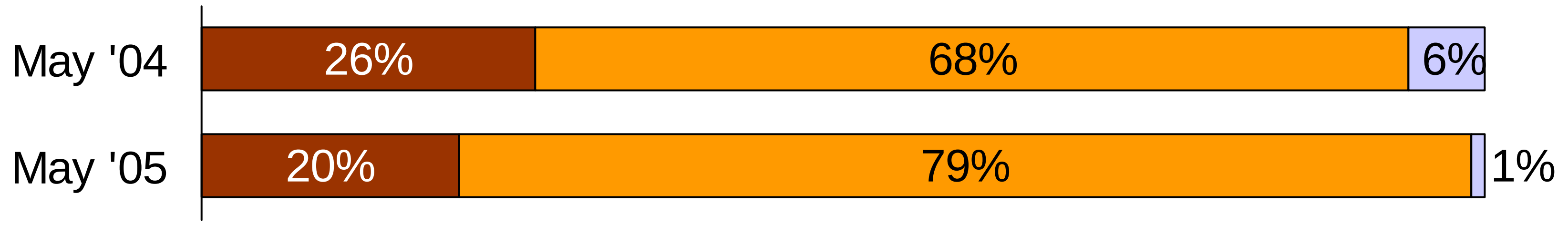
Statistically significant at 95% level of confidence.

Whether any aspect of next Ontario pleasure trip is booked

Percent of **Americans** who plan to take overnight pleasure trip to Ontario in June/Aug



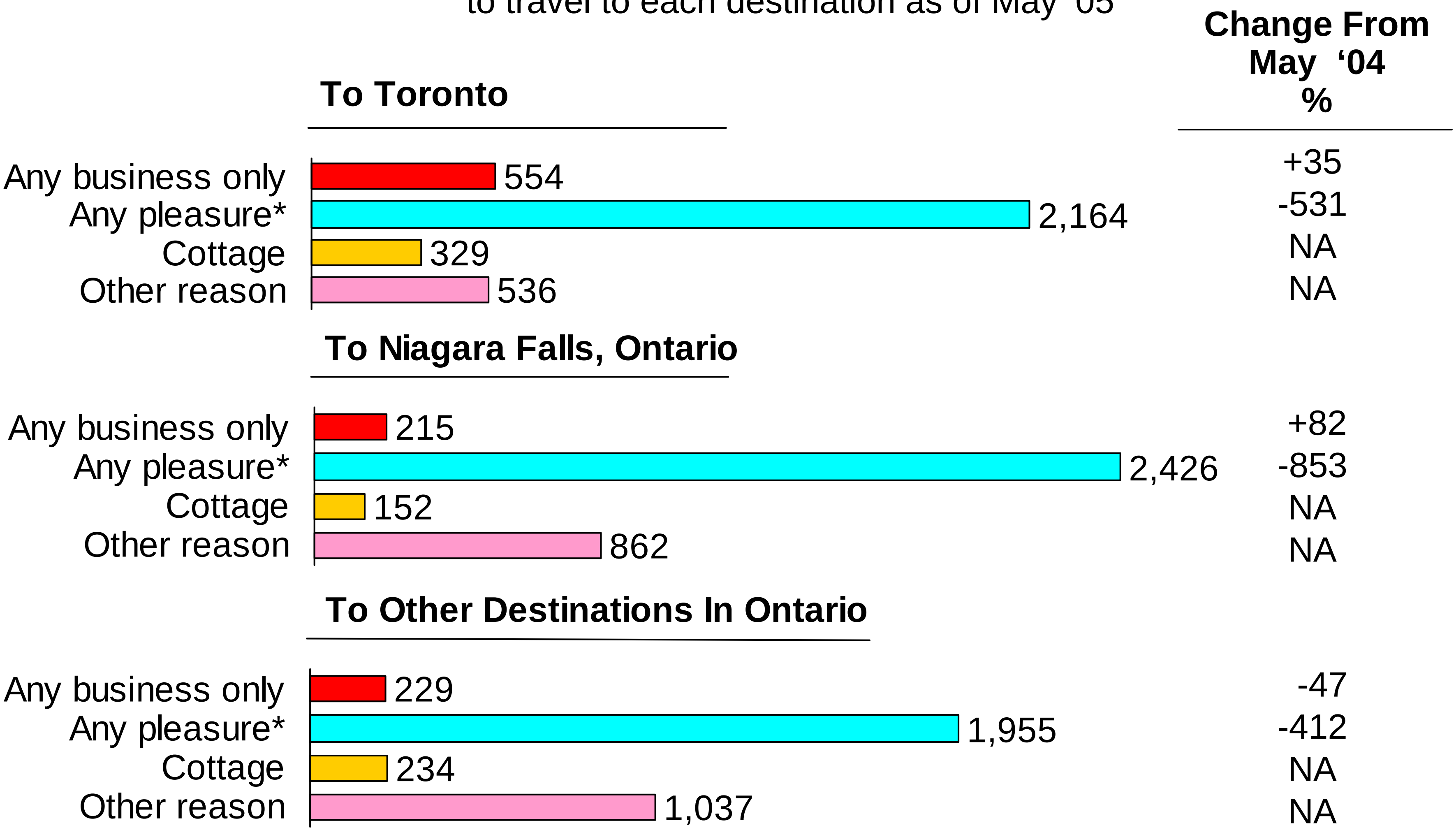
Percent of **Canadians** who plan to take overnight pleasure trip to Ontario in June/Aug



Nature Of Upcoming Trips To/Within Ontario

Main purpose of trips planned to Ontario In June/Aug — Americans

Projected number of **Americans** intending to travel to each destination as of May '05



* Excluding cottage/country home.

Main purpose of trips planned to Ontario In June/Aug — Canadians

Projected number of **Canadians** intending to travel to each destination as of May '05

To Toronto

	Projected number	Change From May '04 %
Any business only	391	+121
Any pleasure	1,246	-141
Cottage	202	NA
Other reason	462	NA

To Niagara Falls, Ontario

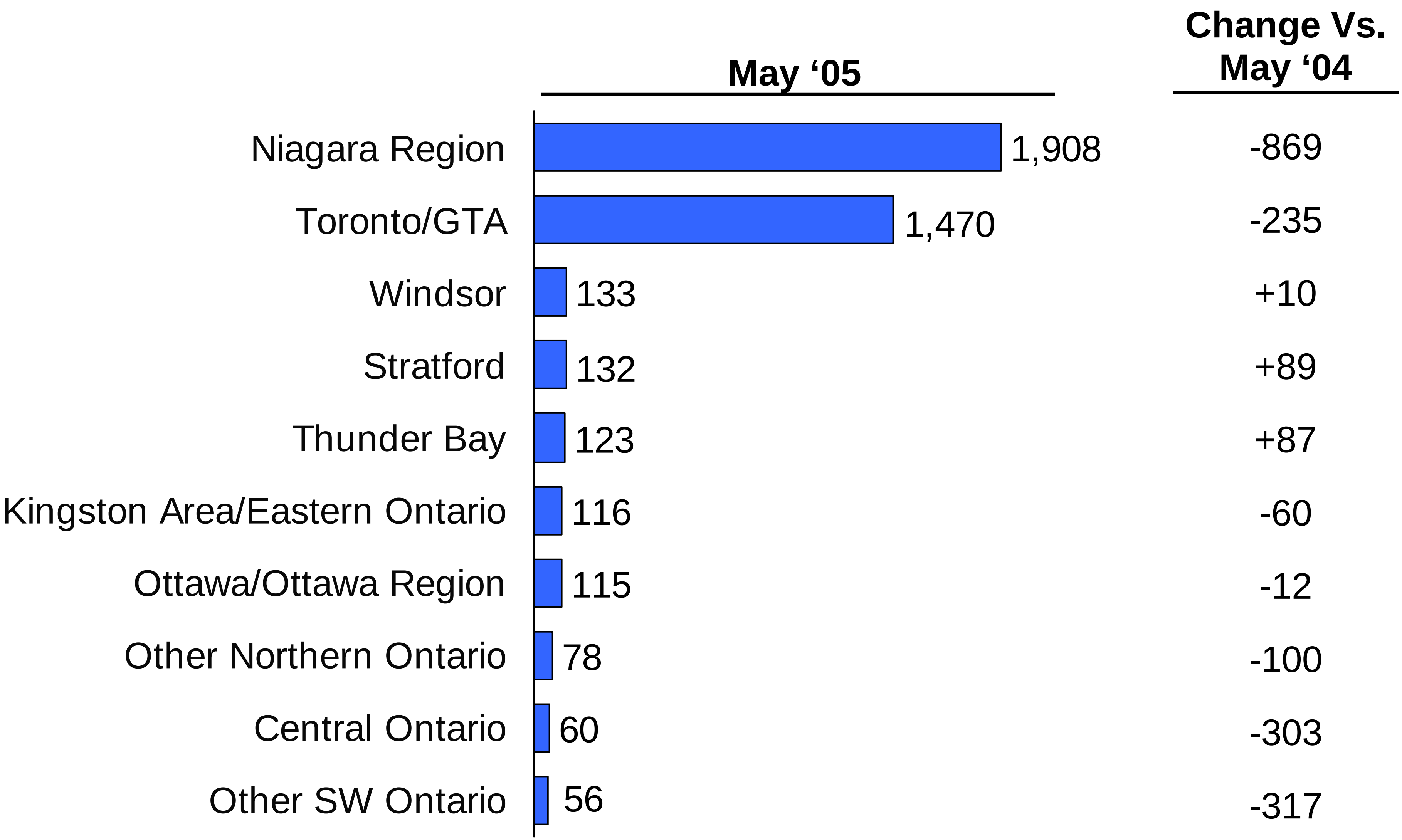
	Projected number	Change From May '04 %
Any business only	78	+15
Any pleasure	1,289	-102
Cottage	164	NA
Other reason	248	NA

To Other Destinations In Ontario

	Projected number	Change From May '04 %
Any business only	455	-59
Any pleasure	2,600	-129
Cottage	947	NA
Other reason	882	NA

Destination Of Next Overnight Pleasure Trip To/Within Ontario (June/Aug '05) — Americans

Number of Americans who intend to travel to each destination (thousands)



Destination Of Next Overnight Pleasure Trip To/Within Ontario — Canadians

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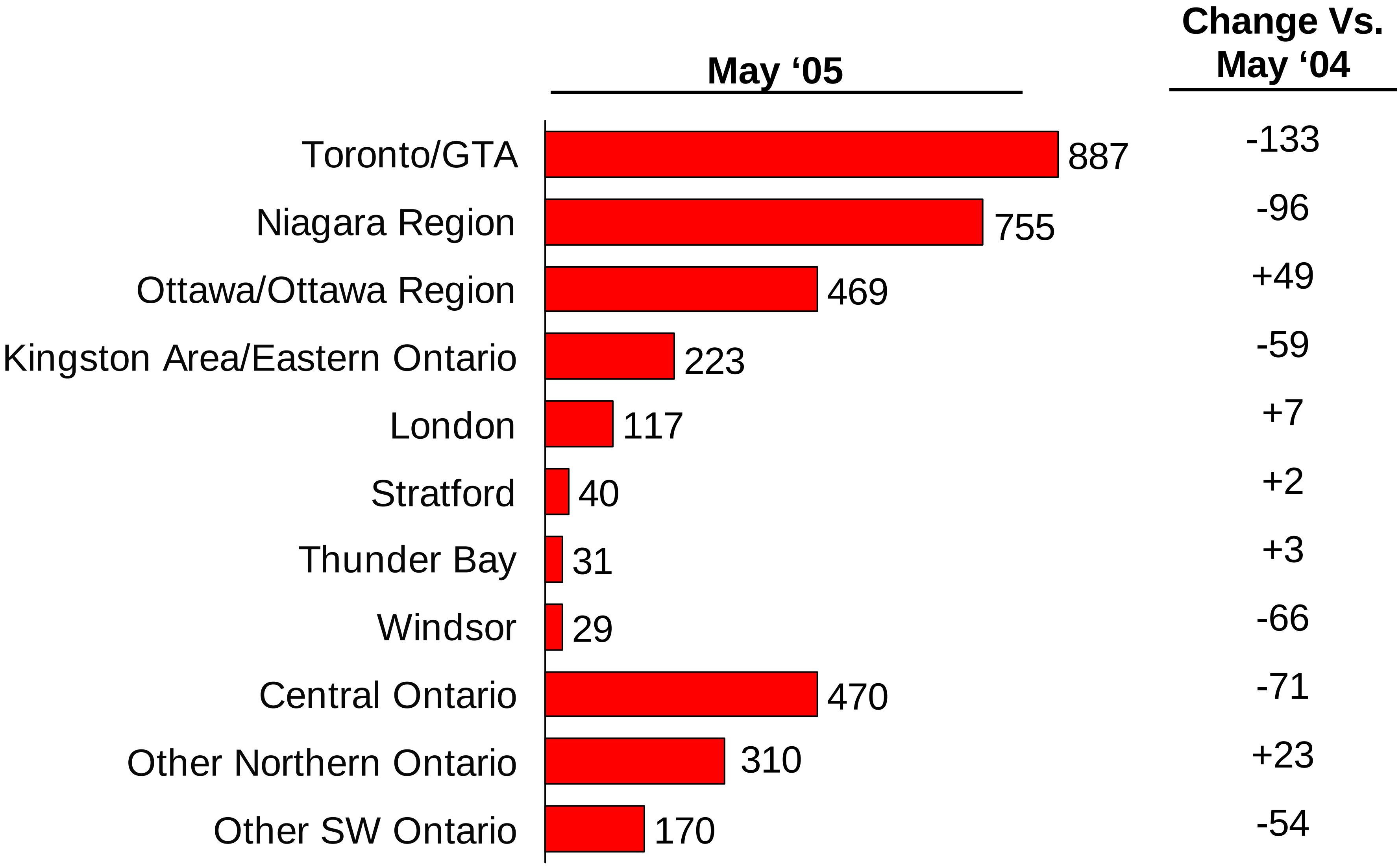


Top 3 Destinations For Next Pleasure Trip To Ontario By Demographics — % Of US Intended Visitors

Households with children 12 or under

Niagara Region	46%
Toronto	23%
Lakes/Cottage	13%

Households without children 12 or under

Niagara Region	35%
Toronto	31%
Lakes/Cottage	9%

18 To 34 Years

Niagara Region	35%
Toronto	29%
Lakes/Cottage	13%

35 To 54 Years

Niagara Region	38%
Toronto	26%
Lakes/Cottage	11%

55 Years+

Niagara Region	45%
Toronto	32%
South western Ont.	6%

Income Under $40K

Niagara Region	45%
Toronto	28%
Thunder Bay	8%

Income $40 - $99.9K

Niagara Region	41%
Toronto	29%
Lakes/Cottage	10%

Income $100K+

Toronto	39%
Lakes/Cottage	22%
Niagara Region	17%

Top 3 Destinations For Next Ontario Pleasure Trip By Demographics — % Of Canadians Intended Visitors

Households with children 12 or under

Niagara Region	28%
Toronto	16%
Ottawa	14%

Households without children 12 or under

Toronto	26%
Niagara	18%
Ottawa	12%

18 To 34 Years

Niagara Region	27%
Toronto	24%
Ottawa	15%

35 To 54 Years

Niagara Region	20%
Toronto	19%
Ottawa	11%

55 Years+

Toronto	30%
Niagara Region	14%
Ottawa	12%

Income Under $40K

Niagara Region	25%
Toronto	24%
Ottawa	10%

Income $40 - $99.9K

Niagara Region	23%
Toronto	22%
Ottawa	14%

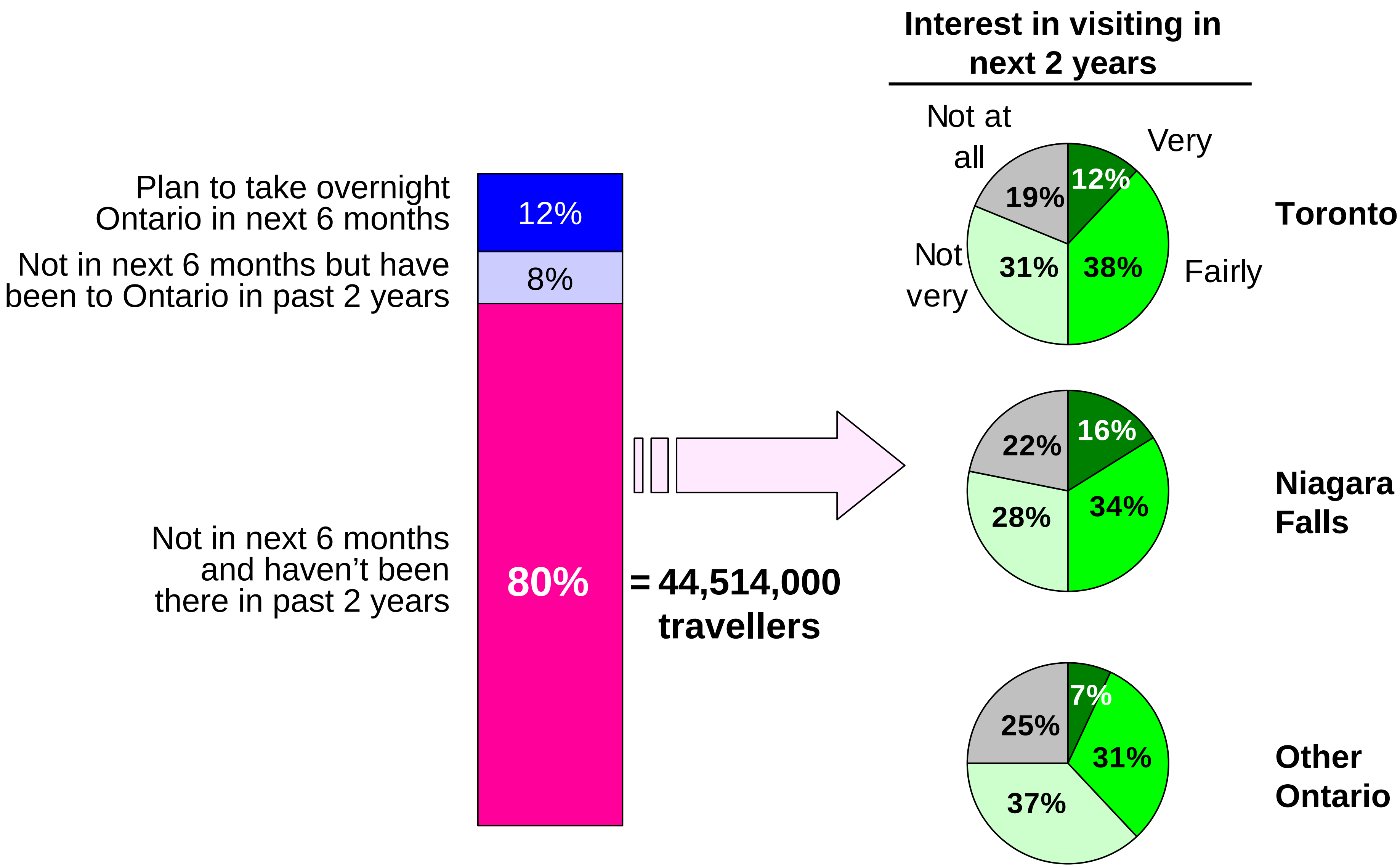
Income $100K+

Toronto	21%
Niagara Region	13%
Ottawa	13%

General Experience With And Interest In Ontario

Latent Interest In Ontario Travel Among Americans (May ‘05)

Percent of US travellers



Regional Comparison inn Latent Interest (May '05)

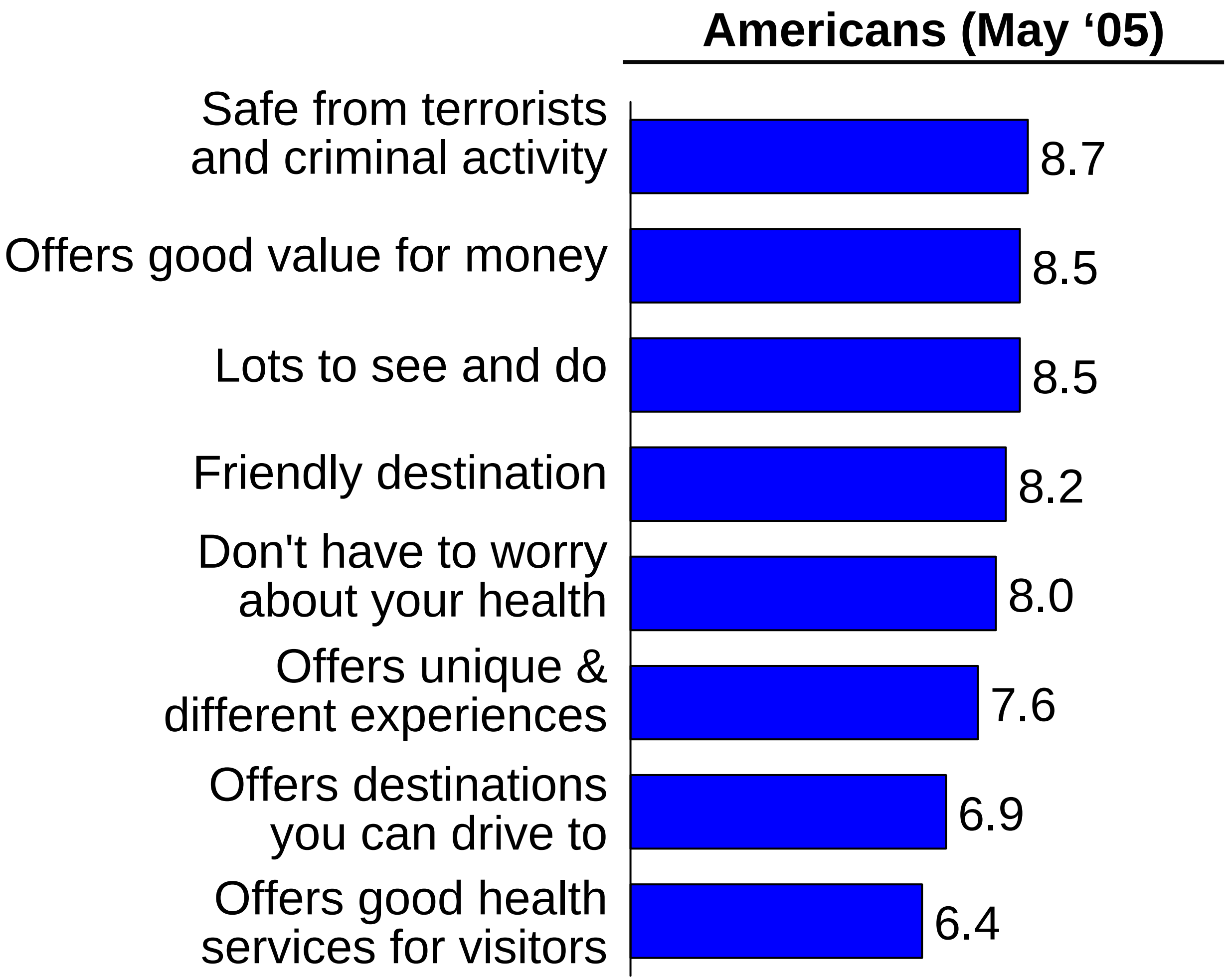
Percent stating "VERY INTERESTED" in taking overnight trip to/within Ontario among those not intending to travel there in next six months

	Percent Stating "Very Interested" In…		
	Toronto	**Niagara Falls**	**Other Ontario**
Americans			
Near Market	15%	17%	9%
Mid Market	11%	12%	7%
Canadians			
Ontario	20%	20%	24%
Montreal	11%	11%	10%
Quebec City	11%	10%	10%
Winnipeg	12%	14%	15%

Travel Motivations & Barriers

Importance Of Various Factors In Selecting A Pleasure Travel Destination

Average score on 10-point scale among past 2 year/next 12-month American travellers



"Very Important 10/10"	Change Since May '04
65%	+3%
47%	-3%
45%	-1%
44%	-4%
47%	-4%
26%	NA
22%	-4%
24%	-3%

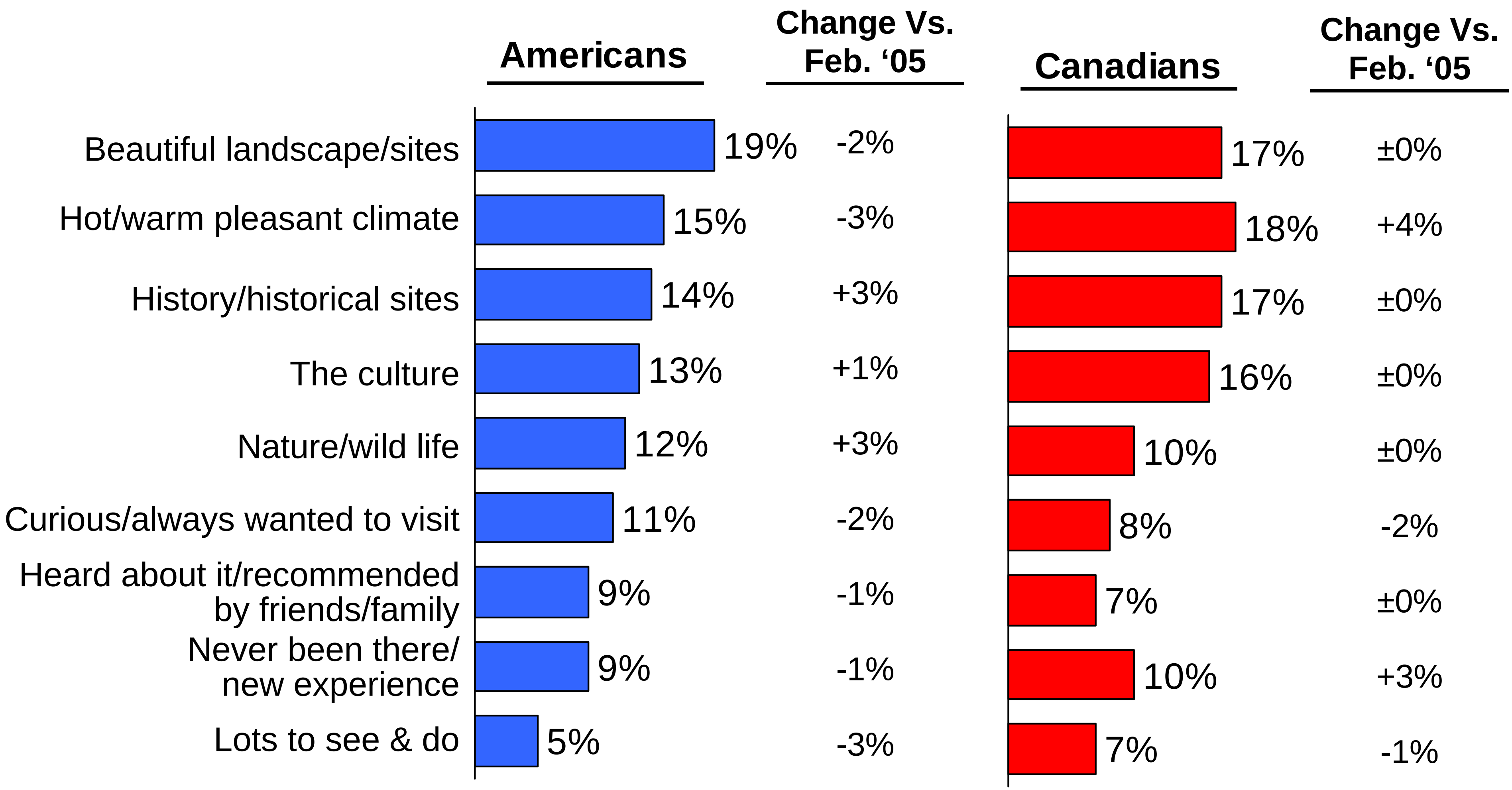
Importance Of Various Factors In Selecting A Pleasure Travel Destination

Average score on 10-point scale among past 2 year/next 12-month Canadian travellers

	Canadians (May ‘05)	“Very Important 10/10”	Change Since May ‘04
Safe from terrorists and criminal activity	8.5	63%	+4%
Offers good value for money	8.4	43%	-1%
Friendly destination	8.3	40%	+1%
Lots to see and do	8.3	38%	-2%
Don't have to worry about your health	8.2	47%	+5%
Offers unique & different experiences	7.5	21%	NA
Offers good health services for visitors	7.2	30%	±0%
Offers destinations you can drive to	6.6	20%	-2%

What Makes Ideal Destination “Ideal” (May ‘05)

Percent of … identifying ideal destination



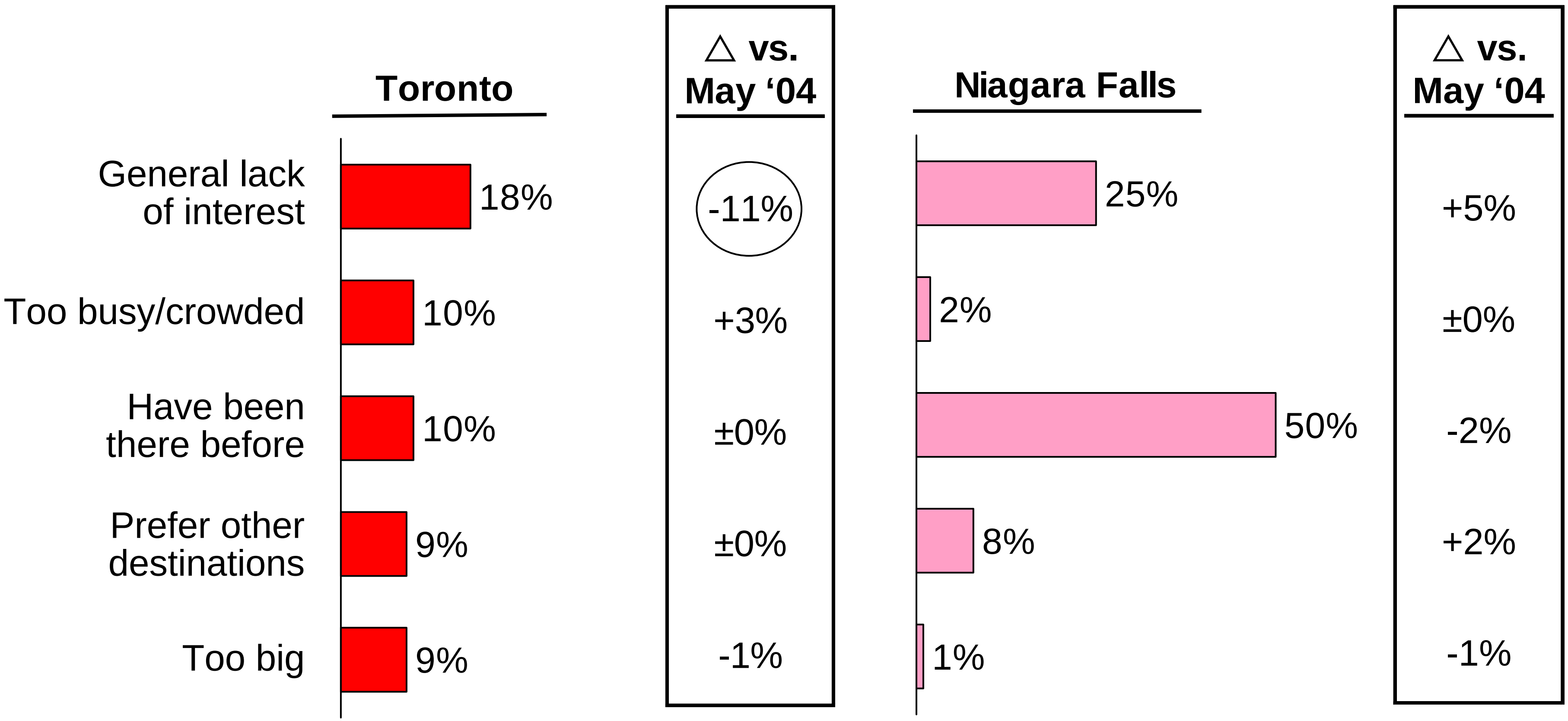
Reasons for lack of interest in visiting specific Canadian destinations — Among Americans (May '05)

Percent of Americans who are "not very/not at all interested" in visiting each destination within the next 2 years and have visited Ontario in the past

	Toronto	△ vs. May '04	Niagara Falls	△ vs. May '04	Other Destinations In Ontario	△ vs. May '04
Considering other destinations instead	31%	+1%	16%	+2%	24%	+5%
General lack of interest	26%	+3%	15%	-1%	15%	-5%
Have been there before	16%	+2%	50%	-5%	11%	-1%
Can't afford/ expensive	6%	±0%	3%	-1%	4%	-1%
Prefer to travel in US	5%	-1%	2%	±0%	4%	±0%
Don't know (much) about it	2%	±0%	0%	-2%	15%	-2%
Border crossing problems	1%	±0%	1%	+1%	2%	+1%

Reasons for lack of interest in visiting specific Canadian destinations — Among Canadians (May ‘05)

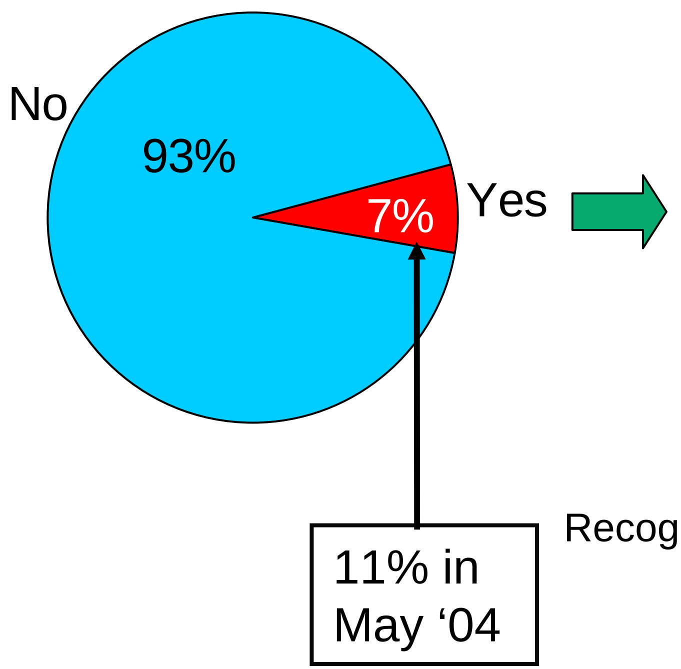
Percent of Canadians who are “not very/not at all interested” in visiting each destination within the next 2 years

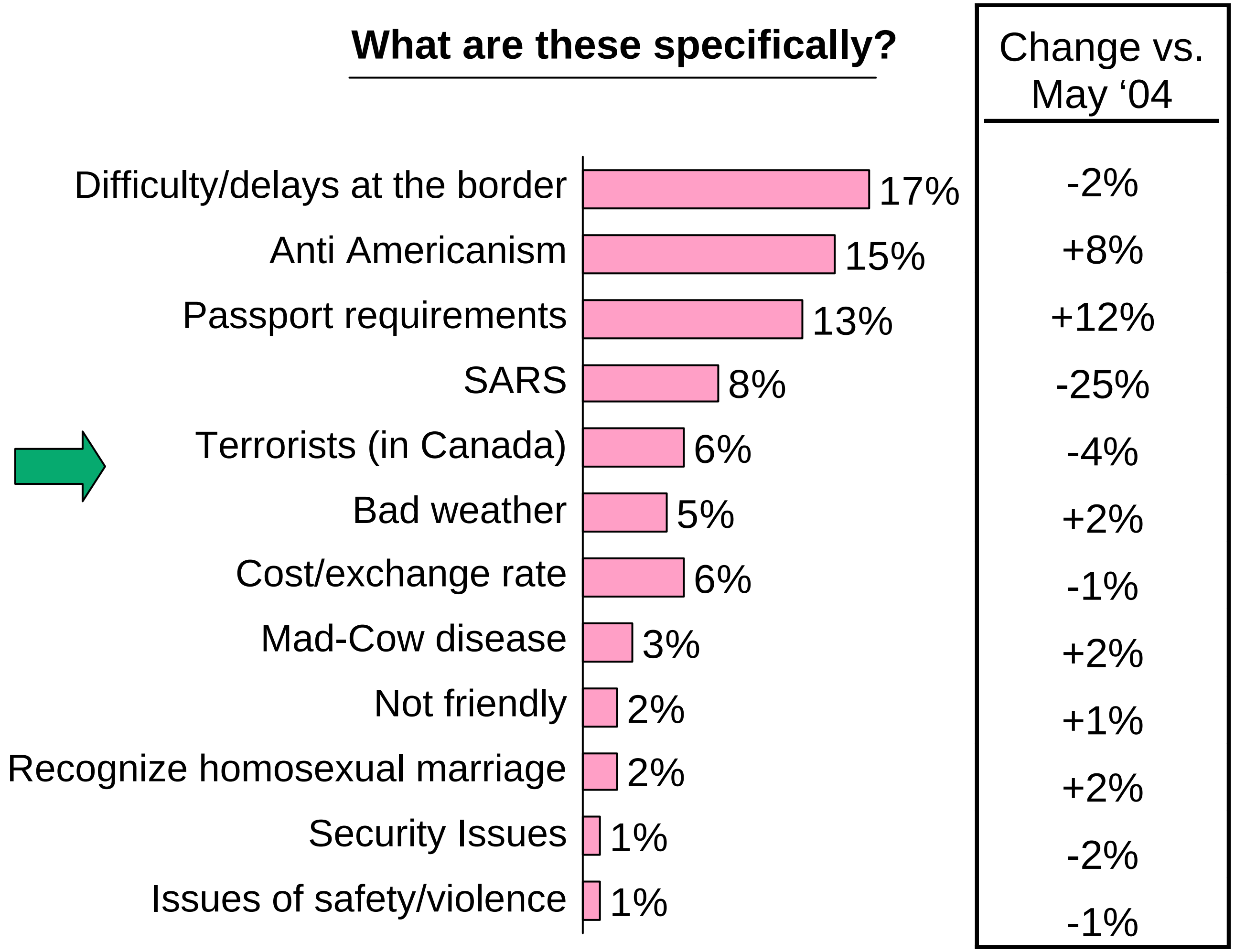


Impact Of Specific Negative Events

Are there any specific events or issues that you have heard about that make you less inclined to travel to Toronto, Niagara Falls or other places in Ontario?

Percent of **Americans** aware of Ontario





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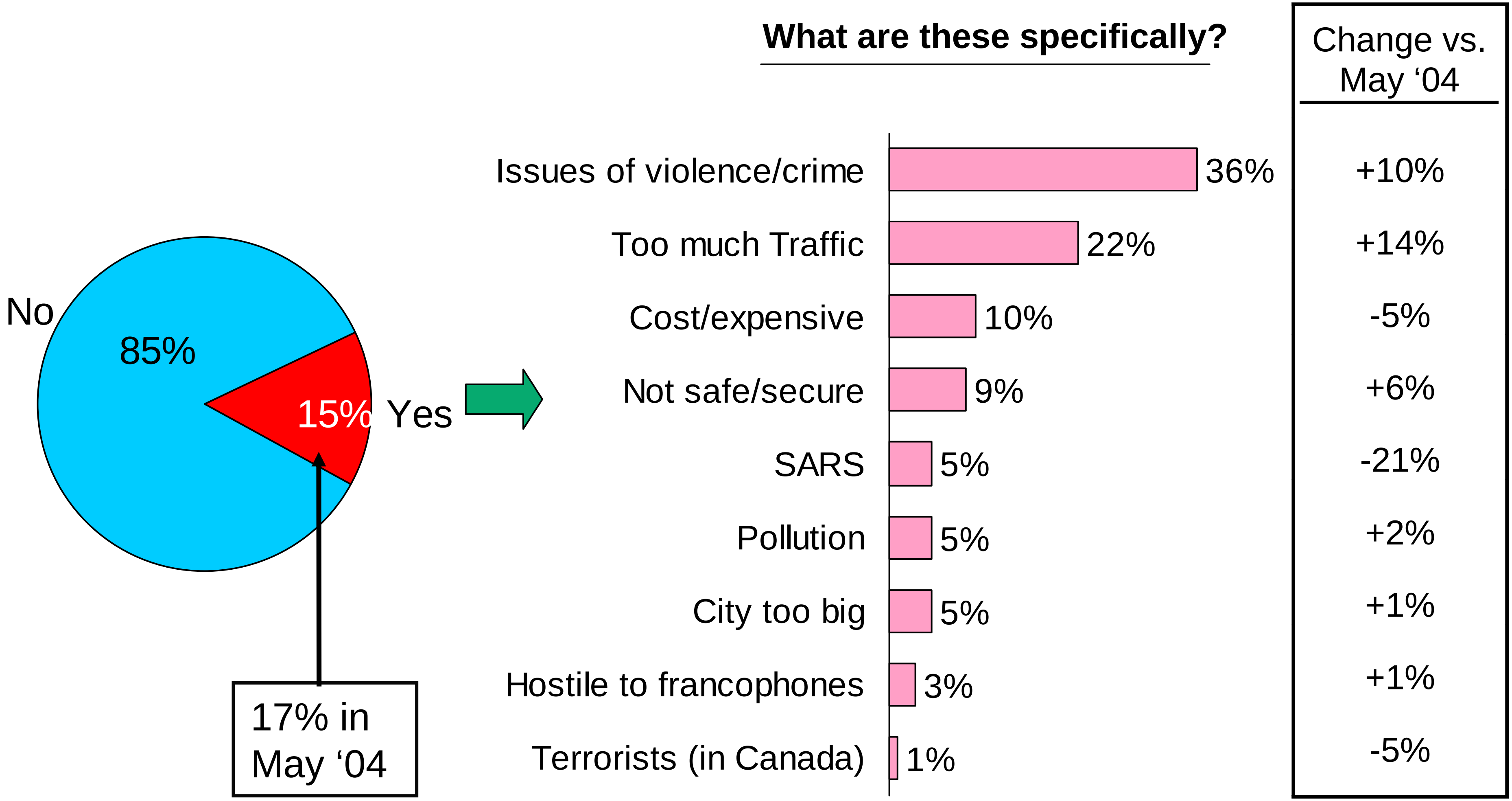
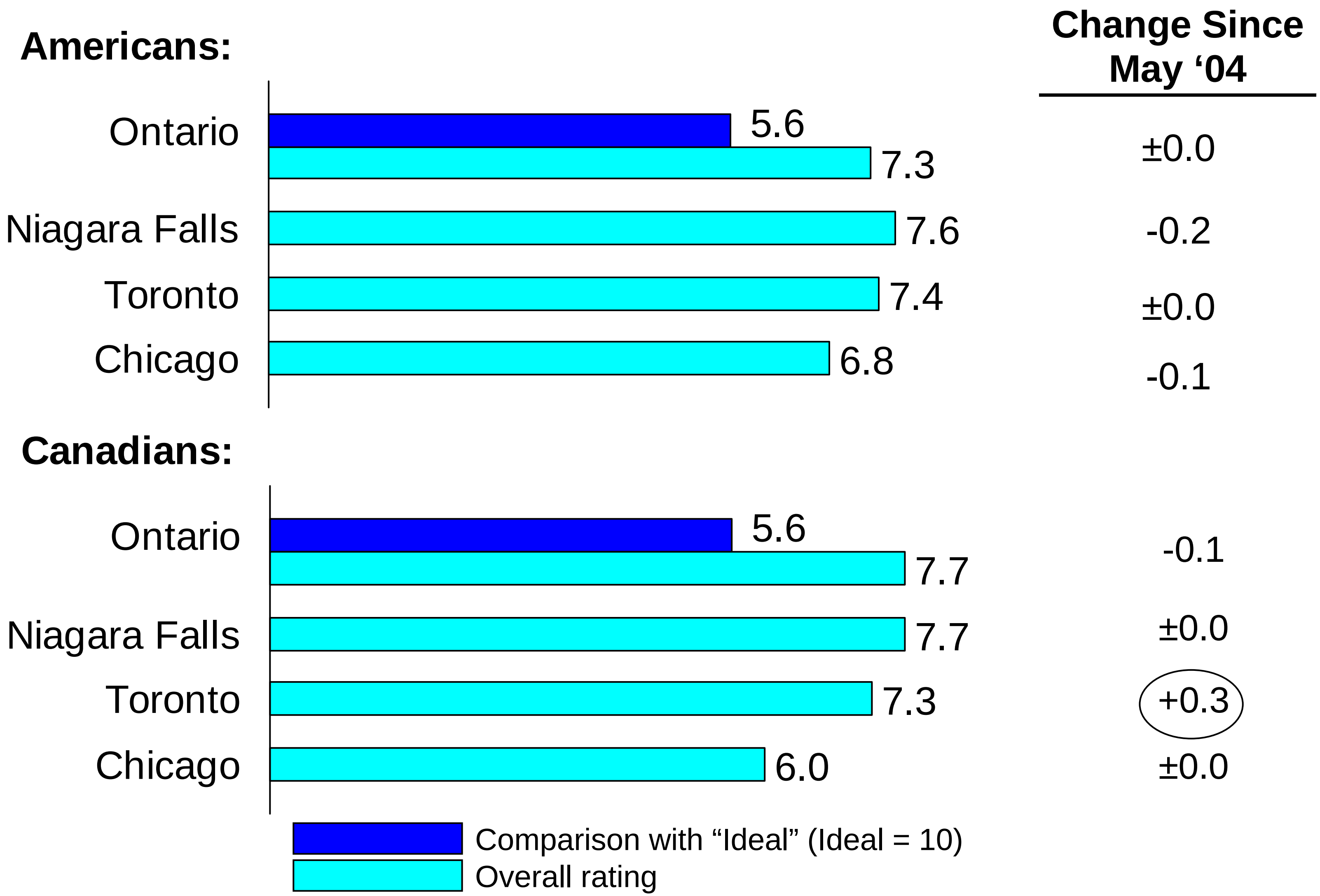
Percent of **Canadians**



Perceptions Of Ontario

Overall Rating Of Ontario As Pleasure Travel Destination & Comparison With Ideal (May '05)

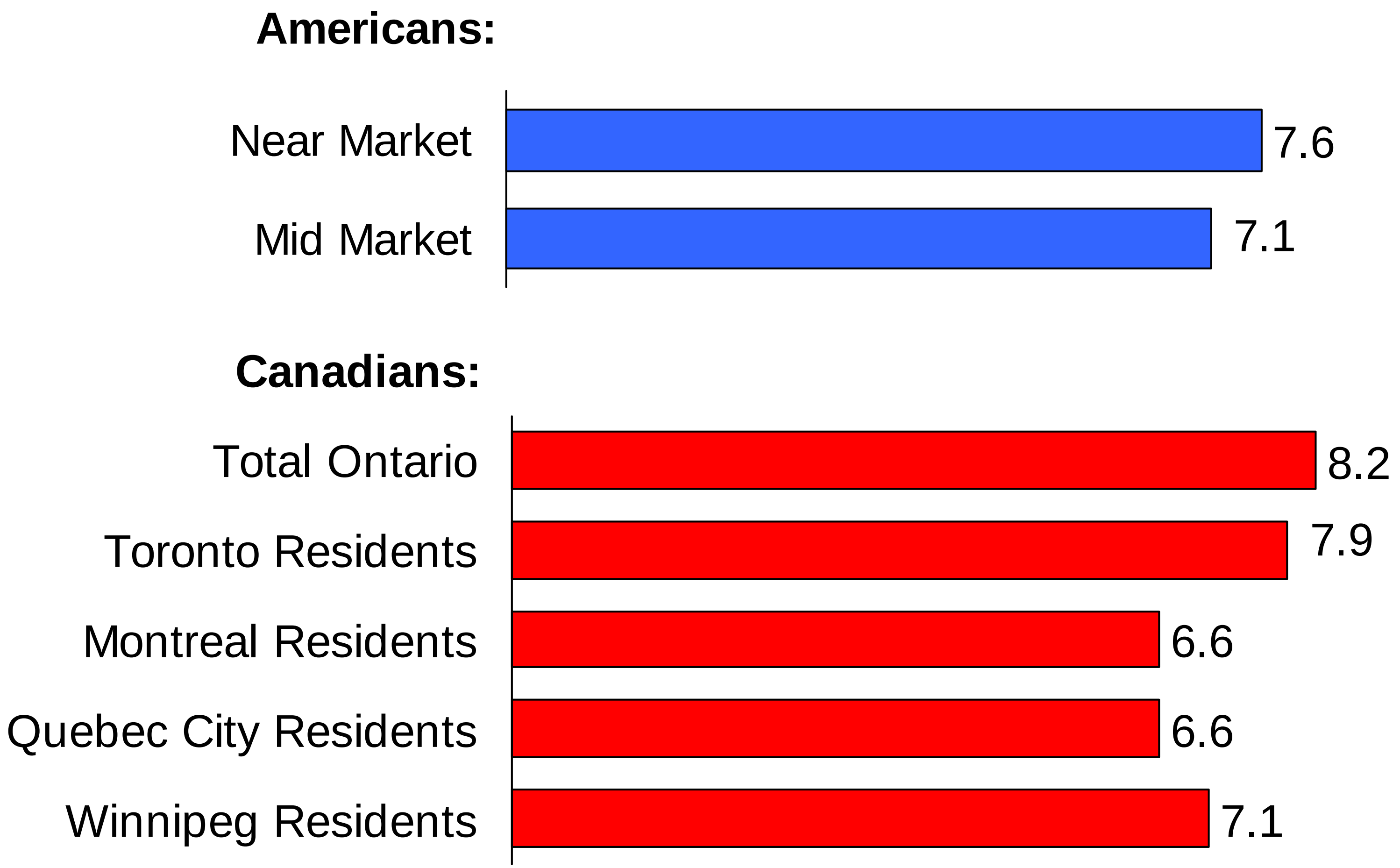
Average rating on 10-point scale among travellers



Statistically significant at 95% level of confidence.

Overall Rating Of Ontario As Pleasure Travel Destination — Variation By Market (May ‘05)

Average score on 10-point scale among travellers



Ontario Imagery Ratings

Average on 10-point scale among American travellers

	Among Americans May '04	Among Americans May '05	Change Since May '04
Attributes In Order Of Importance:			
Safe from terrorists & criminals	8.0	8.2	+0.2
Good value for the money	7.4	7.2	-0.2
Lots to see and do	7.8	7.9	+0.1
Friendly destination	8.1	7.9	-0.2
Don't have to worry about your health	8.0	8.1	+0.1
Offers unique & different experiences	NA	7.3	NA
Offers destinations you can drive to	7.5	7.4	-0.1
Good health services for visitors	7.3	7.1	-0.2

Ontario Imagery Ratings

Average on 10-point scale among Canadian travellers

	Among Canadians		Change Since May ‘04
	May. ‘04	May ‘05	– / +
Attributes In Order Of Importance:			
Safe from terrorists & criminals	8.4	8.5	+0.1
Good value for the money	7.4	7.4	±0.0
Friendly destination	7.9	8.1	+0.2
Don’t have to worry about your health	8.4	8.6	+0.2
Lots to see and do	8.2	8.1	-0.1
Offers unique & different experiences	NA	6.9	NA
Good health services for visitors	8.1	8.2	+0.1
Offers destinations you can drive to	8.5	8.5	±0.0

Ontario Ratings For Trip Types

Average on 10-point scale among American travellers

	Among Americans		Change Since May '04
	May '04	May '05	– / +
Nature & outdoors	7.7	7.5	-0.2
Touring trip	7.1	7.0	-0.1
Arts, culture & history	6.8	6.7	-0.1
Big city trip	6.7	6.7	±0.0
Resort trip	6.5	6.4	-0.1

Ontario Ratings For Trip Types

Average on 10-point scale among Canadians travellers

	Among Canadians		Change Since May '04
	May '04	May '05	– / +
Nature & outdoors	8.0	8.0	±0.0
Touring trip	7.3	7.3	±0.0
Arts, culture & history	7.2	7.2	±0.0
Big city trip	7.2	7.1	-0.1
Resort trip	6.6	6.7	+0.1

Toronto Ratings For Trip Types

Average on 10-point scale among American travellers aware of Toronto

	Among Americans May '04	Among Americans May '05	Change Since May '04
Shopping, restaurants, nightlife	7.5	7.3	-0.2
Arts, culture & history	7.3	7.3	±0.0
Strolling around to see buildings/sights	7.3	7.2	-0.1
Family vacation	7.1	7.0	-0.1
Overall rating	7.4	7.4	±0.0
"Must See" destination	6.8	6.7	-0.1

Toronto Ratings For Trip Types

Average on 10-point scale among Canadian travellers

	Among Canadians		Change Since May '04
	May '04	May '05	– / +
Shopping, restaurants, nightlife	8.0	7.8	-0.2
Arts, culture & history	7.6	7.6	±0.0
Strolling around to see buildings/sights	7.2	7.0	-0.2
Family vacation	6.4	6.4	±0.0
Overall rating	7.2	7.3	+0.1
"Must See" destination	7.0	7.1	+0.1

Passport Issues

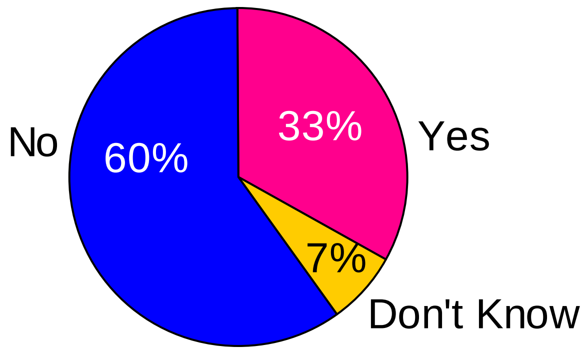
Cognizance Of Passport Requirements

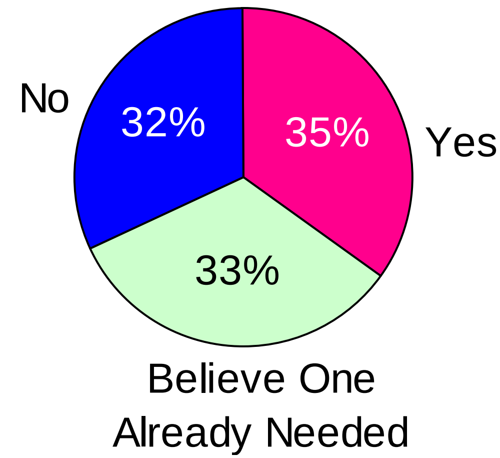
Percent of adults in each market

Is a passport currently required to travel between Canada and the US?

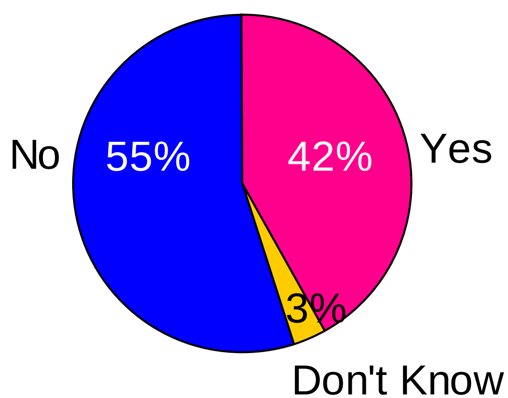
Are you aware that in the beginning of 2008 a passport may be required to travel between Canada and the US?

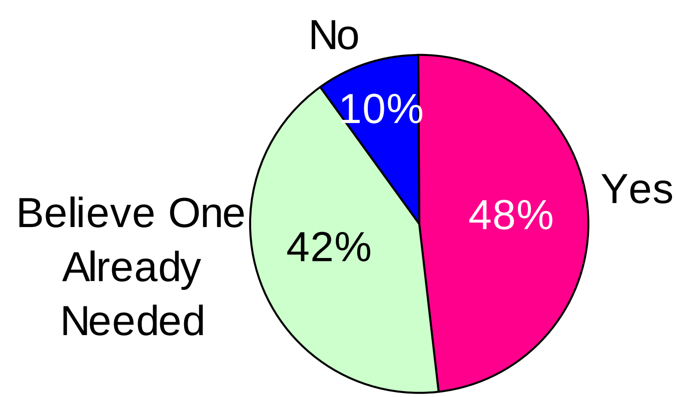
Americans





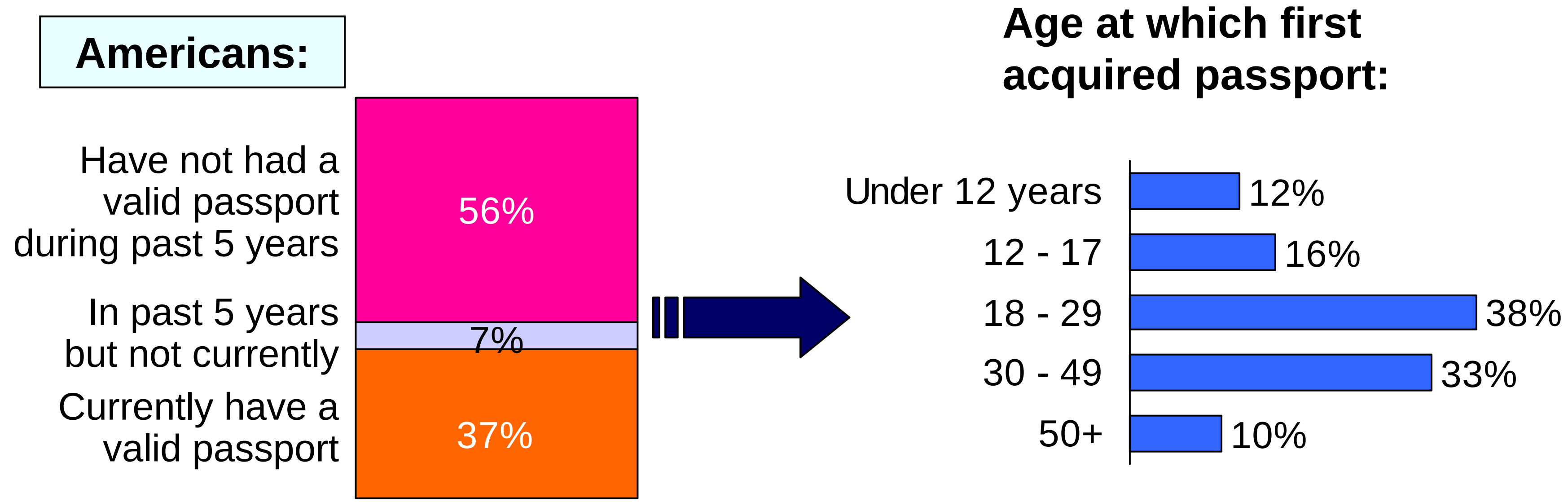
Canadians

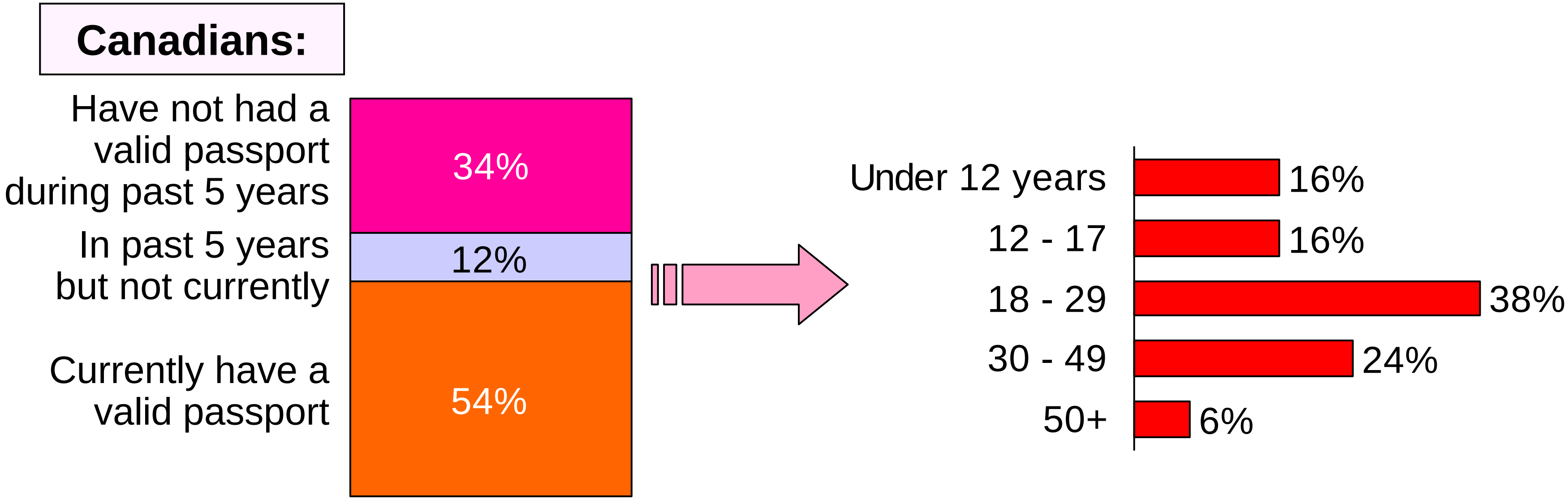




Passport Ownership Incidence

Percent of adults in each market

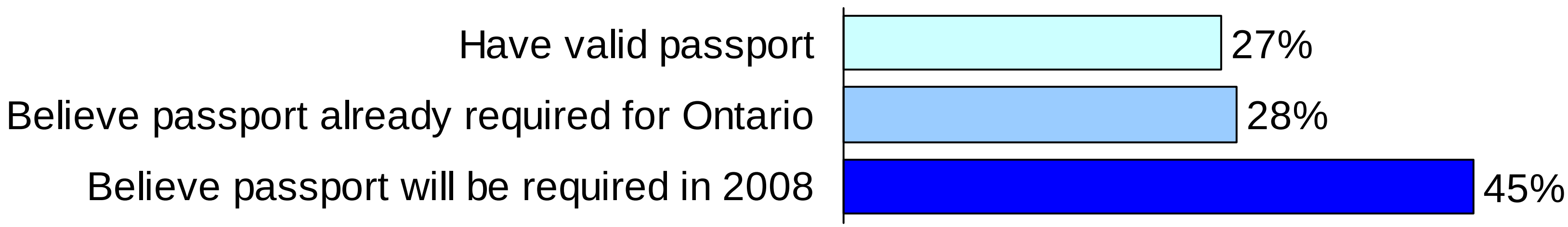




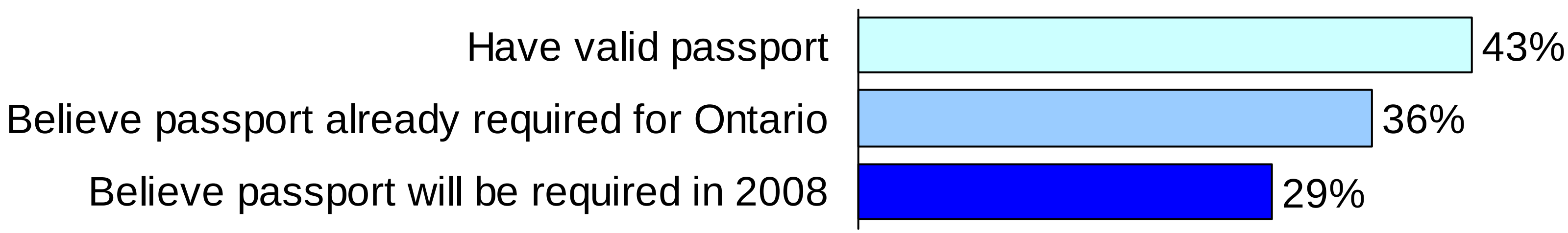
Potential Impacts Of Passport Requirements On American Travel To Ontario

Potential Impacts Of Passport Requirements On American Travel To Ontario

Percent Of US Residents In Near Markets:



Percent Of US Residents In Mid Markets:



Summary And Implications

Summary

- The most recent wave of tracking suggests that intentions to travel to Ontario during the Summer season have changed little in relation to those recorded in May of 2004.
  - Intentions may have declined marginally in the US and within Ontario itself, and there is also some evidence that fewer residents of Winnipeg are committed to traveling to the province.
  - At the same time, there is directional evidence that those residing in the major urban centres of Quebec may be somewhat more open to visitation than they were last year.
- As is typically the case, interest in taking a trip to Ontario has been building in Western New York (especially Rochester and Syracuse) during the Spring months with the approach of the high volume Summer season. However, in Rochester, at least, interest has not reached the peak noted one year ago when residents were anticipating the establishment of a new ferry link to Toronto.

Summary (cont'd)

- With regard to other regions of the US, finding indicate that circumstances have improved across most of the northern and western Mid-Market regions. Directional year-to-year gains in travel intentions have been recorded in Minneapolis and Chicago, and a statistically significant increase in expressed interest is noted in Milwaukee.
- In the East, results are mixed. There are signs of improvement in Washington DC and Pittsburgh, but evidence of potential softness in New York City and Philadelphia. Expressed intentions in the key Near-Market cities of Detroit and Cleveland are also directionally weaker than they were one year ago.
- Domestically, a notable lack of momentum is evident in Winnipeg. In fact, an inability to build Summer travel interest during the preceding Spring months goes a long way toward explaining the weaker travel intentions recorded in that city versus May of 2004.

Summary (cont'd)

- It is worth noting that much of the weakness recorded within Ontario itself can be traced to declining interest in the rest of the province among Toronto residents. Ontario travel intentions stimulated from outside of the GTA seems more stable.
- There is also evidence that the more youthful segments of the domestic market (younger adults) have grown more resistant to expressing pre-season commitment to travel within the province.
- When turning to imagery, there is no evidence of any real change in impressions of Ontario among either Americans or Canadians. Ontario continues to evoke positive connotations of safety and friendliness with a strong “outdoor/nature” component.
- Challenges continue to exist when attention is focussed on fostering impressions of a high quality product beyond “nature”, the capacity to deliver a unique experience and, importantly, value for the money.

Summary (cont'd)

- The point should be made that the apparent lack of buoyancy in expressed intentions should not be taken to mean that Summer travel volumes will fail to grow this year.
  - Rather, it suggests that the market remains potentially volatile and soft.
  - The travelling public continues to be cautious in committing to travel arrangements.
  - The capacity to make travel decisions close to the departure date remains an important dynamic.
    - The availability of Internet planning/booking options has enhanced consumer flexibility in this regard.
  - The pool of potential travellers has likely not grown, but there is still considerable opportunity to achieve greater success in converting intentions to behaviour.
  - This is particularly true since many of the high profile barriers to choosing Ontario have come down.

Summary (cont'd)

Passport Requirements

- Initial findings indicate that the possibility of passport requirements to travel between Canada and the US could dampen Ontario tourism volumes from American source markets.
- Only about half of American travellers who express interest in Ontario or who have visited the province in the past have a valid passport. And, the majority of these individuals recognize that a passport is not currently required to cross the border. This leaves open the possibility that they will curtail visitation at some future date.
- Of particular significance, the incidence of carrying a valid passport is especially low in the critical US Near Markets.

Summary (cont'd)

- However, news about the new restrictions appears to be spreading fairly quickly, giving most travellers time to apply for a passport if they so desire.
  - Past behaviour suggests that Americans (and Canadians) tend to acquire a passport when they actually need it (rather than proactively).
  - Passports are often initially acquired later in adulthood.
- By the same token, this makes it all the more critical that the information is communicated and interpreted correctly. A fair number of Canadians and Americans believe that passport restrictions are already in force, with some undoubtedly coming to this conclusion through erroneous interpretation of recent media reports on the issue.
  - This sort of confusion appears to be more prevalent in the more youthful segments of the American travelling problem.

Summary (cont'd)

- Of course, since this sort of misinterpretation cuts both ways, the net impact may be less than might be expected on the surface. It could be argued that some Ontario residents may turn to domestic travel if they (correctly or erroneously) believe the US is not an option.
- Apart from what happens in the short term, perhaps the greatest sustained impact of imposing passport restrictions will take place in the psychological realm. The imposition of passport requirements could signal to many US and Canadian travellers that crossing the border will be problematic and much less convenient than has been the case in the past. This mindset could certainly suppress enthusiasm for short, cross-border excursions.

Some Marketing Implications

- Act to encourage the dissemination of accurate information about any changes to passport requirements throughout the key US source markets.
- Until any new restrictions take effect, leverage opportunities to convey the message that Americans do not currently need a passport to visit Canada.
- Ensure that Ontario maintains a strong promotional presence throughout each travel season with particular emphasis on the peak summer and shoulder seasons.
- Continue to work toward building a strong network of web-based promotional devices in support of Ontario tourism.

Some Marketing Implications

- Retain the reinforcement of stronger consumer value impressions as part of the core marketing mission.
  - By reinforcing the notion that Ontario offers a range of distinctive and enticing travel experiences, even to repeat visitors.
  - Establish a stronger sense of excitement in the breadth of the offering (more than nature and the outdoors).
  - Use feature price packaging in a strategic way to encourage desired travel behaviour (for instance motivating experience with the broader offer).
- Develop a long term strategy to unlock potential in some of the major US Mid Market cities.

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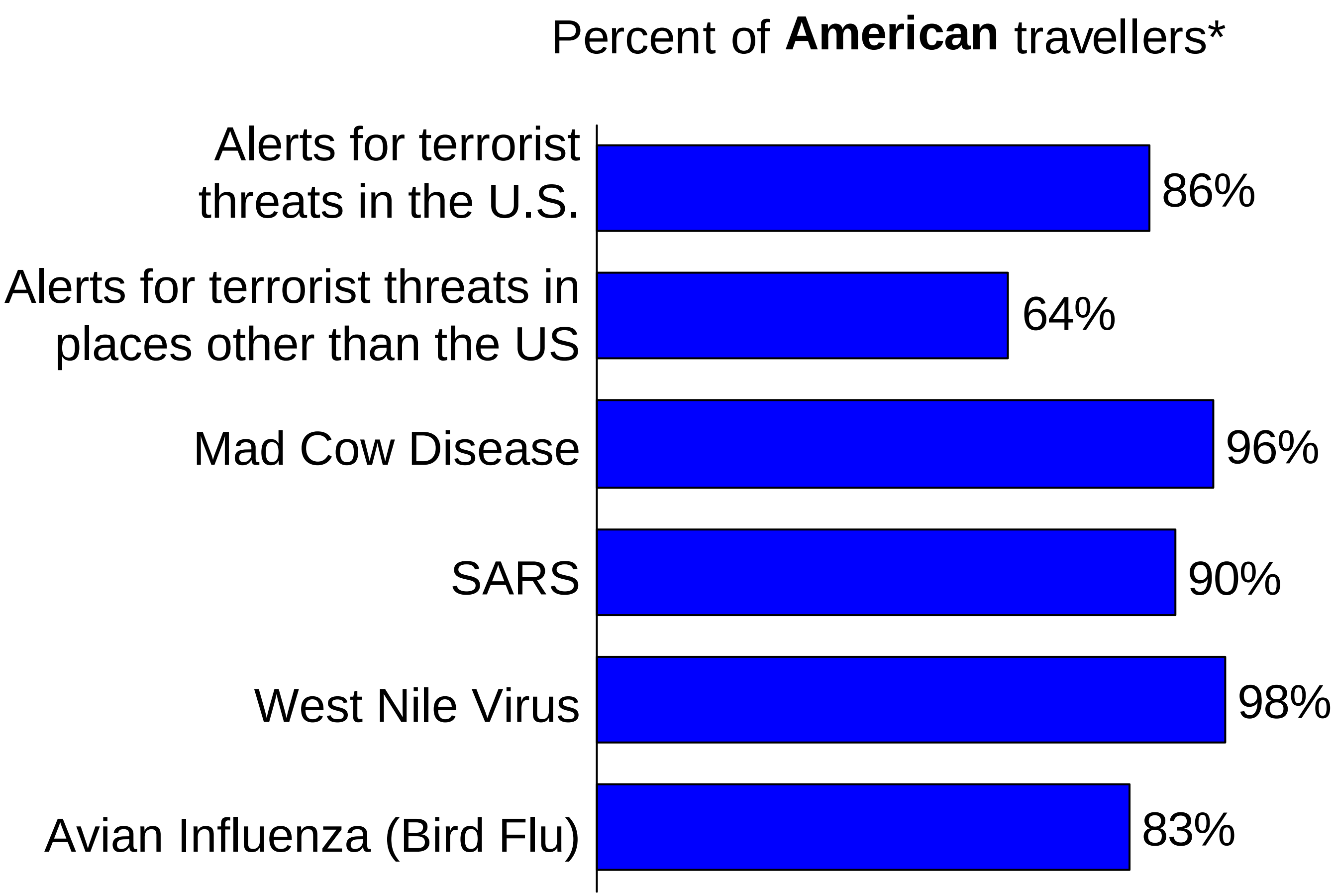
Appendix

Prompted awareness of negative events (as of May ‘05)

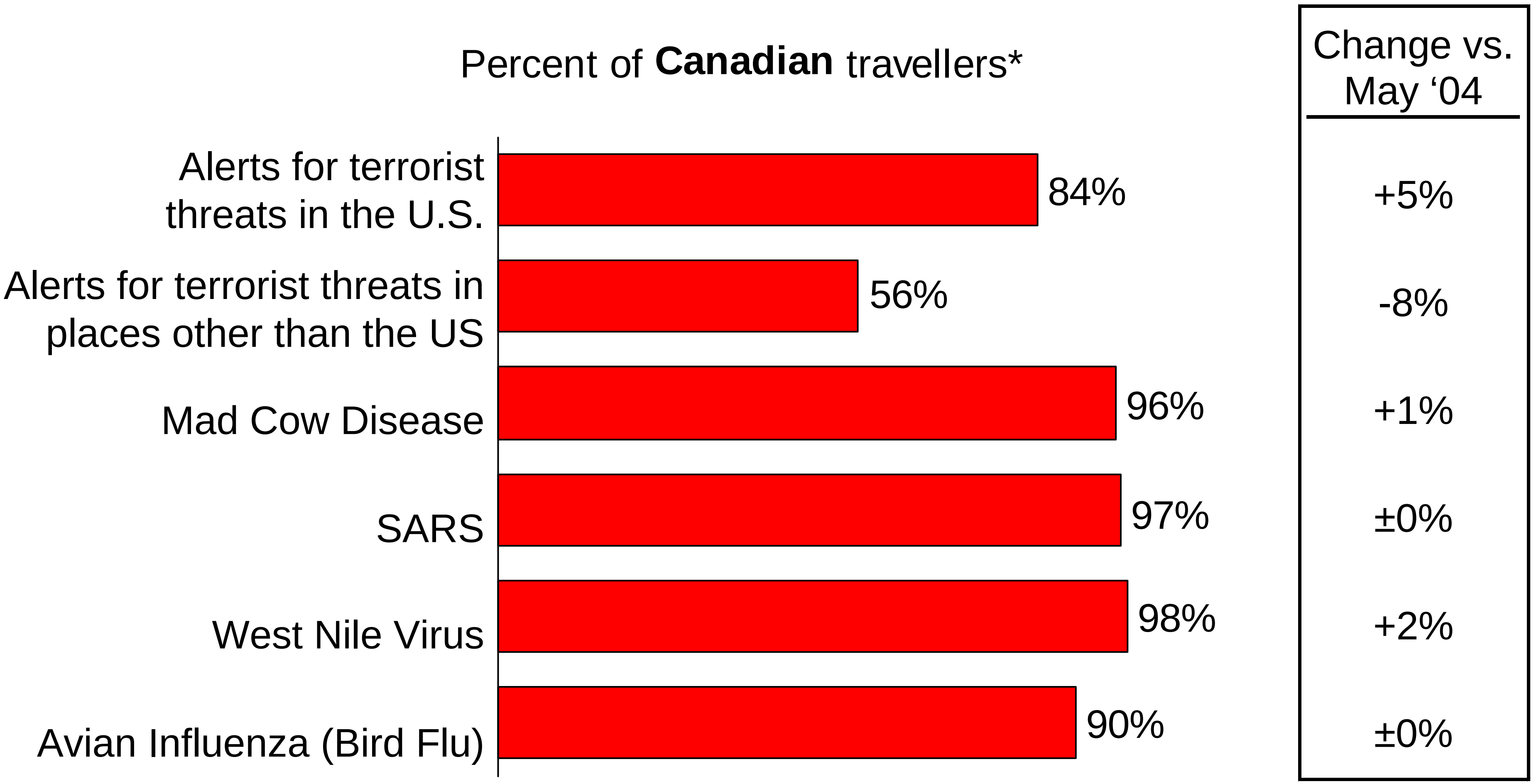


Change vs. May ‘04
-3%
-11%
-1%
-5%
-1%
+4%

* Have taken an overnight trip in the past two years or will take one in the next 12 months.

Q. Now I’d like to ask you about some specific events that have taken place in the recent past. Have you heard of… ?

Prompted awareness of negative events (as of May ‘05)

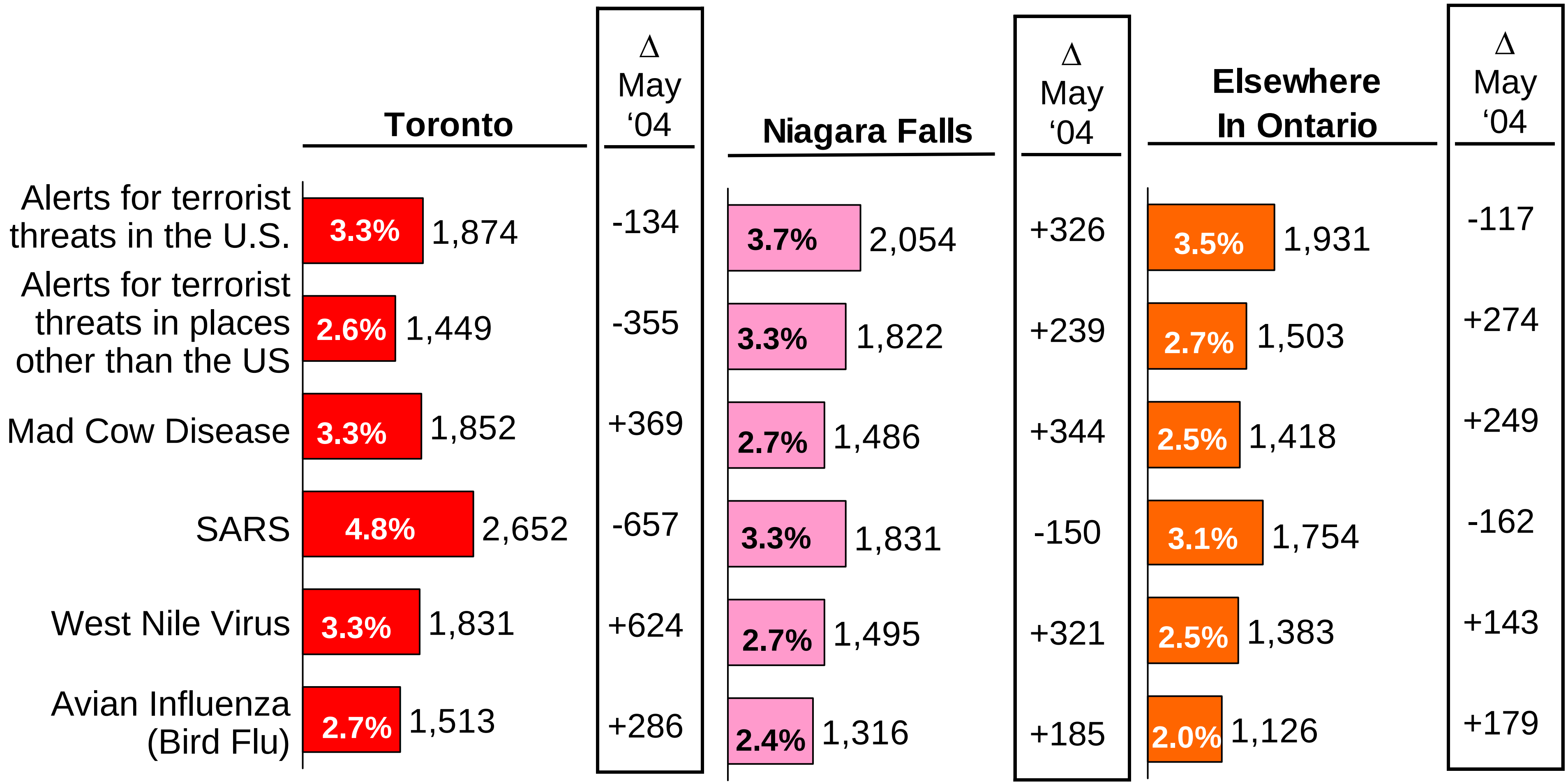


* Have taken an overnight trip in the past two years or will take one in the next 12 months.

Q. Now I’d like to ask you about some specific events that have taken place in the recent past. Have you heard of… ?

Impact of negative events on intent to travel to specific destinations during coming season (as of May ‘05)

Projected number of **American** travellers* (in thousands) who are less likely to visit each destination in June/Aug



* Have taken an overnight trip in the past two years or will take one in the next 12 months.

% As percent of US travellers.

Impact of negative events on intent to travel to specific destinations during coming season (as of May ‘05)

Projected number of **Canadians** travellers* (in thousands) who are less likely to visit each destination in June/Aug

	Toronto**	Δ May ‘04	**Niagara Falls**	Δ May ‘04	**Elsewhere In Ontario**	Δ May ‘04
Alerts for terrorist threats in the U.S.	1.9% 182	-40	2.3% 219	+22	1.4% 131	-120
Alerts for terrorist threats in places other than the US	1.4% 132	-18	1.2% 119	+3	0.7% 70	-37
Mad Cow Disease	1.5% 138	-24	1.6% 151	+21	1.4% 132	-52
SARS	3.6% 342	-171	2.4% 225	-96	2.7% 251	-148
West Nile Virus	1.9% 182	+14	2.3% 215	+29	2.2% 205	-53
Avian Influenza (Bird Flu)	2.0% 190	+109	2.0% 191	+82	1.7% 159	-33

* Have taken an overnight trip in the past two years or will take one in the next 12 months. ** Excluding Toronto residents

% As percent of Canadian travellers.

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