

Australia Consumer & Travel Trade Research

Project Summary

August 2007



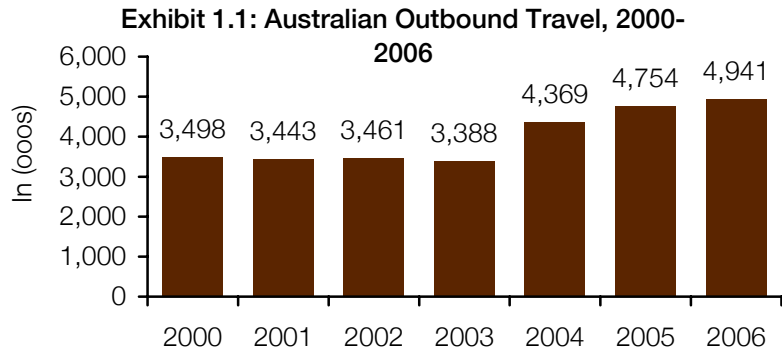
Table of Contents

1. The Australian Travel Market: Key Findings	1
Where do they travel to?	1
Where do Australians go for pleasure trips?.....	3
How is Canada Perceived?	5
How does Canada compare against its main competitors?	6
What do current Australian visitors and their trips to Canada look like?.....	8
How do travellers plan and book their trip to Canada?	10
Why do Australians travel to Canada?	12
What barriers does Canada face in attracting Australian visitors?	15
What is the opportunity for Canada?	16
What are Australian travellers looking for in their next trip to Canada?	17
Who can we target?	19
2. SWOT Analysis	21
Strengths	21
Weaknesses.....	21
Opportunities	22
Threats.....	22
3. The Way Forward: Considerations	23
1. Reposition the Canadian brand to address the core appeal of Canada to Australians.	23
2. Target high priority market segments whose needs can be addressed by the Canadian travel experience.	24
3. Develop a wider array of products and packages for each target segment.	24
4. Work with the travel trade with a focused strategy.....	25
5. Target specific media opportunities.	25
6. Tailor the CTC website to address the needs of the target segments.	25
Appendix A: Research Objectives and Methodology.....	26

1. The Australian Travel Market: Key Findings

Where do they travel to?

Almost 5 million Australians travelled abroad in 2006 – up 3.9% (or 187,000 more trips) over the previous year. Since the low in 2003, Australian travel abroad have grown on average about 13.4% per year for a total increase of 1.6 million outbound trips.



Source: Australian Tourism Forecasting Committee (as of September 2007)

In 2006, nearby New Zealand and Fiji attracted over 1 million visitors from Australia. For long-haul travellers (defined as beyond Oceania), there is clearly a preference for Asia – especially Thailand, China, Singapore and Hong Kong. North America drew a sizeable volume – with 440,000 Australians visiting the U.S. and 178,000** visiting Canada.

Exhibit 1.2: Australian Departures to Key Destinations, 2000 vs. 2006

Key Destinations	2000	2006	# Change	% Change
Oceania				
New Zealand	528,000	865,000	337,000	64%
Fiji	75,000	202,000	127,000	169%
Asia				
Thailand	151,000	288,000	137,000	91%
China	92,000	251,000	159,000	173%
Singapore	153,000	211,000	58,000	38%
Hong Kong	155,000	196,000	41,000	26%
Indonesia	280,000	195,000	-85,000	-30%
Malaysia	135,000	168,000	33,000	24%
Europe				
United Kingdom	339,000	413,000	74,000	22%
Americas				
U.S.	395,000	440,000	45,000	11%
Canada**	173,000	178,000	5,000	3%

Source: Tourism Australia (as of September 2007)

**Source: Statistics Canada arrivals (differs from country of destination definition)

The largest gains over the past 6 years have been in Asia and Oceania. While Canada (+3%) has seen increases in Australian arrivals, it has not enjoyed the same measure of tourism growth.

While Australian arrivals to Canada have increased by 3%, Canada's share of the outbound market fell between 2000 and 2003, leveled off in 2004, and has fallen since.

Exhibit 1.3: Australian Arrivals to Canada, 2000-2006

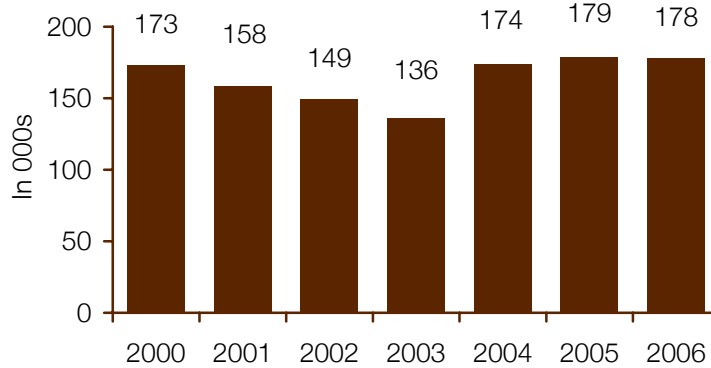
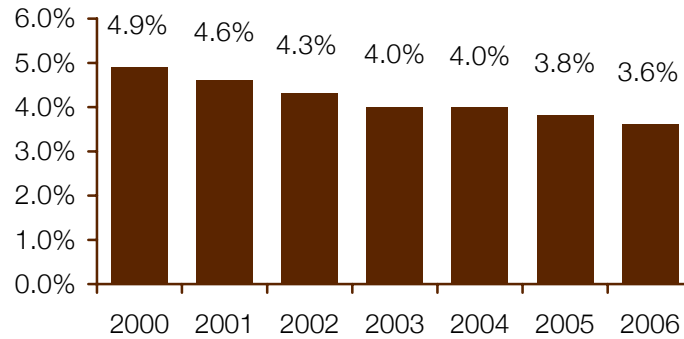


Exhibit 1.4: Canada's Market Share, 2000-2006

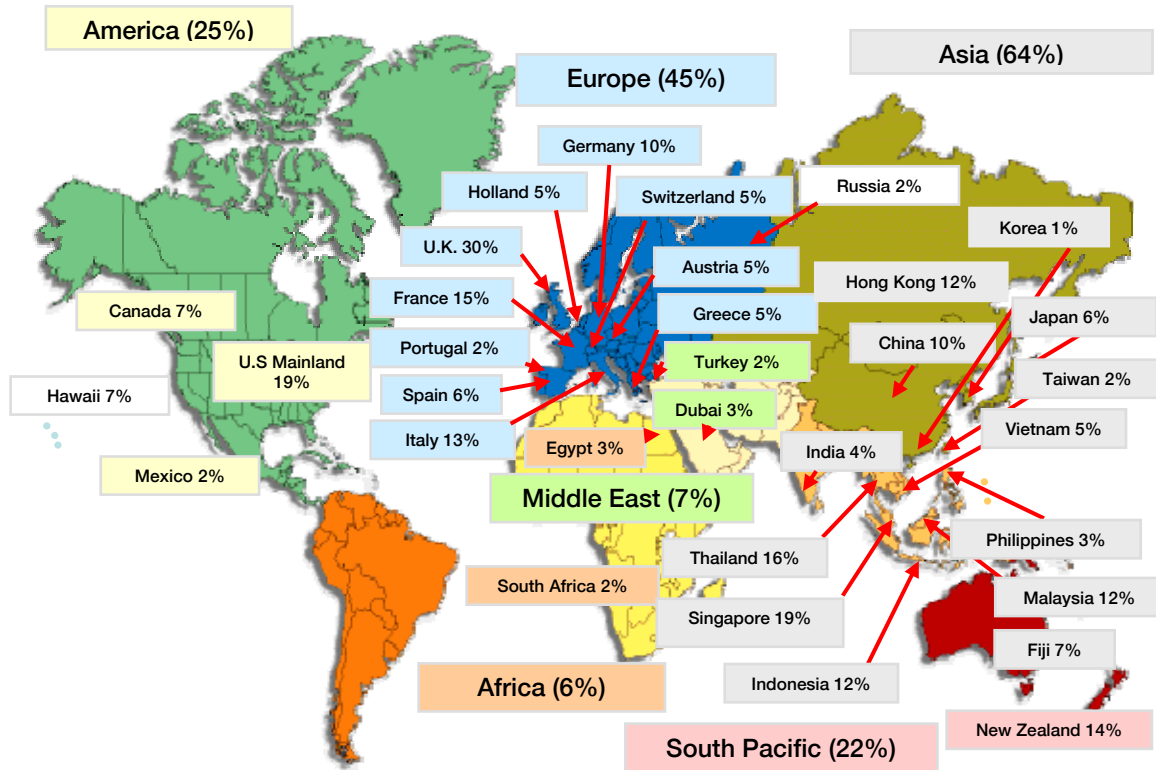


Source: Australian Tourism and Statistics Canada

Where do Australians go for pleasure trips¹?

Over the past 3 years, Canada attracted 7% of Australian long-haul² pleasure travelers, well below other popular destinations beyond Asia – Europe (45%), and the U.S. Mainland (19%). Asia drew as many as 64%.

Exhibit 1.5: Long-Haul Countries Visited in Past 3 Years

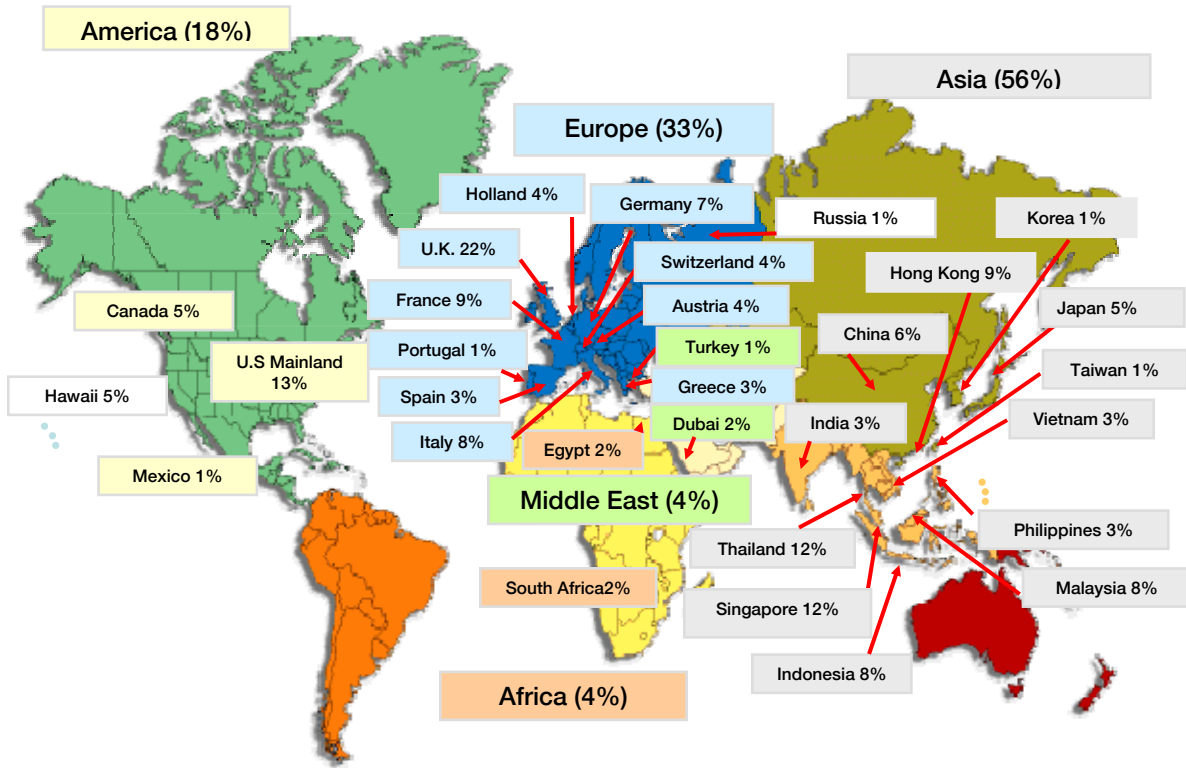


1 Pleasure travel includes all trips for pleasure or personal reasons including to visit friends and relatives as well as trips where business is combined with a pleasure component/trip.

2 Defined as beyond Oceania.
Note: Multiple responses.

Based on the most recent trip (more reflective of market share), the survey reports that Canada attracted only 5% compared with the long-haul leaders: Europe (33%) -- in particular the U.K. (22%) -- and the U.S. Mainland (13%). Asia captured over half of outbound trips beyond Oceania (56%).

Exhibit 1.6: Long-Haul Countries visited on Most Recent Trip






How is Canada Perceived?

<p>Breathtaking Beauty At the core of Canada’s appeal is its spectacular, breathtaking beauty. Elements contributing to this in the Australian mind include: Canada’s majestic beauty, mountains, forests, abundant wildlife, vast wilderness, and the clean and untouched landscapes.</p>	<p>Abundant Recreational Opportunities A very close second to Canada’s beauty is the abundant recreational opportunities. It is this unique combination of majestic beauty and vast recreational opportunities that elevates Canada’s appeal.</p>
<p>Friendly and Open-minded Australians abroad are sensitive to whether or not they are being observed, in a welcome way. They much prefer to go to a country that they feel would embrace them. Several comments were made that Canadians are very friendly and accepting of others.</p>	<p>Clean, Fresh, Dewy Air Australians are currently contending with a drought. They see their country as arid. Therefore, another major appeal of Canada is its clean, fresh, moist and dewy air, forests and countryside. Australians get a sense that they can breathe and take in fresh forest-generated oxygen and moisture. When Australians think of Canada, they imagine lush oxygen rich parks, forests and lakes that they can swim in; wilderness trails that they can trek and camp on; abundant wildlife that they can observe and photograph.</p>
<p>French/English Culture Australians are very aware of Canada’s French/English culture, and are very curious about it. They find it to be exotic and interesting. This aspect of Canada should be played up in any communications plan. However, Australians in general have negative perceptions of the French, so French-Canadians should be promoted as combining the “best” of France and Canada.</p>	<p>West-coast Centric Given their proximity to the west coast, Australians have a better knowledge of what to expect in BC than in central or the east coast of Canada. They have a high level of awareness and comprehension of Victoria and Vancouver Island, as well as B.C. coastal cruises, typically up to Alaska. Even so, they are still interested in visiting both central and eastern Canada.</p>
<p>Accommodations and Tourism Infrastructure Australians have no doubt that Canada has excellent facilities and accommodations. The expectation is that the accommodation range and standards are largely equivalent to Australia. Those who have been to Canada assess cost structure to be very similar to Australia. Those who have yet to travel are less knowledgeable of the comparable pricing, which would be a selling point if understood.</p>	<p>A Welcome Change for a Stopover Australians traveling to Europe are becoming quite tired of the “usual” connecting stopovers to break up their long flight such as Singapore and Hong Kong as they are seen as places that are just for shopping. They are also tired of L.A. All focus group participants said that they would welcome the opportunity to stop over in Vancouver.</p>

How does Canada compare against its main competitors?

Canada's main competitors are:

-  United States,
-  Europe, and
-  S.E. Asia.

When compared to these main competitors, Canada is way ahead of the U.S. and S.E. Asia as a place to experience a natural environment. It is also superior as a cool, green place to go during Australia's summer heat. When compared to Europe, Canada's advantage is dominated by its natural environment, however, it rates weaker on the cultural, historical, and educational side. Exhibit 1.7 provides a clear view of Canada's strengths and weaknesses vis-à-vis its three primary competitors.

Exhibit 1.7: Canada's Strengths and Weaknesses vs. Competitors

	Vs. U.S.	Vs. Europe	Vs. South East Asia
Canada's Strengths	<ul style="list-style-type: none"> ■ Experiencing unspoiled nature, wildlife viewing in a wide, spacious outdoor environment ■ A clean, healthy environment ■ Skiing/snowboarding ■ Getting away from summer heat (cool) ■ Feeling a sense of freedom ■ Secure and safe ■ Relaxing atmosphere 	<ul style="list-style-type: none"> ■ Experiencing unspoiled nature, wildlife viewing in a wide, spacious outdoor environment 	<ul style="list-style-type: none"> ■ Being in a clean, healthy environment ■ Skiing/snowboarding ■ Getting away from summer heat (cool) ■ Feeling safe and secure ■ Wide, spacious, natural environment ■ Opportunity for active outdoor sports
Canada's Weaknesses	<ul style="list-style-type: none"> ■ Slightly poorer flight accessibility ■ Fewer important historical sites 	<ul style="list-style-type: none"> ■ Fewer places important in history ■ Less likely to see first hand what I learned in school ■ Less opportunity to stay in accommodation unique to that country ■ Less opportunity to increase my knowledge ■ Less opportunity to see so much in limited time ■ Poorer flight accessibility 	<ul style="list-style-type: none"> ■ Less opportunity to try new foods ■ Less of a contrasting different lifestyle ■ More expensive airfares

The Correspondence Analysis technique used by Insignia Marketing Research correlates destination imagery ratings on two computer driven axes: Nature--History and Outdoors--Culture.

Each of the attributes is plotted on the map with the positioning of each destination. The map, through multivariate analysis, illustrates the relative position of each destination and each attribute, based on their ratings on each. In other words, the more a particular destination is uniquely associated with an attribute the closer it is charted to it.

Brand Positioning





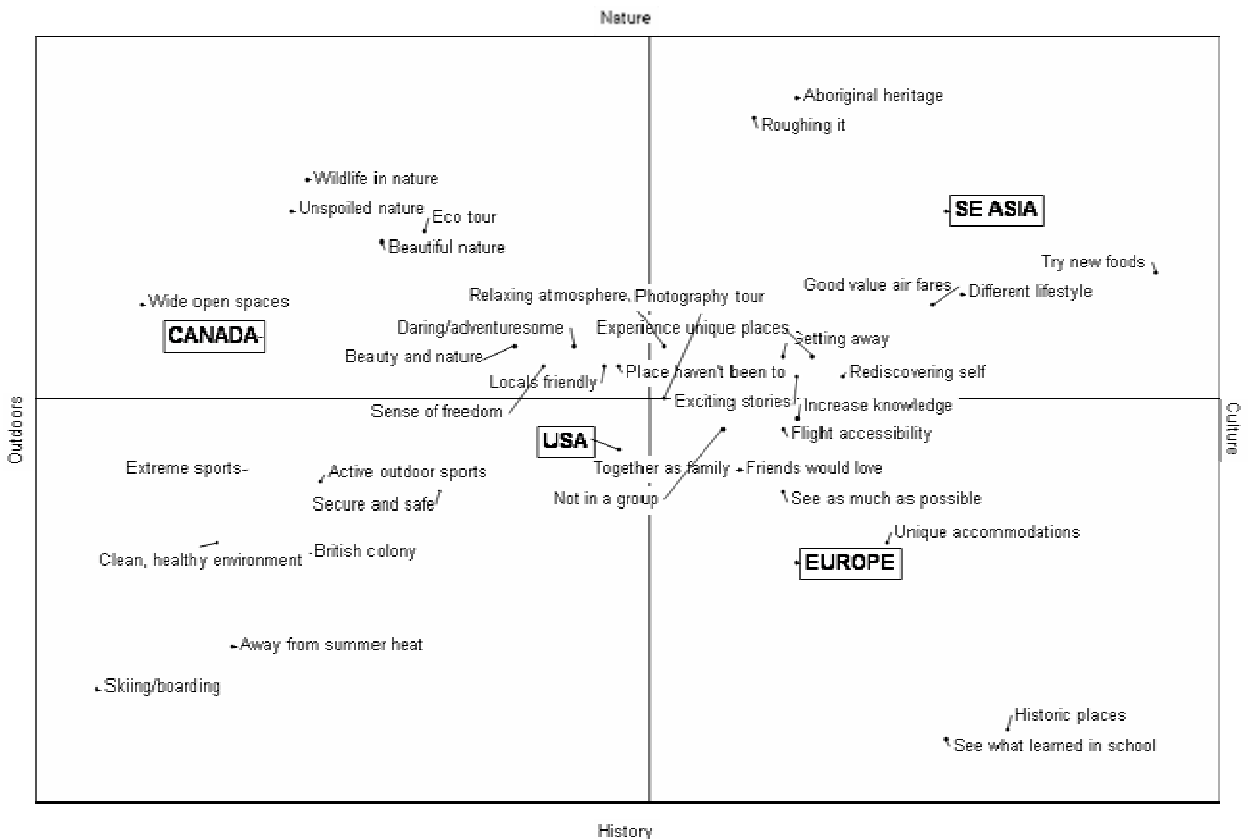
-  **Europe** - In the Southeast quadrant, Europe is a blend of culture and history.
-  **U.S.** - A sense of excitement exists in the USA’s “neighbourhood”, a source of exciting stories, new and unique experiences, friendly people.
-  **S.E. Asia** - Culturally different, S.E. Asia provides an opportunity to get away, try new foods, on an affordable vacation.
-  **Canada** - Far to the outdoors end of the spectrum, Canada essentially “owns” wide open spaces, outdoor activities and beautiful nature.

Exhibit 1.8: Brand Attribute Map



What do current Australian visitors and their trips to Canada look like?

The profile of Canada's current visitors from Australia and their trips are outlined in Exhibit 1.9.

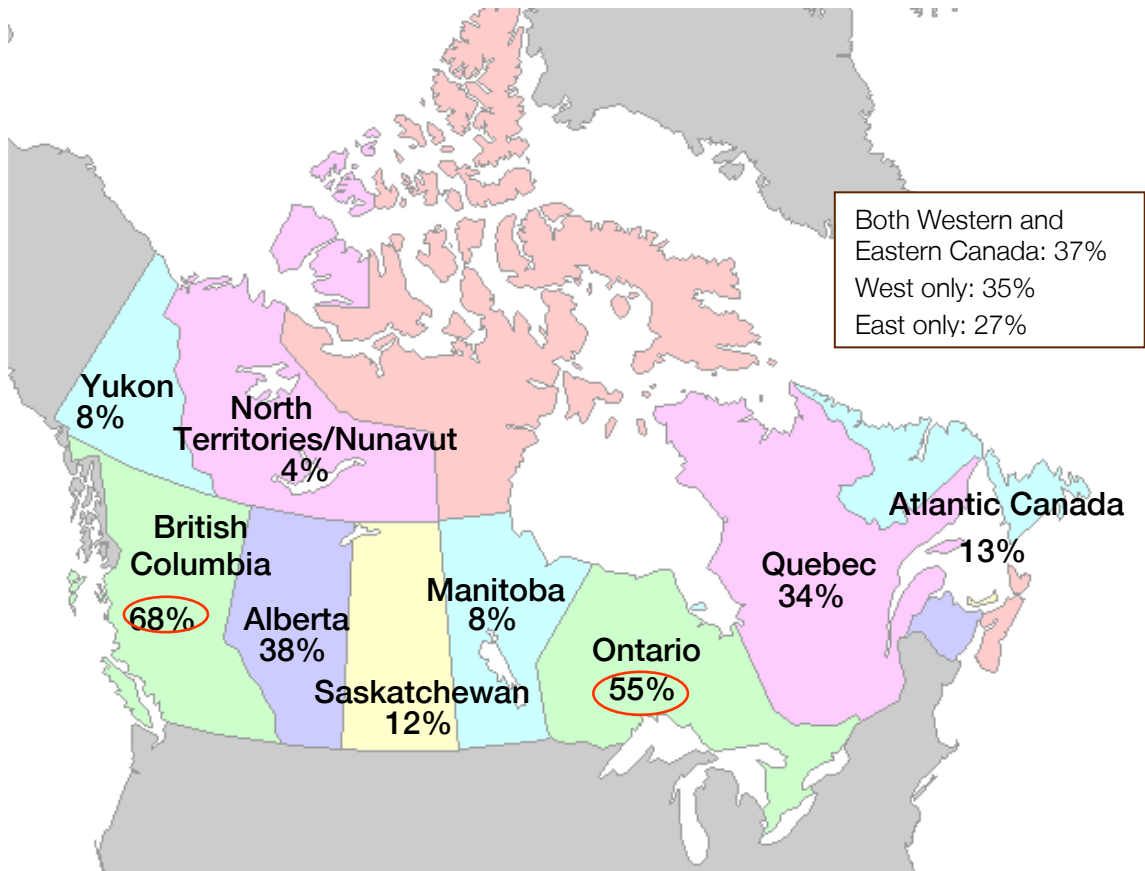
Exhibit 1.9: Canada's Current Visitor and Trip Characteristics

Multi-country visits	<ul style="list-style-type: none"> 26% Canada only. Visits to Canada are usually in combination with U.S. (48%) or Europe (29%)
Trip Duration (median)	<ul style="list-style-type: none"> Median nights on trip: 29, median in Canada: 12
Season	<ul style="list-style-type: none"> April to September (Australia's cooler season)
Party Composition	<ul style="list-style-type: none"> With spouse (48%), alone (29%), with children (only 15%) Average party size: 2.8 persons
FIT	<ul style="list-style-type: none"> Mostly FIT (90%)
Top Five Activities in Canada	<ul style="list-style-type: none"> Seeing beautiful rivers and waterfalls Seeing modern landscapes Visiting places of historical interest Viewing majestic mountains Seeing wildlife in nature
Purpose of Trip	<ul style="list-style-type: none"> Sightseeing dominates VFR also significant (56%)
Accommodation	<ul style="list-style-type: none"> Home of friend or relative (45%), mid-priced or budget property preferred
Expenditure (average)	<ul style="list-style-type: none"> \$12,280 CDN per trip, per party
Profile	<ul style="list-style-type: none"> Sydney, Melbourne key markets 56% under 40, 28% are 50+ 54% have close friends/relatives in Canada

Provinces Visited

British Columbia is clearly a popular province to visit for Australians (68%). Ontario draws over half (55%), reinforcing its appeal as well.

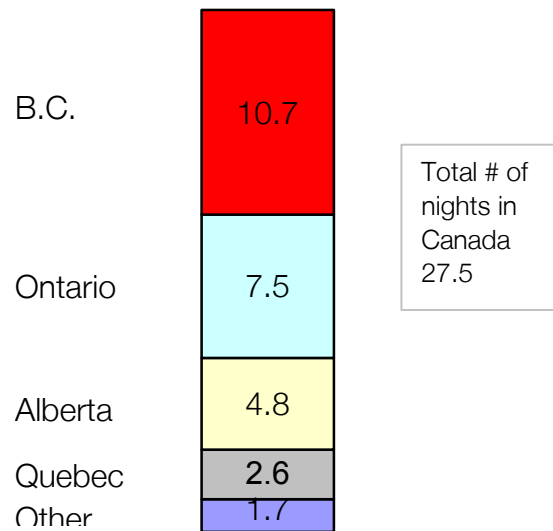
Exhibit 1.10: Places Visited in Canada³



In terms of overall nights, British Columbia captures an average of 10.7 nights out of an average 27.5 nights in Canada. Ontario accounts for 7.5 nights.

³ Eastern Canada includes Ontario, Quebec and Atlantic Canada. Western Canada includes Manitoba, Saskatchewan, Alberta, British Columbia, Yukon, NT/Nunavut. Note: Multiple responses.

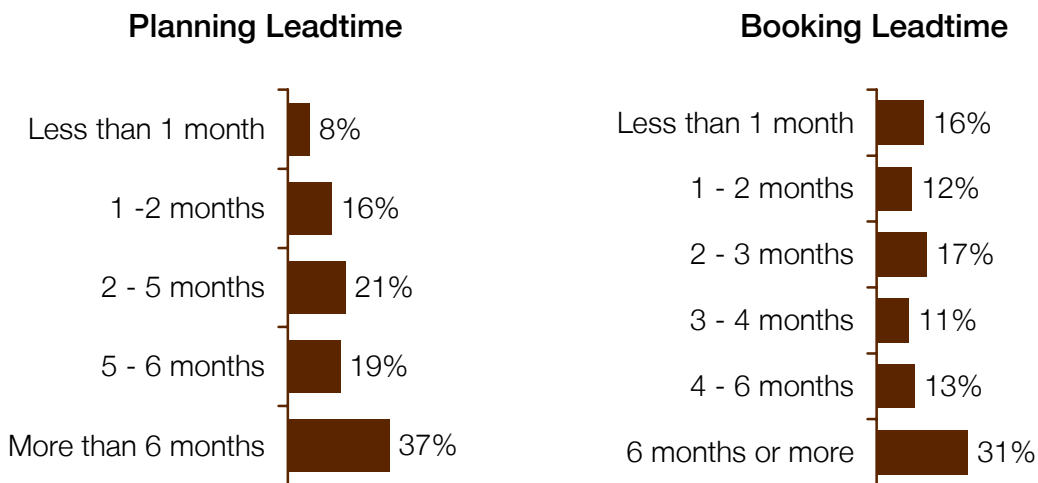
**Exhibit 1.11: Number of Nights Spent in Each Province
(Among Past 3 Years Travellers to Canada)**



How do travellers plan and book their trip to Canada?

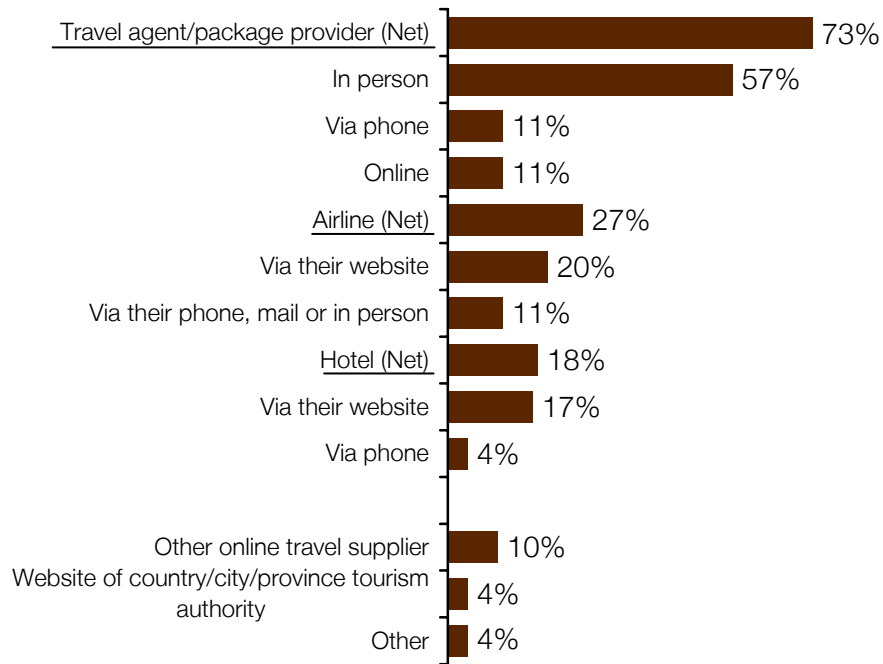
Australians plan their trip to Canada well in advance -- 56% plan five or more months prior to departure and 21% plan 2-5 months prior to departure. Over half of Australian travellers to Canada booked about 3 months in advance and 72% booked 2 months prior to traveling. Consequently, product promotion must be timed well in advance of the travel season.

**Exhibit 1.12: Trip Planning/Booking Lead time – Canada
(Percent Among Past 3 Year Travellers)**



Most Australian travellers book through travel agents or package providers when organizing Canadian vacations. Notable, even with the high level of FIT travel (9 in 10 trips to Canada), booking direct with an airline is only practiced by 27% going to Canada.

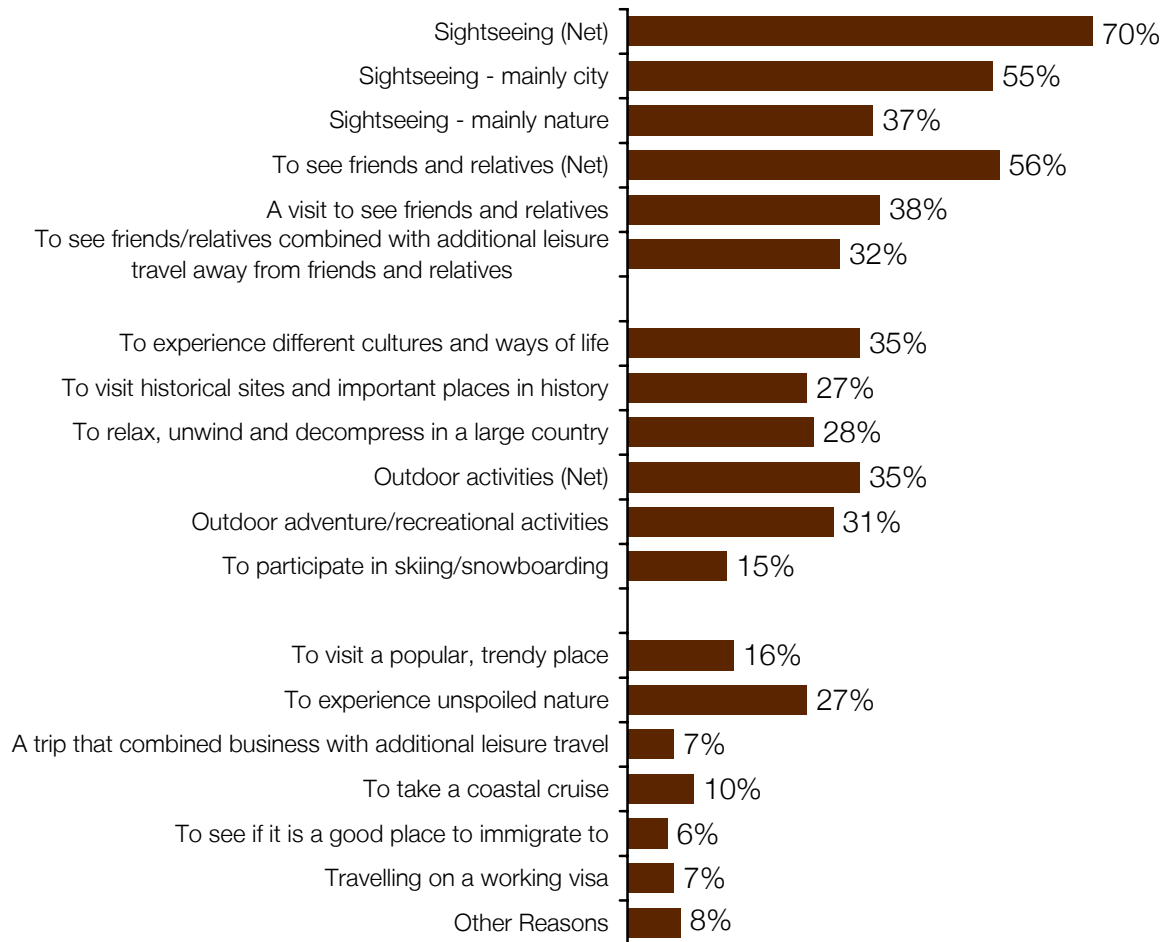
**Exhibit 1.13: How Trip Was Booked – Canada
(Percent Among Past Travellers)**



Why do Australians travel to Canada?

As with the U.S. and the U.K, personal connections play a major role in destination choice -- VFR is a reason for travel for as many as half visiting Canada. Sightseeing and getting out in nature, especially for recreational activities, are prime motivators for Canada – far higher than for any other country, reflecting earlier findings. Skiing, in particular, draws 15% to Canada.

Exhibit 1.14: All Reasons for Travel – Canada
(Percent among past 3 year travelers, all mentions)



In spite of the appeal of Canada’s outdoor activity opportunities, VFR dominates as the main reason for visiting (37%), followed by sightseeing (23%). Outdoor activities are more of a side benefit for current visitors (a reason for visiting for 35%, but the main reason for only 7% of Canadian visitors).

To further probe traveller motivation, Insignia used their Inner Consciousness Laddering Model to draw out the “higher order” benefits that travellers are seeking in a Canadian vacation.

The hierarchy process:

- 🖼️ Begins with fundamental products or activities sought;
- 🖼️ Then uncovers the benefits sought by experiencing those products/activities;
- 🖼️ And finally, at the highest level, the personal values that are being fulfilled by the experiences.

For Australians, the Canadian vacation experience at the product/activity level is primarily nature focused with a significant emphasis on soft adventure.

At the Benefits level, these nature based experiences lead to:

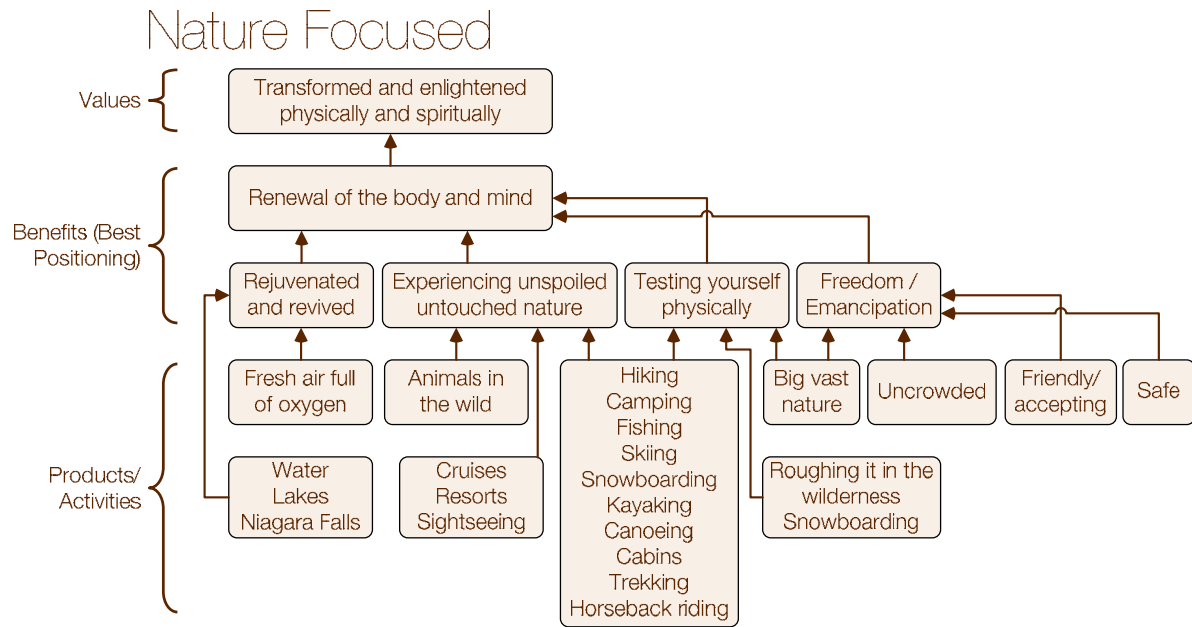
- 🖼️ Rejuvenation and emotional revival
- 🖼️ Freedom / emancipation
- 🖼️ Renewal of the body and mind

At the highest order, the Value received is:

- 🖼️ Physical and spiritual enlightenment and transformation
- 🖼️ In other words, the traveller feels refreshed and rewarded by their emersion into Canada’s natural environment.

Implications

The best way to position Canada’s nature based products is to focus on the physical and emotional rewards that they provide.



Opportunities

Canada is a rejuvenating, soul inspiring experience for Australians.

“Canada is good for your soul”
“Makes you appreciate life again”
“Nature and my spirit meet”
“Transformed and enlightened”
“A soul tour”

Positioning should take advantage of the belief that Canada is less crowded than the U.S., Europe and Japan. This feeds into the “soul fulfillment” and implies fewer line-ups on the ski slope or in cities and events.

Also, there is an opportunity to take advantage of Canada’s perceived bigger scale and vastness in nature as a point of difference to the competition. The bigger the nature, the higher the soul soars and the more unique the experience.

“You have a greater understanding of why you are on the planet”

What barriers does Canada face in attracting Australian visitors?

The high cost of travel is a major barrier for prospective visitors to Canada. As shown in Exhibit 1.15, the top ten barriers all relate to cost. As the focus groups expressed, distance is not a significant deterrent for Australians who are resigned to the fact that long flights are inevitable with overseas travel.

Exhibit 1.15: Top 20 barriers for travel to Canada (Among those not likely to visit Canada in the next 12 months)

1. Overall trip would be too expensive.
2. High cost of air transportation to Canada.
3. High cost of packaged tours to Canada.
4. Not enough money available.
5. High cost of hotels within Canada.
6. Expensive to travel within Canada.
7. Bad time for me financially.
8. Too expensive to travel as a family with kids.
9. Poor value for money.
10. Unfavorable exchange rate.
11. Too busy at work.
12. There are other more interesting / exotic places to go.
13. Personal reasons.
14. Prefer to travel within Asia.
15. Too far to travel / Flight to Canada is too long. (15, 16, 17 tied)
16. Country is too vast to see on one trip. (15, 16, 17 tied)
17. Too busy with kids. (15, 16, 17 tied)
18. Do not have friends or relatives in Canada. (18, 19 tied)
19. Safety concerns. (18, 19 tied)
20. Risk of terrorism.

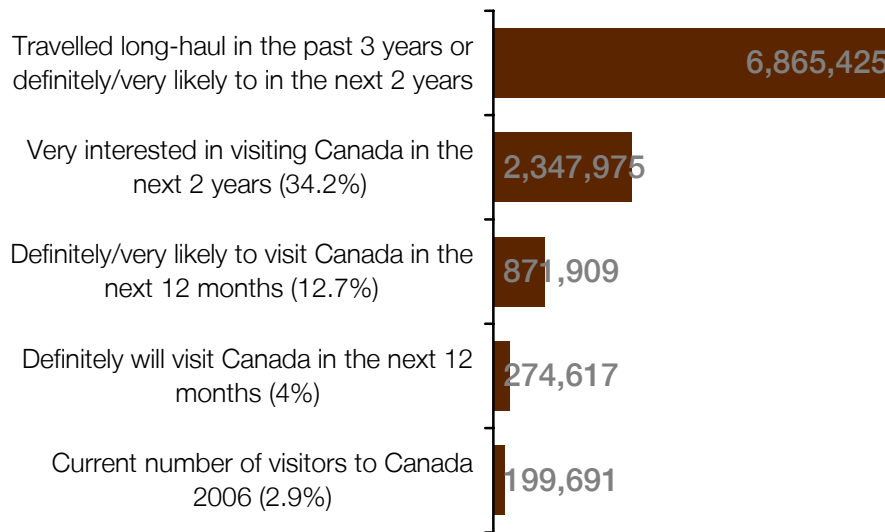
Note: Multiple responses.

What is the opportunity for Canada?

There are an estimated 6.9 million travellers in the Australian long-haul market⁴, of which about 2.3 million are interested in visiting Canada in the next 2 years.

Serious prospects (defined as those who claim to be definitely / very likely to visit Canada in the next 12 months) total about 872,000. Very serious prospects (those who claim that they will definitely visit Canada in the next 12 months) total about 275,000 – greater than the current visitor flow.

Exhibit 1.16: Latent demand for Canada



When Australian long-haul pleasure travellers were asked which countries they were likely to visit on a pleasure trip in the next two years, Canada ranked 10th as a near term future destination – well behind the U.K. (1st) and the U.S. (2nd). This indicates that Canada is far from top of mind in spite of its inherent appeals.

Exhibit 1.17: Long-haul Destination Priority

Rank		Rank	
1	United Kingdom	6	Italy
2	U.S. Mainland	7	China
3	Thailand	8	Hong Kong
4	Hawaii	9	France
5	Singapore	10	Canada

⁴ Defined Australians who have traveled outside Oceania in the past three years and those who say they are very likely / definitely taking a pleasure trip outside Oceania in the next two years.

Although Canada ranks 10th overall, it is near the top of the list for certain segments, in particular: travellers over 60 years old; long-haul travellers with friends and relatives in Canada; and repeat travellers (see Exhibit 1.18).

Exhibit 1.18: Canada’s Priority Ranking, by Selected Segment

Segment		Size of Market (#)
Repeat travellers (travelled already in the past 3 years)	1 st	357,000
Age 60+	2 nd	1,620,000
Friends and relatives in Canada	3 rd	1,510,000

What are Australian travellers looking for in their next trip to Canada?

When Australian travellers who were very interested in visiting Canada in the next 2 years were asked about their ideal trip to Canada, they described it as:

Exhibit 1.19: Prospective Market’s Ideal Trip to Canada (in next 2 years)

Season:	Likely April to September
Duration in Canada:	2 ½ weeks
Type of trip:	FIT (non-group travel)
Would also visit:	<ul style="list-style-type: none"> ■ The U.S. (66%), possibly Europe (36%) ■ Canada only visits (16%)
Intercity transportation:	Air, rail, car rental all popular
Accommodation:	Canadian resorts (mountain or lakeside), authentic lodge, more mid-priced than luxury.
Top 10 Activities of Interest:	<ul style="list-style-type: none"> ■ Seeing and experiencing the Rockies and mountains ■ Visiting historical sites ■ Feeling the purity and freshness of untouched nature ■ Experiencing French Canadian culture/cuisine ■ Wild animals in their environment ■ See polar bears ■ Visiting museums, art galleries ■ Culinary experiences (for example, fine dining, winery tours) ■ Viewing aurora ■ Participate in an activity related to their hobbies

The ideal trip for younger travellers (under 40) is significantly different from older travellers (40+). Although there are many commonalities, their needs skew are described in Exhibit 1.20.

Exhibit 1.20: Prospective Market’s Ideal Trip to Canada, by age

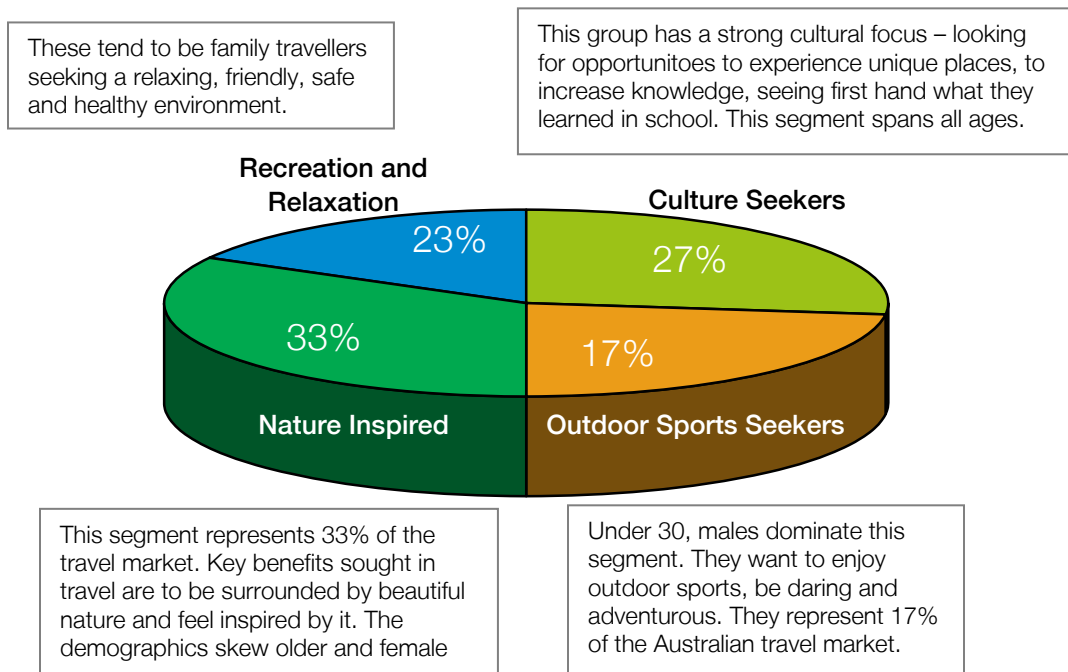
	Younger (under 40)	Older (40+)
Season	<ul style="list-style-type: none"> ■ Open to 1st and 4th quarter travel 	<ul style="list-style-type: none"> ■ 3rd quarter dominates
FIT	<ul style="list-style-type: none"> ■ FIT strongly preferred 	<ul style="list-style-type: none"> ■ Older open to group (31% of 60+)
Intercity	<ul style="list-style-type: none"> ■ High interest in rental car 	<ul style="list-style-type: none"> ■ Rail has strong appeal
Accommodation	<ul style="list-style-type: none"> ■ Ski resort popular (to 29% of 18 to 29) 	<ul style="list-style-type: none"> ■ Cruise ships and lakeside resorts (especially to 60+)
Activities	<ul style="list-style-type: none"> ■ Skiing, camping, canoeing/kayaking very popular ■ Spa visits (66% for 18 to 29) 	<ul style="list-style-type: none"> ■ Less physical activity ■ More of a blend of nature, sightseeing and Canadian culture

Who can we target?

Market Segments

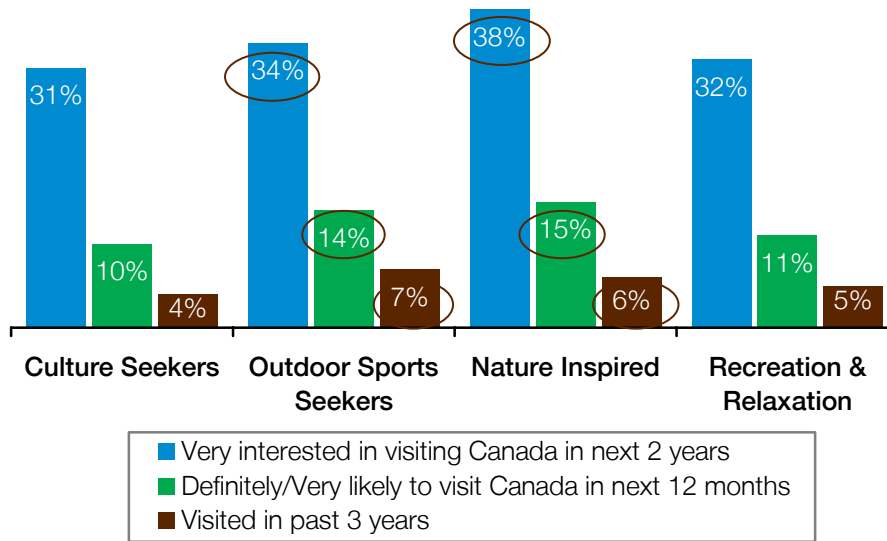
Assisted by grassroots learning from the preliminary focus groups, a multi-dimensional rating question was created for the quantitative survey. Four segments emerged (see Exhibit 1.21).

Exhibit 1.21: Size of Market Segment



“Nature Inspired” and “Outdoor Sports Seekers” are key target markets for Canada, based on interest in visiting the country. Although “Recreation and Relaxation” are also very interested, this is primarily the family travel market which tends to seek closer, less expensive destinations.

Exhibit 1.22: Current Plans to Visit Canada – by Segment













Ski / Snowboard

Ski/snowboarding is another important segment for Canada. Of those who skied / snowboarded on their most recent trip:

- 🖼️ Over half (54%) were between the ages of 18-29.
- 🖼️ There are somewhat more males (59%) than females (41%).
- 🖼️ 90% traveled independently (non-group).
- 🖼️ On their most recent trip, 22% visited Canada.
- 🖼️ 39% stated they were interested in visiting Canada in the next 2 years. 26% stated that they were very likely to visit Canada in the next 12 months.

2. SWOT Analysis

Strengths

-  The Australian economy is growing and expected to remain healthy into the foreseeable future.
-  The Australian dollar has been strengthening against the Canadian currency in the past 6 months.
-  The outbound travel market continues to grow.
-  Canada's spectacular, breathtaking natural beauty appeals to Australians.
-  Canadian nature provides a welcome contrast to Australia's more arid, drought affected environment. Canada is clean, fresh, moist and dewy with lush oxygen rich parks, forests and lakes.
-  Australians enjoy outdoor recreation and the opportunities for soft adventure in Canada are highly appealing.
-  Canada remains a popular ski/snowboard destination.
-  Canada is considered friendly and welcoming to Australians.
-  As a Commonwealth country, there is a sense of shared history, kindred spirit, and brotherhood.
-  Canada is frequently involved on many Northern Hemisphere journeys.
-  Australians bound for Europe are becoming increasingly tired of connecting through Asia and may be becoming more open to a routing via Canada.
-  As many as 22 % of Australians have close friends or relations in Canada.
-  Air Canada is introducing a new Sydney to Vancouver service in December, 2007.
-  Australia visitors arrive in all seasons.
-  The Canadian brand is perceived as very different from the U.S. or European brands, providing a rationale for inclusion in a Northern Hemisphere tour.

Weaknesses

-  Canada's market share has fallen since 2000 in step with the U.S. and, to some degree, the U.K.
-  Australia-Canada direct air service is lacking.
-  Wholesalers are focusing on group travel, a very small share of current visitors, whereas the FIT package market appears under developed.
-  Air fares to Canada are high vis-à-vis the U.S.

- 🖼️ Canada has low presence generally and in the travel arena specifically.
- 🖼️ Canada only ranks 10th as a future destination priority, well behind the U.K. and the U.S. which are in 1st and 2nd positions.

Opportunities

- 🖼️ Promote Canada as a must see destination on a journey to the U.S, Europe, or both.
- 🖼️ Canada can be a welcome routing to Europe, avoiding Asian stopovers.
- 🖼️ Develop FIT packages that focus on experiencing Canadian nature – both as an observer (for the less active) and via soft adventure.
- 🖼️ Create a strategy for the trade which highlights the benefit of routing via Canada en route or returning from the U.S. and/or Europe.
- 🖼️ Encourage Australian television producers to consider Canada for travel programming.
- 🖼️ Enhance the CTC website to address interests in Canadian outdoor experiences.
- 🖼️ Consider creating special events in Canada directed to Australian visitors and engaging local friends and relatives.

Threats

- 🖼️ Aggressive promotion by competitive destinations – e.g., Colorado ski resorts.
- 🖼️ Air fares to Canada do not improve.

3. The Way Forward: Considerations

1. Reposition the Canadian brand to address the core appeal of Canada to Australians.

The vast majority of current and prospective travellers to Canada include the country as an integral part of a major journey to the Northern Hemisphere – typically including time in the U.S. and often Europe. Only a small minority are travelling only to Canada (26% of recent visitors, 16% based on the ideal next trip). Canada, then, should attempt to capture a larger share of Northern Hemisphere trips destined to the U.S. and/or Europe.

The positioning for Canada should clearly differentiate its product from that of the U.S. and Europe and sell the notion that, it is a must see inclusion. The most compelling (and unique) appeal of Canada is its nature and a positioning theme for Canada in Australia could be: *“Canada’s nature and environment is a transforming experience for the soul. It can rejuvenate, inspire and emancipate.”*

Support for this positioning is that:

- 🖼️ Canada’s green, lush, oxygen rich mountains parks and forests are in sharp contrast to their own natural environment – dryer, hotter, suffering from drought conditions.
- 🖼️ Australians get excited about being in that environment, whether observing or soft adventure focused. They claim it rejuvenates the soul.
- 🖼️ The U.S. and Europe do not provide the same experience.

While nature benefits should be the core positioning, there are plenty of other elements that can help form an emotional bond between Australia and Canada such as:

- 🖼️ Focus on rekindling an affinity for each other.
- 🖼️ Canada is loved for being part of the Commonwealth/Colony, just like Australia.
- 🖼️ Australians love that Canadians love Australians and accept them the way they are, unlike the U.S. and Europe.
- 🖼️ Australians appreciate that Canadians understand their sense of humour, more so than those in the U.S. and Europe.
- 🖼️ The relationship between Canada and Australians is “sibling”, and this can be leveraged to elevate emotional equity.

2. Target high priority market segments whose needs can be addressed by the Canadian travel experience.

As discussed in section 1, key markets for Canada are:

1. Nature Inspired -- 33% of the travel market, this group skews older (50+) and is attracted to Canada's beautiful nature and the inspiration it provides. They also place a high importance on experiencing Canadian culture, less interest in soft adventure.



2. Outdoor Sports Seekers -- 17% of the travel market, this group skews younger (primarily 18 to 29) and is attracted to soft adventure. Skiing/snowboarding dominates (compared to other segments). Canoeing/kayaking, hiking and camping are highly appealing as well.



3. Develop a wider array of products and packages for each target segment.

Most Australian travellers are FIT – typically not on a package, but open to relevant packaging. Canada needs to ensure that the correct product is available to each target segment – either packaged or available for purchase separately.

Exhibit 3.1: Key product elements for the FIT traveller, by key segment

Nature Inspired

- Low cost airfares
- Mountain/lakeside resorts
- Rail travel
- Car rental
- Mid priced hotels
- Canada's natural icons
- Experiencing Canadian culture (city focused)
- Experiencing Canadian cuisine
- French Canadian culture and cuisine
- Historic sites
- Across Canada

Outdoor Sports Seekers

- Low cost airfares
- Mountain/ski resorts
- Spa visits
- Ski packages
- Hiking opportunities
- Canoeing/kayaking opportunities
- Camping
- Horseback riding
- Rail travel
- Car rental
- Across Canada

4. Work with the travel trade with a focused strategy.

The trade currently focuses on group packages and clearly needs more FIT (non-group) product. Further, they need to be informed of the appeal of Canada to north bound travellers and the benefits of including Canada in the itinerary. Canada can be positioned as a viable route to Europe.

5. Target specific media opportunities.

The non-commercial media can be extremely powerful in promoting a destination, more so than traditional advertising. Effort should be made to get the Canadian product into television shows and other public relations opportunities.

🖼️ “Getaway” in particular is a highly influential travel show

🖼️ “The Great Outdoors” was also mentioned, although less often

6. Tailor the CTC website to address the needs of the target segments.

The CTC website should ensure that it addresses the needs of FIT travellers wanting to review and ultimately purchase specific trip components that appeal to them – namely:

🖼️ Accommodation (resorts, mid-priced properties)

🖼️ Soft adventure experiences (e.g., skiing/snowboarding, hiking/canoeing/kayaking experiences, camping and horseback riding opportunities)

🖼️ Rail excursions

🖼️ Car rental

🖼️ Spa experiences





🖼️ Coastal cruises

🖼️ French Canada

🖼️ Intercontinental travel

Appendix A: Research Objectives and Methodology

The Canada Tourism Commission (CTC), in partnership with:

-  Tourism BC,
-  Ontario Tourism Marketing Partnership,
-  Alberta Tourism, Parks, Recreation and Culture, and the
-  Government of Yukon, Tourism and Culture

commissioned Insignia Marketing Research to gather market intelligence on the Australian travel market.

The research was designed to meet 5 business objectives of the partnership group:

1. Identifying the target markets for travel to Canada
2. Developing market sensitive product packages
3. Making use of the most effective communication channels to reach the target market
4. Providing direction and assistance for the travel trade to accelerate the growth of pleasure travel to Canada
5. Designing the most effective advertising to reach the potential market

In order to meet these business objectives, the research incorporates 10 objectives. By pursuing these research objectives, the knowledge required to answer the business questions was obtained. The 10 research objectives were:

-  Determine the size of the travel market.
-  Profile the prospective market.
-  Determine travel motivators to Canada.
-  Evaluate Canada's competitive set.
-  Analyze the market segments.
-  Determine traveller and trip profiles.
-  Determine what marketing channels are the best for Canada to use.
-  Understand regional interest within Canada.
-  Explore advertising strategies for Canada
-  Discover evolving trends

The study involved a 4-phase approach:

Phase 1: Review of existing data - An examination of existing available data on Australian travel patterns and economics was conducted in order to provide context for the findings of the original research. Primarily, the Australian Bureau of Statistics and Tourism Australia were used as sources.

Phase 2: Focus Groups - In order to gather grassroots insights to shape the quantitative survey, as well as to give context to its results, focus groups were conducted among Australian travellers. Six groups were conducted in Sydney. All participants had either travelled internationally in the past 3 years or had plans to travel internationally in the next 3 years. Four of the groups included those who had not yet travelled to Canada, but were not rejecters of Canada. The two remaining groups were those who had visited Canada in the past 3 years.


Phase 3: Travel Trade Interviews - A series of in depth interviews were conducted among the trade to gain a more complete picture of the travel market in Australia. The interviews lasted, on average, between 30 and 45 minutes. Fifteen interviews in total were conducted, with the following breakdown:


 7 Interviews with Tour Operators/Wholesalers

 4 Interviews with Travel Agents/Retailers

 4 Interviews with those working at Airlines/Travel Media Outlets.

Phase 4: Consumer Quantitative Survey - A national online panel operated by OpenVenue was conducted with 2,772 Australian adults aged 18 and older from February 8 to 23, 2007. Respondents met the following criteria:

 Travelled outside of Australia, New Zealand and the South Pacific for 4 nights or more for pleasure or personal reasons, to visit friends and relatives or a trip that combined business and pleasure in the past 3 years, or

 Planned to take a pleasure trip outside of Australia, New Zealand and the South Pacific for 4 nights or longer in the next 2 years.

An oversample was implemented to reach n=400 past travellers to Canada. This was achieved by screening both the main panel fully and a second sister panel for qualifying past Canadian travellers. The oversample of past travellers to Canada was then weighted down to the level in the cross-section survey. The average duration of interview was 20 minutes.

The average error range with a sample of 2,772 is $\pm 1.9\%$. This means that in 19 out of 20 cases, the results based on a sample of 2,772 will differ by no more than 1.9% from what would have been obtained by interviewing all consumers who meet the qualification criteria in the markets surveyed.

In addition to the online survey, a telephone omnibus survey was conducted among 2,000 Australian aged 18+ across the nation to obtain incidence and profile data of the past and future pleasure trip travellers. This provided a base from which to weight the online survey as required. In this case, a city weight was applied to the online sample to reflect a more accurate distribution of past/future travellers in each of the survey cities/regions.