RESEARCH

UK TELEVISION ADVERTISING CONVERSION STUDY REPORT

Evaluation report
2003-1

Discover our true nature

Canadian Tourism Commission
Commission canadienne du tourisme

Canada

UK Television Advertising Conversion Study Report

Prepared for:

The Canadian Tourism Commission (CTC)

Prepared by:

IBM

Ottawa – December 2003

National Library of Canada cataloguing in publication data

Main entry under title :

UK television advertising conversion study report

Issued also in French under title: Étude de conversion par suite de la
campagne de publicité télévisée au Royaume-Uni.
ISBN 0-662-35626-8
Cat. no. C86-185/2003E

1. Advertising – Tourism – Canada.
2. Travelers – Great Britain.
3. Tourism – Canada.

I. IBM Business Consulting Services.
II. Canadian Tourism Commission.

G155.C3U54 2003 659.1'99171 C2003-980344-9

If you require additional copies, please visit our website at www.canadatourism.com or e-mail your order to the CTC Distribution Centre at: distribution@ctc-cct.ca. Please quote #C50281E when ordering by e-mail.

Table of Contents

Executive Summary 1

Conversion Study Highlights 1

Conversion Analysis 2

Key Results by Response Mechanism and Tour Operator 2

I. Introduction 3

Study Objectives 3

Methodology 4

Organization of This Report 5

II. Conversion Study Highlights 7

Demographic Profile of Conversion Study Respondents 7

Awareness of Canadian Destinations 8

Impact of the Fulfillment Package 9

Airlines / Tour Operators Used and Destinations Visited 12

Reasons for Not Booking a Trip to Canada 16

Future Travel Intentions 17

Impact of Recent Events 21

III. Conversion Analysis 23

Fulfillment Critical Approach 23

Positive Influence Approach 24

Potential Market Approach 24

Summary of Conversion Rates 25

Conversion Rates by Socio-Economic Status 26

Regional Conversion Rates 26

IV. Key Results by Response Mechanism 29
Demographic Profile 29
Awareness of Canadian Destinations 31
Impact of the Fulfillment Package 32
Future Travel Intentions 35
Summary of Conversion Rates 36

V. Key Results by Tour Operator 37
Demographic Profile 37
Impact of the Fulfillment Package 38
Conversion Rates 39

VI. Conclusion 41

Appendix I – UK Advertising Conversion Questionnaire 2003 43

Executive Summary

The Canadian Tourism Commission (CTC), in conjunction with several partners, launched a major new television campaign in the UK in 2002/2003. IBM Business Consulting Services was commissioned to conduct a conversion study to examine the effectiveness of the television advertisements and the fulfilment package in influencing the travel decision-making process of recipients and in converting interest in Canada into actual trip-taking. Highlights of this study are presented below.

Conversion Study Highlights

- The fulfillment package successfully reached its target audience – by and large, recipients were middle-aged (30 to 54) and affluent.
- British Columbia, Ontario and Alberta topped the list of Canadian holiday destinations that recipients were aware of. Awareness of the Atlantic Provinces was considerably lower indicating that they are not currently top-of-mind destinations among package recipients.
- The tourism package had a strong positive influence on recipients, with over 60 per cent who indicated that it made them more likely to take a trip to Canada in the next two years. Fully one-fifth (20%) of recipients had visited or booked a trip to Canada since receiving the fulfillment package, although some of these trips were planned prior to seeing the advertising. This is down about ten percentage points from 2001.
- Uptake of the tour packages featured in the fulfillment material was strong, with 15 per cent to 16 per cent of travellers who had taken/booked a trip to Canada through a tour operator purchasing one of the Globespan packages and 1 per cent to 2 per cent booking one of the Travelpack offerings.
- While still healthy, the likelihood of visiting Canada in the next twelve months (52%) and the next two years (87%) were also down from 2001. Although one might attribute this to recent events such as the Iraq war and SARS, these were not common reasons given by those unlikely to visit in the future. Rather, the expense of travelling in general, and to Canada in particular, were the key travel barriers cited. Affordability is likely more of an issue now than two years ago, with the UK economy faltering after the September 11th terrorist events and in the run-up to the Iraq war. Consumer spending and confidence are also down, which would explain the heavy focus on expense-related reasons.
- When specifically asked whether they had concerns about travelling to Canada as a result of recent events such as the war and SARS, only a quarter said they did, with 84 per cent of these mentioning SARS in particular. However, compared to pressing issues such as the economy, these were generally softer concerns.

Conversion Analysis

- Despite the struggling economy and events such as SARS, conversion rates remained strong. In fact, the potential market conversion rate was 20.2 per cent (two-year time horizon), which is about the same as in 2001. This indicates that Canada could see as many as 10,577 potential travellers and $14.5 million in potential revenues in the next two years as a direct result of the fulfillment campaign. Clearly, the advertising and fulfillment material are working to sustain tourism flows from the UK.
- Regionally, high one-year potential market conversion rates were seen for British Columbia and Ontario, which translate into high potential revenues for these regions over the next year ($2.4 million and $2.0 million, respectively).

Key Results by Response Mechanism and Tour Operator

- Demographically, respondents for the three different response mechanisms were quite distinct, with age being the key differentiator. Those who responded via Interactive TV were generally a younger group (25 to 44), while Call Centre respondents tended to be older (55+). Internet-savvy respondents were more likely middle-aged (45 to 54) and very affluent.
- Interactive TV inquiries tended to be more spontaneous, with interest in Canada sparked by the advertising. These respondents were least likely to have been planning a trip to Canada prior to making the inquiry. Conversion rates for Interactive TV were roughly the same as for Call Centre and Internet inquiries (as preplanned trips are removed from the conversion estimates). However, because this channel accounted for over half of the total inquiries to the campaign, it represented the lion's share of converted travellers (6,124) and revenues ($8.4 million).
- Call Centre respondents ($2.3 million in revenues) and Internet respondents ($3.8 million in conversion revenues) were also vital contributors to the bottom line.
- Results for the two tour operators (e.g., Globespan and Travelpack) were quite comparable, with no significant differences in the key results, including conversion rates. However, because Globespan generated the greater part of the inquiries, it accounted for the majority of converted travellers and revenues (i.e., $10.3 million vs. $4.2 million for Travelpack).

I. Introduction

The Canadian Tourism Commission (CTC), in conjunction with several partners, launched a major new advertising campaign in the UK in 2002/2003. A key component of the campaign was a series of 40-second television advertisements that were broadcast between December 26, 2002 and February 16, 2003. This advertising was supported by a number of partners, with each ad featuring a different partner to the campaign. Provincial partners included British Columbia, Alberta, Ontario and Atlantic Canada. The airline partner was Air Transat, and the tour operator partners were Travelpack and Globespan.

The overall objectives of this year's UK television advertising were to create awareness of the Canada brand, to promote specific partner offers, and to generate inquiries and response from the target audience. In contrast to previous years, the advertising was more tactical and focused on response rather than on general awareness building. The theme of the television initiative, which positioned Canada as an exciting, trendy destination with diverse experiences, was *Play in Canada.*

The television advertisements generated 22,766 inquiries from UK residents who requested, and were subsequently sent, an information package on travelling to Canada. This included 4,030 call centre inquiries, 6,341 Internet inquiries and 12,395 inquiries via Interactive TV.

There were two different fulfillment packages sent out this year – one for those responding to Globespan sponsored ads (15,603 inquiries) and one for those responding to Travelpack sponsored ads (7,163 inquiries). The key components of these fulfillment packages were as follows:

- A personalized covering letter from the CTC;
- The *2003 Canada Discovery Guide*, which included detailed information on key products in Canada and Canada's different regions, highlighting things to see and do through text and photos;
- The *2003 Canada Travel Planner*, a detailed planning guide with information on what to do in Canada and trip planning information (e.g., airlines, accommodations, provincial tourism offices, tour operators and travel agencies);
- A currency flyer emphasizing the value of the Canadian dollar against the U.S. dollar; and
- A brochure for Globespan or Travelpack, depending on which advertisement led to the inquiry.

Study Objectives

Being the first new television campaign to be launched in this market in over three years, the CTC recognized the importance of examining the effectiveness of the advertising and fulfillment package in influencing the travel decision-making process of recipients and in converting interest in Canada into actual trip-taking. As a result, IBM Business Consulting Services was commissioned to conduct an advertising conversion study in the UK – a follow-up to the evaluation study conducted earlier this year.

This report presents the key findings of the conversion study, including conversion estimates for Canada overall, and regional estimates for the provincial partners. The report also examines key results by response mechanism and by tour operator.

Readers of this report should keep in mind that the spring of 2003 saw some of the most significant events to affect the Canadian tourism industry since the September 11th, 2001 terrorist attacks on the

U.S. While there were many subplots to these events, they can generally be grouped as those associated with the war on Iraq (in which the UK played a strong role), and those associated with the spread of Severe Acute Respiratory Syndrome or SARS. These events have likely had immediate impacts on tourism to Canada from the UK, which should be taken into account in interpreting this year's conversion study results.

Methodology

A total of 1,500 telephone interviews were conducted with randomly selected members of the inquiries database between May 29^{th} and June 8^{th}, 2003, which was about 3.5 months after the end of the television campaign. The timing of the fieldwork was carefully chosen to allow respondents sufficient time to have made travel decisions, but occurred soon enough after the campaign that they were able to recall the fulfillment package and its influence on their decision-making process. A copy of the conversion questionnaire can be found in **Appendix I.**

As shown in the table below, quotas for the study were set by type of response mechanism and tour operator in accordance with their proportion in the overall inquiries database.

Conversion Study Quotas

	CALL CENTRE	INTERNET	INTERACTIVE TV	TOTAL
Globespan	140	300	560	1,000
Travelpack	130	120	250	500
Total	270	420	810	1,500

The conversion study respondents were compared with the overall inquiries database to ensure that no geographical or gender biases existed. The survey respondents paralleled the database on gender and region – as a result, no weighting of the survey data was required.

The results for the advertising conversion study are accurate to plus or minus 2.5 per cent. In other words, the survey is accurate nineteen times out of twenty to within +/- 2.5 per cent of what would be obtained if the full inquiries database had been surveyed.

The margin of error for the call centre results (+/- 6.0%), the Internet results (+/- 4.8%) and the Interactive TV results (+/- 3.4%) are higher due to the smaller sample sizes. The results for Globespan inquiries and Travelpack inquiries are +/- 3.1 per cent and 4.4 per cent, respectively. The margins of error are correspondingly higher for smaller sub-groups (e.g., those who took or booked a trip to Canada).

Organization of This Report

The remainder of the report is organized as follows:

- **Chapter II** highlights the overall findings for the study;
- **Chapter III** presents the conversion rate analysis;
- **Chapter IV** examines key results for the three response mechanisms;
- **Chapter V** examines key results for the two tour operators; and
- **Chapter VI** concludes this report.

II. Conversion Study Highlights

This chapter presents the overall findings for the study. It begins by profiling the demographic breakdown of the conversion study population (i.e., inquiries database). Unaided awareness of Canadian destinations is presented next, followed by a look at the impact of the fulfillment package. The chapter continues with a description of trips taken/booked to Canada and concludes with a look at future travel intentions.

Demographic Profile of Conversion Study Respondents

Exhibit 1 presents an overview of the demographics of the conversion study respondents (i.e., fulfillment package recipients). The exhibit shows that the conversion study population was broadly similar to the target audience for the advertising campaign. In fact, nearly two-thirds (63%) of respondents were between the ages of 30 and 54, and four-fifths (80%) had annual household incomes at or above the median of £20,000. The affluence of package recipients is further shown by the fact that over two-thirds (67%) were in social classes A, B or C1.

In addition, three-quarters of the respondents were married or living with someone, and close to a third (32%) had children in the household under 18 years of age. Interestingly, the Advertising Evaluation study showed that 42 per cent of advertising viewers had children under 18, which suggests that ad viewers with families were relatively less likely to make an inquiry after seeing the ad.

Exhibit 1 – Demographic Profile of Conversion Study Respondents

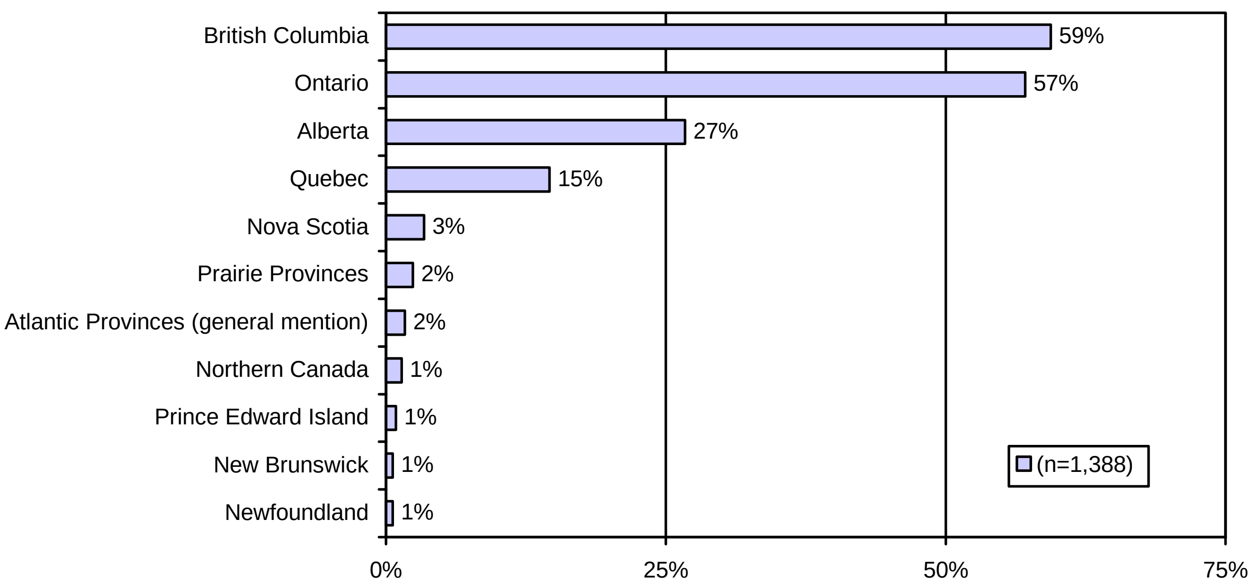
Gender:		**Marital Status:**	
Male	57%	Married / Living Together	75%
Female	43%	Single	18%
Age:		**Social Class:**	
Under 25	6%	A – Senior Mgmt, Top Level Civil Servants	8%
25 to 29	10%	B – Middle Mgmt, Small Business Owners	26%
30 to 34	11%	C1 – Junior Management	33%
35 to 44	23%	C2 – Skilled Manual Workers	22%
45 to 54	29%	D – Semi-Skilled / Unskilled Manual Workers	8%
55 to 64	15%	E – State-Dependent / Casual Workers	3%
65 or older	6%		
Region:		**Average Annual Household Income:**	
North East / North West / Yorkshire-Humberside	27%	Less than £15,000	10%
West Midlands / East Midlands / East Anglia	22%	£15,000 to £19,999	10%
South East / London / South West	28%	£20,000 to £29,999	29%
Other	23%	£30,000 to £49,999	33%
		£50,000 or more	18%
Have children in household under 18:	32%	**College or university degree**	31%

Note: n=1,500.

Awareness of Canadian Destinations

Unaided (or unprompted) awareness of Canadian holiday destinations is presented in ***Exhibit 2***. At just under 60 per cent, British Columbia and Ontario were by far the most frequently mentioned responses to the question “what places come to mind when you think of a vacation to Canada?” Alberta (27%) and Quebec (15%) were also common mentions. The Atlantic Provinces, Prairie Provinces and Northern Canada were each mentioned by less than 5 per cent of conversion study respondents.

Exhibit 2 – Unaided Awareness of Destinations in Canada

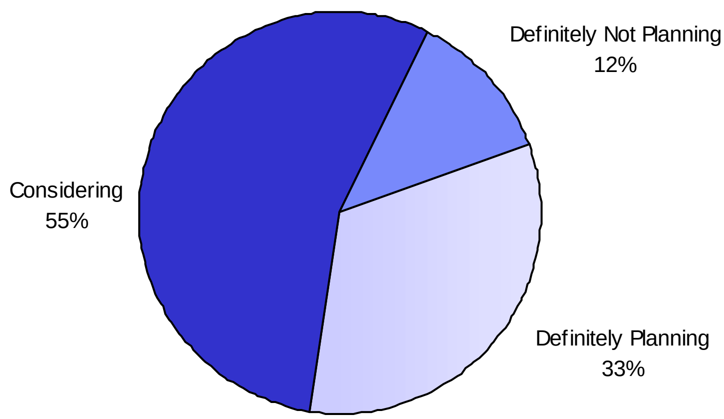


Note: Percentages may add to more than 100 per cent due to multiple responses.

Impact of the Fulfillment Package

Prior to receiving the tourism material that they had requested, one-third (33%) of the respondents had definitely been planning a trip to Canada (see ***Exhibit 3***). In addition, over half (55%) indicated that they had been considering a trip. Only 12 per cent of the package recipients had definitely not been planning a trip to Canada prior to receiving the tourism material. In other words, it appears that the vast majority of those who made inquiries in response to the advertising already had a definite interest in travelling to Canada.

Exhibit 3 – Impact of the Fulfillment Package



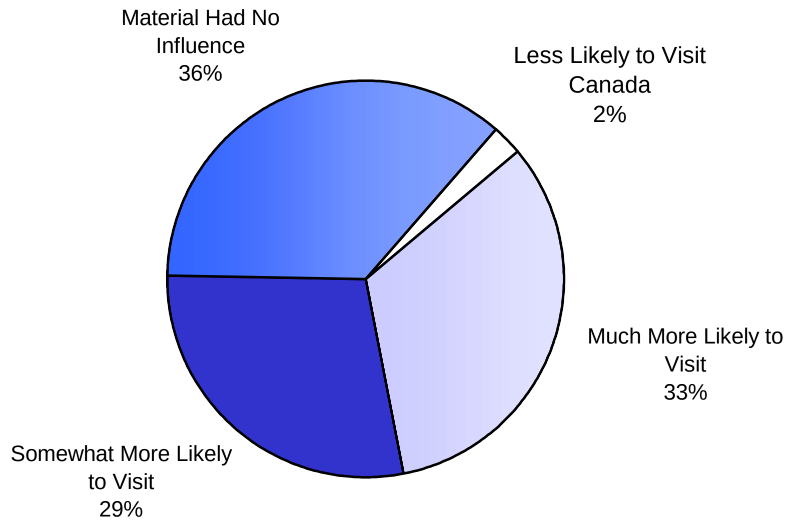
Note: n=1,500.

Exhibit 4 shows that after receiving the requested tourism material, over 60 per cent indicated that it made them more likely to visit Canada in the next two years. This key result points to the success of the fulfillment campaign, showing the enhanced positive disposition of potential travellers towards Canada after reading the material.

Over a third (36%) of respondents indicated that the material had no impact on their likelihood of visiting Canada in the next two years. Of these, the majority had already been planning to take a trip and the material simply reinforced their decision to go.

Moreover, only a minimal percentage (2%) indicated that the material had a negative impact on their intentions to visit Canada. The main reasons for a negative reaction centred on the high cost of travelling to Canada, with packages and flights being specifically mentioned as too expensive.

Exhibit 4A – Impact of Advertising Material on Future Travel Intentions (Next Two Years)



Note: n=1,500.

Exhibit 4B - Reasons Why Tourism Material Had a Negative Impact

- Packages too expensive (n=18)
- Flights too expensive (n=5)
- Canada too expensive (n=5)
- Packages didn't appeal to me (n=4)
- Material did not offer much for children (n=3)
- Too few packages to choose from (n=2)
- Not enough information on Canada in the material (n=1)
- Other (n=8)

Notes: Base is respondents who felt the material had a negative impact.
Results should be interpreted with caution due to the small sample size (n=38).

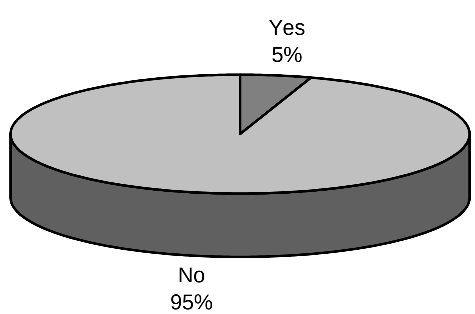
The main television campaign ran from the end of December 2002 to mid-February 2003, and fulfillment packages were mailed out as the inquiries were received. In the relatively short span between the end of the campaign and the start of the conversion study (i.e., three and a half months), 5 per cent of recipients had taken a trip to Canada (see ***Exhibit 5***). Of those who had not already visited since receiving the material, 16 per cent had booked a trip to Canada for the coming year.

Combining the two figures yields 20 per cent of the package recipients who had either taken or booked a trip to Canada shortly after receiving the material. Compared to the *2001 UK Conversion Study*, this figure has dropped significantly – by 10 percentage points – from 30 per cent in 2001 to 20 per cent in 2003.

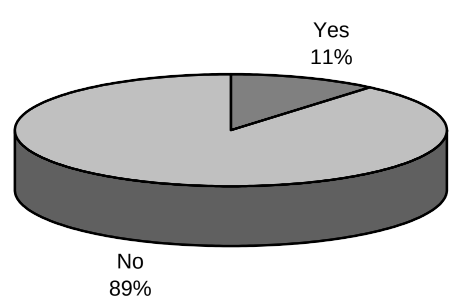
When applied to the total conversion database of 22,766 inquiries, 20 per cent represents over 4,500 people who had either taken or booked a trip to Canada. However, not all of these respondents were truly “converted” by the fulfillment campaign, since some of them had planned to visit before receiving the material and would have gone regardless of the package contents. A more accurate determination of the conversion rates for the campaign, taking this and other factors into consideration, is provided in the next chapter.

Exhibit 5 – Travelled to Canada Since Receiving the Material or Booked a Trip for the Coming Year

Visited Canada Since Receiving Material (n=1,500)



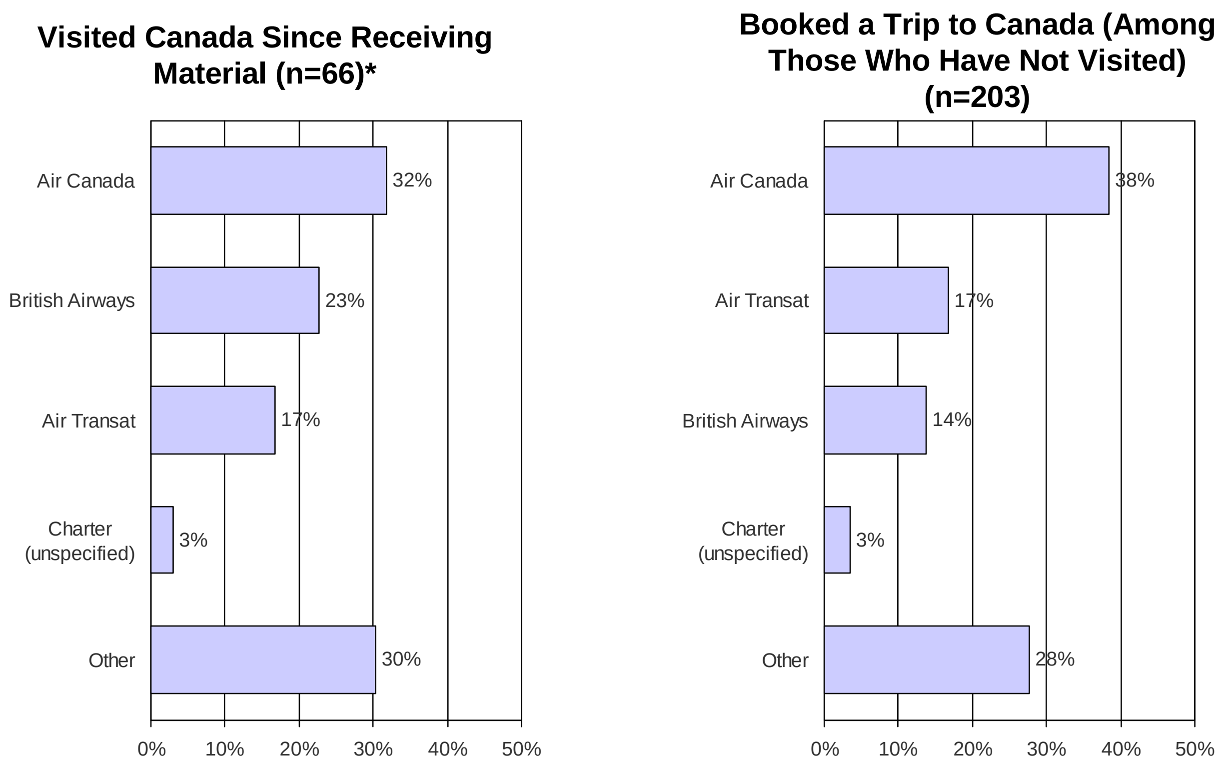
Booked a Trip to Canada (Among Those Who Have Not Visited) (n=1,433)



Airlines / Tour Operators Used and Destinations Visited

As seen in ***Exhibit 6***, Air Canada topped the list of airlines used for recent travel to Canada, mentioned by about a third of visitors. However, it was not the clear leader, with British Airways and Air Transat each mentioned by roughly a fifth of respondents. Results for planned trips to Canada were similar, with close to 40 per cent of respondents planning to travel on Air Canada, followed by Air Transat and British Airways with roughly similar market shares. UK travellers also turned to other airlines for their trips to Canada with My Travel / Canadian Affair, Thomas Cook, Zoom, KLM, American and United being other popular mentions.

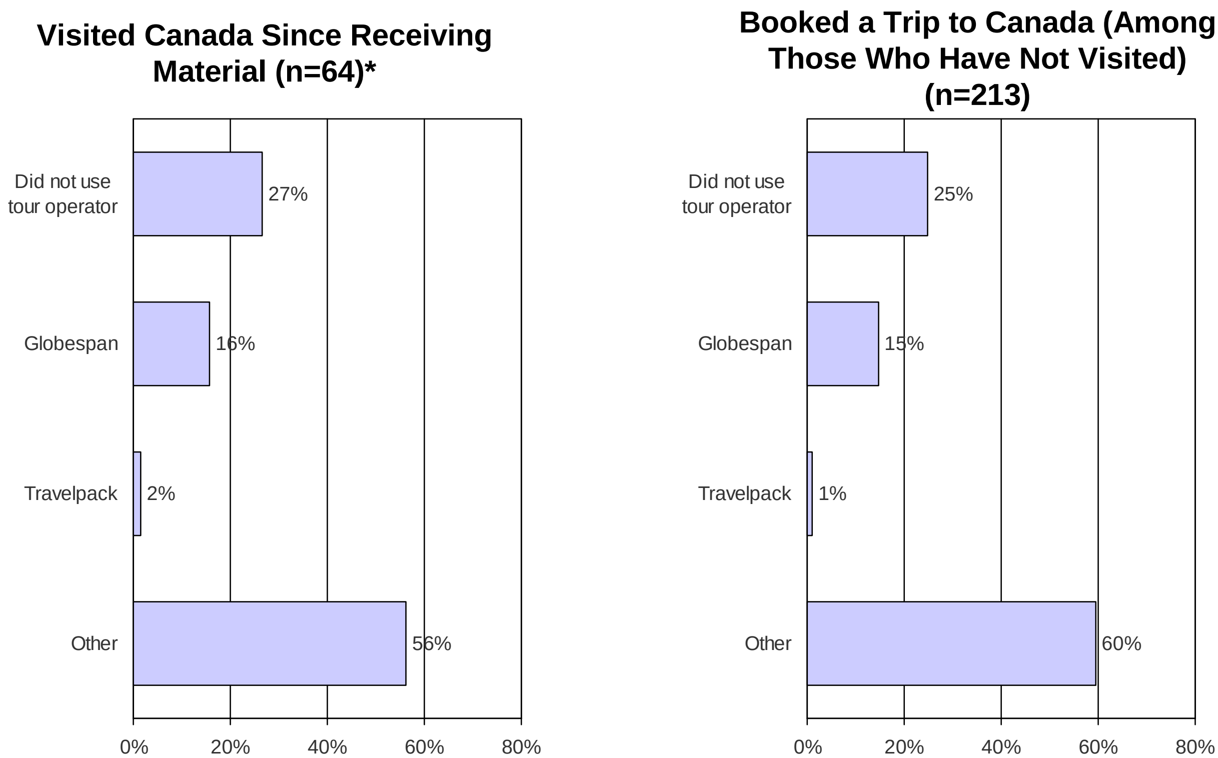
Exhibit 6 – Airlines Used / Plan to Use to Travel to Canada



Notes: Percentages may add to more than 100 per cent due to multiple responses.
** Results should be interpreted with caution due to the small sample size.*

Of those who had just taken or booked a trip to Canada, approximately a quarter did not use a tour operator when booking their trip (see ***Exhibit 7***). About 15 per cent to 16 per cent of travellers to Canada booked their trip with Globespan, while 1 per cent to 2 per cent booked with Travelpack. Other tour operators used included Canadian Affair, Thomas Cook and Titan Tours.

Exhibit 7 – Tour Operators Used / Plan to Use to Travel to Canada



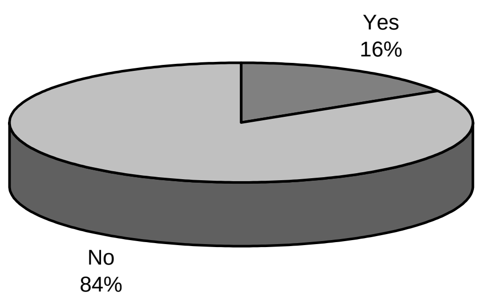
*Note: * Results should be interpreted with caution due to the small sample size.*

Looking at respondents who had taken or booked a trip to Canada using a tour operator, 16 per cent purchased a travel package that was featured in the fulfillment package, while 13 per cent planned to do so (see ***Exhibit 8***). This represents a very good uptake of the featured tour packages.

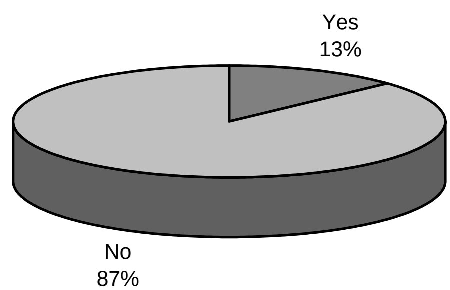
The number one reason given by respondents for not booking one of the featured packages was that they had already booked or planned to use another package prior to receiving the tourism material. Others felt that the featured packages were not exactly what they were looking for, or that they were too expensive. Lack of flexibility was a concern to some travellers, who wanted to visit friends and relatives while in Canada or desired more input into their itinerary.

Exhibit 8A – Booked / Plan to Book One of the Featured Travel Packages

Visited Canada Since Receiving Material (n=50)*



Booked a Trip to Canada (Among Those Who Have Not Visited) (n=173)*



Notes: Base is respondents who used / plan to use a tour operator.
**Results should be interpreted with caution due to the small sample size.*

Exhibit 8B – Reasons for Not Booking One of the Featured Travel Packages

Visited Canada Since Receiving Material (n=41)*

- Had already planned / booked another package (37%)
- Wasn't exactly what I wanted (17%)
- Packages too expensive (12%)
- Wanted to visit friends and relatives (10%)
- Packages didn't appeal to me (7%)
- Preferred to plan trip components myself (7%)
- Packages too inflexible (7%)
- Material not appealing (2%)
- Too few packages to choose from (2%)
- Packages too short (2%)
- Not offered at the time I wanted to travel (2%)
- Preferred other tour operators (2%)

Booked a Trip to Canada (Among Those Who Have Not Visited) (n=150)

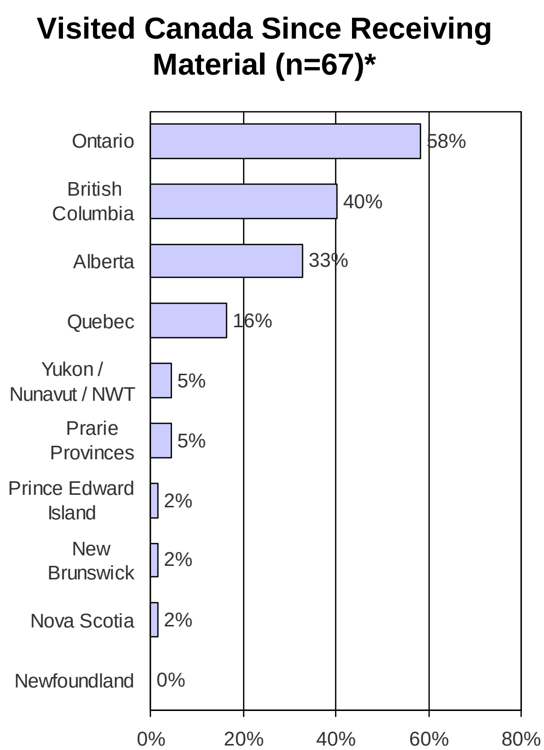
- Had already planned / booked another package (23%)
- Wasn't exactly what I wanted (14%)
- Packages too expensive (11%)
- Packages didn't appeal to me (9%)
- Prefer other tour operators (9%)
- Packages too inflexible (7%)
- Preferred to plan trip components myself (7%)
- Want to visit friends and relatives (7%)
- Material not appealing (2%)
- Not offered at the time I wanted to travel (2%)

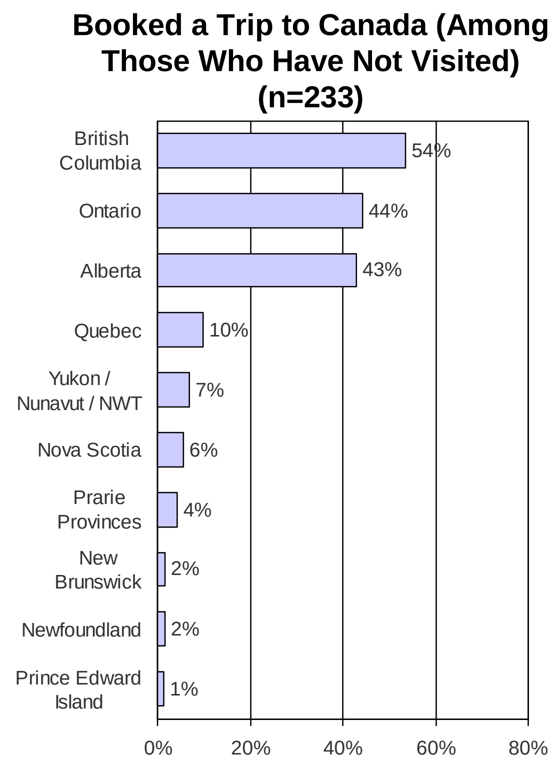
Notes: Base is respondents who did not book / do not plan to book one of the featured travel packages.
**Results should be interpreted with caution due to the small sample size.*

Exhibit 9 lists the top destinations for recent/booked travel to Canada. Ontario was the top destination mentioned by those who had visited Canada since receiving the materials, followed by British Columbia and Alberta. For those who had booked an upcoming trip, British Columbia topped the list, followed very closely by Ontario and Alberta.

Interestingly, Quebec, who was a regional partner on the CTC's 2001 campaign, but not this year, dropped significantly in terms of the proportion who planned to visit it, from 18 per cent in 2001 to only 10 per cent in 2003. On the other hand, partners who have continued to participate have not dropped significantly since 2001. This includes the Atlantic provinces, which combined sat at 7 per cent, i.e., the same as in 2001.

Exhibit 9 – Destinations in Canada Visited / Plan to Visit





Notes: Percentages may add to more than 100 per cent due to multiple responses.
**Results should be interpreted with caution due to the small sample size.*

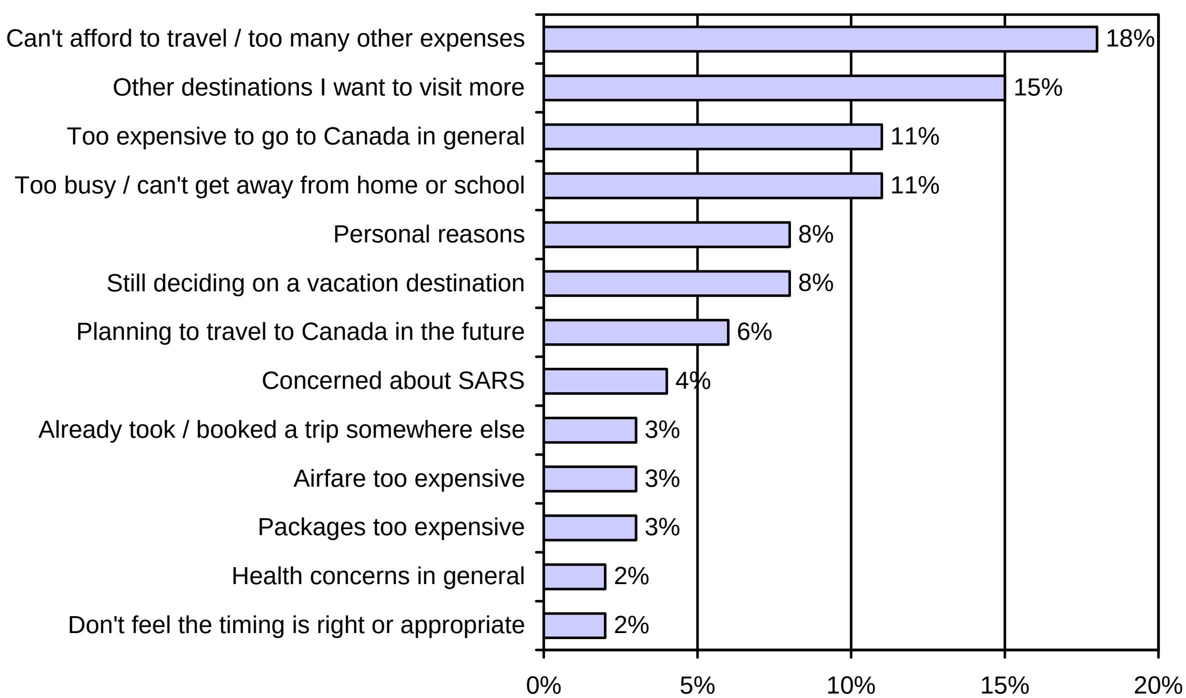
Reasons for Not Booking a Trip to Canada

Respondents who indicated that they had not taken or booked a trip to Canada for travel at the time of the study were asked to give their reasons why. These are summarized in ***Exhibit 10***.

It is difficult for marketers to overcome personal reasons such as not being able to afford travel, hectic work schedules, illness and other personal reasons. However, the exhibit does show several barriers that can be mitigated through marketing, for example, the appeal of competitive destinations (15%) and the perceived high costs of travelling to Canada (11%). Moreover, database members do represent a key target for continued marketing efforts such as direct mail campaigns, with 8 per cent of respondents indicating that they are still deciding on a vacation destination and 6 per cent who are planning to go to Canada at a later date. Interestingly, just 4 per cent of respondents mentioned SARS as a key reason for not having booked a trip to Canada.

Notably, while not being able to afford travel ranked as the fifth most frequently mentioned reason in 2001, it is now the top reason, rising significantly from 12 per cent to 18 per cent. This increase may be partly linked to the poor performance of the UK economy, which faltered after the September 11th terrorist attacks and stumbled further in the run-up to the war on Iraq. Both household spending and consumer confidence flagged during this period, with UK residents reluctant to spend in the current climate. In view of this, "not being able to afford travel" is not really a surprising response.

Exhibit 10 – Reasons for Not Booking a Trip to Canada



Note: Base is respondents who have not visited or booked a trip to Canada (n=1,188).

Future Travel Intentions

Exhibit 11 shows that just over half (52%) of those in the inquiries database were somewhat or very likely to visit Canada in the next year. This figure jumped to 87 per cent for a two-year planning horizon. Although reasonable, these results are significantly below 2001 levels, when 67 per cent were likely to visit in a one-year timeframe and 93 per cent were likely to visit in a two-year timeframe.

While one might initially suspect that the decline in interest in Canada is a direct result of recent events such as the war in Iraq and SARS, these were not common mentions among respondents that were asked why they are unlikely to visit Canada. Instead, the key reasons for not taking a trip to Canada revolved around expense-related issues, i.e., the expense of travelling in general (22%) and the high cost of travelling to Canada in particular (19%). As noted previously, UK residents are reluctant to make major purchases in the current economic climate, which may explain why so many respondents raised the expense issue. Competition from other destinations was a third key reason.

Exhibit 11A – Likelihood of Visiting Canada in the Next Twelve Months and the Next Two Years

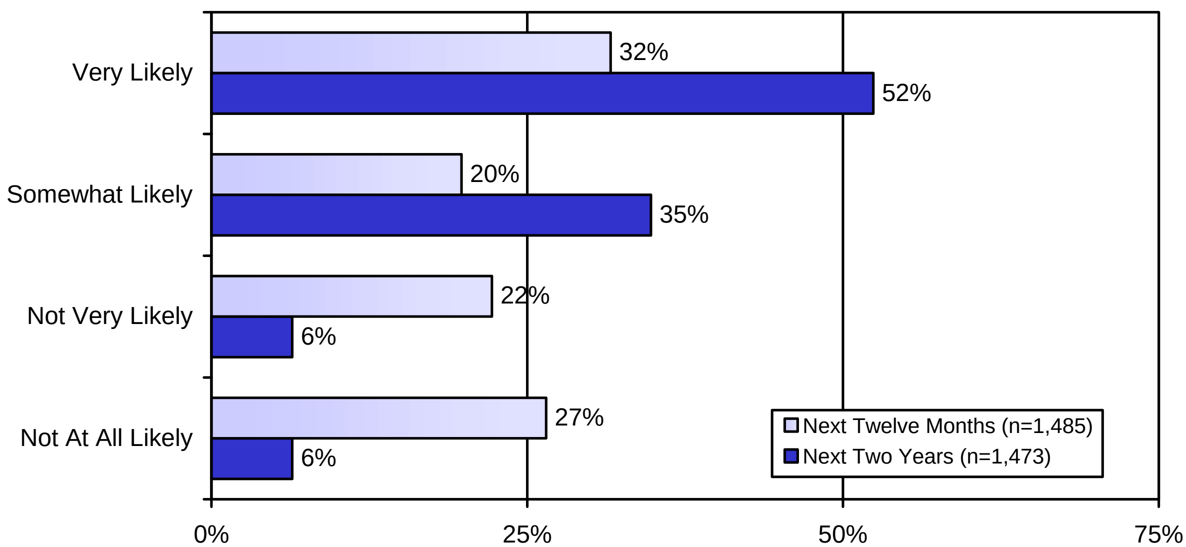


Exhibit 11B – Reasons Unlikely to Visit Canada in the Future

- Can't afford to travel / too many other expenses (22%)
- Too expensive to go to Canada in general (19%)
- Other destinations I want to visit more (12%)
- Personal reasons (6%)
- Too busy / can't get away from work or school (4%)
- Packages too expensive (4%)
- Don't want to be away from my family / home (4%)
- Planning to travel to Canada in the future (4%)
- Cannot travel with young children (3%)
- Still deciding on a vacation destination (3%)
- Airfare too expensive (3%)
- Health concerns in general (2%)
- Too far to travel / flight too long (2%)

Note: Base is respondents who are not likely (not at all + not very likely) to visit Canada in the next two years (n=212).

Respondents who had booked a trip to Canada overwhelmingly favoured summer travel, with three-quarters (76%) having booked a trip for the peak summer season (see ***Exhibit 12***). Potential travellers to Canada in the next two years also look to travel in the summer (48%) or the shoulder seasons (42%), with winter travel accounting for only10 per cent of potential future trips.

Exhibit 12 – Season of Planned / Future Trip to Canada

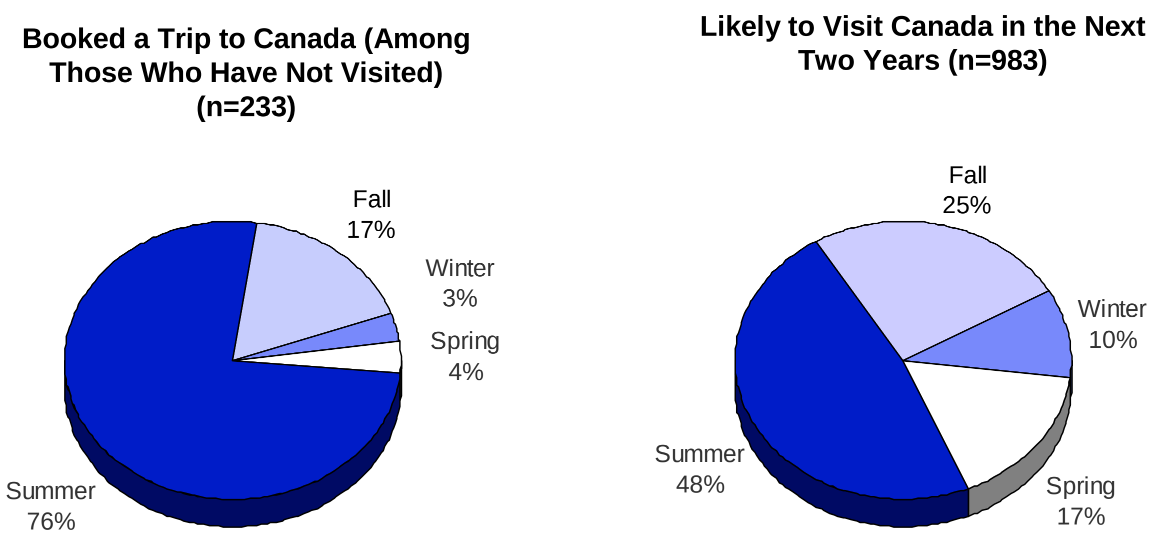
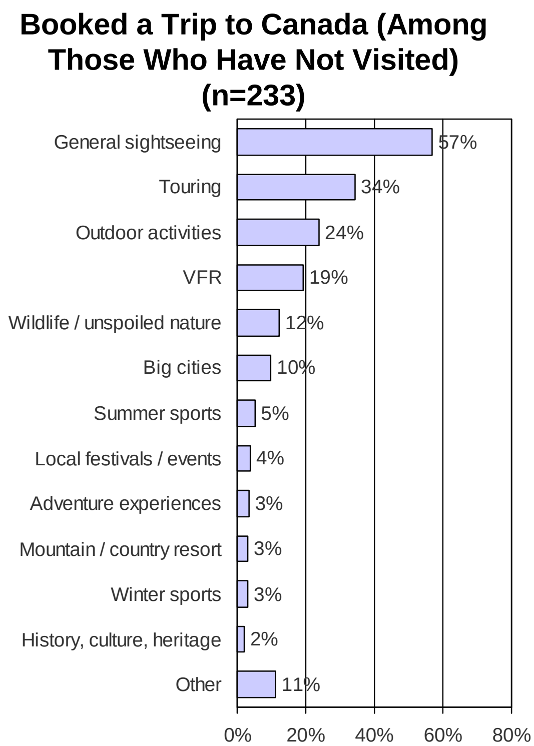
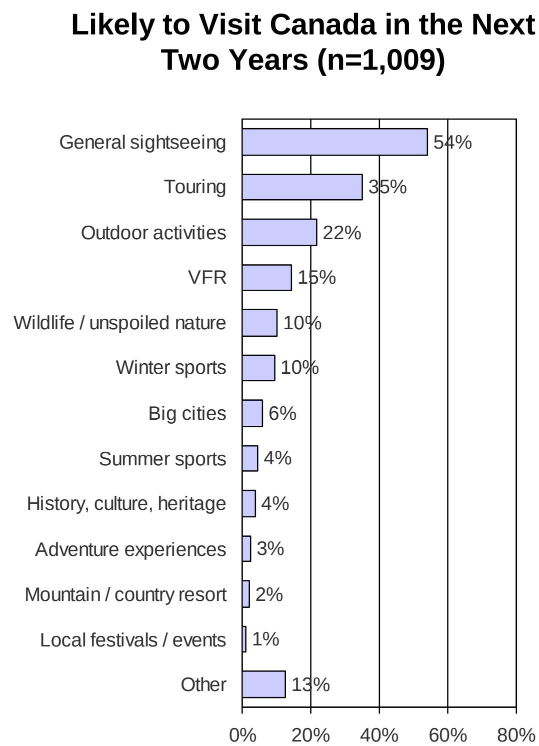


Exhibit 13 shows that touring products offer the most potential for this market, with general sightseeing and touring topping the list of popular activities that potential visitors plan or are likely to do while in Canada. Canada's outdoor and nature offerings also hold strong appeal, while VFR remains a solid driver of future UK travel to Canada. Other key products (e.g., cities, history, culture, resorts, winter/summer sports, festivals, adventure) also hold some potential, but are less popular in the minds of potential travellers.

Exhibit 13 – Activities Plan / Are Likely to Do While in Canada

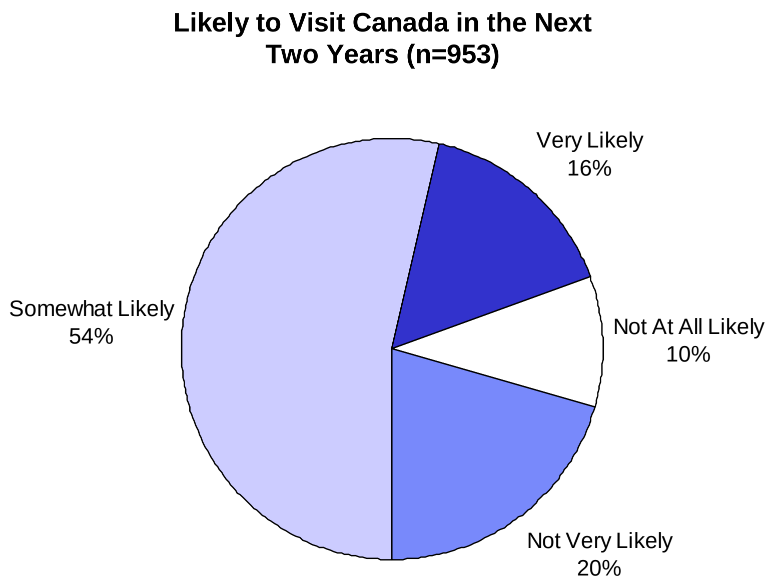




Note: Percentages may add to more than 100 per cent due to multiple responses.

As seen in ***Exhibit 14***, 70 per cent of potential travellers to Canada (who had not already booked their trip) say they are likely to book one of the travel packages featured in the tourism material. In fact, 16 per cent of potential visitors say they are *very* likely to book one of the packages, which translates into roughly 10 per cent of all database members. This points to tremendous opportunities for Globespan and Travelpack to target these inquirers with direct mail campaigns designed to close the sale.

Exhibit 14 – Likelihood of Booking One of the Featured Travel Packages

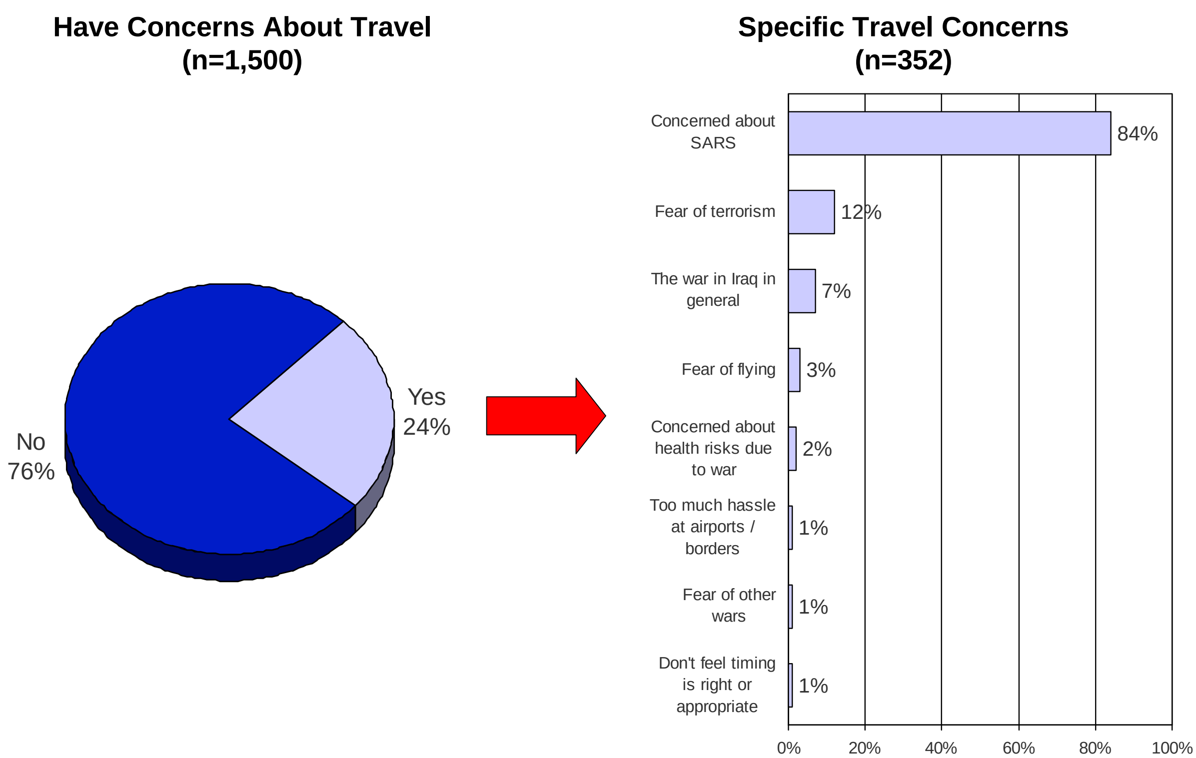


Impact of Recent Events

Respondents were specifically asked if current events such as the war in Iraq or SARS have caused them to have concerns about travelling to Canada. ***Exhibit 15*** shows that about a quarter (24%) of those in the inquiries database had some concerns about travelling to Canada, with the number one concern being SARS (84%). Relative to SARS, war-related concerns were much less prevalent, with fear of terrorism (12%) and the war in general (7%) being the key causes for worry among travellers.

Although about a fifth of the database did have some concerns about SARS when specifically asked, this appears to be fairly low-key and immediate as opposed to long-term. As seen earlier, very few people spontaneously mentioned SARS as a reason for not travelling to Canada in the future.

Exhibit 15 – Concerns About Travelling to Canada due to Recent Events



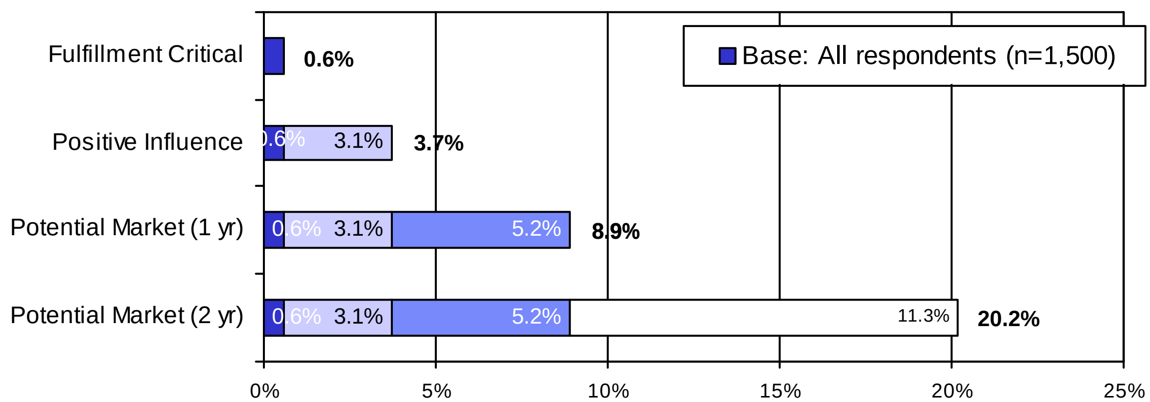
III. Conversion Analysis

Ultimately, the goal of the advertising campaign and the fulfillment package is to generate awareness and convert interest in Canada into overall trip-taking. Consequently, the proportion of recipients who were influenced by the advertisements and fulfillment material to visit Canada (i.e., the conversion rate) is a primary measure of the impact of the campaign.

Conversion rates can be determined using a number of different approaches, depending on how conservative or liberal one wants to be in defining who has been converted. Accordingly, three different methods of calculating conversion rates are presented in ***Exhibit 16*** and discussed in this chapter. The three approaches are presented from the most conservative to the most liberal. Each approach builds on the preceding one, with the criteria being gradually loosened at each step.

In all cases, the conversion estimates are based solely on the conversion sample. In other words, they do not take into account individuals who may have been positively influenced by the advertisements, but who did not request the fulfillment package.

Exhibit 16 – Conversion Rates



Fulfillment Critical Approach

As noted earlier, 20 per cent of the study respondents had visited Canada since receiving the fulfillment package or had booked a trip for travel in the coming year. However, not all of these respondents can be considered truly converted, since many of them may have been planning to go regardless and were not influenced by the fulfillment campaign per se. The ***fulfillment critical*** method of determining conversion rates takes this into account by excluding those who were already thinking about going to Canada before making their inquiry. In other words, only respondents who were definitely *not* planning to go to Canada before receiving the material (i.e., those for whom the fulfillment campaign was critical to their decision to take / book a trip to Canada) are included.

Using the *fulfillment critical* approach, the conversion rate is ***0.6 per cent*** of respondents. This is low, but not really surprising given that only three and a half months had elapsed since respondents had received the material. Repeating the study at the end of the peak summer travel season would undoubtedly result in a higher *fulfillment critical* rate. Applying the 0.6 per cent conversion rate to the full inquiries database of 22,766 people, means that there were an estimated 137 people who were definitely *not* planning a trip to Canada, but have visited or booked since receiving the material.

Of course, each converted recipient represents a travel party of potentially more than one person. Based on an average travel party size of 2.3 people for UK trips to Canada (*Pleasure Travel Markets to North America Study)* and average spending of $1,367 per person trip to Canada (2002 *International Travel Survey* (ITS), Statistics Canada), this represents a total of 314 converted travellers generating revenues of almost ***$430,000***.

This is the most conservative estimate of the conversion rate since it assumes that only people who were definitely not planning a trip to Canada, but went / booked after receiving the material, qualify. The second way of determining the conversion rate broadens the criteria to take into account the fact that although some people may have been considering travel to Canada, the fulfillment campaign may have increased their likelihood of going or led them to make the final travel decision.

Positive Influence Approach

The ***positive influence*** approach begins with the fulfillment critical conversion rate (i.e., 0.6% from above) and *adds to it* those who were considering travelling to Canada prior to receiving the material, were positively influenced by the material (i.e., were much more likely or somewhat more likely to visit Canada after receiving the material), and have visited / booked a trip to Canada. The assumption here is that these respondents were only thinking about going to Canada and made up their minds once they saw the material.

The *positive influence* conversion rate totals ***3.7 per cent*** (i.e., 0.6% fulfilment critical rate plus another 3.1% who were positively influenced), which represents roughly 850 converted recipients or 1,955 travellers, for a total of ***$2.7 million*** in revenues generated by the conversion program. This is a good assessment of individuals converted in the first three months following the campaign, since this method assumes that people had to have taken or booked a trip to qualify. The third and final approach further expands the criteria to take into account potential travel in the future.

Potential Market Approach

The ***potential market*** approach is the most liberal way of computing a conversion rate. It builds on the *positive influence* conversion rate (3.7%) by adding to it those who were not planning to go to Canada before receiving the material or were merely considering it, were positively influenced by the material, and who have not travelled / booked a trip to Canada but are *very likely* to do so in the next year or two. In other words, this approach looks ahead to include those who had not yet made the travel decision at the time of the study, but may have been influenced by the material to go there in the near future.

The *potential market* conversion rate is ***8.9 per cent*** for the one-year time frame and ***20.2 per cent*** for the two-year horizon. As the name implies, this is the proportion of the market that will potentially have travelled to Canada within the next year or two as a direct result of this year's fulfillment campaign. The one-year conversion rate represents an estimated 2,019 converted recipients (4,643 travellers) and ***$6.3 million*** in potential revenues. The two-year rate corresponds to 4,599 recipients (10,577 travellers) and ***$14.5 million*** in potential revenues.

Summary of Conversion Rates

The conversion analysis is summarized in ***Exhibit 17***. Each of these three methods of estimating conversion rates is valid, depending on the user's purpose. The *fulfillment critical* approach is the most stringent and likely underestimates the true impact of the fulfillment campaign. The *positive influence* rate takes the hard evidence of actual travel / bookings and combines it with the influence of the material in firming up the travel decision. This represents a good estimate of conversions within the first three and a half months. The ***potential market rate*** is perhaps a more realistic assessment of the conversion rate since it is based not only on past travel, but takes into account that the campaign will also have an influence on future travel to Canada. As seen earlier, many of those who had not yet booked, do plan to visit Canada later.

Interestingly, the conversion rates are fairly similar to those seen in 2001, with the two-year potential market rate virtually identical. Conversion in the UK market has remained strong, despite issues such as the war and SARS. However, as we have seen, UK travellers did not appear to be overly concerned about these issues, with travel to Canada unlikely to see any long-term effects.

Exhibit 17 – Conversion Rates and Revenues

	Conversion Rate[1]	Converted Recipients[2]	Converted Travellers[3]	Conversion Revenues in millions[4]
Fulfillment Critical Approach	0.6%	137	314	$0.43
Positive Influence Approach	3.7%	850	1,955	$2.67
Potential Market Approach				
- One Year	8.9%	2,019	4,643	$6.34
- Two Year	20.2%	4,599	10,577	$14.45

Notes: (1) Overall conversion rates reflect the distribution by response mechanism by tour operator in the inquiries database.

(2) Converted recipients was calculated by applying the conversion rate to the full inquiries database (22,766).

(3) Converted travellers calculation assumes an average party size of 2.3 (PTM Study).

(4) Conversion revenues for Canada are based on the average spending per person trip to Canada ($1,367 – 2002 ITS, Statistics Canada).

Conversion rates, recipients, travellers and revenues have been rounded (the full figures were used in the calculation).

Conversion Rates by Socio-Economic Status

Exhibit 18 summarizes the conversion rates by socio-economic group. The highest conversion rates were seen among class B residents, while the lowest rates were found in class D, however, these differences are not statistically significant due to the small sample sizes.

Exhibit 18 – Conversion Rates by Socio-Economic Status

CONVERSION RATES BY ECONOMIC STATUS:	A (N=124)	B (N=386)	C1 (N=475)	C2 (N=328)	D (N=113)	E (N=47)*
Positive Influence Conversion Rate	4.4%	4.7%	3.6%	3.0%	1.8%	4.3%
Potential Market Conversion Rate (1 yr)	8.8%	10.4%	8.6%	7.9%	7.1%	8.5%
Potential Market Conversion Rate (2 yr)	15.8%	22.0%	21.5%	19.2%	17.7%	19.1%

Notes: Fulfillment Critical Conversion Rate cannot be estimated due to the small sample size in each socio-economic group.
** Results should be interpreted with caution due to the small sample size.*

Regional Conversion Rates

A key component to this study is to look at the conversion rates for selected regions in Canada, i.e., Ontario, Atlantic Canada, Alberta and British Columbia, who were all partners with the CTC on the advertising campaign. This regional analysis takes the conversion rate calculation one step further by looking at which regions in Canada converted travellers visited or intend to visit. This is a simplified approach to regional conversion analysis since it does not take into consideration whether respondents were converted from one region to another (this would be a more complex and expensive study). Moreover, converted respondents may have visited (or plan to visit) more than one region on their trips, so some double counting does occur (i.e., the regional results are not additive).

The following summarizes the regional conversion rate calculation (using Ontario as an example):

- ***Fulfillment Critical Regional Conversion Rate:*** Includes respondents who were definitely not planning a trip to Canada prior to receiving the material, but have visited / booked a trip to Canada that includes Ontario since receiving the material.
- ***Positive Influence Regional Conversion Rate:*** Includes respondents who were considering a trip to Canada prior to receiving the material, were positively influenced by the material, and have visited / booked a trip to Canada that includes Ontario since receiving the material.
- ***Potential Market Regional Conversion Rate (One Year):*** Includes respondents who were not planning a trip to Canada or were only considering it, were positively influenced by the material, and have not visited / booked a trip to Canada since receiving the material but are very likely to take a trip to Canada that includes Ontario in the next twelve months. (Two-year regional rates were not included in the scope of this study.)

Exhibit 19 shows the conversion rates for Ontario, the Atlantic Provinces, Alberta and British Columbia. As mentioned earlier, the sum of the regional conversion rates exceeds the rate for Canada due to the fact that travellers may have visited (or intend to visit) more than one region. As in past years, Ontario and British Columbia tended to have the highest conversion rates, followed by Alberta.

Exhibit 19 – Regional Conversion Rates

REGIONAL CONVERSION RATES:	CANADA	ONTARIO	PEI	NB	NS	NFLD	ALBERTA	BC
Fulfillment Critical Conversion Rate	0.6%	0.4%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%
Positive Influence Conversion Rate	3.7%	2.0%	0.1%	0.1%	0.3%	0.2%	1.3%	1.6%
Potential Market Conversion Rate (1 yr)	8.9%	4.7%	0.3%	0.3%	0.9%	0.7%	2.8%	4.1%

Note: Regional estimates include some double counting, so results are not additive.

E*xhibit 20* summarizes the converted recipients, travellers and revenues for each region (using the one-year potential market approach). Conversion revenues for the regions are based on the average spending per province visit for UK travellers (2001 ITS). The exhibit shows that the high potential market conversion rates for British Columbia and Ontario translate into high potential revenues for these regions in the next year ($2.4 million and $2.0 million, respectively).

Exhibit 20 – Regional Conversion Revenues

REGIONAL CONVERSION REVENUES:	CANADA	ONTARIO	PEI	NB	NS	NFLD	ALBERTA	BC
Potential Market Conversion Rate (1 yr)	8.9%	4.7%	0.3%	0.3%	0.9%	0.7%	2.8%	4.1%
Converted Recipients	2,019	1,078	76	61	197	152	637	926
Converted Travellers[1]	4,643	2,478	175	140	454	349	1,466	2,129
Conversion Revenues[2]	$6.34	$2.02	$0.08	$0.07	$0.37	$0.48	$1.4	$2.36

Notes: Regional estimates include some double counting, so results are not additive.

(1) Converted travellers calculation assumes an average travel party size of 2.3 people.

(2) Converted revenues for Canada are based on the average spending per province visit in Canada by UK travellers (Ontario = $816; PEI = $449, NB = $471, NS = $821, NFLD = $1,367, Alberta = $959; British Columbia = $1,107) – 2001 ITS, Statistics Canada.

IV. Key Results by Response Mechanism

The response mechanisms for the television campaign were expanded this year to include Interactive TV. Indeed, the popularity of this response channel was overwhelming, with over half of the total inquiries made via Interactive TV. In addition, Internet inquiries have also seen an increase in popularity since 2001, with over 1,000 more inquiries via the web this year. However, the surge in inquiries via Interactive TV and the Internet resulted from less usage of the call centre. While the overall number of inquiries was up 18 per cent over 2001, the number of call centre inquiries fell to about a quarter of what it was in 2001.

This chapter presents a comparison of key conversion study results for the three response mechanisms – i.e., Call Centre vs. Internet vs. Interactive TV inquiries.

Demographic Profile

Exhibit 21 highlights some key demographic differences between Call Centre, Internet and Interactive TV respondents. To summarize the exhibit:

- Internet respondents were more likely to be highly educated travellers, aged 45 to 54, earning £50,000 or more.
- Interactive TV respondents were younger than their Internet-savvy counterparts (with over half between the ages of 25 and 44).
- Not surprisingly, the more traditional Call Centre respondents were generally older (two-fifths were over 55) and more likely to be widowed.

These key demographic differences highlight the critical importance of offering multiple response channels for potential inquirers, with different age groups favouring different methods.

Exhibit 21 – Demographic Profile by Response Mechanism

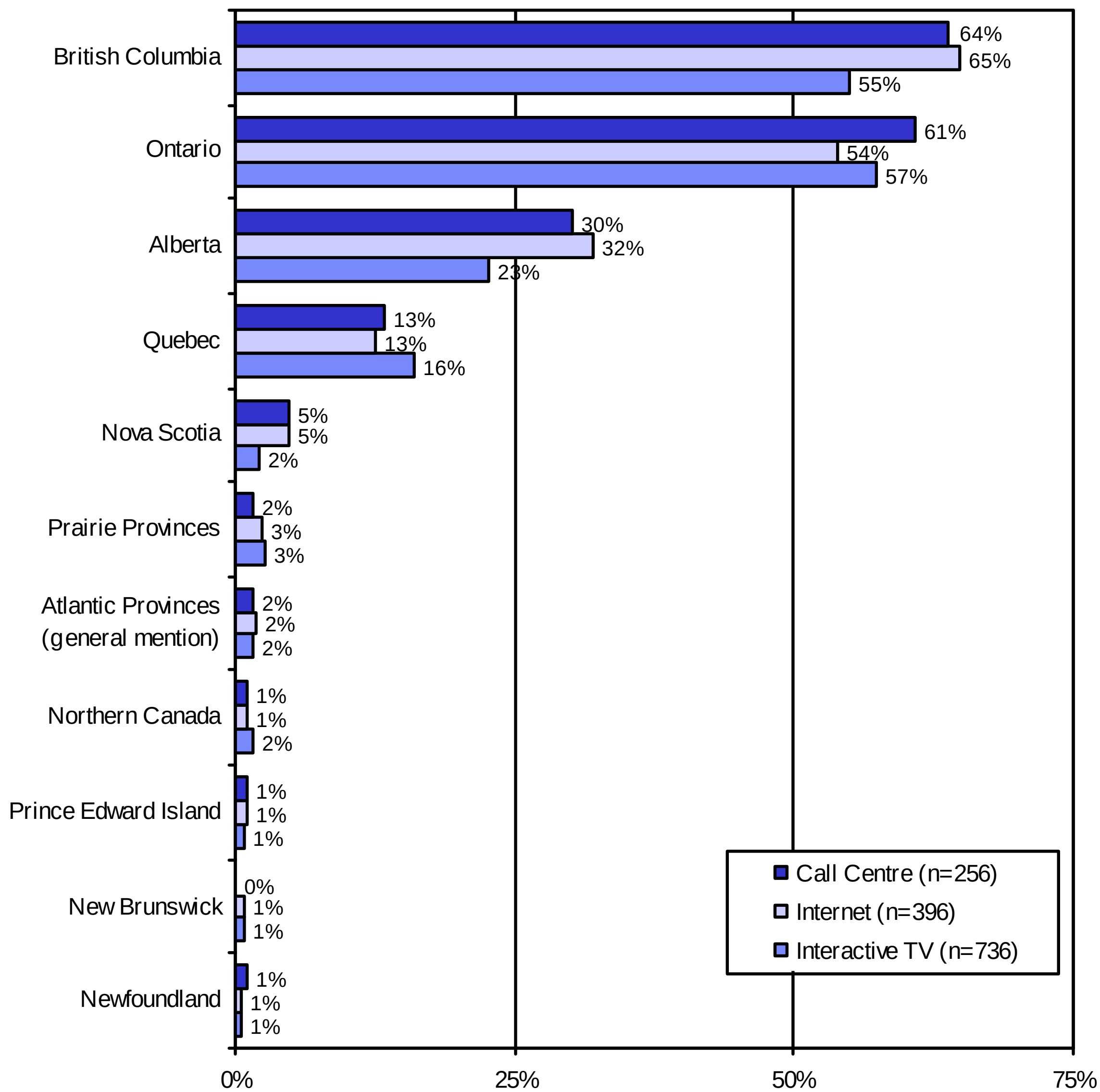
	CC	WEB	I-TV		CC	WEB	I-TV
Gender:				**Marital Status:**			
Male	51%	55%	60%	Married / Living Together	77%	79%	72%
Female	49%	45%	40%	Single	10%	18%	20%
Age:				**Social Class:**			
Under 25	3%	7%	6%	A – Senior Mgmt, Top Level Civil Servants	7%	12%	6%
25 to 29	3%	9%	13%	B – Middle Mgmt, Small Business Owners	31%	29%	24%
30 to 34	9%	10%	12%	C1 – Junior Management	28%	33%	34%
35 to 44	18%	19%	27%	C2 – Skilled Manual Workers	21%	18%	25%
45 to 54	27%	37%	25%	D – Semi-Skilled / Unskilled Manual Workers	7%	5%	9%
55 to 64	25%	13%	13%	E – State-Dependent / Casual Workers	5%	4%	2%
65 or older	15%	6%	4%				
Average Annual Household Income:				**Region:**			
Less than £15,000	13%	7%	10%	North East / North West / Yorkshire-Humberside	30%	27%	25%
£15,000 to £19,999	9%	9%	12%	West Midlands / East Midlands / East Anglia	21%	21%	23%
£20,000 to £29,999	28%	23%	32%	South East / London / South West	25%	33%	26%
£30,000 to £49,999	34%	33%	32%	Other	24%	19%	26%
£50,000 or more	16%	28%	14%				
College or university degree	31%	41%	25%	**Have children in household under 18:**	31%	33%	31%

Note: Call Centre Respondents (CC) n=270, Internet Respondents (WEB) n=420, Interactive TV Respondents (I-TV) n=810.

Awareness of Canadian Destinations

While demographically distinct, inquirers via the three different response mechanisms had a similar knowledge of Canadian holiday destinations (see ***Exhibit 22***). The only significant difference in awareness between the groups is that Interactive TV respondents were less likely to see British Columbia and Alberta as potential Canadian travel destinations. This may point to awareness issues for western Canada among younger UK travellers.

Exhibit 22 – Unaided Awareness of Destinations in Canada by Response Mechanism



Note: Percentages may add to more than 100 per cent due to multiple responses.

Impact of the Fulfillment Package

While virtually all Call Centre and Internet respondents were at least considering a trip to Canada before receiving the tourism material, Interactive TV travellers were far less likely to be definitely planning a trip to Canada. In fact, almost a fifth (17%) of Interactive TV respondents indicated that they had definitely *not* been planning a trip prior to receiving the tourism material (see ***Exhibit 23***). In other words, the ease of responding via Interactive TV appears to have resulted in more spontaneous inquiries, with interest in Canada likely sparked by seeing the advertising.

Exhibit 23 – Impact of the Fulfillment Package by Response Mechanism

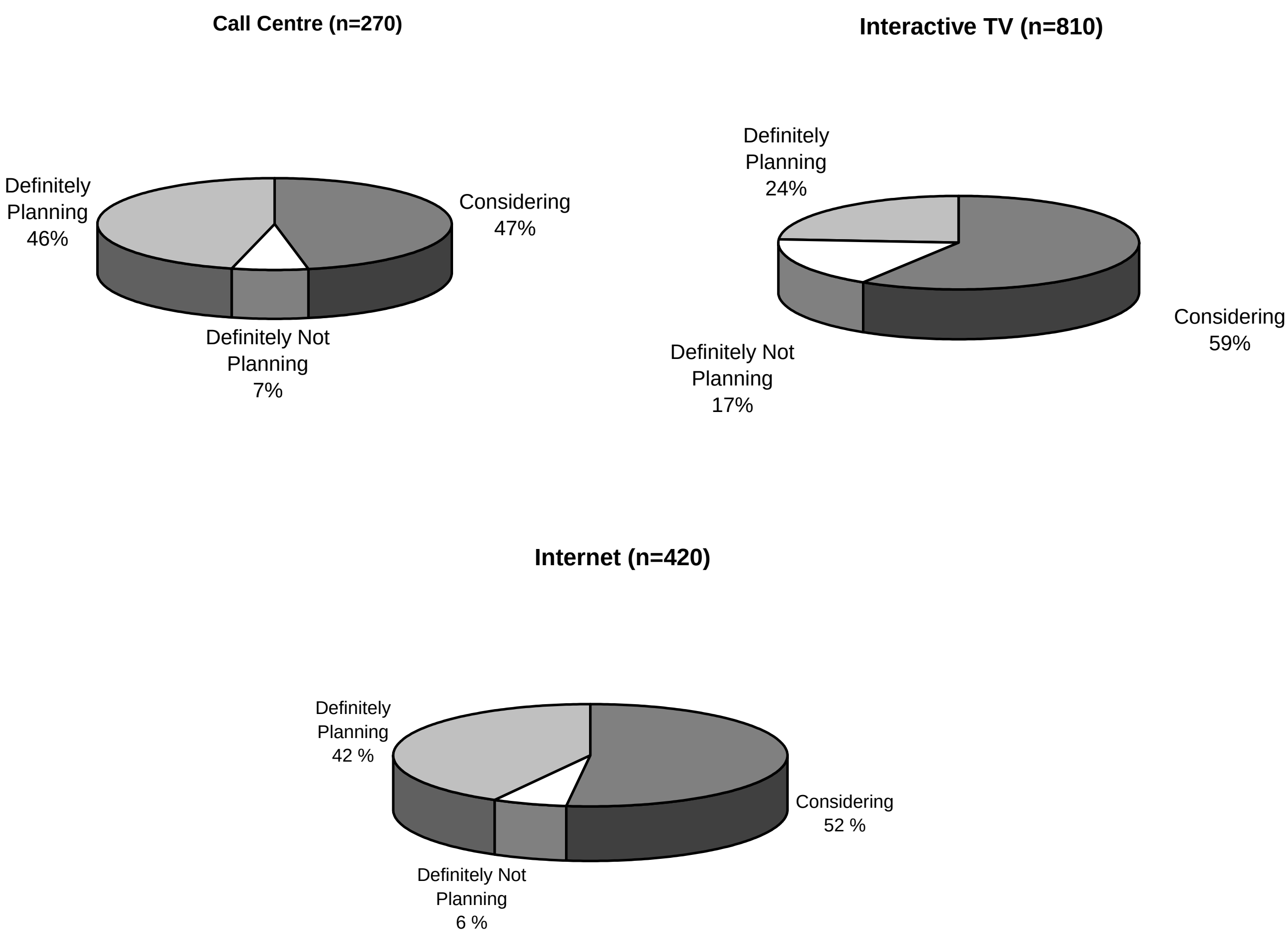
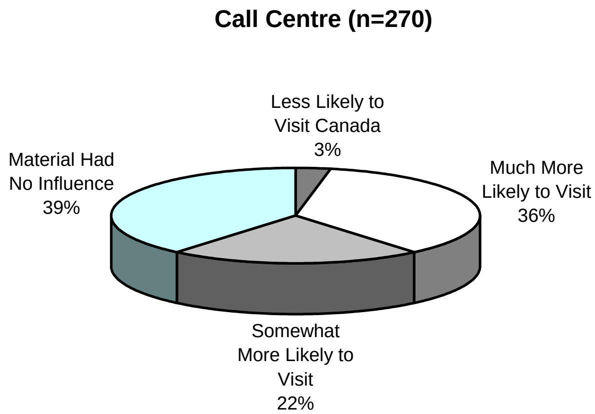
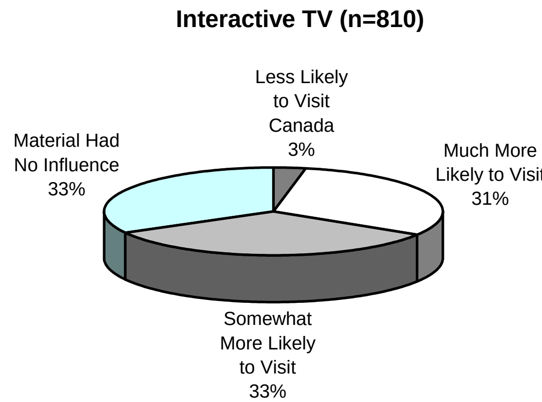
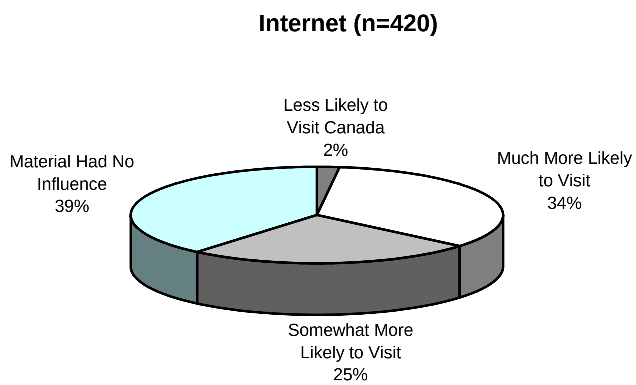


Exhibit 24 shows that the impact of the fulfillment package on the future travel intentions of different types of inquirers was similar. Around three-fifths of Call Centre (58%), Internet (59%) and Interactive TV (64%) respondents reported that they were more likely to visit Canada after reading the tourism materials.

Exhibit 24 – Impact of Advertising Material on Future Travel Intentions (Next Two Years) by Response Mechanism







Given the more spontaneous nature of Interactive TV inquiries (i.e., proportionately fewer were actually planning or considering a trip at the time of making the inquiry), these respondents were far less likely to have taken or booked a trip to Canada since receiving the materials (see ***Exhibit 25***). Combined, only 12 per cent of Interactive TV respondents had taken or booked a trip, which is much lower than for Call Centre or Internet respondents (each at 30%).

These results are not necessarily indicative of the success of various mechanisms at converting respondents, since much of the trip-taking among the Call Centre and Internet groups would have occurred regardless of the advertising (i.e., were planned beforehand).

Exhibit 25A – Travelled to Canada Since Receiving the Material By Response Mechanism

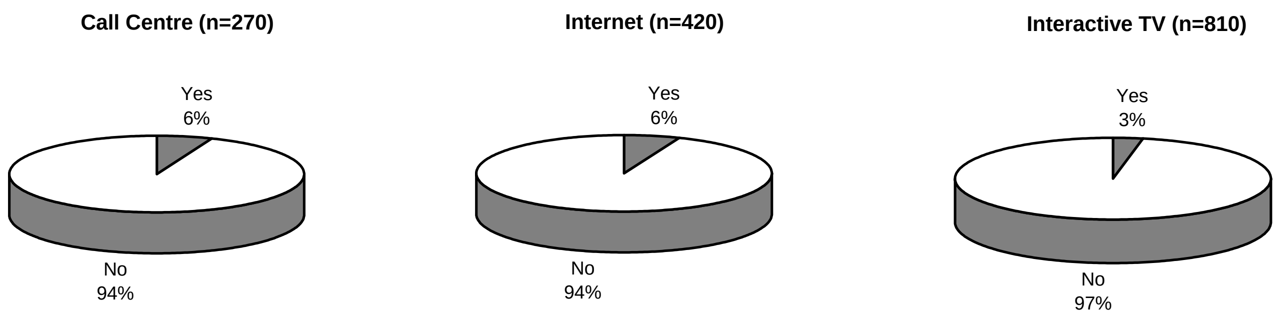
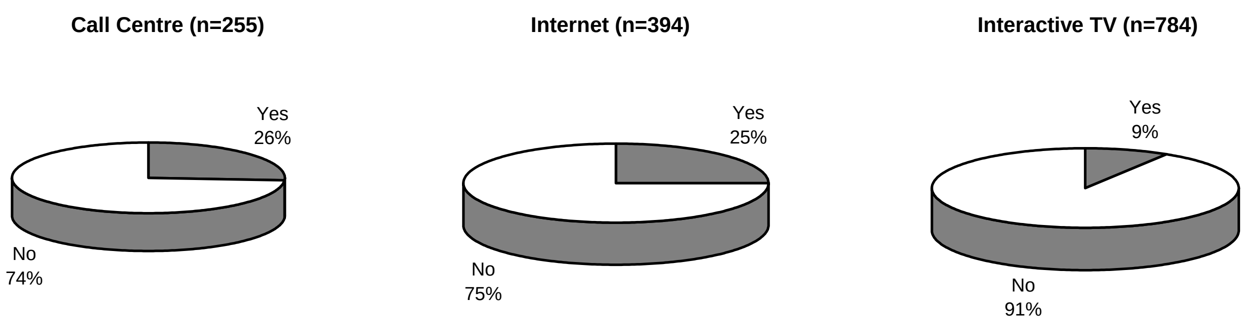


Exhibit 25B – Booked a Trip for the Coming Year by Response Mechanism

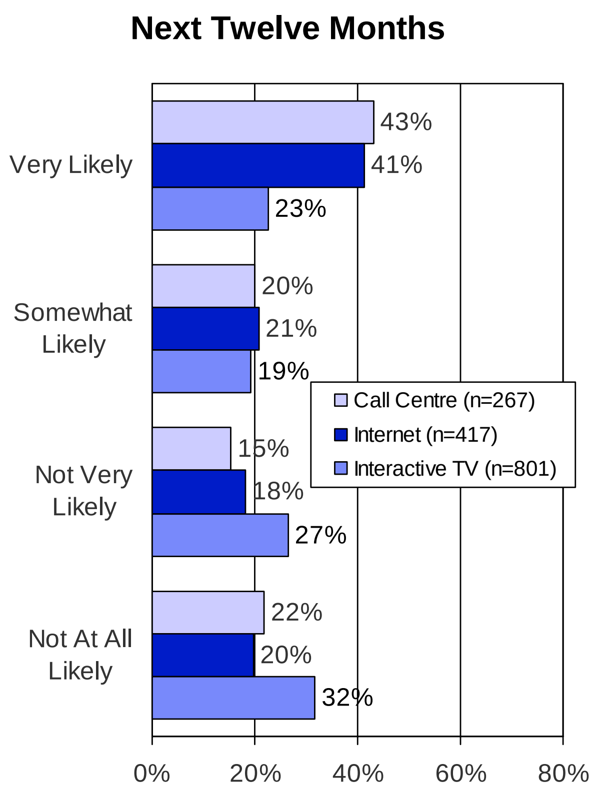


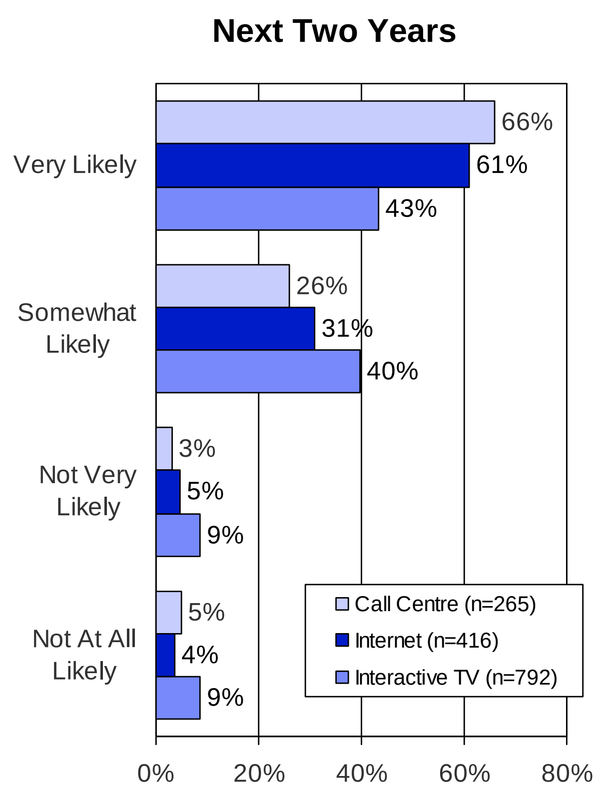
Note: Base is those who have not travelled to Canada since receiving the material.

Future Travel Intentions

Exhibit 26 shows that purchase intentions were stronger for Call Centre and Internet respondents (over 60% were very or somewhat likely to visit in the next year) than for Interactive TV respondents (42%). Again, this shows a more casual interest among those responding by Interactive TV. Still, 83 per cent of this group said they are likely to visit Canada in the next two years. While lower than the other two response mechanisms (each at 92%), there is still tremendous potential to influence this group to travel to Canada through continued marketing initiatives.

Exhibit 26 – Likelihood of Visiting Canada in the Next Twelve Months and the Next Two Years by Response Mechanism





Summary of Conversion Rates

The conversion analysis by response mechanism is summarized in ***Exhibit 27*** (see previous chapter for a detailed explanation of each approach). As can be seen in the exhibit, conversion rates for the three response mechanisms were actually quite similar.

The lion's share of converted travellers and conversion revenues were derived through Interactive TV inquiries (6,124 travellers and $8.4 million in revenues for the two year potential market approach). However, these sizeable figures are primarily due to the fact that Interactive TV accounted for over half of the total inquiries, rather than because it was a more effective response mechanism.

Although much smaller, the contribution made by the Call Centre and Internet inquiries should not be ignored, given their direct result on the bottom line. Call Centre inquiries accounted for 1,668 converted travellers and $2.3 million in revenues, while Internet inquiries accounted for 2,743 converted travellers and $3.8 million in revenues.

Each response mechanism offers consumers a choice of ways to request information, and as we have seen, different types of travellers prefer different channels. Had one of the response mechanisms not been offered, some people may have chosen to not respond at all, leading to potential lost revenues.

Exhibit 27 – Conversion Analysis by Response Mechanism

	Conversion Rate	Converted Recipients	Converted Travellers	Conversion Revenues in Millions
Call Centre Inquiries:				
Fulfillment Critical Approach	0.7%	30	69	$0.09
Positive Influence Approach	5.2%	209	481	$0.66
Potential Market Approach				
- One Year	10.7%	433	996	$1.36
- Two Year	18.5%	725	1,668	$2.28
Internet Inquiries:				
Fulfillment Critical Approach	0.2%	15	35	$0.05
Positive Influence Approach	5.5%	347	799	$1.09
Potential Market Approach				
- One Year	9.3%	589	1,354	$1.85
- Two Year	18.8%	1,193	2,743	$3.75
Interactive TV Inquiries:				
Fulfillment Critical Approach	0.7%	92	211	$0.29
Positive Influence Approach	2.3%	291	669	$0.91
Potential Market Approach				
- One Year	8.0%	995	2,288	$3.13
- Two Year	21.5%	2,663	6,124	$8.37

Notes: Converted recipients is calculated by applying the conversion rate to the inquiries database for each response mechanism (Call Centre = 4,030, Internet = 6,341, Interactive TV = 12,395). Recipients, travellers and revenues may not sum to overall figures due to rounding.

V. Key Results by Tour Operator

Two different fulfillment packages were sent out this year – one for those responding to Globespan sponsored ads and another for those responding to Travelpack sponsored ads. In the interest of exploring whether the different tour operator partners and fulfillment packages influenced travel decision making to a different degree, this chapter takes a quick look at the key conversion study results for the two types of inquiries.

Demographic Profile

As seen in ***Exhibit 28***, there were no significant demographic differences between Globespan and Travelpack respondents; in fact, the demographic profiles were pretty well identical.

Exhibit 28 – Demographic Profile by Globespan vs. Travelpack

	GLOBE-SPAN	TRAVEL-PACK		GLOBE-SPAN	TRAVEL-PACK
Gender:			**Marital Status:**		
Male	55%	60%	Married / Living Together	74%	76%
Female	45%	40%	Single	19%	16%
Age:			**Social Class:**		
Under 25	6%	6%	A – Senior Mgmt, Top Level Civil Servants	8%	8%
25 to 29	11%	8%	B – Middle Mgmt, Small Business Owners	26%	26%
30 to 34	11%	11%	C1 – Junior Management	33%	31%
35 to 44	22%	26%	C2 – Skilled Manual Workers	22%	23%
45 to 54	29%	28%	D – Semi-Skilled / Unskilled Manual Workers	7%	9%
55 to 64	14%	17%	E – State-Dependent / Casual Workers	4%	3%
65 or older	7%	6%			
Average Annual Household Income:			**Region:**		
Less than £15,000	9%	10%	North East / North West / Yorkshire-Humberside	28%	24%
£15,000 to £19,999	10%	11%	West Midlands / East Midlands / East Anglia	22%	23%
£20,000 to £29,999	28%	30%	South East / London / South West	27%	29%
£30,000 to £49,999	34%	31%	Other	23%	24%
£50,000 or more	19%	17%			
College or university degree	31%	27%	**Have children in household under 18:**	32%	32%

Note: Globespan respondents (n=1,000), Travelpack respondents (n=500).

Impact of the Fulfillment Package

Exhibit 29 shows that there were no significant differences between Globespan and Travelpack respondents in terms of the impact of the fulfillment package in influencing the decision making process. In other words, both groups of recipients had similar awareness levels of Canadian destinations, had a similar mindset prior to receiving the package, and were influenced by the material to the same degree. Moreover, they were equally likely to have taken or booked a trip to Canada since receiving the material and exhibited similar future travel intentions.

Exhibit 29 – Impact of the Fulfillment Package by Globespan vs. Travelpack

	GLOBESPAN	TRAVELPACK
UNAIDED AWARENESS OF DESTINATIONS IN CANADA:		
Ontario	57%	58%
Quebec	14%	16%
Prince Edward Island	1%	1%
New Brunswick	0%	1%
Nova Scotia	3%	4%
Newfoundland	1%	1%
Atlantic Provinces (general)	2%	2%
Prairie Provinces	3%	2%
Alberta	27%	26%
British Columbia	58%	62%
Northern Canada	2%	1%
IMPACT OF THE FULFILLMENT PACKAGE:		
Definitely Planning	32%	35%
Considering	56%	53%
Definitely Not Planning	12%	12%
IMPACT OF ADVERTISING MATERIAL ON FUTURE TRAVEL INTENTIONS (NEXT TWO YEARS):		
Much More Likely to Visit	34%	30%
Somewhat More Likely to Visit	29%	28%
Material Had No Influence	35%	39%
Less Likely to Visit Canada	2%	3%
VISITED CANADA SINCE RECEIVING MATERIAL:		
Yes	4%	6%
BOOKED A TRIP TO CANADA (AMONG THOSE WHO HAVE NOT VISITED):		
Yes	17%	15%
FUTURE TRAVEL INTENTIONS (NEXT TWELVE MONTHS)		
Very Likely	33%	29%
Somewhat Likely	20%	19%
Not Very Likely	22%	23%
Not At All Likely	26%	28%
FUTURE TRAVEL INTENTIONS (NEXT TWO YEARS)		
Very Likely	52%	52%
Somewhat Likely	35%	35%
Not Very Likely	7%	5%
Not At All Likely	6%	8%

Conversion Rates

The conversion analysis by tour operator is summarized in ***Exhibit 30***. As can be seen in the exhibit, conversion rates for the two tour operators were about the same. The majority of converted travellers and revenues were derived through Globespan inquiries (7,536 travellers and $10.3 million in revenues for the two year potential market approach). Again, this is due mostly to the higher number of inquiries initially generated by the Globespan partnered ads.

Exhibit 30 – Conversion Analysis by Globespan vs. Travelpack

	CONVERSION RATE	CONVERTED RECIPIENTS	CONVERTED TRAVELLERS	CONVERSION REVENUES IN MILLIONS
GLOBESPAN INQUIRIES:				
Fulfillment Critical Approach	0.4%	62	144	$0.20
Positive Influence Approach	3.4%	531	1,220	$1.67
Potential Market Approach				
- One Year	9.6%	1,498	3,445	$4.71
- Two Year	21.0%	3,277	7,536	$10.30
TRAVELPACK INQUIRIES:				
Fulfillment Critical Approach	1.0%	72	165	$0.23
Positive Influence Approach	4.4%	315	725	$0.99
Potential Market Approach				
- One Year	7.4%	530	1,219	$1.67
- Two Year	18.6%	1,332	3,064	$4.19

Notes: Converted recipients is calculated by applying the conversion rate to the inquiries database for each response mechanism (Globespan = 15,603, Travelpack = 7,163).
Recipients, travellers and revenues may not sum to overall figures due to rounding.

VI. Conclusion

The conversion study results suggest that the 2002 / 2003 television campaign and fulfillment program in the UK were effective in influencing the mind-set of those who saw the advertising and requested the package. The television campaign itself generated 18 per cent more inquiries this year than in 2001, which indicates that the advertising worked well in creating interest and generating response.

Compared with 2001, a lower proportion of recipients had taken / booked a trip to Canada in the months following the campaign (20% vs. 30% in 2001). Future travel intentions, another key indicator, were also down (52% are likely to visit Canada in the next year instead of 67%). It would be natural to assume that these drops were due to events such as the Iraq war and the SARS outbreak. However, this study suggests that, at least among inquirers, the root cause was primarily the ailing UK economy, which took a turn for the worst following the September 11th events and has still not recovered. The top reasons for not booking an immediate trip to Canada and for being unlikely to visit in the near future were focused on the prohibitive cost of travelling (both in general, and to Canada in particular). Not being able to afford to travel was mentioned by far more respondents as a reason for not booking this year than in 2001 (18% vs 10%). In sharp contrast, SARS was raised by only 4 per cent. These results are supported by the fact that overnight arrivals from the UK to Canada had already declined prior to the outbreak of war/SARS.

Given the current climate, the conversion rates were still very strong (20.2% using the two-year potential market conversion rate). Given the higher number of inquiries this year, and the fact that conversion rates were similar to 2001, the results suggest that the campaign is working to help maintain tourism flows to Canada. This conversion rate indicates that Canada could see as many as 10,577 potential travellers and $14.5 million in potential revenues in the next two years as a direct result of this campaign. Regionally, high one-year potential market conversion rates were seen for British Columbia and Ontario, which again translate into high potential revenues for these regions over the next year ($2.4 million and $2.0 million, respectively). Moreover, all of the provincial partners that participated in the campaign successfully preserved their market share with respect to visits and bookings made to date.

The introduction of Interactive TV as a response mechanism has shifted the manner in which UK residents are requesting information on Canada. Interactive TV accounted for the lion's share of requests, and Internet inquiries also continued to increase in popularity. These increases came at the expense of the more traditional call centre, which is now primarily used by older travellers. The distinct demographic differences of respondents using the different response mechanisms highlight the importance of offering multiple response channels to give consumers a choice. In terms of conversion rates, all three response mechanisms appeared to be equally effective, with the higher revenues generated by the Interactive TV inquiries due primarily to the greater volume of Interactive TV inquiries to begin with.

Appendix I – UK Advertising Conversion Questionnaire 2003

A) Record type of inquiry (Response Mechanism) from database:

Globespan - Toll Free Number	1
Globespan - Internet	2
Globespan - Interactive TV	3
Travelpack - Toll Free Number	4
Travelpack - Internet	5
Travelpack - Interactive TV	6

Good ________. May I speak to _________. I'm ________ from _____ a marketing research firm. We're doing a follow-up study to a television advertising campaign about tourism in Canada. The campaign suggested… [**INSERT: (IF A=1 or A=4)** calling a free telephone number / **(IF A=2 or A=5)** registering on the Internet / **[IF A=3 or A=6]** responding via Interactive TV…] to get more information on travel in Canada. This study is designed to find out how this material may or may not have influenced your future travel plans. It will only take a few minutes of your time.

1A) Do you recall requesting information about Canada a few months ago, in response to a tourism advertising campaign about Canada?

ONLY IF NECESSARY, PROMPT: You may have seen a series of television ads showing many colourful images of Canada. Each ad featured a different destination in Canada, including British Columbia, Alberta, Ontario and Canada's East Coast. The ads invited you to play in Canada and Discover Our True Nature. The ads also gave prices for holiday packages to Canada and had a free telephone number that you could call to obtain a free holiday guide.

Yes	1	**(SKIP TO Q2)**
No	2	

1B) Could someone else in your household have possibly called and used your name?

Yes	1	Could I speak to that person? **(REINTRODUCE YOURSELF)**
No	2	**(THANK AND TERMINATE)**

2) Do you recall actually receiving the tourism material on Canada?

Yes	1	**(PROCEED)**
No	2	**(THANK AND TERMINATE)**
Don't know / can't remember	3	**(THANK AND TERMINATE)**

3) Prior to receiving the tourism material you requested, had you planned to take a trip to Canada? **(DO NOT PROMPT) IF YES:** Were you definitely planning a trip or only considering it?

Yes, definitely 1
Yes, considering it.. 2
No.. 3

4) After receiving the tourism material you requested, did this change your likelihood of visiting Canada in the next two years? Would you say that you are: **(READ LIST)**

Much more likely to visit Canada ....1 **(SKIP TO Q6)**
Somewhat more likely to visit Canada..2 **(SKIP TO Q6)**
Somewhat less likely to visit Canada ....3 **(ASK Q5)**
Much less likely to visit Canada..4 **(ASK Q5)**
DO NOT READ:
The material had no influence on your likelihood to visit Canada........5 **(SKIP TO Q6)**

5) Why did the tourism material make you less likely to visit Canada? **(DO NOT READ) (CODE ALL THAT APPLY) PROBE:** Was there anything else?

Material not appealing 1
Not enough information on Canada in the material 2
Packages too expensive 3
Flights too expensive..4
Looks boring / nothing to do 5
Packages didn't appeal to me 6
Too few packages to choose from...7
Other (specify: ___________________)..8

6) What places come to mind when you think of a vacation to Canada? **(DO NOT READ) (CODE ALL THAT APPLY) PROBE:** Are there any others?

Ontario (e.g., Toronto, Ottawa, Niagara Falls) 1
Quebec (e.g., Montreal, Quebec City)... 2
Prince Edward Island (e.g., Charlottetown) 3
New Brunswick (e.g., Moncton, Fredericton)... 4
Nova Scotia (e.g., Halifax)... 5
Newfoundland (e.g., St. John's, Labrador) 6
Atlantic Provinces / East Coast / Maritimes (general mention) 7
Prairie Provinces (e.g., Saskatchewan, Manitoba, Winnipeg, Regina, Saskatoon)..... 8
Alberta (e.g., Calgary, Edmonton, Banff, Jasper) 9
British Columbia (e.g., Vancouver, Victoria, Whistler).. 10
Northern Canada (e.g., Yukon / Nunavut / Northwest Territories)............................ 11
Other (specify: ___________________).. 12

7) Have you visited Canada for pleasure since receiving the material?

Yes.. 1
No.. 2 **(SKIP TO Q10)**

8) Which of the following province(s) did you visit on this trip to Canada? **(READ LIST) (CODE ALL THAT APPLY)**

Ontario (e.g., Toronto, Ottawa, Niagara Falls) 1
Quebec (e.g., Montreal, Quebec City)...2
Prince Edward Island (e.g., Charlottetown) 3
New Brunswick (e.g., Moncton, Fredericton)..4
Nova Scotia (e.g., Halifax)..5
Newfoundland (e.g., St. John's, Labrador) 6
Atlantic Provinces / East Coast / Maritimes (general mention) 7
Prairie Provinces (e.g., Saskatchewan, Manitoba, Winnipeg, Regina, Saskatoon)......8
Alberta (e.g., Calgary, Edmonton, Banff, Jasper) 9
British Columbia (e.g., Vancouver, Victoria, Whistler)...10
Northern Canada (e.g., Yukon / Nunavut / Northwest Territories)............................11
Other (specify: ___________________)..12

9A) Which airline(s) did you use on this trip to Canada? **(DO NOT READ) (CODE ALL THAT APPLY)**

Air Canada... 1
British Airways 2
Air Transat... 3
Charter (unspecified).. 4
Other.. 5
Don't Know... 9

9B) Which tour operator, if any, did you book your trip to Canada with? **IF DON'T REMEMBER, READ ITEMS 2 & 3 IN LIST.**

Did not book with a tour operator/did not use a package/
Travelled on my own.. 1 **(SKIP TO Q15A)**
Globespan.. 2
Travelpack... 3
Other tour operator 4
Don't Know.. 9

9C) Did you purchase one of the travel packages featured in the tourism material that was sent to you?

Yes .... 1 **(SKIP TO Q15A)**
No 2
Don't Know .... 9 **(SKIP TO Q15A)**

9D) Why did you not book one of the featured travel packages?
(DO NOT READ) (CODE ALL THAT APPLY)

Material not appealing 1
Not enough information on Canada in the material 2
Packages too expensive 3
Flights too expensive 4
Packages look boring 5
Packages didn't appeal to me 6
Too few packages to choose from 7
Wasn't exactly what I wanted 8
Packages too long 9
Packages too short 10
Packages too inflexible 11
Not familiar with the featured tour operators 12
Prefer other tour operators 13
Not offered at the time I wanted to travel 14
Had already planned / booked another package 15
Other (specify: ___________________) 97
Don't Know 99

(NOW GO TO Q15A)

10) Since receiving the material, have you booked a pleasure trip to Canada for travel within the next year?

Yes .... 1 **(SKIP TO Q12)**
No 2

11) Why have you not booked a trip to Canada? **(DO NOT READ) (CODE ALL THAT APPLY)**
PROBE: Is there anything else?

Too expensive to go to Canada (in general)....1
Airfare too expensive....2
Accommodations too expensive....3
Packages too expensive....4
Poor exchange rates....5

Too hard to get there....6
Too far to travel / flight too long....7
Too big/attractions too far apart....8

Poor weather/too cold/prefer warmer places....9
No beaches/beach resorts....10
Prefer more exotic places....11

Don't know enough about it....12
Nothing there that appeals to me....13
Nothing to see or do there....14
Nothing different or unique there....15
Not exciting / too boring....16
A place for older people....17

Other destinations I want to visit more....18
Been there before and want to go somewhere else....19
Been there before and didn't like it....20
Just went there....21

Poor economy/waiting for economy to improve....22
Worried about losing my job....23
Can't afford to travel/too many other expenses....24

Fear of flying....25
Fear of terrorism....26
War in Iraq....27

Don't want to be away from my family/home....28
Personal (illness / family problems/ pregnant/young children)....29
Too busy/can't get away from work or school....30
Language barriers.... N/A

Concerned about SARS....32
Health concerns in general....33

My friends or relatives are in the Army/I need to be home....34
Fear of other wars....35
Don't feel the timing is right or appropriate....36
Too depressed/upset to travel....37
Too much hassle at airports/borders....38

Other (specify: ____________________)....97
Don't Know....99

(NOW GO TO Q15A)

12) Which of the following province(s) do you plan to visit on your trip to Canada? **(READ LIST) (CODE ALL THAT APPLY) IF DON'T KNOW, PROBE:** Which ones are you likely to visit?

Ontario (e.g., Toronto, Ottawa, Niagara Falls) 1
Quebec (e.g., Montreal, Quebec City)... 2
Prince Edward Island (e.g., Charlottetown) 3
New Brunswick (e.g., Moncton, Fredericton)... 4
Nova Scotia (e.g., Halifax)... 5
Newfoundland (e.g., St. John's, Labrador) 6
Prairie Provinces (e.g., Saskatchewan, Manitoba, Winnipeg, Regina, Saskatoon).... 8
Alberta (e.g., Calgary, Edmonton, Banff, Jasper) 9
British Columbia (e.g., Vancouver, Victoria, Whistler).. 10
Yukon / Nunavut / Northwest Territories.. 11

13A) In which season are you planning to take this trip to Canada? **(SINGLE RESPONSE)**

Winter 1
Spring 2
Summer 3
Fall... 4

13B) What type of activities do you intend to do while **in Canada**? **(DO NOT READ) (CODE ALL THAT APPLY)**

Visiting friends and relatives 1
Seeing big cities...2
Staying in a mountain / country resort 3
Touring...4
Enjoying Canada's history, culture, heritage 5
Getting to know local people...6
Attending local festivals / special events.......................................7
Experiencing Aboriginal people and events..................................8
Outdoor activities (e.g., hiking, biking, climbing) 9
Seeing wildlife / unspoiled nature 10
Adventure experiences 11
Winter sports (e.g., skiing, snowmobiling) 12
Summer sports (e.g., golf, tennis)...13
General sightseeing / short excursions 14
Other..15

13C) Which airline(s) do you plan to use on your trip to Canada? **(DO NOT READ) (CODE ALL THAT APPLY)**

Air Canada.. 1
British Airways 2
Air Transat... 3
Charter (unspecified)... 4
Other.. 5
Don't Know... 9

13D) Which tour operator, if any, did you book your trip to Canada with? **IF DON'T REMEMBER, READ ITEMS 2 & 3 IN LIST.**

Did not book with a tour operator/ Did not book a package/
Plan to travel on my own...1 **(SKIP TO Q19A)**
Globespan...2
Travelpack..3
Other tour operator 4
Don't know...9

14A) Did you book one of the travel packages featured in the tourism material that was sent to you?

Yes... 1 **(SKIP TO Q19A)**
No.. 2
Don't Know... 9 **(SKIP TO Q19A)**

14B) Why did you not book one of the featured travel packages? **(DO NOT READ) (CODE ALL THAT APPLY)**

Material not appealing 1
Not enough information on Canada in the material 2
Packages too expensive..3
Flights too expensive...4
Packages look boring..5
Packages didn't appeal to me 6
Too few packages to choose from..7
Wasn't exactly what I wanted 8
Packages too long...9
Packages too short...10
Packages too inflexible..11
Not familiar with the featured tour operators.................................12
Prefer other tour operators..13
Not offered at the time I wanted to travel.......................................14
Had already planned / booked another package 15
Other (specify: ___________________)..97

(NOW GO TO Q19A)

15A) How likely is it that you will visit Canada in the **next twelve months?** **(READ LIST) (SINGLE RESPONSE)**

Very likely	4	**(SKIP TO Q17)**
Somewhat likely	3	
Not very likely	2	
Not at all likely	1	
DO NOT READ:		
Don't Know	9	

15B) How likely is it that you will visit Canada in the **next two years**? **(READ LIST) (SINGLE RESPONSE)**

Very likely	4	**(SKIP TO Q18A)**
Somewhat likely	3	**(SKIP TO Q18A)**
Not very likely	2	
Not at all likely	1	
DO NOT READ:		
Don't Know	9	

16A) Why are you unlikely to visit Canada in the future? **(DO NOT READ)** **(CODE ALL THAT APPLY) PROBE:** Is there anything else?

Too expensive to go to Canada (in general)	1
Airfare too expensive	2
Accommodations too expensive	3
Packages too expensive	4
Poor exchange rates	5
Too hard to get there	6
Too far to travel / flight too long	7
Too big/attractions too far apart	8
Poor weather/too cold/prefer warmer places	9
No beaches/beach resorts	10
Prefer more exotic places	11
Don't know enough about it	12
Nothing there that appeals to me	13
Nothing to see or do there	14
Nothing different or unique there	15
Not exciting / too boring	16
A place for older people	17

Other destinations I want to visit more	18
Been there before and want to go somewhere else	19
Been there before and didn’t like it	20
Just went there	21
Poor economy/waiting for economy to improve	22
Worried about losing my job	23
Can't afford to travel/too many other expenses	24
Fear of flying	25
Fear of terrorism	26
War in Iraq	27
Don’t want to be away from my family/home	28
Personal (illness / family problems/ pregnant/young children)	29
Too busy/can’t get away from work or school	30
Language barriers	N/A
Concerned about SARS	32
Health concerns in general	33
My friends or relatives are in the Army/I need to be home	34
Fear of other wars	35
Don’t feel the timing is right or appropriate	36
Too depressed/upset to travel	37
Too much hassle at airports/borders	38
Other (specify: ___________________)	97
Don’t Know	99

(NOW GO TO Q19A)

17) How likely is it that you will visit the following provinces or regions in Canada in the **next twelve months?** Would you say that you are **(READ SCALE)** to visit **(READ LIST)**?

	Very likely	**Somewhat likely**	**Not very likely**	**Not at all likely**
Ontario (e.g., Toronto, Ottawa, Niagara Falls)	4	3	2	1
Prince Edward Island (e.g., Charlottetown)	4	3	2	1
New Brunswick (e.g., Moncton, Fredericton)	4	3	2	1
Nova Scotia (e.g., Halifax)	4	3	2	1
Newfoundland (e.g., St. John’s, Labrador)	4	3	2	1
Alberta (e.g., Banff, Calgary, Edmonton)	4	3	2	1
British Columbia (e.g., Vancouver, Victoria, Whistler)	4	3	2	1

18A) In which season are you most likely to go to Canada? **(SINGLE RESPONSE)**

Winter 1
Spring 2
Summer 3
Fall... 4
Don't Know... 9

18B) What type of activities are you likely to do while **in Canada**? **(DO NOT READ)** **(CODE ALL THAT APPLY)**

Visiting friends and relatives 1
Seeing big cities...2
Staying in a mountain / country resort 3
Touring 4
Enjoying Canada's history, culture, heritage 5
Getting to know local people...6
Attending local festivals / special events.......................................7
Experiencing Aboriginal people and events.................................8
Outdoor activities (e.g., hiking, biking, climbing) 9
Seeing wildlife / unspoiled nature 10
Adventure experiences 11
Winter sports (e.g., skiing, snowmobiling) 12
Summer sports (e.g., golf, tennis)...13
General sightseeing / short excursions 14
Other...15
Don't Know...99

18C) And how likely are you to purchase one of travel packages to Canada featured in the tourism material that was sent to you? **(READ LIST) (SINGLE RESPONSE)**

Very likely... 4
Somewhat likely.. 3
Not very likely... 2
Not at all likely.. 1
DO NOT READ:
Don't Know... 9

(IF Q11=27 or Q16A=27 (war in Iraq) OR Q11=32 or Q16A=32 (SARS) -> SKIP TO Q20A)

19A) .... Have current events such as the war in Iraq or SARS caused you to have concerns about travelling to Canada? **IF NECESSARY PROMPT:** SARS refers to Severe Acute Respiratory Syndrome –a respiratory illness that has recently been reported in Asia, North America, and Europe.

Yes.. 1
No.. 2 **(SKIP TO Q20A)**

19B) What are your specific travel concerns? **(CHECK ALL THAT APPLY) (DO NOT READ)**

The war in Iraq in general 1
My friends or relatives are in the Army/I need to be home............................. 2
Fear of terrorism... 3
Fear of other wars.. 4
Don't feel the timing is right or appropriate.. 5
Fear of flying.. 6
Too depressed/upset to travel 7
Too much hassle at airports/borders.. 8
Don't want to be away from my family 9
Don't want to be away from home.. 10
Concerned about health risks due to the war
(bio-chemical terrorism)... 11
Concerned about SARS... 12
Impact on the economy 13
Other (specify: ___________________)... 97
Don't Know.. 99

DEMOGRAPHICS

So that we can tabulate your responses, we would like to ask you some questions that would be used for statistical purposes only.

20A) Including yourself, how many people are there in your household? **(SINGLE RESPONSE)**

_______ Person(s) **(IF Q20A=1, SKIP TO Q21)**

(99) Refused

20B) How many are less than 18 years of age? **(SINGLE RESPONSE)**

_______ Person(s)

(99) Refused

21) What is your marital status? **(READ LIST)**

Married or living with someone 1
Single... 2
Divorced / separated.. 3
Widow / widower 4
DO NOT READ:
Refused.. 9

22) In which of the following age categories do you belong? **(READ LIST)**

Under 18.. 1
18-24.. 2
25-29.. 3
30-34.. 4
35-44.. 5
45-54.. 6
55-64.. 7
65-74.. 8
75 and over 9
DO NOT READ:
Refused.. 99

23) What is the highest level of educational qualifications that you have completed?
(DO NOT READ) (SINGLE RESPONSE)

No qualifications 1
CSE / Standard Grades / O Grades / O Levels / Lowers 2
ONC / OND... 3
Highers 4
Certificate of Sixth Year Studies (CSYS) / A Levels...................................... 5
HNC / HND... 6
City & Guilds 7
NVQ / SVQ / Scotvec 8
Diploma / Degree from College of Further / Higher Education....................... 9
First Degree from a University.. 10
Second Degree from a University 11
Other... 97
Refused... 99

24A) Are you…? **(READ LIST)**

Working full time (30+ hours per week) 1
Working part-time (8 to 29 hours per week) 2
Working in the home/housewife/husband 3
Retired 4
Unemployed 5
Student.. 6
DO NOT READ:
Other (including disabled) 7
Refused 9

24B) To ensure that we have a representative sample, could you tell me the occupation of the CHIEF WAGE EARNER of the household? **SINGLE RESPONSE. PROBE AS APPROPRIATE TO CLASSIFY:**

a) What is their position at work/rank/grade?
b) What industry do they work in?
c) Do they have any qualifications that are relevant to their job?
d) How many people are they responsible for at work?
e) ***IF UNEMPLOYED:*** *How long unemployed for?* ***IF LESS THAN 3 MONTHS, ASK ABOUT LAST JOB***
f) ***IF RETIRED:*** *Do they receive a private job related pension?* ***IF YES, ASK ABOUT THEIR LAST JOB***

CODE INTO SOCIAL CLASS:
A – Senior Management, Top Level Civil Servants.............................1
B – Middle Management, Small Business Owners 2
C1 – Junior Management...3
C2 – Skilled Manual Workers 4
D – Semi-Skilled / Unskilled Manual Workers....................................5
E – State-Dependent, Casual workers with no regular income 6
Refused 9

25) Which of these categories best describes your annual <u>household</u> income before taxes in 2002? Please include all wages, salaries, pensions and income from other sources. **(READ LIST)**

Under £10,000 1
£10,000 to £14,999 2
£15,000 to £19,999 3
£20,000 to £24,999 4
£25,000 to £29,999 5
£30,000 to £39,999 6
£40,000 to £49,999 7
£50,000 to £69,999 8
£70,000 or more.. 9
DO NOT READ:
Don't Know / Refused.. 99

Thank you for taking part in this survey.

<u>INTERVIEWER RECORD:</u>

GENDER:

Male 1
Female.. 2

REGION:

North East... 1
Yorkshire / Humberside 2
East Midlands... 3
Eastern.. 4
Greater London 5
South East... 6
South West 7
West Midlands.. 8
North West/Merseyside... 9
Wales.. 10
Scotland... 11