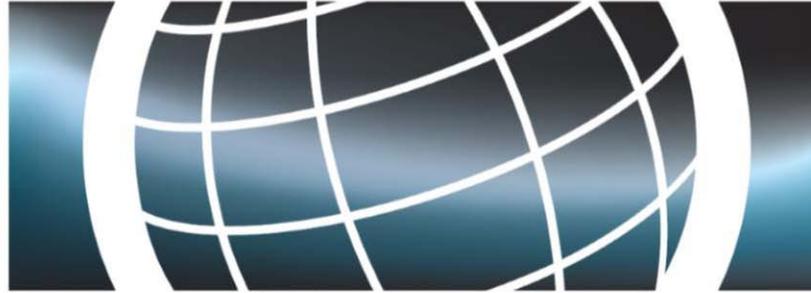


MARKETING OUTLOOK FORUM: A GLOBAL PERSPECTIVE



Presented by the Travel and Tourism Research Association

Outlook for Leisure Travel - Canada

Presented by: David Redekop, Principal Research Associate, The Conference Board of Canada

For more information, contact David at redekop@conferenceboard.ca

October 28-30, 2013 ~ The Drake Hotel ~ Chicago, Illinois, USA



The Conference Board
of Canada

Outlook for Leisure Travel - Canada

David Redekop

Principal Research Associate, The Conference Board of Canada

October 29, 2013

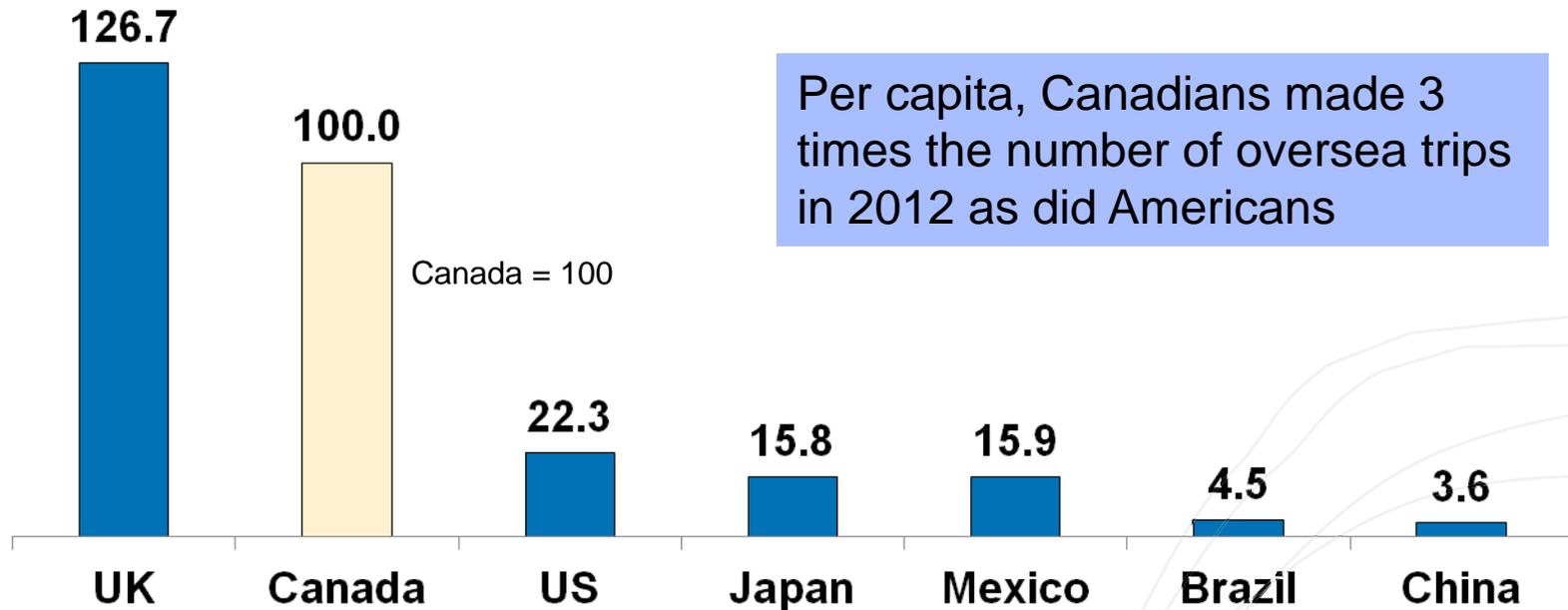


Speaking Points

- **Economic Outlook** – confidence main issue for travel industry
- **Outlook for Outbound Travel**
- **Winter 2013/14**
- **Opportunities** – cruise, group travel, tours and activities



POT Index – *Propensity for Outbound Travel*



Source: CBoC & various Gov't. agencies for population and outbound arrivals.

POT index = ratio of outbound trips to population relative to Canada in 2011.



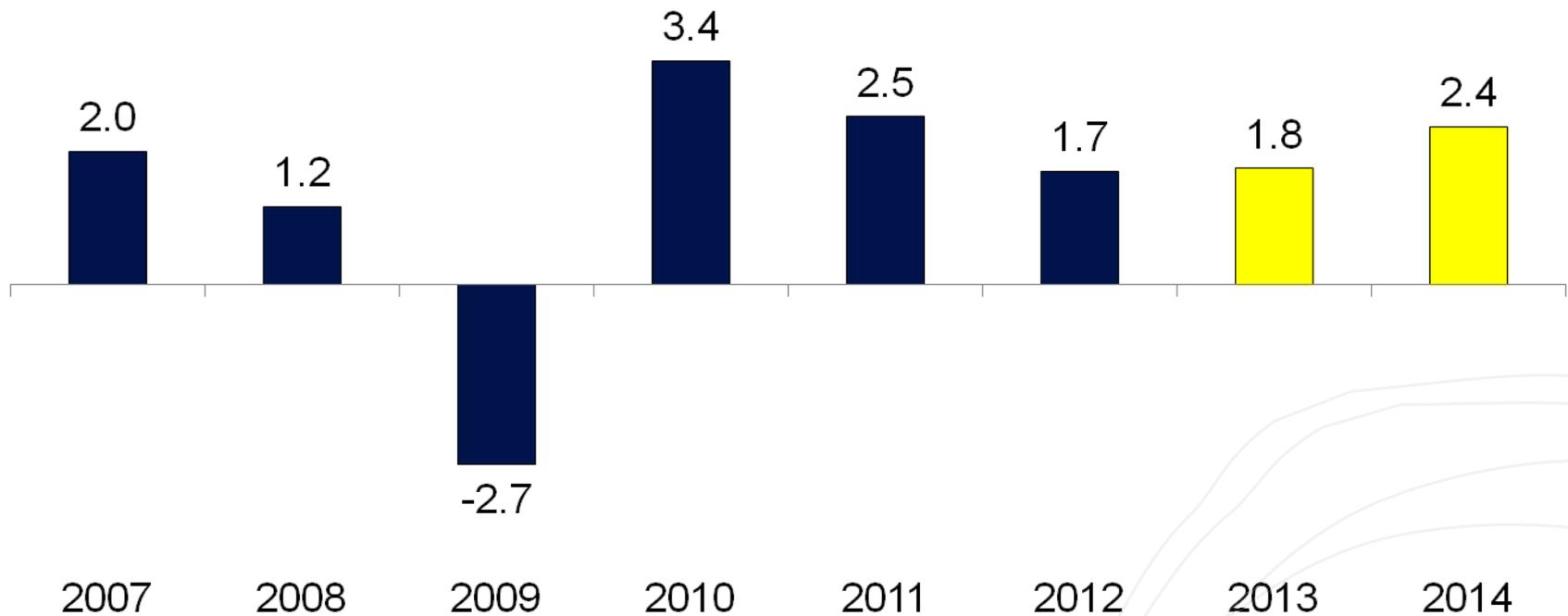
The Conference Board
of Canada

Economic Outlook

Better growth over next three years versus past 3 years.



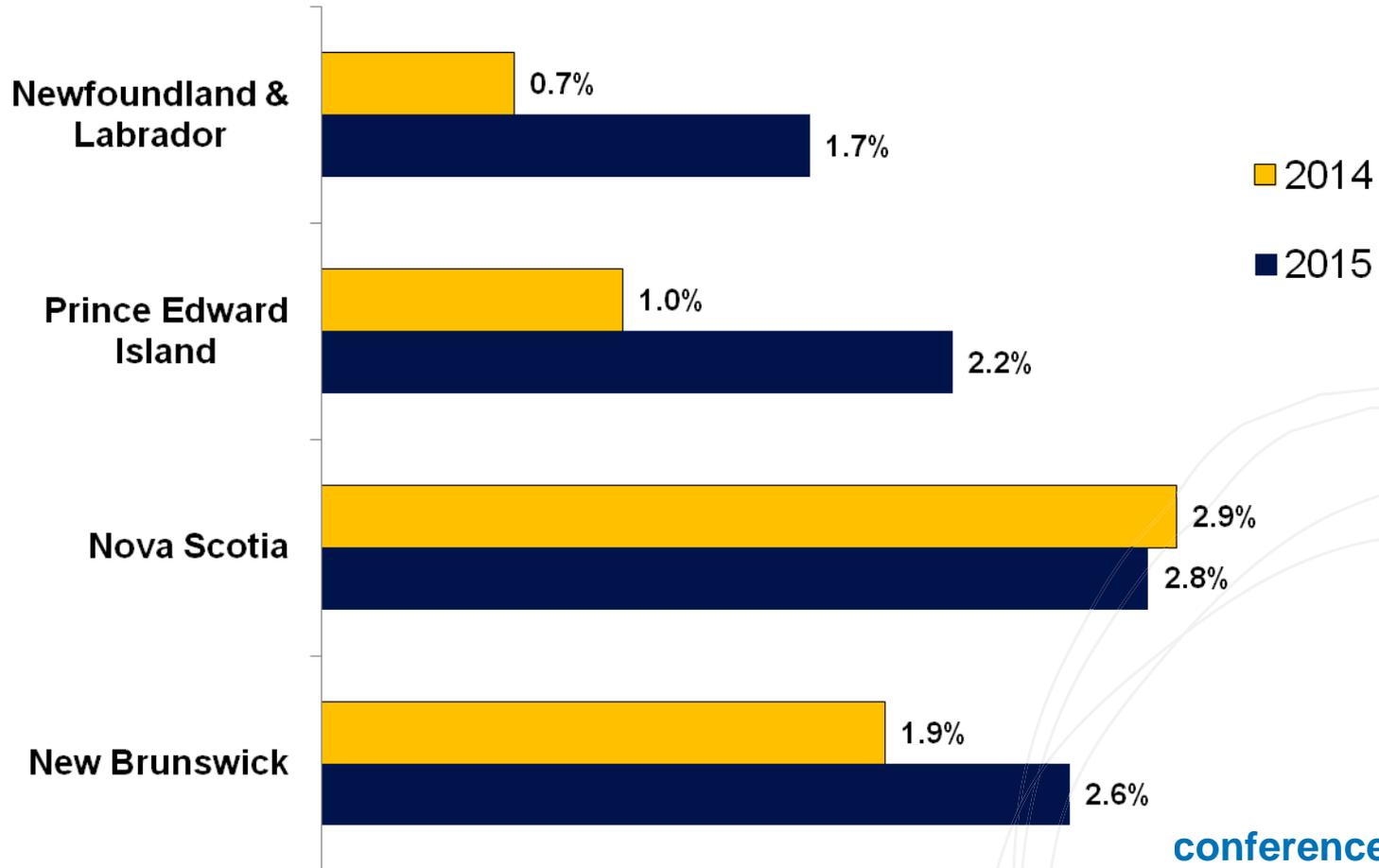
Slow Growth Ahead



Source: CBoC economic forecast June 2013.



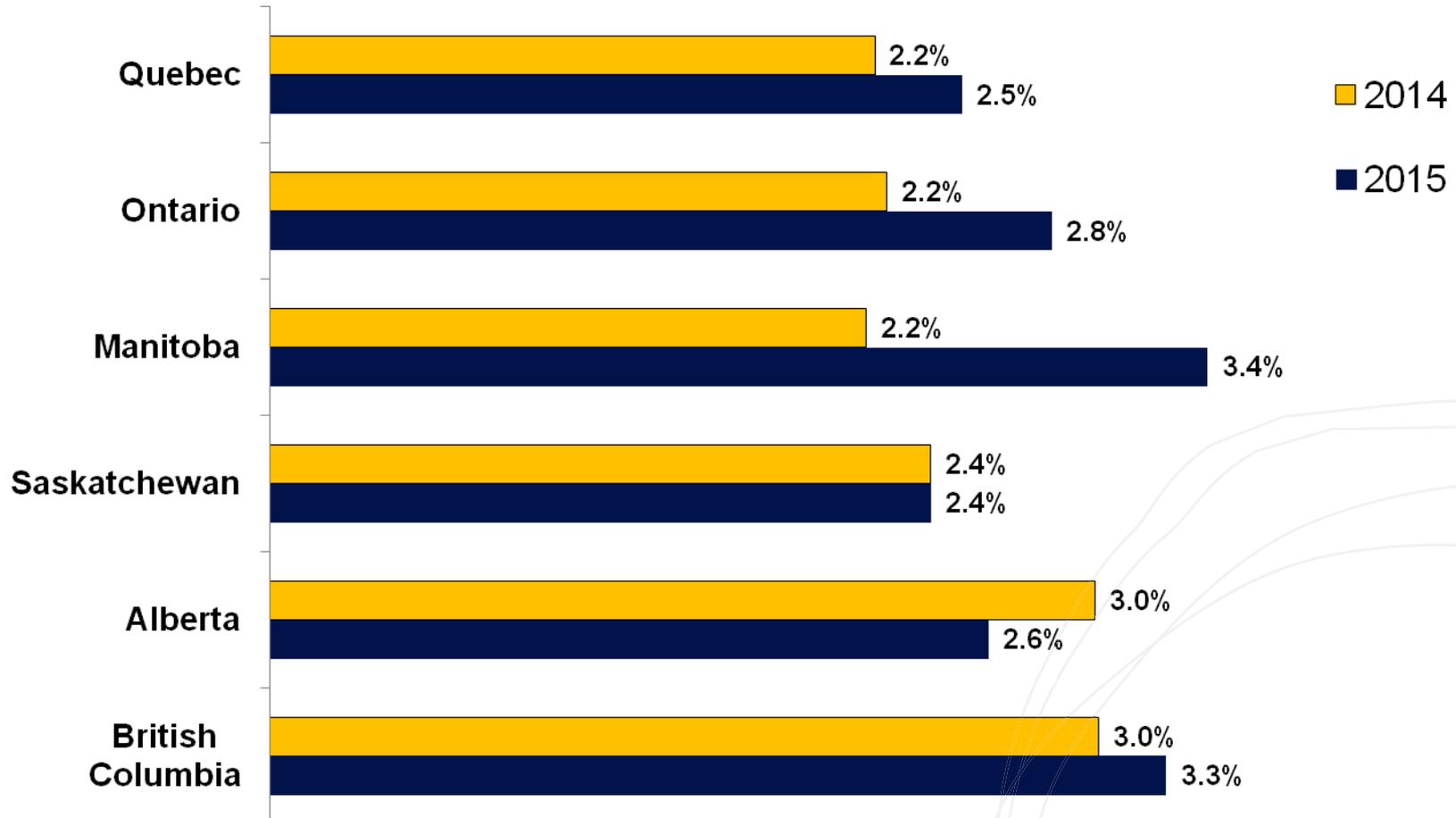
GDP growth to vary by region





The Conference Board
of Canada

GDP growth to vary by region

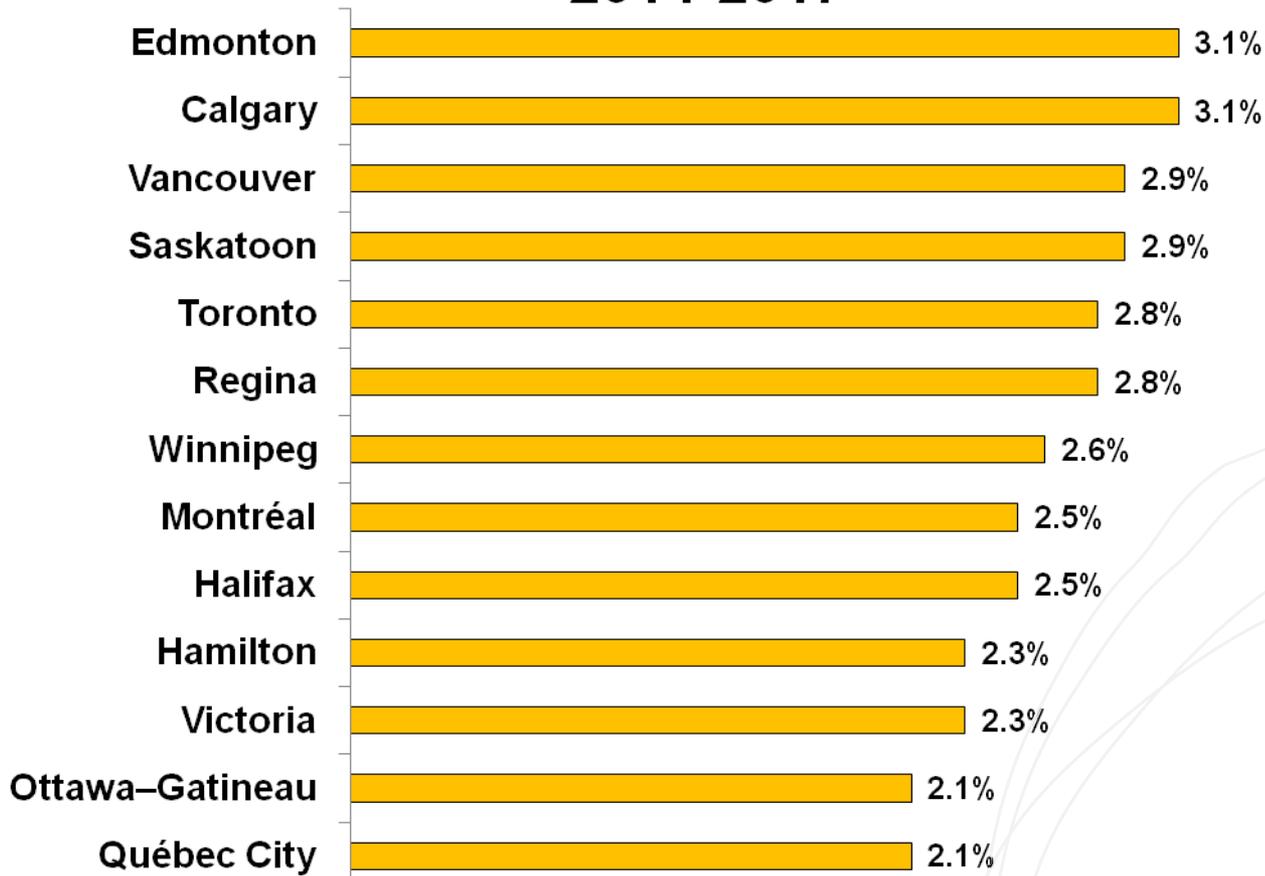




The Conference Board
of Canada

GDP growth by Major City

2014-2017

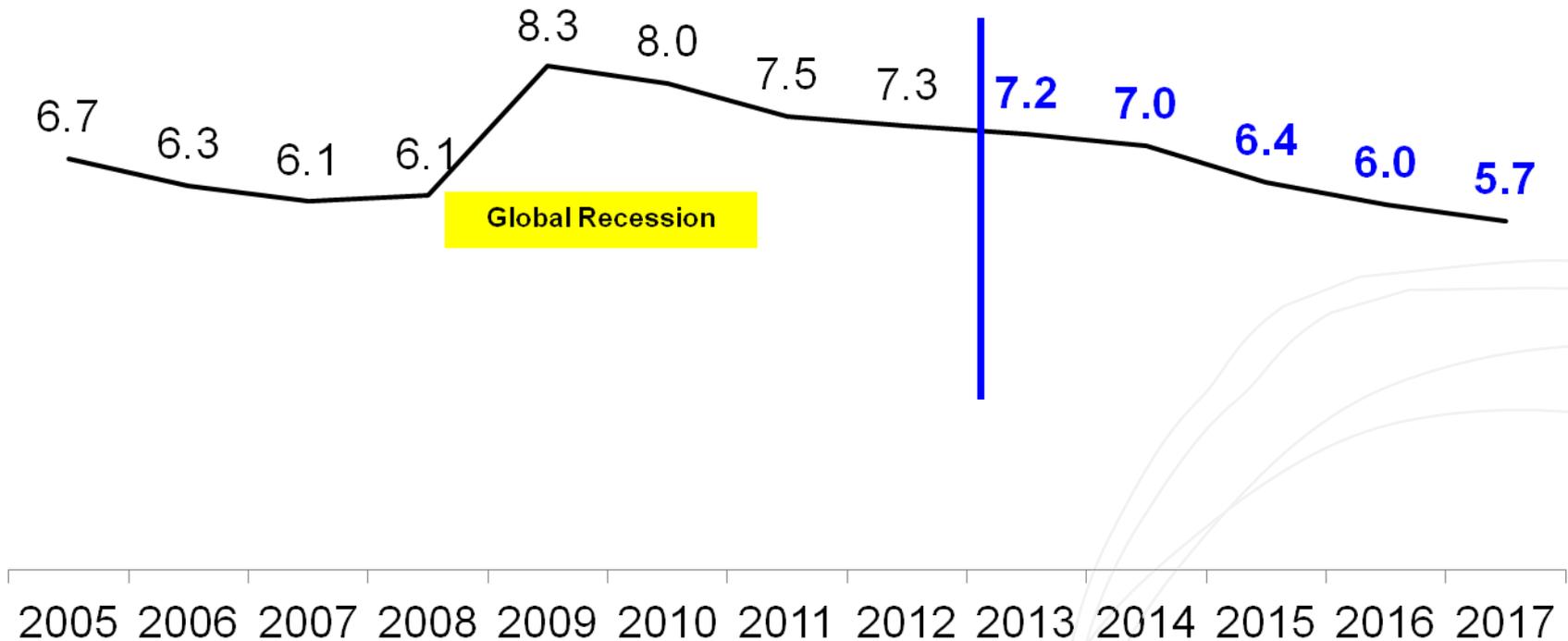




The Conference Board
of Canada

Unemployment rate falling

(annual unemployment rate in %)

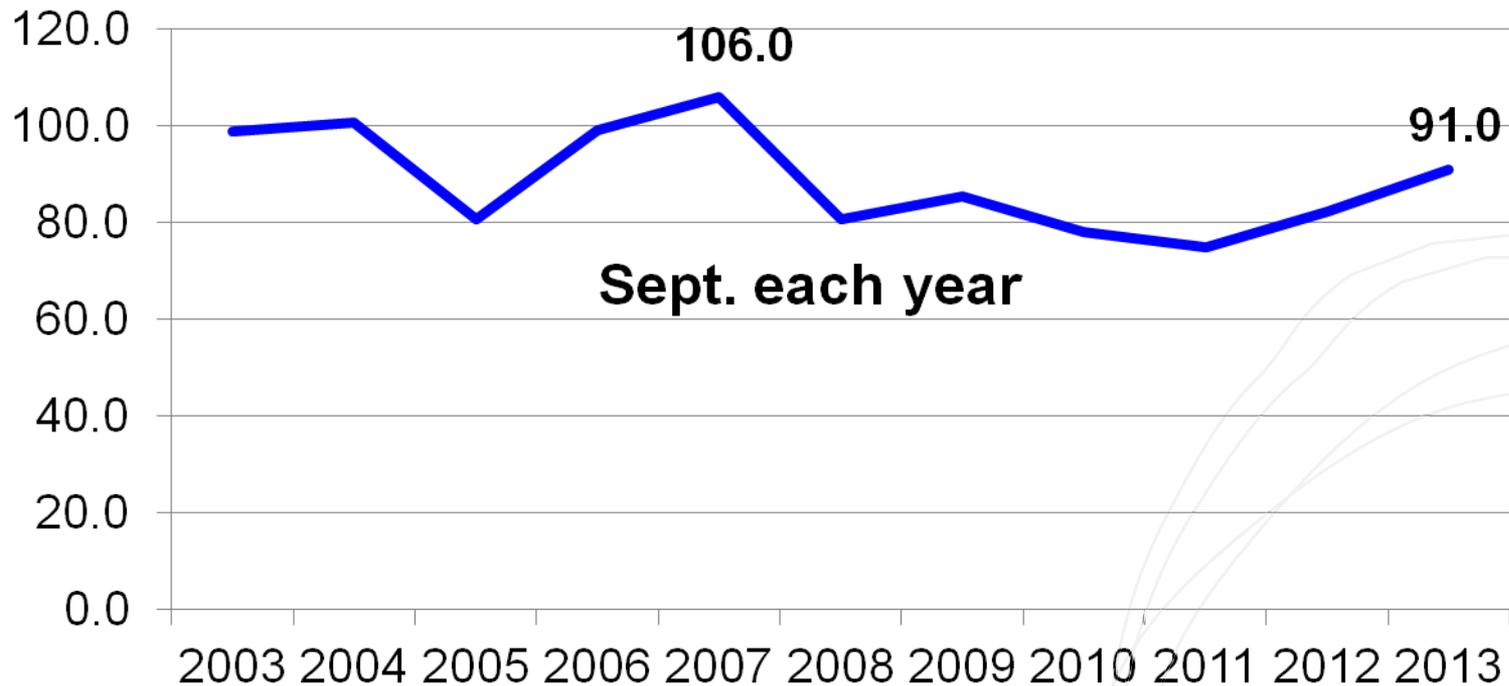


Source: CBoC five year economic forecast June 2013.

conferenceboard.ca



Consumer confidence yet to reach prerecession level

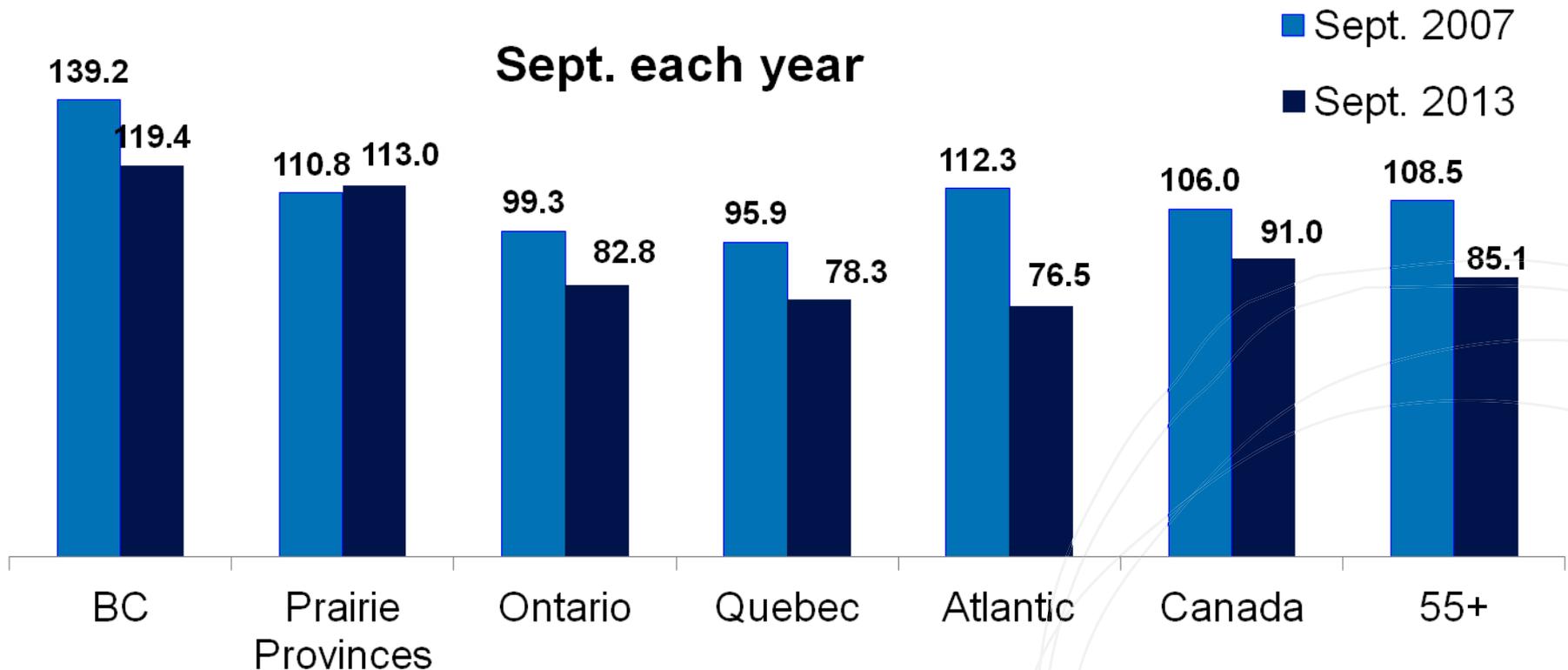




The Conference Board
of Canada

Confidence yet to reach prerecession level

Sept. each year



conferenceboard.ca

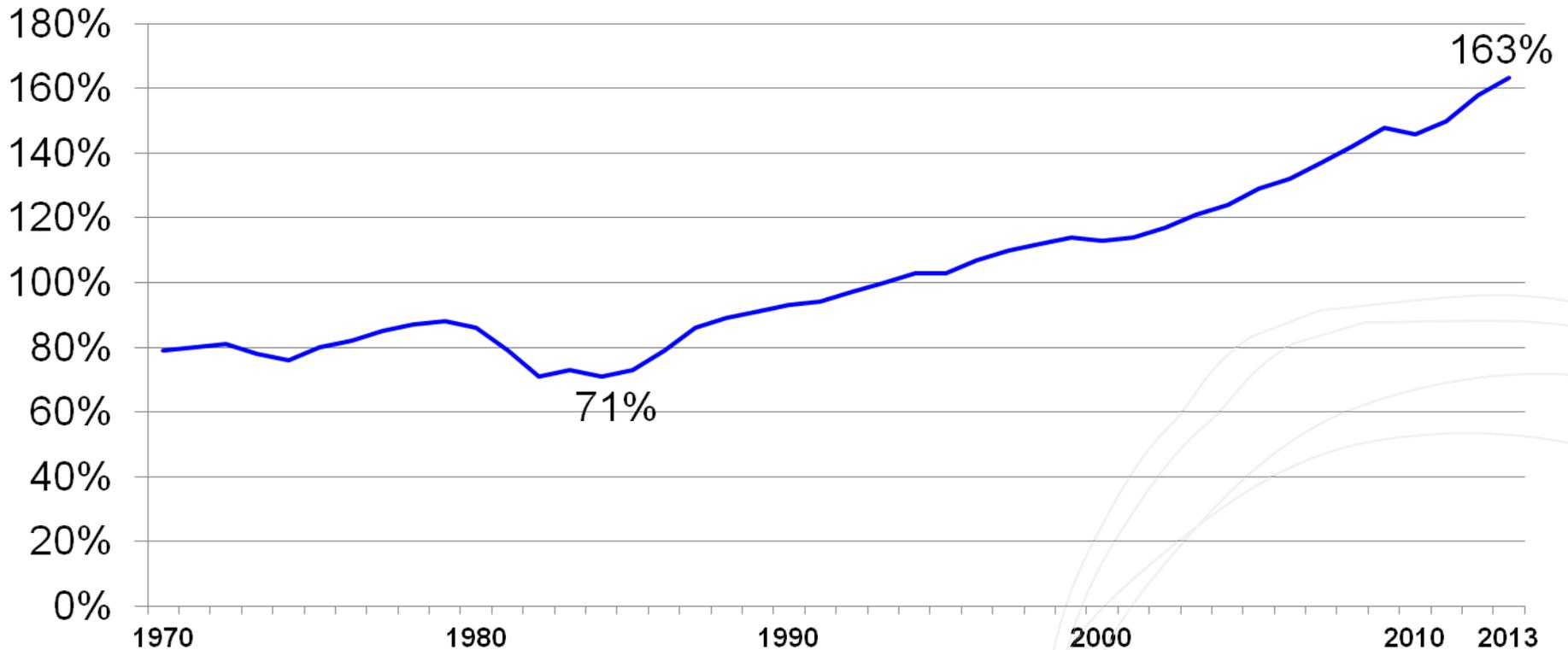
Source: CBoC monthly surveys of Canadian consumer confidence.



The Conference Board
of Canada

Household debt @ record level

(ratio of debt to personal disposable income)



Source: Statistics Canada.

conferenceboard.ca



The Conference Board
of Canada

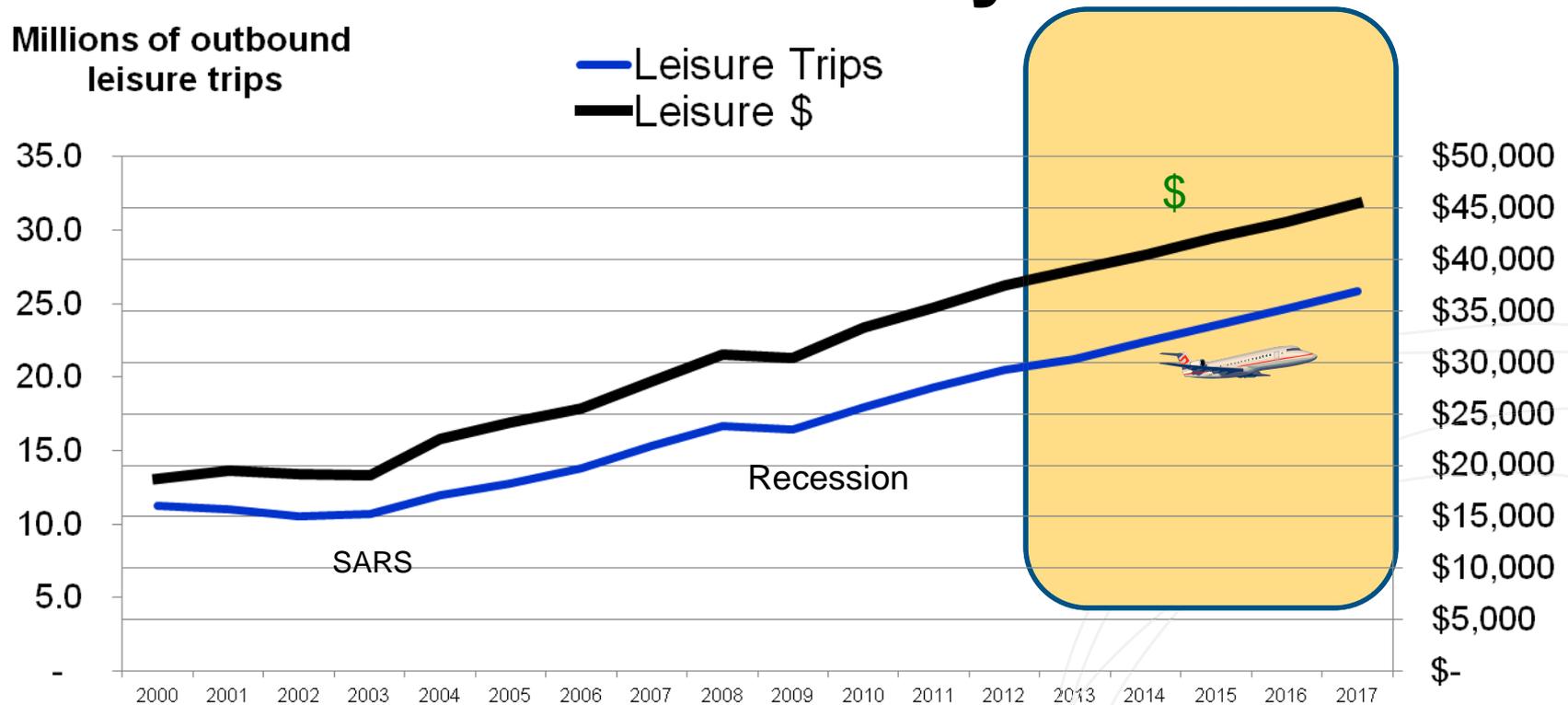
Outlook for outbound leisure travel

Growth to average 4.1% through 2017



Outbound Leisure Travel to Reach \$37 billion by 2017

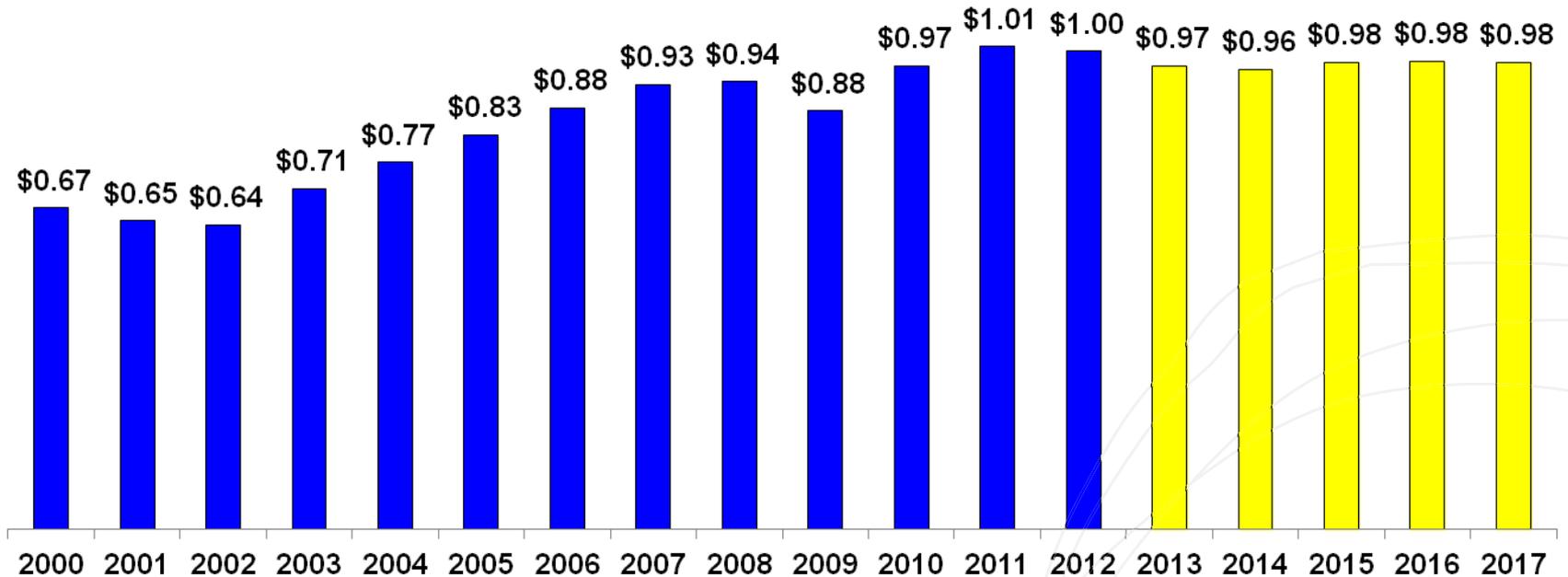
Millions of outbound
leisure trips





The Conference Board
of Canada

\$ CDN to trade slightly under par with US dollar



conferenceboard.ca

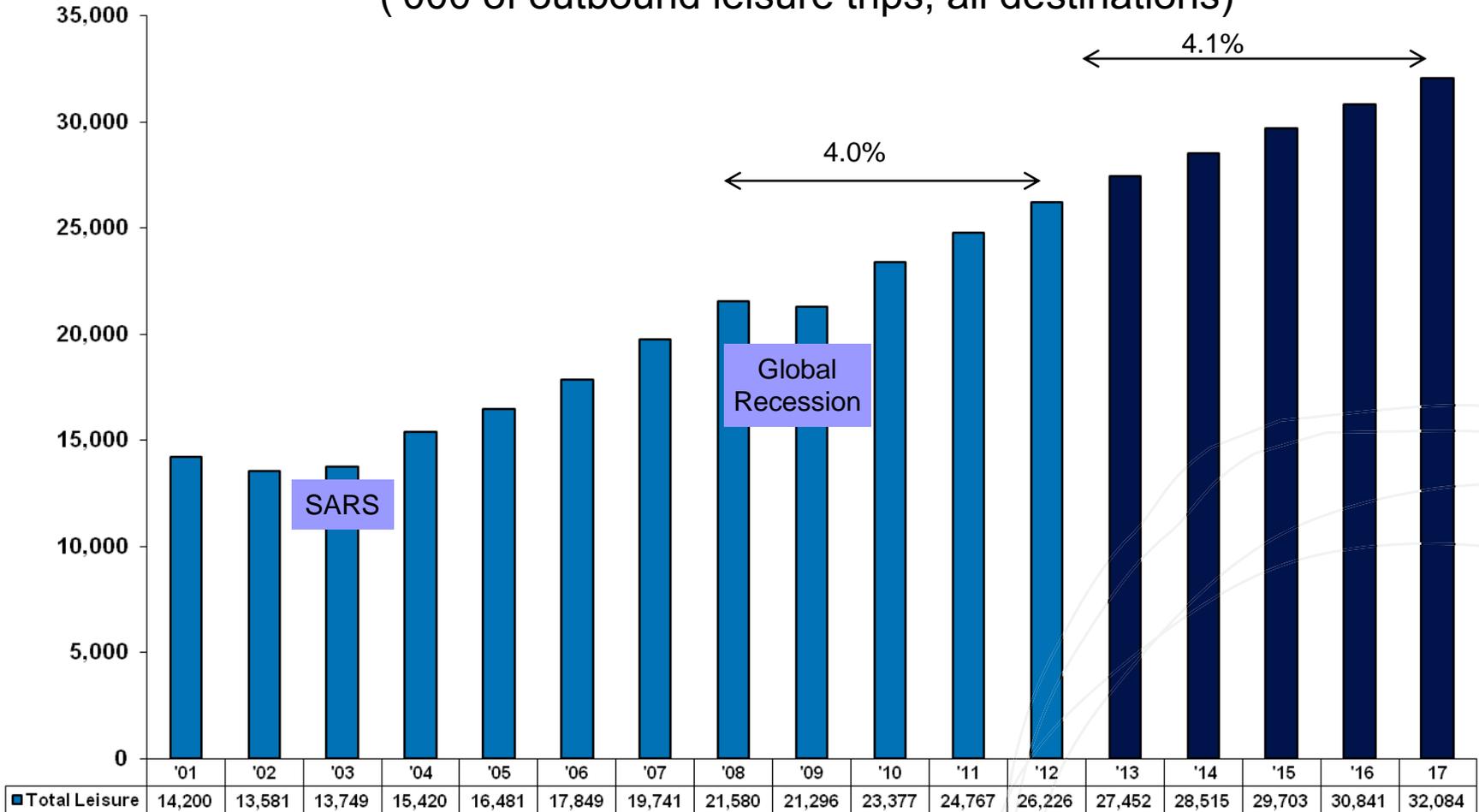
Source: CBoC five year economic forecast June 2013.



The Conference Board
of Canada

Canada: Total Outbound leisure trips

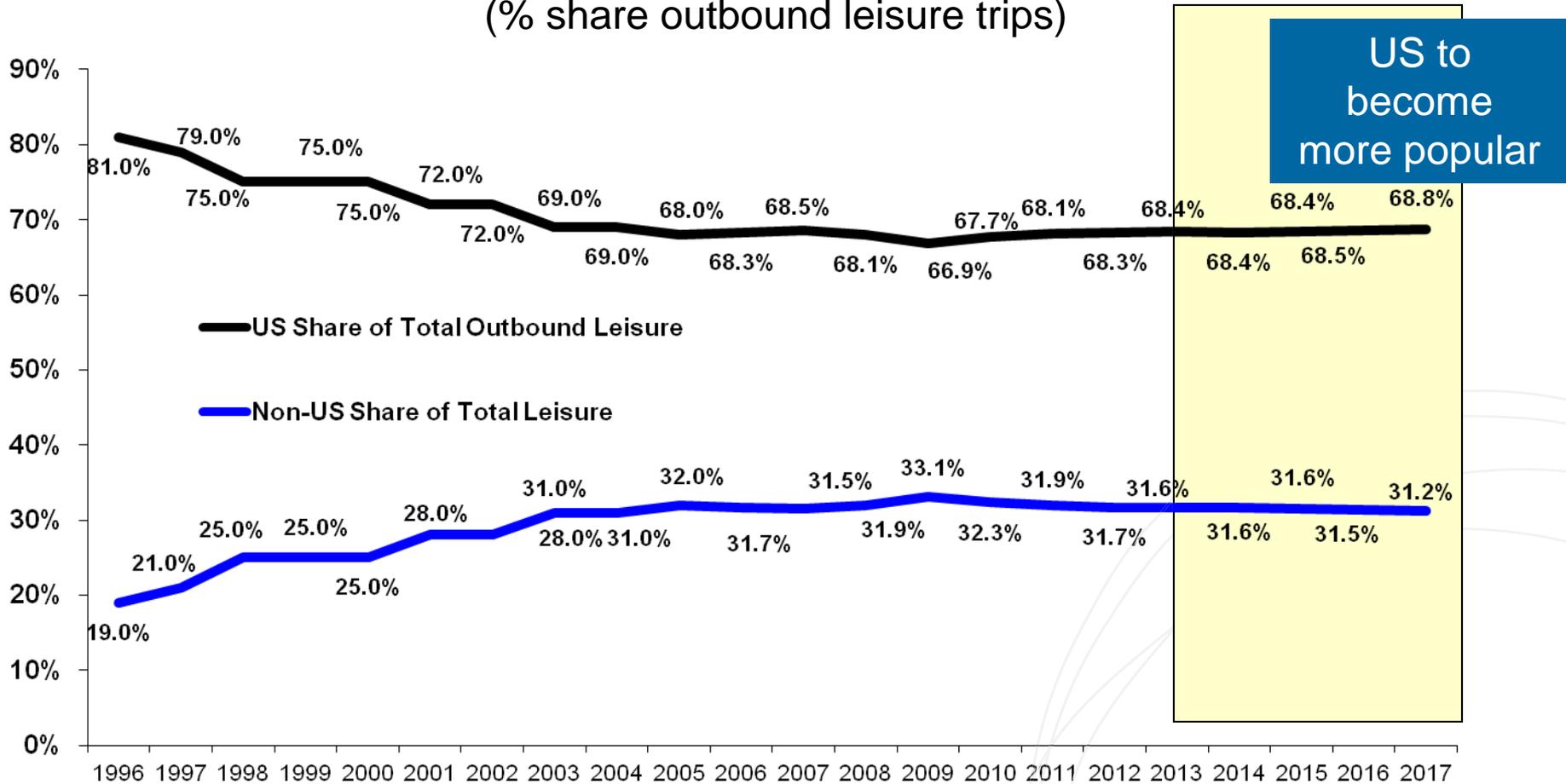
('000 of outbound leisure trips, all destinations)





Canada: Outbound leisure trips

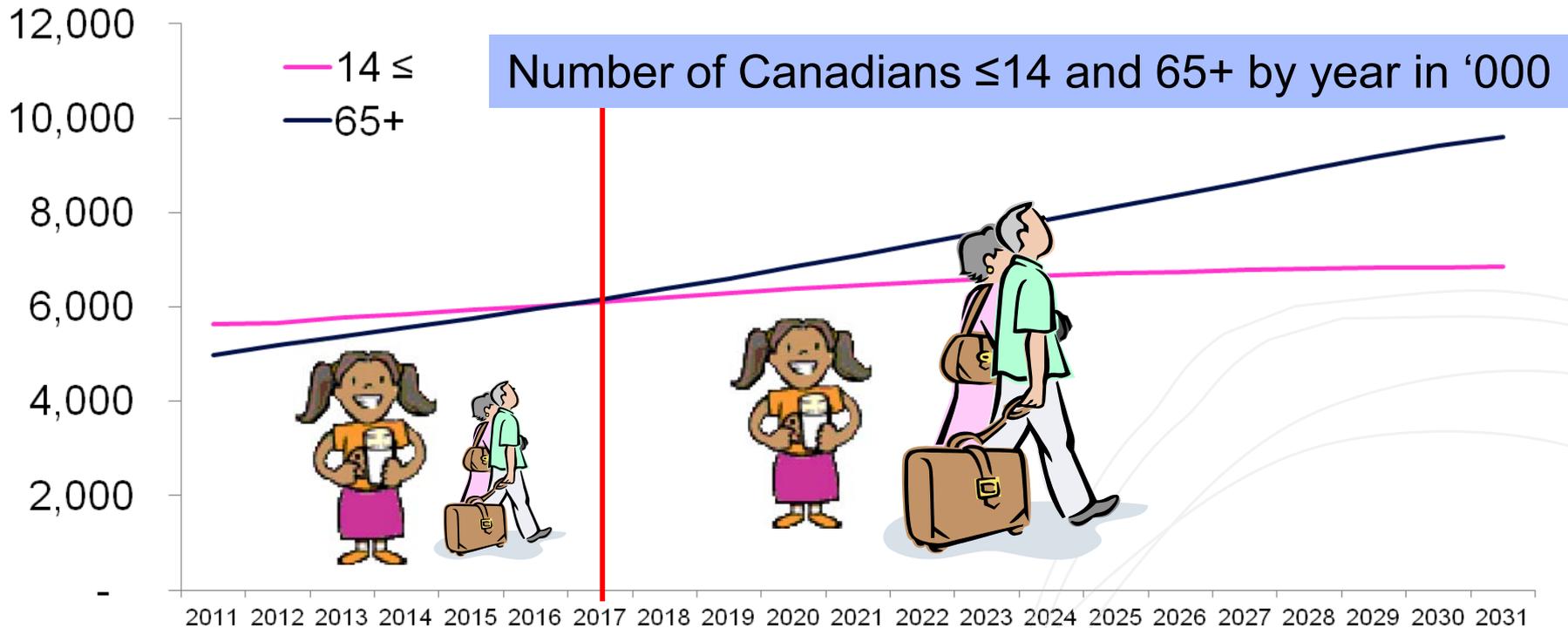
(% share outbound leisure trips)



US to
become
more popular



More Seniors than children by 2017 – *first time in history*

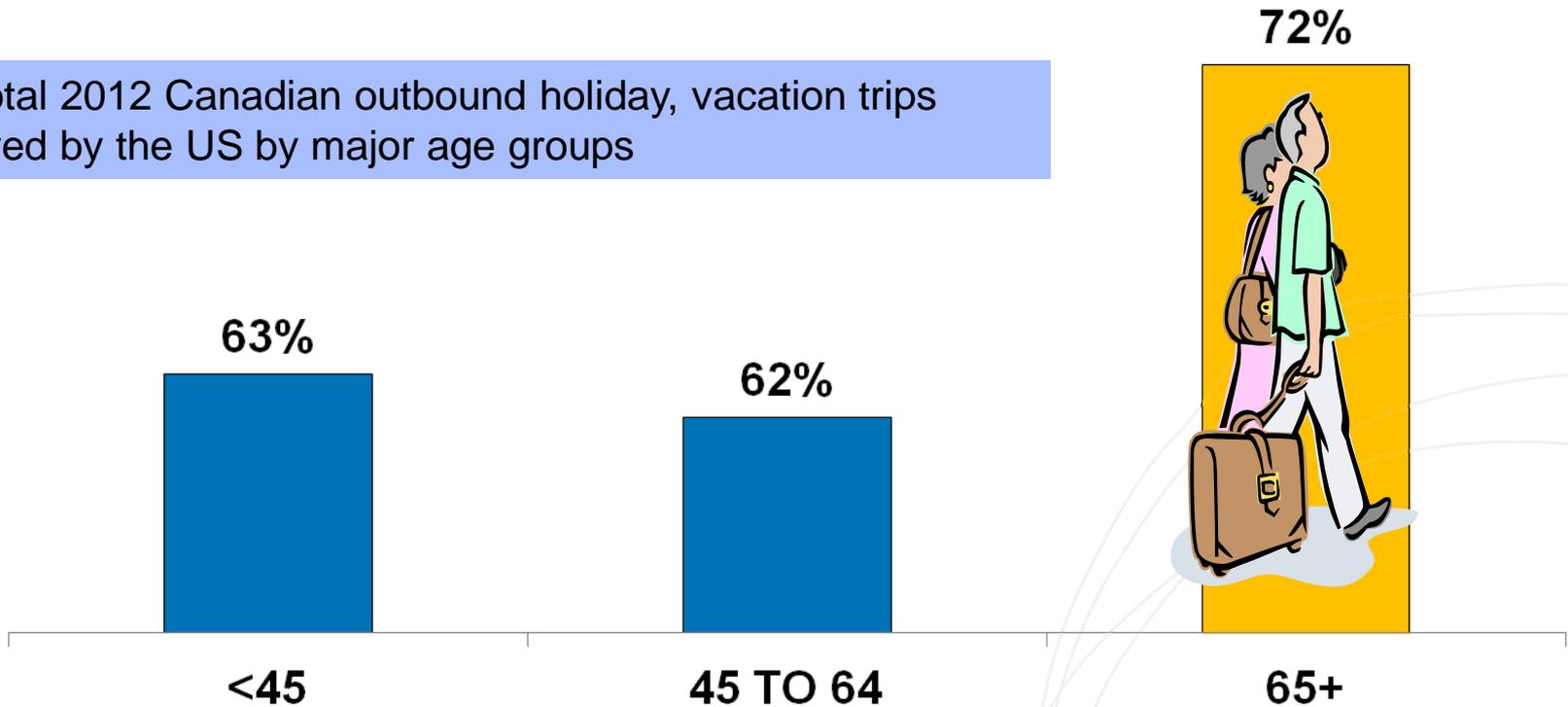




The Conference Board
of Canada

65+ more likely to travel to US for leisure than overseas

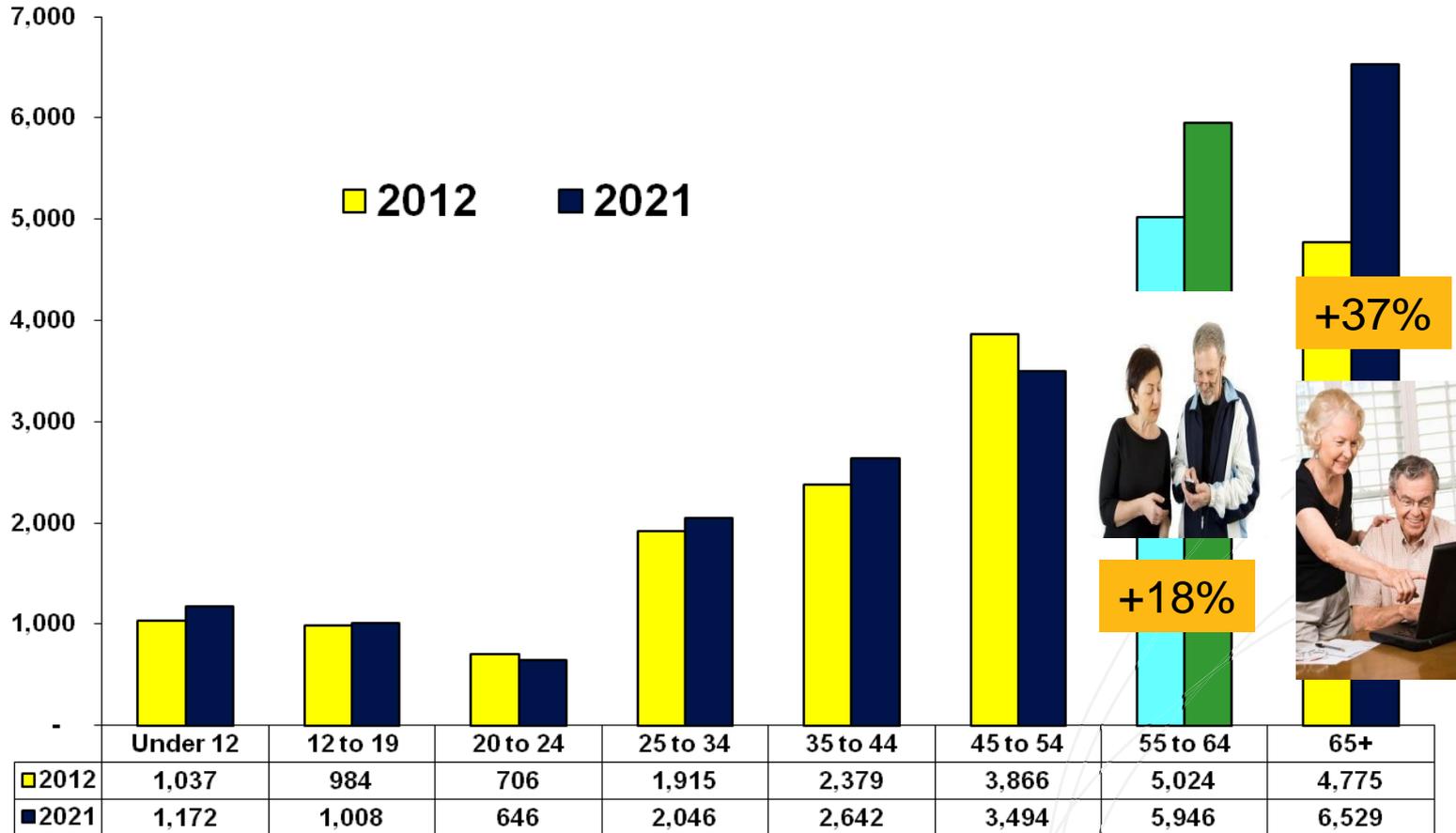
% of total 2012 Canadian outbound holiday, vacation trips captured by the US by major age groups





Outbound Pleasure Trips

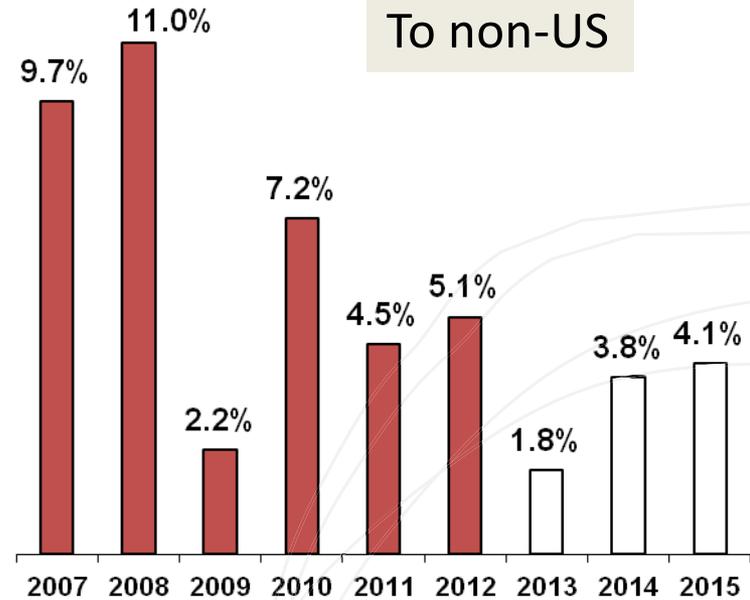
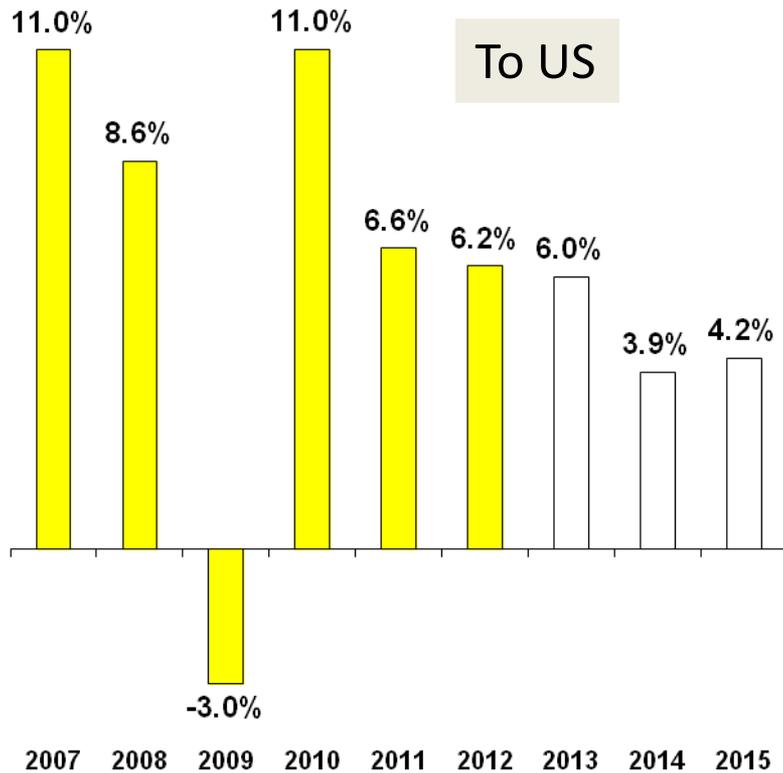
('000 of pleasure trips to all destinations by age group)





Canada: Outbound leisure trip growth

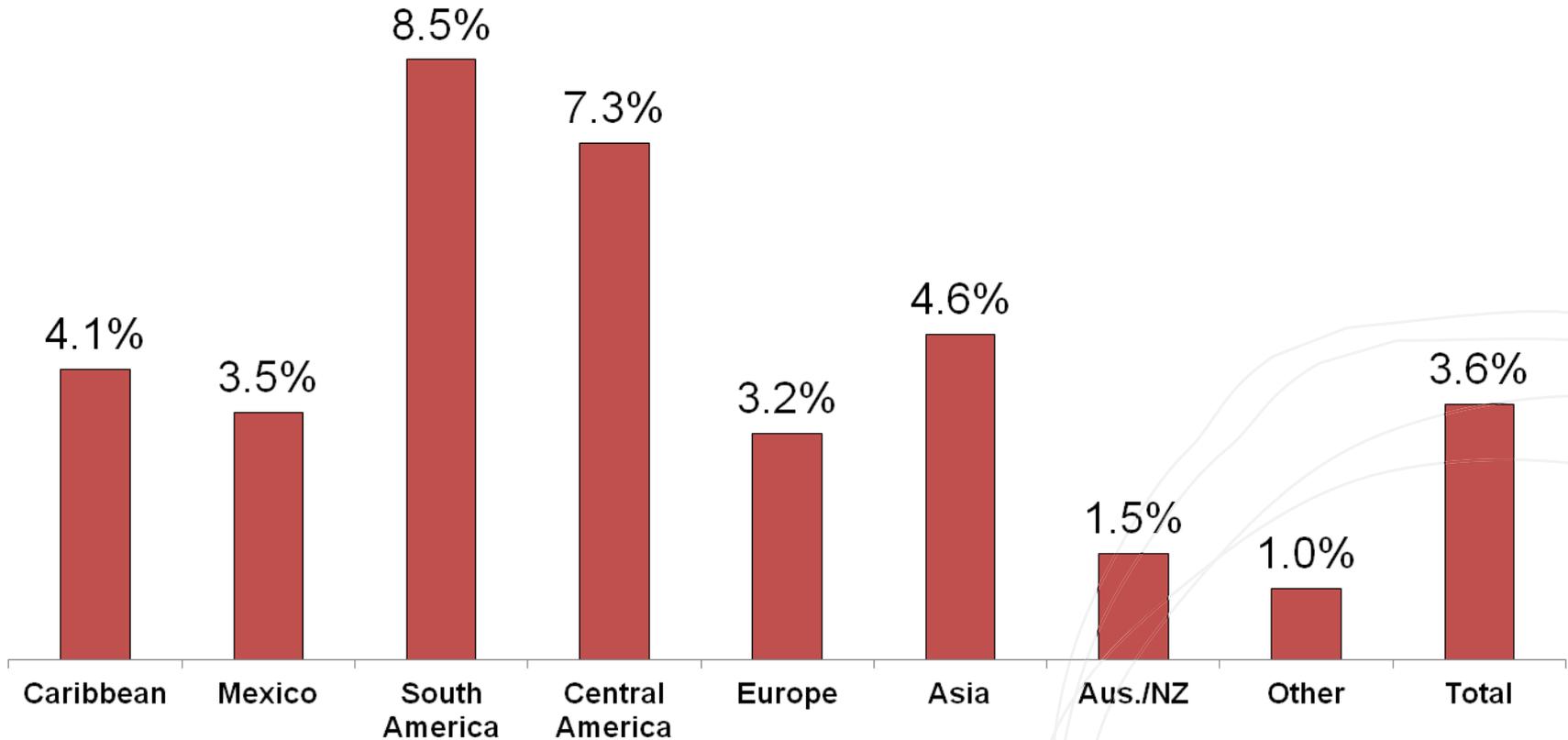
(% change in leisure trips from previous year)





The Conference Board
of Canada

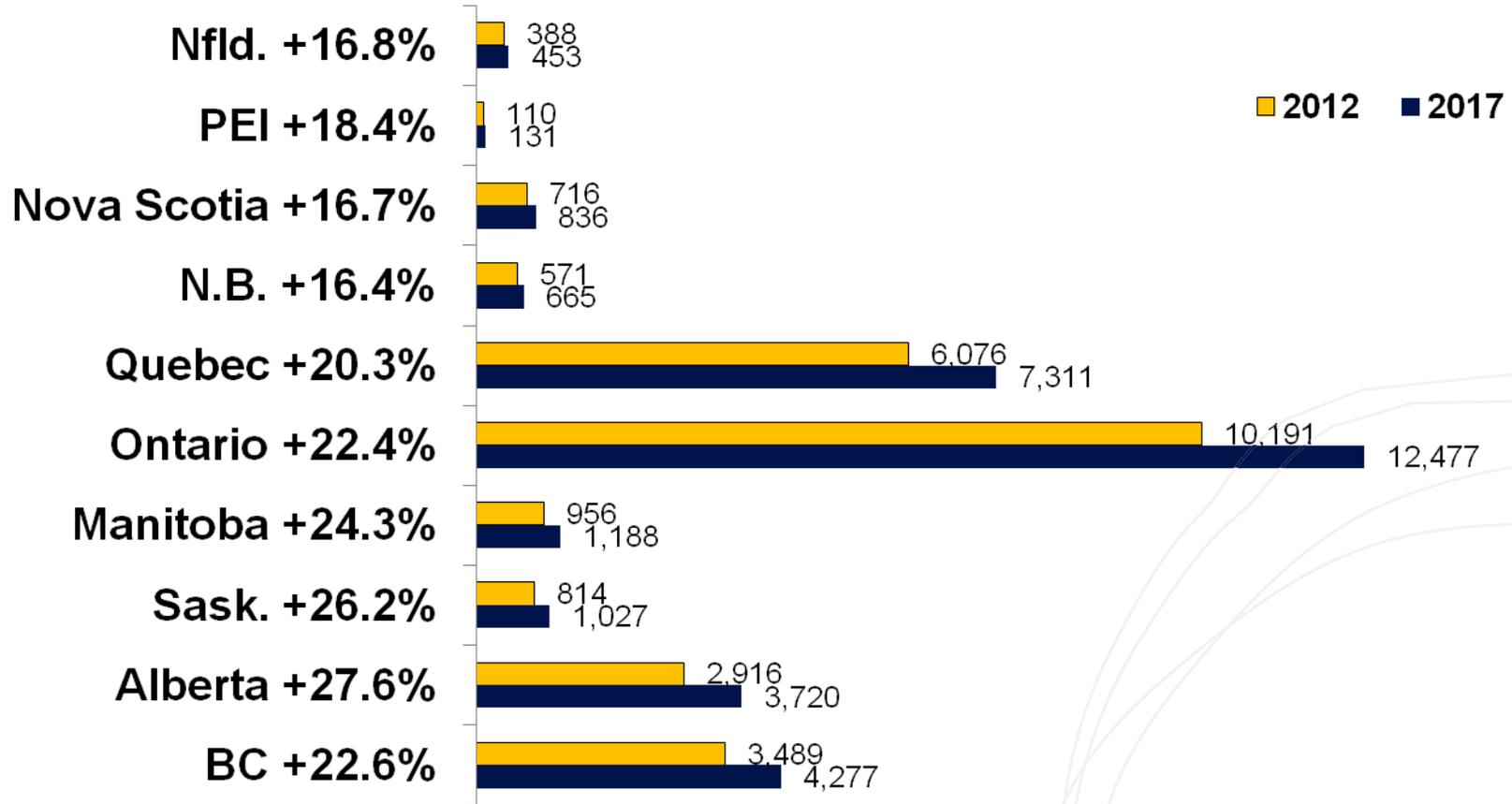
Outbound Leisure Travel: Average Annual Rate of Growth 2013 - 2017





Outbound Leisure Trips by Province

('000 of leisure trips)





Canada: Slow growth in domestic and inbound travel

Trip Type	2012	2013	2014
Domestic Business	1.8%	1.5%	2.4%
Domestic Pleasure	1.6%	1.4%	2.3%
US to Canada	2.8%	1.2%	2.1%
Overseas to Canada	-2.2%	1.6%	2.6%

Canada has been losing inbound visit share from the US and Overseas destinations for more than 10 years!



US Outbound Travel

- US overseas travel was up by **5.5%** in 2012 but is flat through YTD June 2013
- Americans made nearly 2 million fewer oversea trips in 2012 than in 2009.
- *UK residents made 13 million fewer outbound visits in 2012 than in 2006!!*



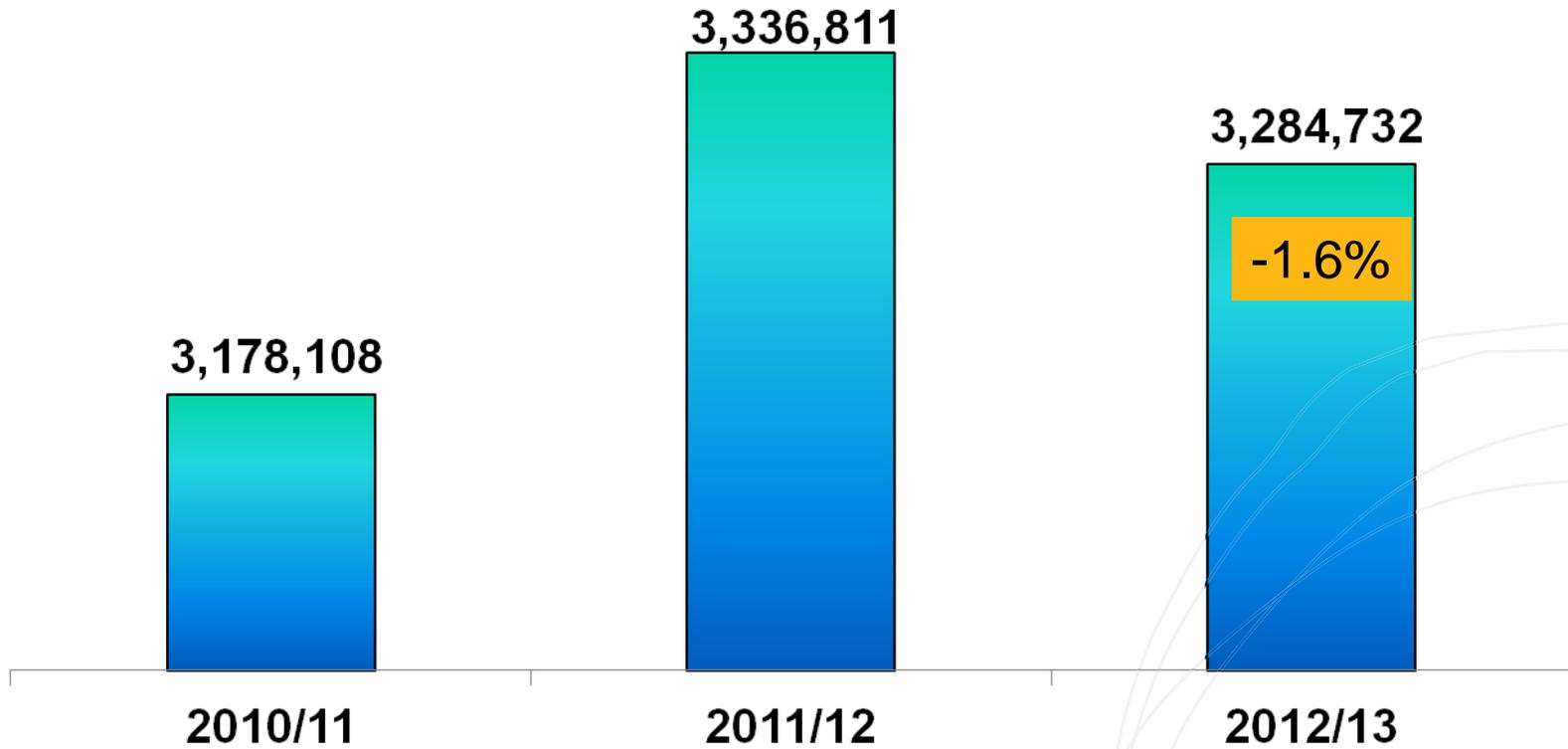
The Conference Board
of Canada

Winter 2013/14 Outlook



The Conference Board
of Canada

Canadian winter trips to Caribbean/Mexico each winter





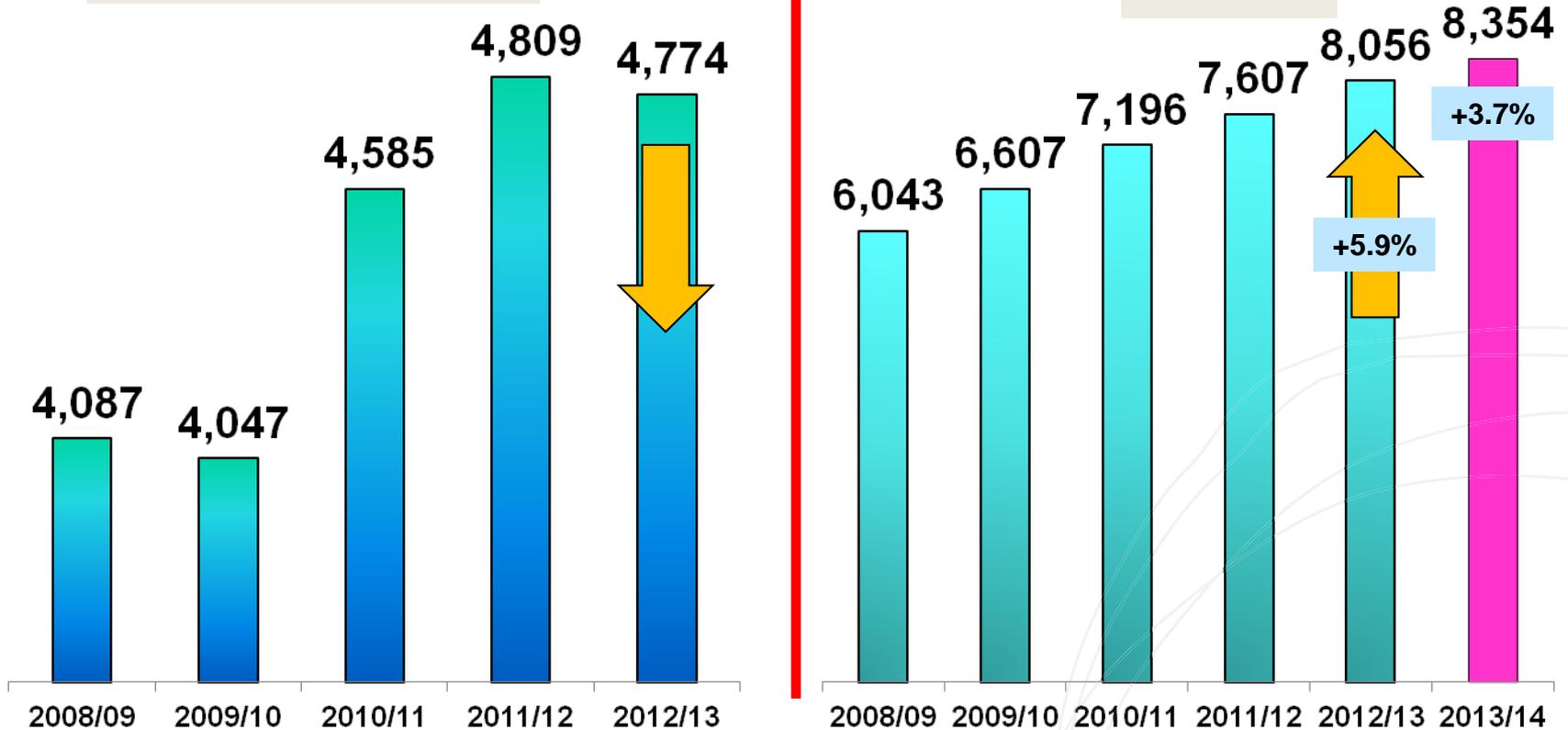
The Conference Board
of Canada

Canadian Leisure Trips each Winter

('000)

To Other Countries

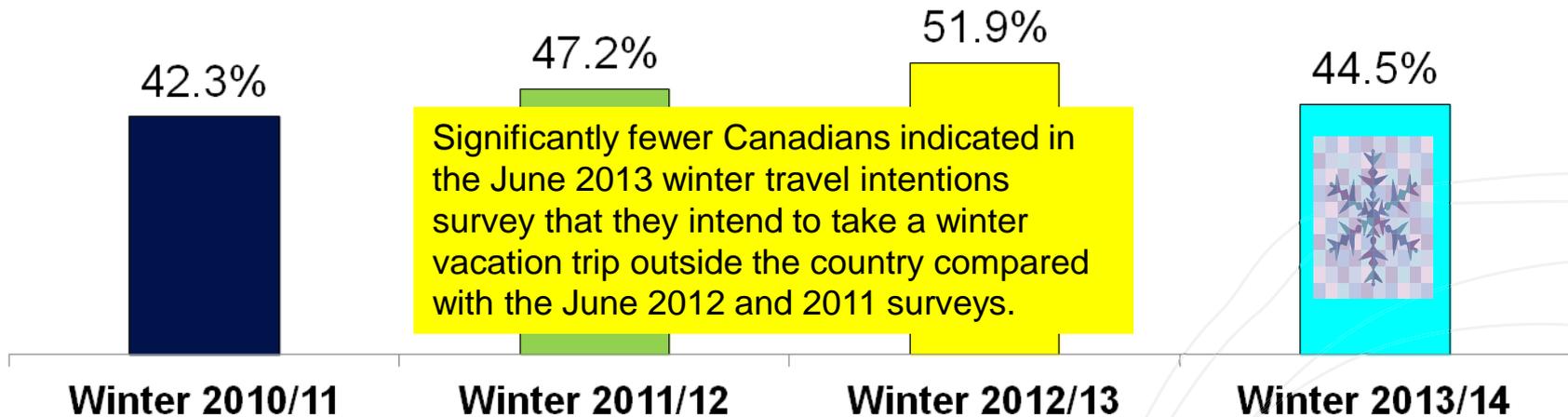
To USA





The Conference Board
of Canada

Fewer Canadians Planning Outbound Winter Trip

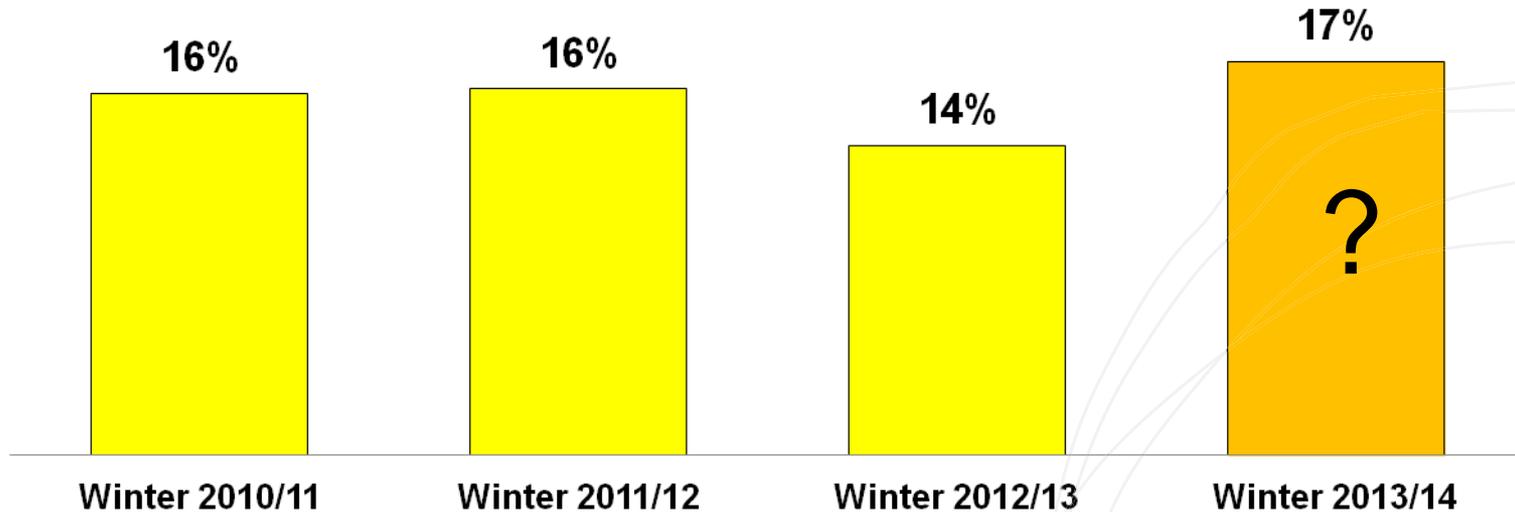




More Uncertainty about taking Winter Trip

(% planning to take domestic or outbound winter vacation trip in June each year)

Uncertain whether taking trip

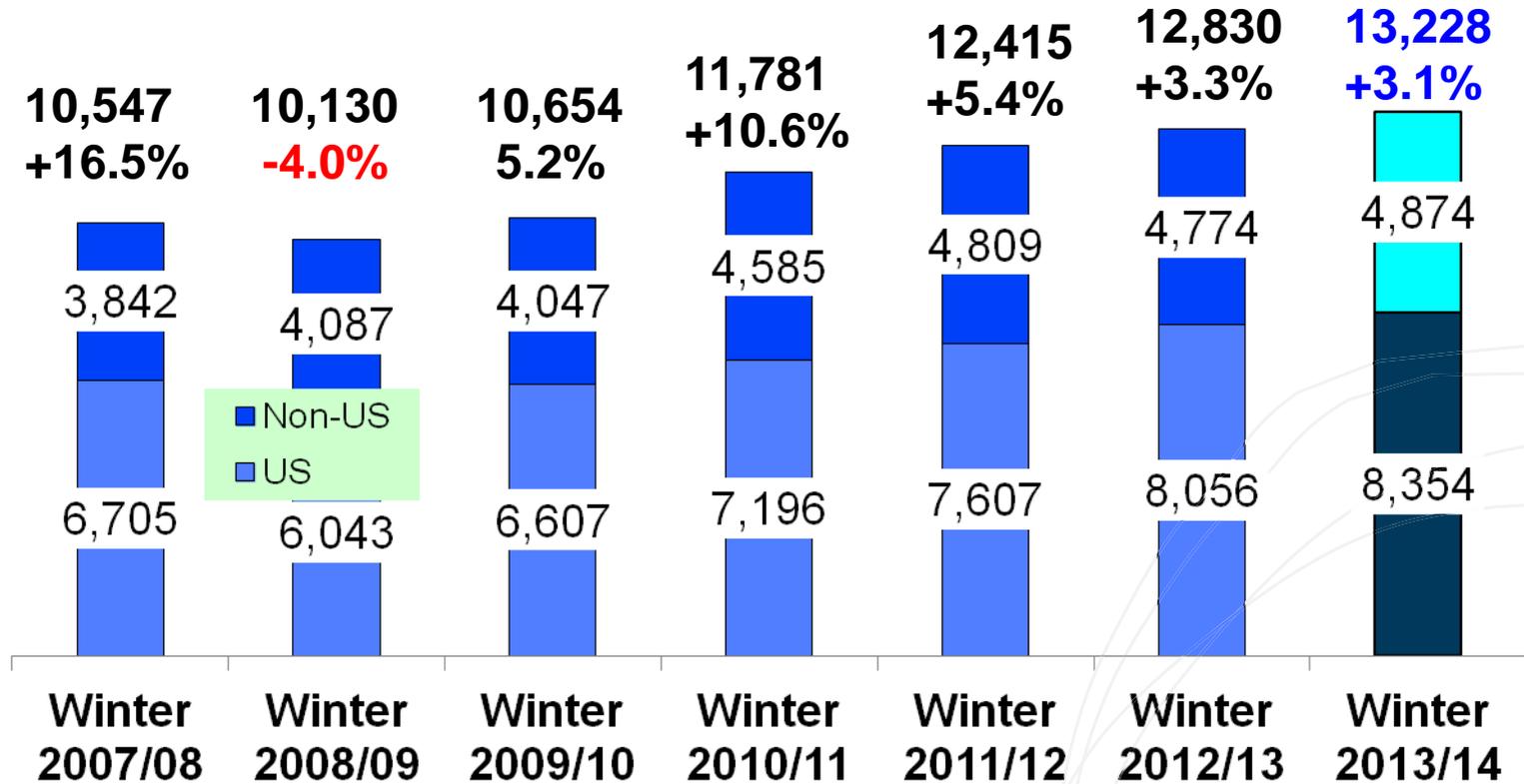




The Conference Board
of Canada

Outbound Winter Leisure Trips to grow 3.1% Winter 2013/14

('000 of outbound leisure trips each winter to US and non-US destinations and total)



conferenceboard.ca



The Conference Board
of Canada

Outlook for Winter 2013/14

US State	Winter 2012/13	% Change	Winter 2013/14	% Change
Florida	2,162,724	4.0%	2,244,908	3.8%
Hawaii	360,454	2.2%	369,105	2.4%
Arizona	452,810	1.3%	470,469	3.9%
California	798,204	2.2%	813,370	1.9%
Caribbean/Mexico				
Cuba	777,683	2.0%	801,971	3.1%
D. Republic	526,271	-4.8%	514,693	-2.2%
Jamaica	264,605	-8.4%	253,227	-4.3%
Mexico	1,216,690	-1.5%	1,232,507	1.3%



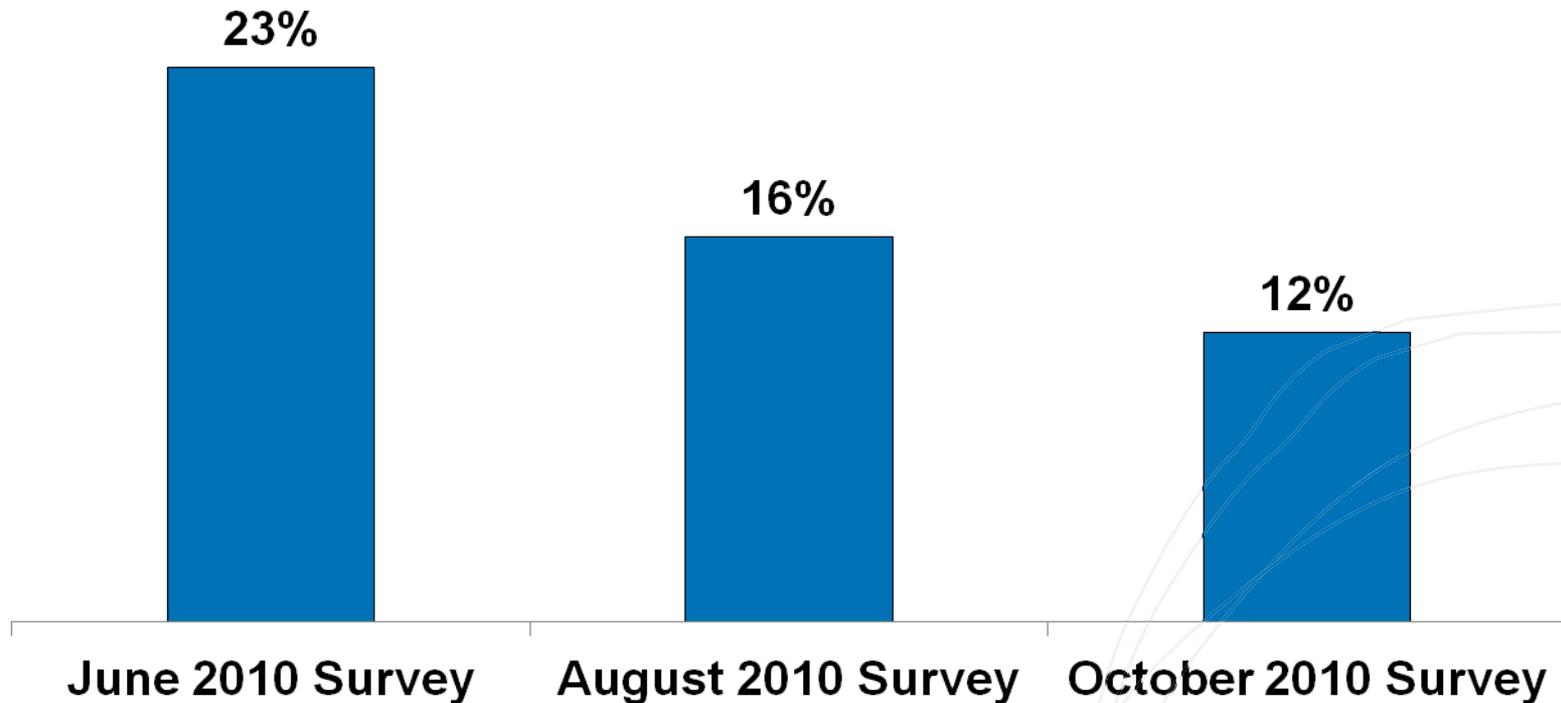
Travel Intentions Surveys are “*surveys*” not “*forecasts*”

- # of intended visits rarely = actual visit volume
- Travel intention surveys best used to capture current selling climate for travel/destination.
- Transactional websites better predictor of near term performance/market share.



The Conference Board
of Canada

% of Ontario Residents Indicating Gulf Oil Spill “*definitely or somewhat influenced plans to visit Florida this winter (2011/12)*”



conferenceboard.ca

Source: CBoC Travel Intentions Surveys. N = 575 margin of error +/- 2.66%.



Visit Interest & Awareness

Been There/Done That

US Destinations

Social Techies

Rank

- 1 Las Vegas 49%
- 2 NY City 45%
- 3 Other Florida 35%
- 4 Other California 31%
- 5 Florida Keys 31%
- 6 Other Hawaii 31%
- 7 Boston 30%
- 8 Cape Cod 26%
- 9 Maui 24%
- 10 Orlando/Chicago 22%

Rank

- 1 NY City 100%
- 2 Las Vegas 85%
- 3 LA 67%
- 4 Miami 54%
- 5 Other California 52%
- 6 Other Hawaii 51%
- 7 Boston 50%
- 8 Chicago 47%
- 9 Orlando 45%
- 10 Maui 42%



Visit Interest & Awareness

Been There/Done That

Caribbean/Mexico

Social Techies

Rank

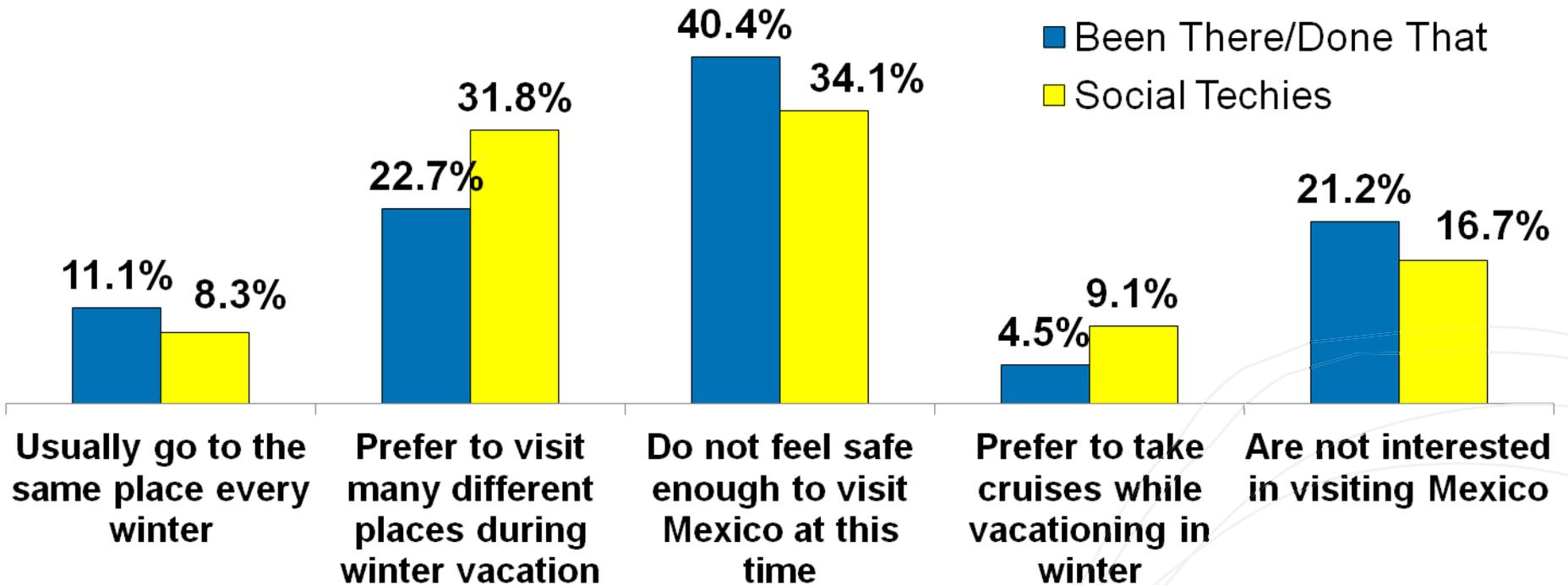
- 1 Cuba 42%
- 2 **Mexico 28%**
- 3 DR 26%
- 4 St. Maarten 26%
- 5 Jamaica 26%
- 6 Bahamas 25%
- 7 Barbados 23%
- 8 Bermuda 21%
- 9 Aruba 20%
- 10 Antigua 13%

Rank

- 1 **Mexico 69%**
- 2 Cuba 65%
- 3 Jamaica 60%
- 4 Bahamas 57%
- 5 DR 53%
- 6 Barbados 37%
- 7 St. Maarten 32%
- 8 Bermuda 27%
- 9 Aruba 23%
- 10 Antigua 15%



Mexico: Why not visiting winter 2013/14





Visit Interest & Awareness

Been There/Done That

S/Central America

Social Techies

Rank

- 1 Panamá 18%
- 2 Brazil 15%
- 3 Perú 14%
- 4 Argentina 13%
- 5 Chile 12%
- 6 Trinidad 9%
- 7 Ecuador 9%
- 8 Guatemala 5%
- 9 Honduras 4%
- 10 Colombia 4%

Rank

- 1 Brazil 48%
- 2 Perú 33%
- 3 Panamá 28%
- 4 Argentina 25%
- 5 Chile 21%
- 6 Ecuador 19%
- 7 Colombia 18%
- 8 Honduras 16%
- 9 Guatemala 16%
- 10 Trinidad 15%



The Conference Board
of Canada

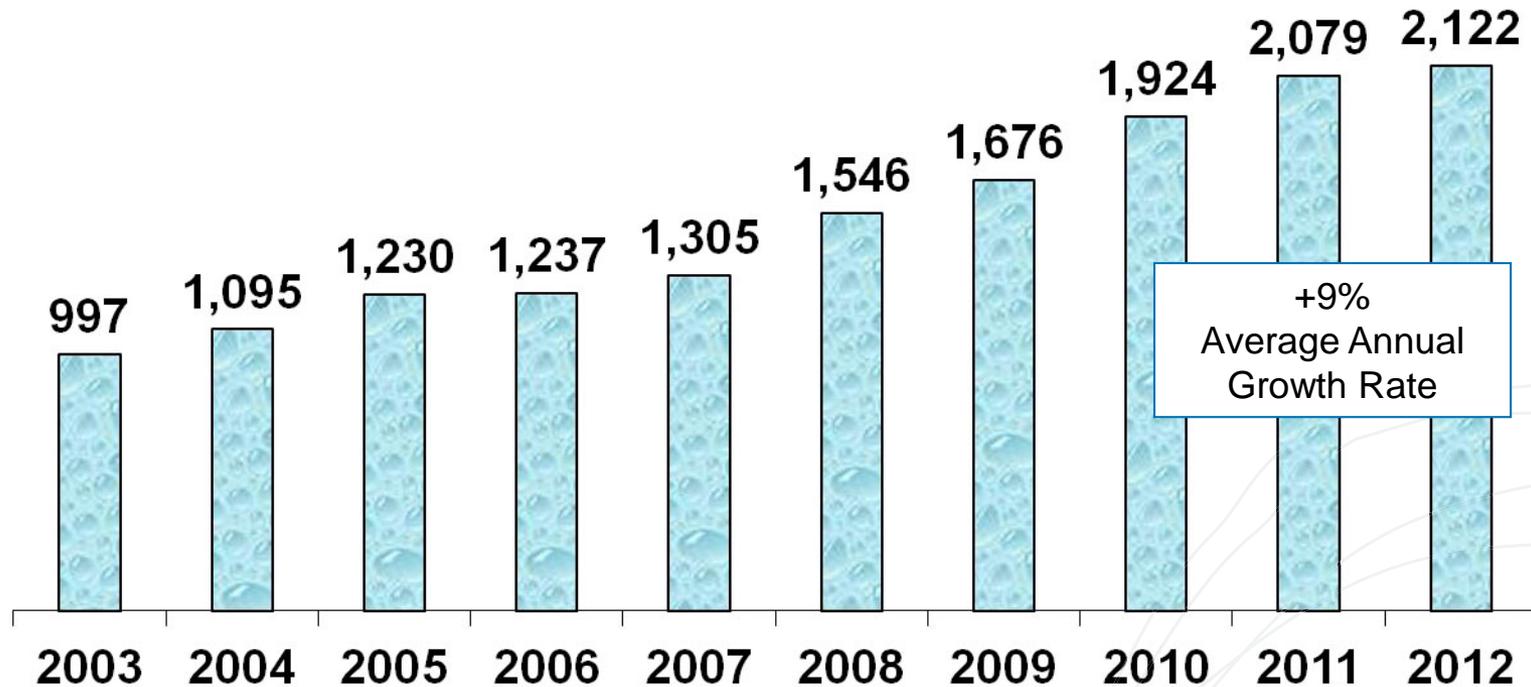
The Opportunities

- Cruising
- Self-organized group travel
- Destination tours and activities



Cruising remains a growth travel market

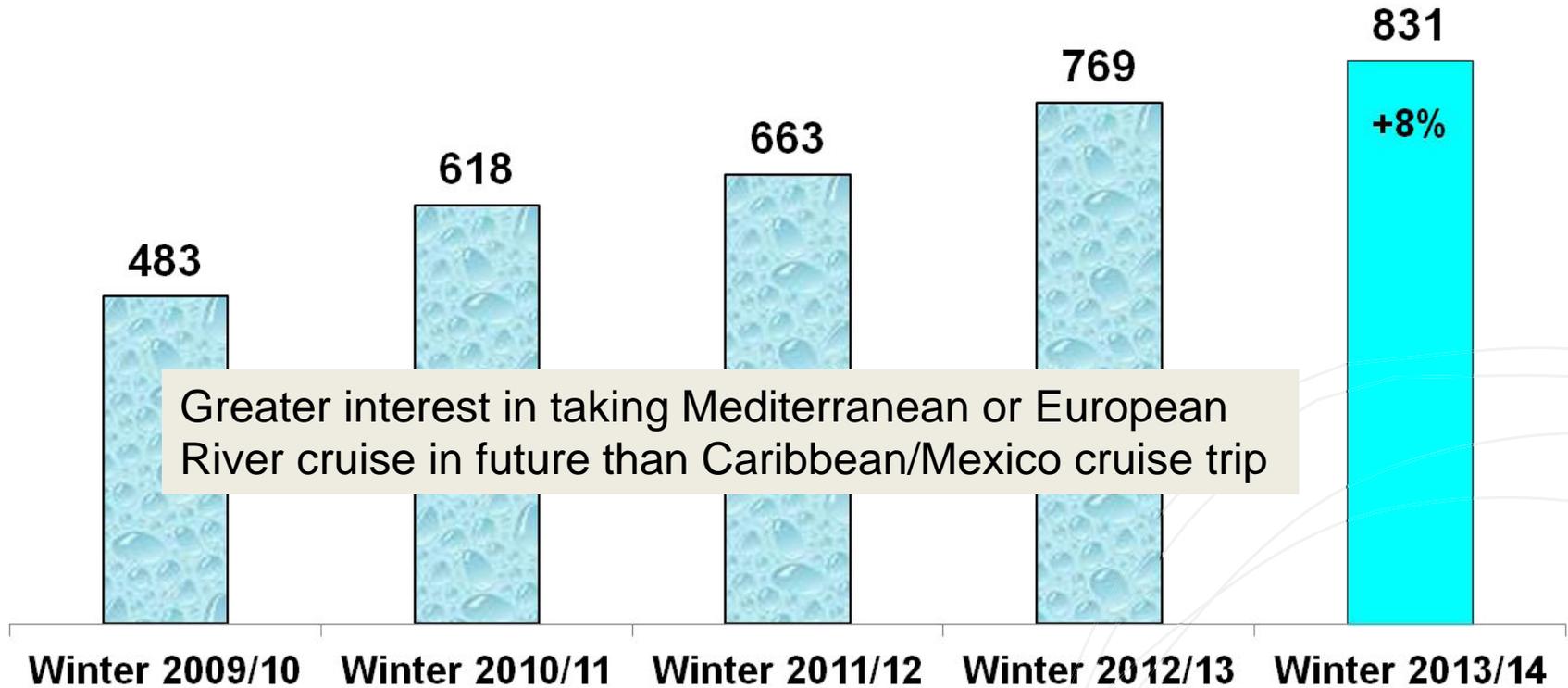
('000 of Canadians indicating they had been on 1 or more cruise trips during past 3 years)





“000 of Intended Winter Cruise Trips

(Of Canadians planning winter trip to Caribbean/Mexico)



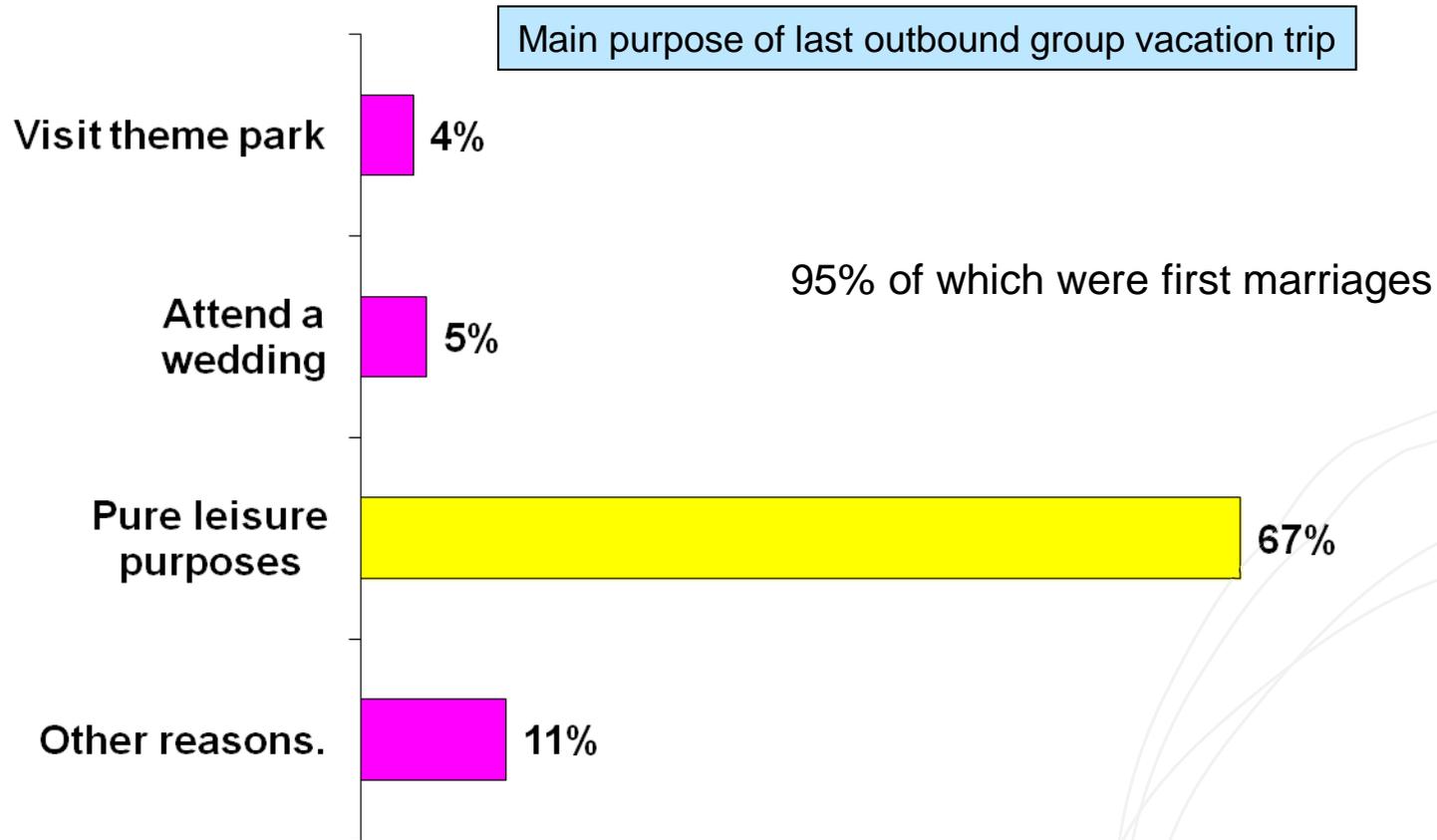


The Conference Board
of Canada

Group Travel

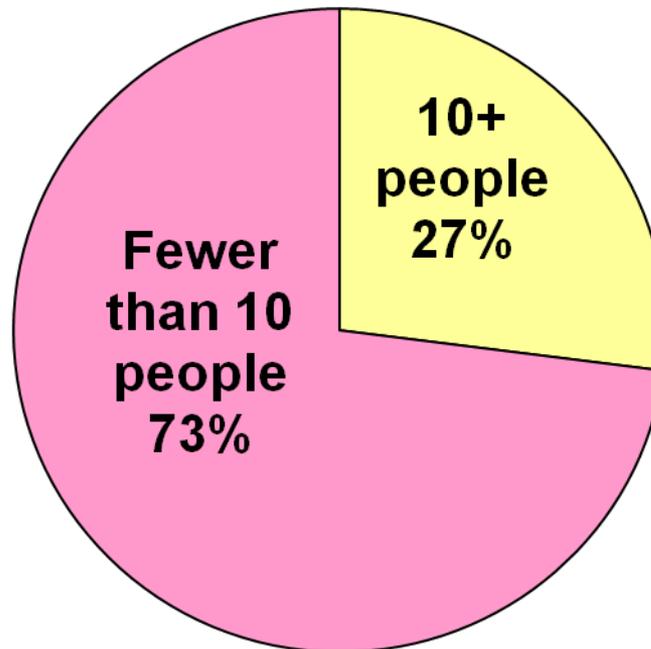


Self-organized pure leisure main reason for group travel





Small groups larger market



Source: CBoC travel intentions survey 2007



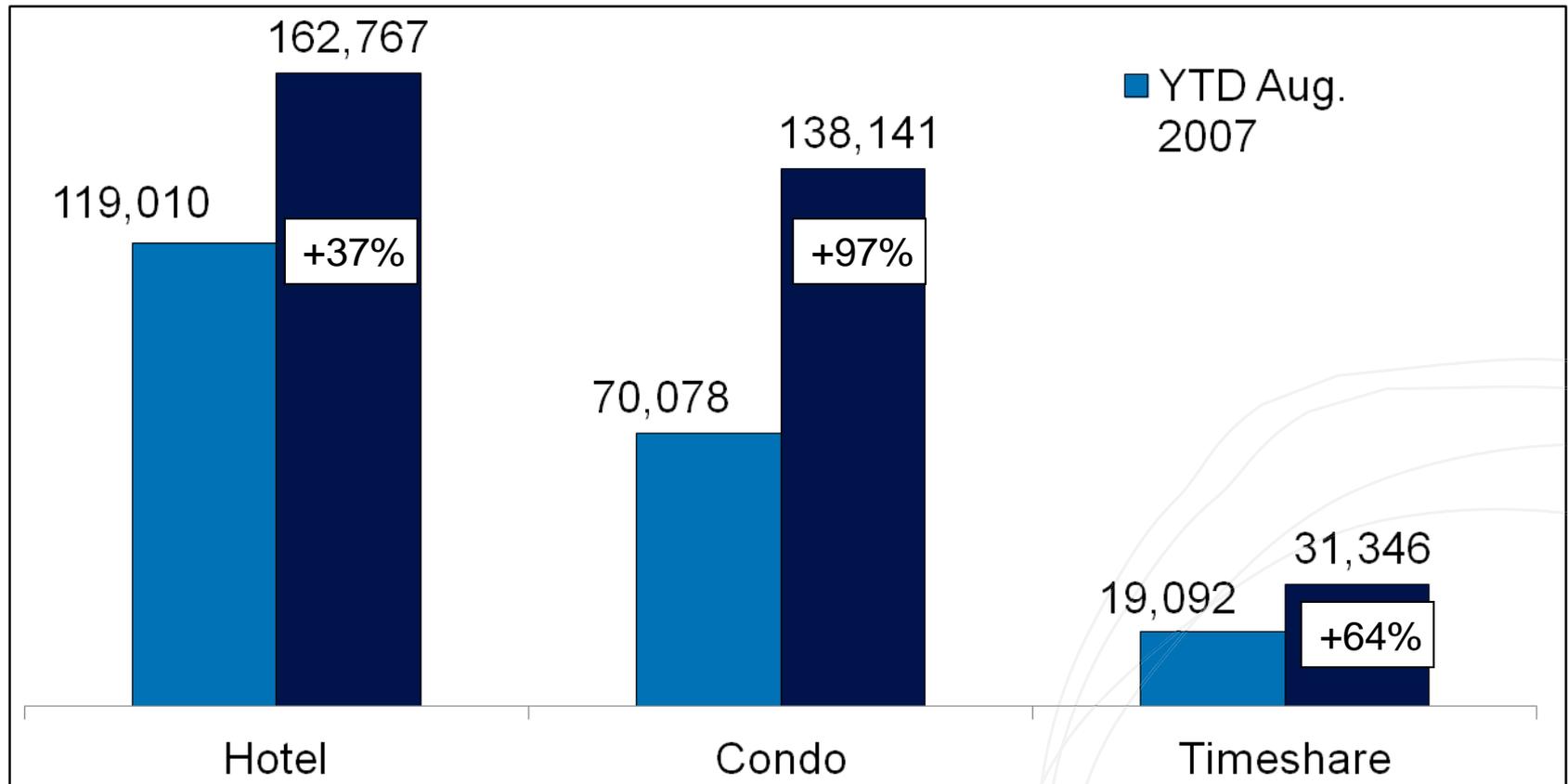
Potential group market 3 times size of cruise market

- Over 5.7 million Canadians traveled outbound as a group over past 3 years
- 42% highly likely to go on group trip outside Canada next 2 years.
- Market of about 1.7 million – more than 3 times size of the cruise market in 2007



Hawaii Condo & Timeshare Stays Growing

(Number of Canadians visits by accommodation type)





The Conference Board
of Canada

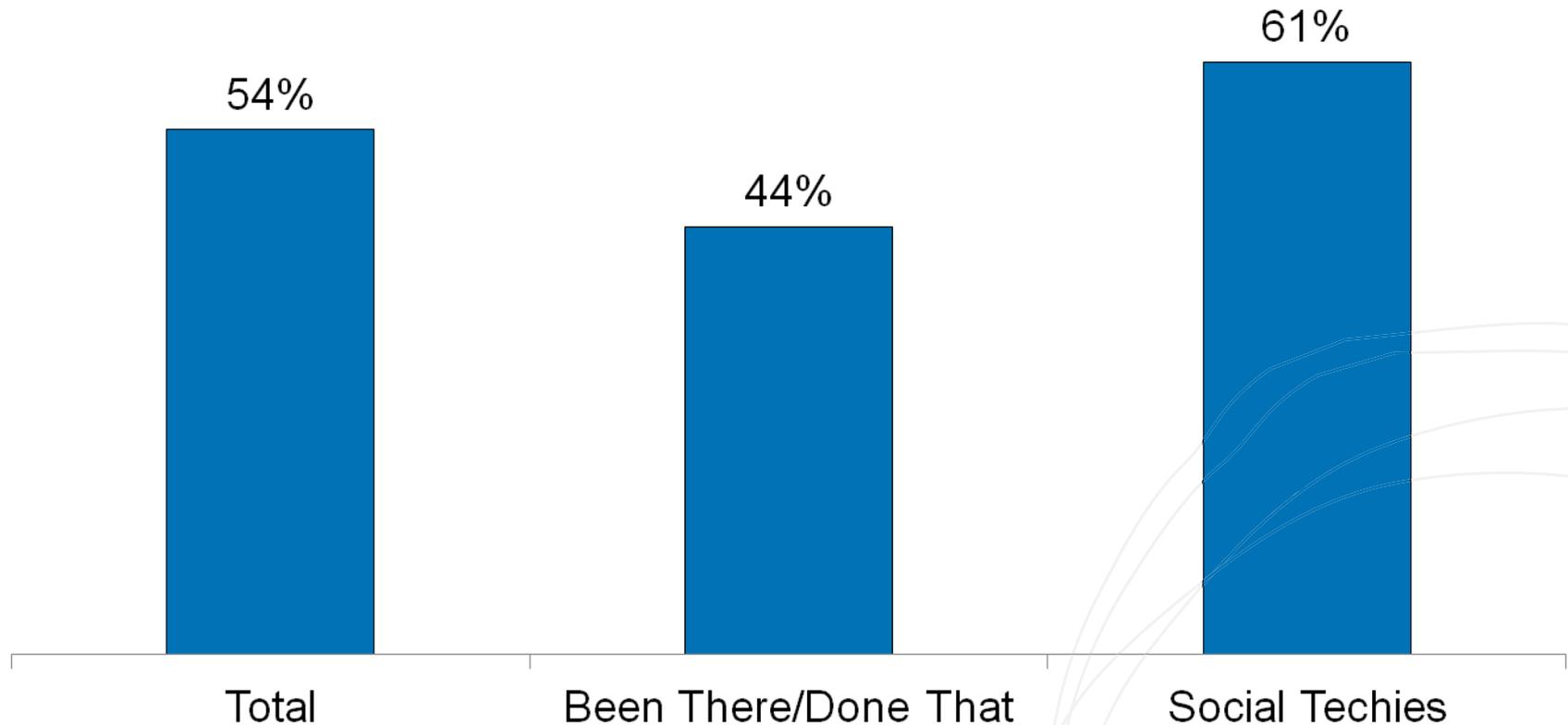
Tours & Activities

Selling at destination tours, activities & events



The Conference Board
of Canada

% Intending to Purchase Activity/Event/Tour Winter 2013/14





The Conference Board
of Canada

USD (\$) English Sign up Log in Help 0 0

viator | Travel with an **insider** Search...

Let the activities begin!

Select a Country Select a Region/City **LET'S GO**

**Do as New Yorkers do.
And then some.**

Explore our top picks in NYC

V What's so great about Viator →

HANDPICKED
TOURS & ACTIVITIES

VERIFIED
REVIEWS & PHOTOS

VIP
ACCESS

LOW PRICES
GUARANTEED

24/7 SUPPORT
WITH A LIVE PERSON

n/New-York-City/d687-top-ttd

Bridgetown, Barbados

Find your Excursion!

...on a cruise:

Please select your Cruise Line



Please select your Cruise Ship



Please select your Sailing Date



...by region:

Please select a Region



...by destination:



550 people like this. [Sign Up](#) to see what your friends like.



231

Book your Shore Excursions with Triptelligent

✔ More Variety

✔ Local Prices

✔ Smaller Groups

✔ No Hidden Fees

✔ Money Back Guarantee

✔ Travel Agent Recommended

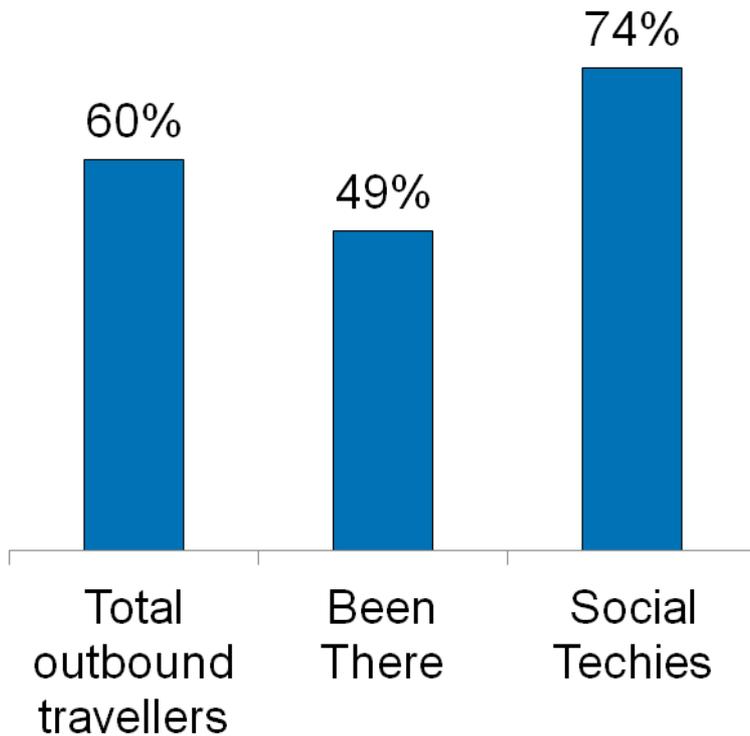
✔ Return to Ship Guarantee



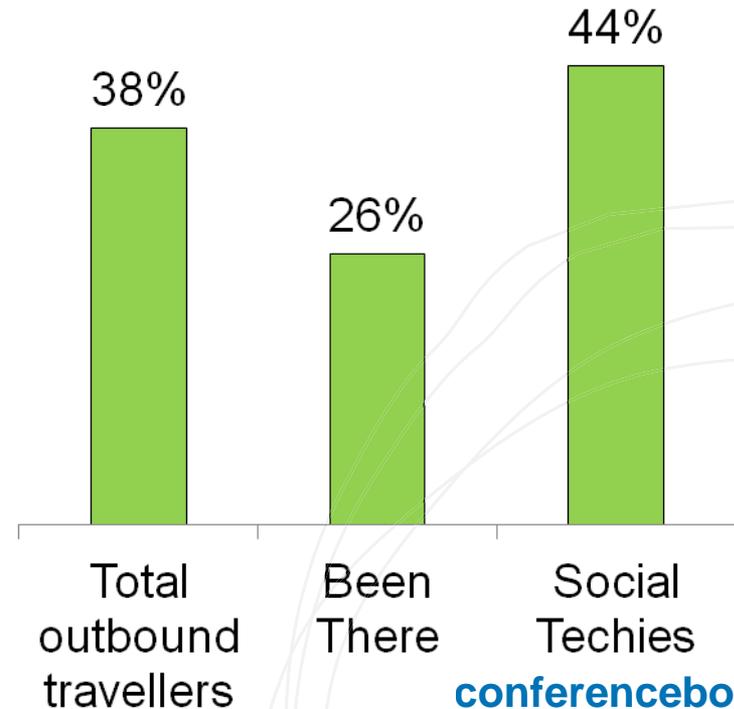


Most taking Smart Device/Many Making at Destination Purchases

Taking Smart Device



Purchasing Something





Multi-channel Environment

- “One of the key aspects of our strategy is selling directly to our customers through multiple channels, and so our retail network remains important to us.” TUI Travel plc.
- “.....an integrated ‘omni-channel presence’ and strong digital credentials are key to the operator’s recovery” Harriet Green, CEO Thomas Cook
- **60% of Canadians plan to bring a smart phone and/or tablet with them on their 2013/14 winter trip**
- **Of these travelers, 38% plan to make a purchase with their smart device on their trip!**



The Conference Board
of Canada



*The travel experience sought will
determine the travel channels used!*

Thank you