DESTINATION CANADA

Global Tourism Watch

2017 India Public Summary Report

Canada

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Introduction

Destination Canada began conducting the annual Global Tourism Watch (GTW) program in 2007. The primary purpose of this research program is to provide consumer-based intelligence in 11 core markets around the world: Australia, China, France, Germany, India, Japan, Mexico, South Korea, the United Kingdom, the United States, and the domestic Canadian market.

The overall objectives of the GTW study are to:

- Monitor awareness, travel intentions, and other key market indicators for Canada and the regions;
- Assess perceptions of Canada and track brand performance against competitors over time;
- Identify the general experiences sought by travellers, and identify growth opportunities;
- Identify motivators and barriers for travel to Canada; and,
- Determine the influence of various information sources on destination selection.

The GTW permits direct comparison of Canada to competing destinations in each market. Destination Canada has designated the following destinations as competitors in the Indian market: the US, France, the UK, Switzerland, Australia, China, Germany, Italy, Sweden, Japan, Russia, and South Africa. The countries included represent 95% of the outbound travel volume to long-haul destinations which are considered direct competitors to Canada (e.g., non-beach destinations).

Methodology

Data was collected via an online survey and has been weighted to represent the Indian long-haul travel population within the mid and upper SEC classifications (ABC). The target population in India was residents aged 18 years and older, who have taken a long-haul pleasure trip outside of India, Middle East, and South Asia where they had stayed at least 4 nights with a minimum of 1 night in paid accommodation in the past 3 years, or plan to take such a trip in the next 2 years. The cities of Bangalore, Chennai, Delhi, Hyderabad, Kolkata, and Mumbai were included in this survey and data has been weighted to represent the long-haul travel population within these cities.

Data was gathered from 1,500 respondents in India, including 287 recent visitors to Canada, in July 2017. Results are compared against the previous GTW wave (data gathered in December 2016). In addition, select comparisons are made to the 2017 Pulse Check study conducted in November 2017. The Pulse Check is a shorter version of the GTW study, conducted to monitor movement of key metrics on a more frequent basis.

Throughout the report, statistically significant differences from one wave to the next are denoted by arrows in the charts: green arrows pointing up if the metric has increased and red arrows pointing down if the metric has decreased.

Study Overview: India Market

The target population are residents aged 18 years and older, who have taken a long-haul pleasure trip, where they had stayed at least 4 nights with a minimum of 1 night in paid accommodation in the past 3 years, or plan to take such a trip in the next 2 years.

Timing of Fieldwork

JUL

2017

Geographical Definition for Qualified Trips

Outside of: India, Middle East, and South Asia (Bangladesh, Nepal, Pakistan, Sri Lanka)

GTW Sample Distribution

Sample distribution: **Mumbai, Delhi, Chennai, Kolkata, Hyderabad, Bangalore**

Recent visitors to Canada:	**287**
Other travellers:	**1,213**
Total sample size:	**1,500**

Seasonality

Fielding for the 2017 GTW study was conducted in July, which is different from 2016 timing (December), but consistent with timing for years before 2016. A Pulse Check study was conducted in November 2017, which allows comparison of key metrics across three waves to determine whether seasonality of survey fielding is a factor in results.

The only metric to see significant variation is the proportion actively planning a trip to Canada, which stands at 34% in the Pulse Check, after increasing significantly from 26% in the GTW 2016 wave to 30% in the GTW 2017. The fact that only one metric was significantly different suggests seasonality of survey fielding does not affect results for Canada in the Indian market.

Key Metrics Tracking

	Pulse Check 2017 (November 2017) *(n=500)*	**GTW 2017 (July 2017)** *(n=1500)*	**GTW 2016 (December 2016)** *(n=1502)*
Unaided Consideration of Canada	**5%**	**5%**	**5%**
Aided Consideration – Canada	**37%**	**36%**	**36%**
Destination Knowledge (Top2Box) – Canada *(Among those considering Canada)*	*(n=229)* **65%**	*(n=709)* **63%**	*(n=672)* **60%**
Actively Planning a Trip to Canada	**34%**	**30%** ▲	**26%**
Past Visitation to Canada	**51%**	**54%**	**53%**

▲ / ▼ *Significantly higher/lower than previous wave.*

Background

India is the7th largest economy in the world, with a 3% share of global GDP *(International Monetary Fund, October 2017)*.

India's GDP growth in 2016 was the strongest among all countries in Asia at 7.1%, and economic growth is projected to remain healthy at 6.7% in 2017 and 7.4% in 2018 *(International Monetary Fund, October 2017)*. The slightly lower growth forecast for 2017 is based on lingering adverse effects of the government's 'demonetization' initiative launched in November 2016 (eliminating the two highest denomination notes= from circulation) as well as the temporary negative impact related to the Goods and Services Tax which was introduced in July 2017. While the former resulted in a short-term liquidity crunch, consumption is recovering and industrial production and exports are rebounding *(OECD, November 2017).* The latter created some short-term transition costs, but it is also a key structural reform which should help improve economic growth beyond 2018 *(International Monetary Fund, October 2017)*. Despite strong growth forecast for the economy as a whole, most Indians do not experience the benefits. While India has a relatively large middle class, many Indians struggle to meet basic daily needs and about a quarter live on less than US$2 per day *(Yale University, August 2017)*.

In August 2017, the Indian population reached 1.34 billion, increasing almost fourfold since the country's independence 70 years ago. It is expected that India will overtake China as the most populous country in the world by 2024. At current fertility rates, India's population would reach 1.8 billing by 2050 and 2.5 billion by 2100. Assuming though that the fertility rate will drop below 2.1 by 2035, India's population would peak at 1.7 billion in 2060. As a result, India's population is young with a median age of 27 and children under 18 accounting for one third of the population. At the same time, India's population is also aging. The proportion of adults age 65 and over is projected to double to 13% by 2050, and the number of working-age adults per elderly person is expected to drop from 11 to 5 by the same year. India's quickly changing population will put a strain on the government to maintain strong economic growth rates *(Yale University, August 2017)*.

The unemployment rate was 3.5% in 2017 and is projected to remain at the same level in 2018 and 2019. However, despite strong job creation, 90% of jobs have are of poor quality, being informal or vulnerable positions *(United Nations International Labour Organisation, January 2018)*.

In 2016, inflation reached 4.5%, a new low since 2008. In 2017, inflation is expected to decrease further to 3.8% before rebounded back 4.9% in 2018 (*International Monetary Fund, October 2017*). The decline in inflation is driven by the government's move toward inflation targeting as well as temporary factors such as a drop in the price of food due to demonetization, large discounts offered by retailers to run down inventories ahead of the new GST implementation, appreciation of the rupee, and lower commodity prices *(OECD, November 2017).*

Consumer confidence remains high among Indians. It was at 66.3 in July 2017, almost unchanged from six months ago and a year ago *(Thomson Reuters / Ipsos Primary Consumer Sentiment Index, July 2017).*

India's outbound tourism market ranks 13th in the world (*United Nations World Tourism Organization, April 2017*). There were nearly 22 million departures in 2016, an increase of 7.3% over 2015 (*Ministry of Tourism, 2017).* India has become one of the fastest growing outbound tourism markets globally, owing to strong economic growth, rising incomes, an expanding middle class, as well as the availability of low-cost airfares and diverse travel options. The UNWTO anticipates that the current number of Indian outbound travelers will more than double to reach 50 million by 2020 *(Forbes, March 2017)*. India experienced double-digit growth in outbound tourism expenditure in 2016 and is worth US$22.4 billion (*United Nations World Tourism Organization, April 2017*).

Market Potential

HIGHLIGHTS

- ✓ *The immediate potential market remains relatively unchanged from the previous year: 2.94 million travellers are definitely or very likely to visit Canada in the next 2 years (versus 2.83 million in 2016).*

GTW data is used to estimate the size of the potential market for Canada. The table below provides an estimate of the size of the potential Indian market for Canada in two ways – the macro target market and the immediate potential market.

The long-haul travel market size is derived from an omnibus study of the Indian adult population. Long-haul travel incidence is comprised of travellers who indicate that they have travelled for a long-haul pleasure trip in the past three years, or intend to do so in the next two years.

The proportion of GTW respondents who are in the dream to purchase stages for Canada (79%, versus 81% in 2016) is used to calculate a target market estimate of 3.79 million.

The immediate potential is a more conservative estimate based on GTW respondents who say they are definitely or very likely to visit Canada in the next two years (78%, up significantly from 73% in 2016). This translates into a market of 2.94 million travellers with more immediate potential for conversion, which is relatively unchanged from 2016 (2.83 million).

Among Destination Canada's ten international markets, Indian was ranked 7th in immediate potential market size (behind the US, China, South Korea, Germany, the UK, and France). However, actual visitation from India was ranked 10th among Destination Canada's international markets in 2017[1]. This means that Canada has room to improve on converting potential travellers to actual visitors in the Indian market.

For context, Canada attracted 254,000 visitors from India in 2017, up from 216,000 visitors from India in 2016[2]. The 254,000 arrivals represent 9% of the immediate potential market.

[1] *Destination Canada, Tourism Snapshot, December 2017.*

[2] *Destination Canada, Tourism Snapshot, December 2016 & December 2017.*

Size of Potential Market to Canada (Next 2 Years)

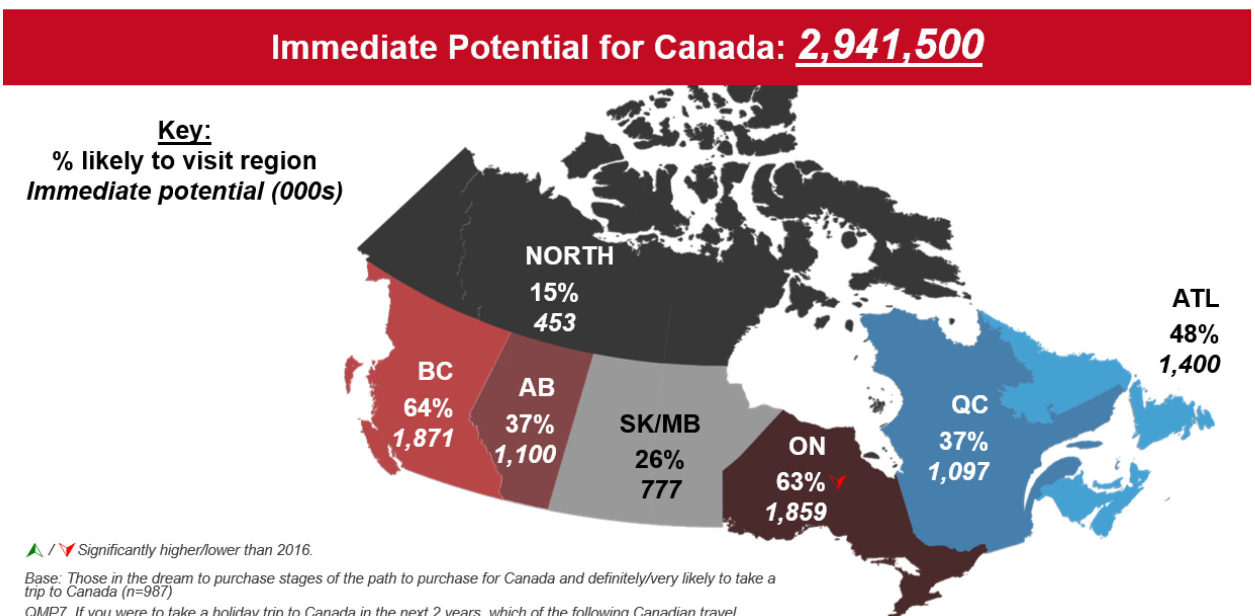
Measure	Size of Potential Market to Canada
Long-haul pleasure travel market	**4.79 million**
Target market for Canada (dream to purchase stage)	**79%**
Size of the target market	**3.79 million**
Immediate potential for Canada (definitely/very likely to visit in next 2 years)	**78%** ▲
Immediate potential	**2.94 million**

▲/▼ Significantly higher/lower than 2016.

Base: Target market for Canada = long-haul pleasure travellers (past 3 years or next 2 years) (n=1500); Immediate potential for Canada = dream to purchase stages for P2P for Canada (n=1218)
QMP1. Which of the following best describes your current situation when thinking about each of the following destinations for a holiday trip?
QMP6. Realistically, how likely are you to take a holiday trip to Canada in the next 2 years?

Also of interest is the demonstrated interest in Canada's regions among the Immediate Potential market (2.94 million). BC now holds the greatest appeal (64% or 1.87 million potential visitors), closely followed by Ontario (63% or 1.86 million potential visitors). Ontario registered a significant decline in appeal year-over-year (63%, down significantly from 68% in 2016). Atlantic Canada is in 3rd spot, appealing to 48% of Indian travellers (1.40 million potential visitors). Results from the November 2017 Pulse Check wave suggests that seasonality of survey field timing does not have an effect on destination interest among Indian travellers. Any significant shifts between December 2016 and July 2017 results have remained stable in the November 2017 Pulse Check wave.

Potential Market Size for the Regions

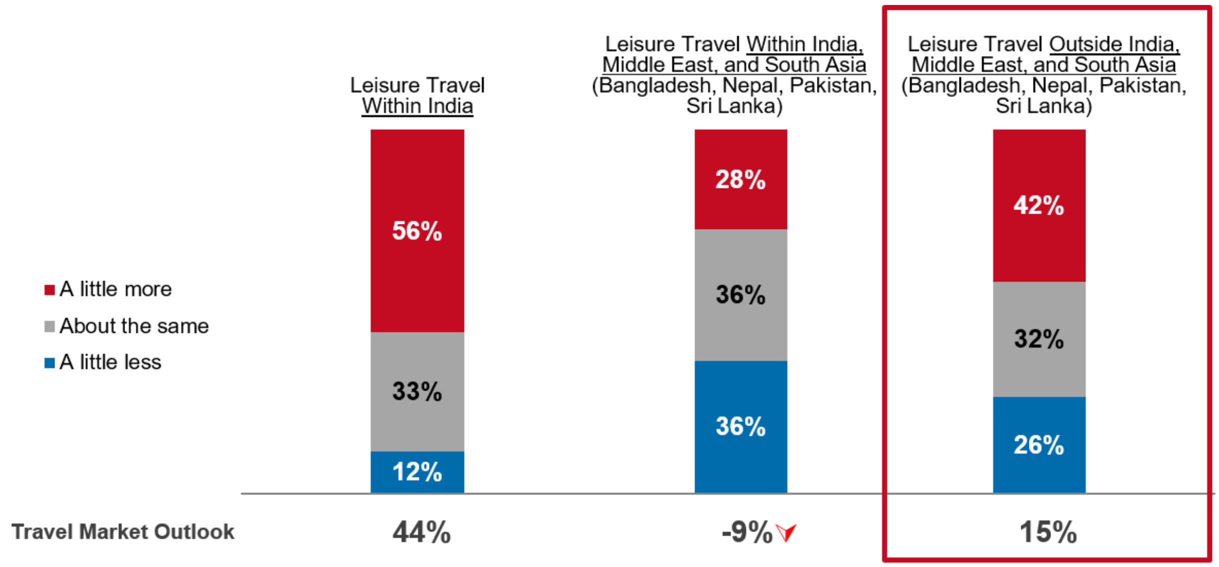


▲/▼ Significantly higher/lower than 2016.

Base: Those in the dream to purchase stages of the path to purchase for Canada and definitely/very likely to take a trip to Canada (n=987)
QMP7. If you were to take a holiday trip to Canada in the next 2 years, which of the following Canadian travel destinations are you likely to visit?

The proportion of Indian travellers saying they will spend more on long-haul travel exceeds those who say they will spend less, resulting in a long-haul outlook of +15 in 2017, similar to +17 in 2016. While Indian travellers continue to be more likely to travel within the country (outlook of +44, consistent with +45 in 2016), the short-haul travel outlook is waning, dropping significantly from -6 in 2016 to -9 in 2017.

Spending Intentions (in the Next 12 Months)



Significantly higher/lower than 2016.

Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)

QS2. How would you describe your spending intentions on the following items in the next 12 months, compared to the last 12 months? Will you spend …?

Competitive Environment – Key Performance Indicators Summary

HIGHLIGHTS

- ✓ *Although results are consistent to 2016, Canada's ranking on aided consideration moved from 3rd to 5th in 2017. Marginal gains have moved the UK and Australia ahead of Canada on this measure. Knowledge of Canada has improved year-over-year; however, improved knowledge for Japan has relegated Canada in to 6th position from 5th in 2016.*
- ✓ *Canada trails Switzerland, Australia, the UK, and the US on the Net Promoter Score; Switzerland leads by a considerable margin.*

The GTW tracks the following Key Performance Indicators (KPIs) for Canada: unaided and aided destination consideration, aided destination knowledge, and past visitation. Canada's performance is tracked against key competitors for the long-haul travel market. For India, these destinations are the US, France, the UK, Switzerland, Australia, China, Germany, Italy, Sweden, Japan, Russia, and South Africa.

The outlook for Canada in the Indian market remains mixed. Out of the 13 competitive destinations that respondents were asked to evaluate, Canada is 5th on aided consideration (behind the US, Switzerland, Australia, and the UK), tied for 7th on unaided consideration (behind the US, Australia, UK, Singapore, France, and Thailand), and 6th on destination knowledge (behind the US, Switzerland, Australia, the UK, and Japan).

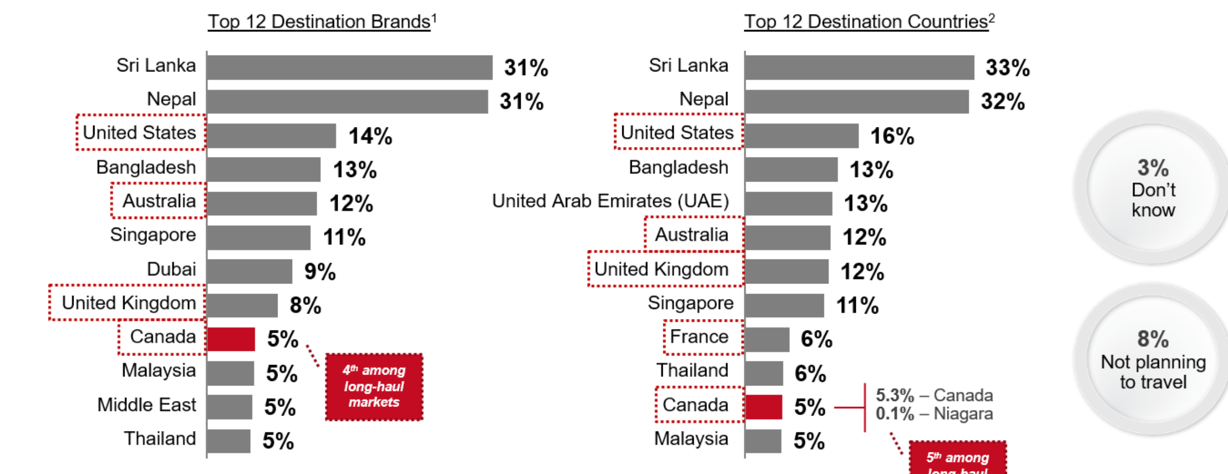
Consideration

Unaided consideration represents top-of-mind presence of destinations in the consumer mindset and requires travellers to think of destinations without being prompted. Unaided consideration indicates that a strong impression has rooted in the mind of a traveller for a destination. From a marketing perspective, travellers who have Canada on their unaided consideration list may be easier to attract since they are actively thinking of Canada as a travel destination.

It is important to note that even though respondents are asked to list out long-haul destinations that they would consider visiting on an unaided basis, many respondents still mention other short-haul destinations such as Sri Lanka, Nepal, Bangladesh, and UAE. This could speak to the fact that many Indian travellers are very domestic and short-haul focused when thinking of travel destinations, and could represent a challenge for convincing Indian travellers to go further abroad.

On an unaided basis, 5% of Indian travellers mentioned Canada as a destination under serious consideration in the next 2 years, unchanged from 2016. Canada's result is in line with France (6%) but trails Australia and the UK (both 12%) and the US (16%), which garnered the most mentions of any long-haul destination. Older Travellers aged 55+ are more likely to mention Canada on an unaided basis (9%). Those who have visited Canada recently are also more likely to mention Canada on an unaided basis (15%). Very few specific places in Canada were mentioned by Indian long-haul travellers, with the majority just saying Canada, suggesting knowledge of specific Canadian destinations remains low.

Unaided Long-Haul Destination Consideration (Next 2 Years)



/ Significantly higher/lower than 2016.

Long-haul markets

Note: [1] Responses as mentioned by respondents (e.g., percentage who said "Canada" specifically).
[2] Roll-up of brand mentions by country (e.g., percentage who said "Canada" or any destination in Canada).

Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)

QS8. You mentioned that you are likely to take a long-haul holiday trip outside of India, Middle East, and South Asia (Bangladesh, Nepal, Pakistan, Sri Lanka) in the next 2 years. Which destinations are you seriously considering? (Please list up to 3 destinations.)

Aided consideration represents the proportion of travellers who say they would seriously consider visiting a destination, but only after they are prompted with a list of competitive destinations. Travellers who have aided consideration for Canada may not be thinking of Canada top-of-mind, but they are considering a visit. Continued prompts and cues through marketing efforts could help move these considerers down the path-to-purchase. On an aided basis, 36% say they are seriously considering Canada for a leisure trip in the next 2 years, unchanged from 2016. Canada is now 5th (previously 3rd) among competitive destinations, with the US (43%) and Switzerland (39%) remaining ahead of Canada; Australia (38%, up from 36%) and the UK (37%, up from 35%) moved ahead of Canada in 2017.

On an aided basis, travellers aged 18-54 express stronger interest in Canada than their older counterparts, while competitive destinations like the US, the UK, and Australia did not register any differentiated interest among this age group. Recent visitors to Canada rank Canada first overall in aided consideration (57%) among all destinations in the competitive set. Knowing that past visitors are more interested in returning, it is important to attract new visitors.

Knowledge

Aided destination knowledge measures knowledge of travel opportunities in each destination among those with that destination in their consideration set. Fifty percent of all Indian long-haul travellers rate their knowledge of travel opportunities in Canada as either excellent or very good, up significantly from 46% in 2016. Among those considering Canada, destination knowledge stands at 62%, up from 57% previously.

However, improved knowledge of Japan (65%, compared to 56% in 2016) has relegated Canada to sixth spot from its fifth position in 2016. Canada now ranks behind the US (72%), Switzerland (71%), Australia (70%, up significantly from 64% in 2016), the UK (69%), and Japan (65%). Efforts to boost knowledge of Canadian travel opportunities could pay off by helping to move potential visitors along the path-to-purchase.

Visitation

In terms of past visitation, 54% of Indian long-haul travellers indicate that they have visited Canada on a leisure trip at some point in their lifetime, consistent with 2016 levels. Travellers aged 25-44 (68%) are more likely to have visited previously. Those considering a trip to Canada are also more likely to have visited previously (65%). Messaging designed to encourage a repeat visit is recommended since past visitors to Canada voice considerably higher interest in returning.

Key Performance Indicators

Indicator	Definition	All Long-Haul Travellers (n=1500)	Recent Visitors to Canada[1] (n=287)	Considering Canada[2] (n=830)
Intentions:				
Unaided destination consideration	% who mentioned Canada or a destination in Canada on their consideration list[3]	**5%**	**15%**	**8%**
Competitive positioning on destination consideration	Rank on the consideration list among 13 destinations	**5**	**1**	**2**
Destination knowledge:				
Aided awareness of travel opportunities in Canada	% with excellent/very good knowledge of travel opportunities in Canada	**50%** ▲	**78%**	**62%** ▲
Past visitation:				
Past visitation	% who have ever visited Canada for pleasure	**54%**	**98%**	**65%**

▲ / ▼ Significantly higher/lower than 2016.

[1] Visited Canada in the past 3 years (pleasure trip of 4 or more nights, with at least 1 night in paid accommodations).
[2] Those in the consider to purchase stages of the path to purchase for Canada.
[3] For trips in the next 2 years.

Base: Long-haul pleasure travellers (past 3 years or next 2 years)

QS8. You mentioned that you are likely to take a long-haul holiday trip outside of India, Middle East, and South Asia (Bangladesh, Nepal, Pakistan, Sri Lanka) in the next 2 years. Which destinations are you seriously considering? (Please list up to 3 destinations.)
QBVC1. You may have already mentioned this before, but which destinations would you seriously consider visiting in the next 2 years?
QMP3. How would you rate your level of knowledge of holiday opportunities in each of the following destinations (asked only for destinations in consideration set)?
QRT14a. Approximately, how many times have you been to Canada?

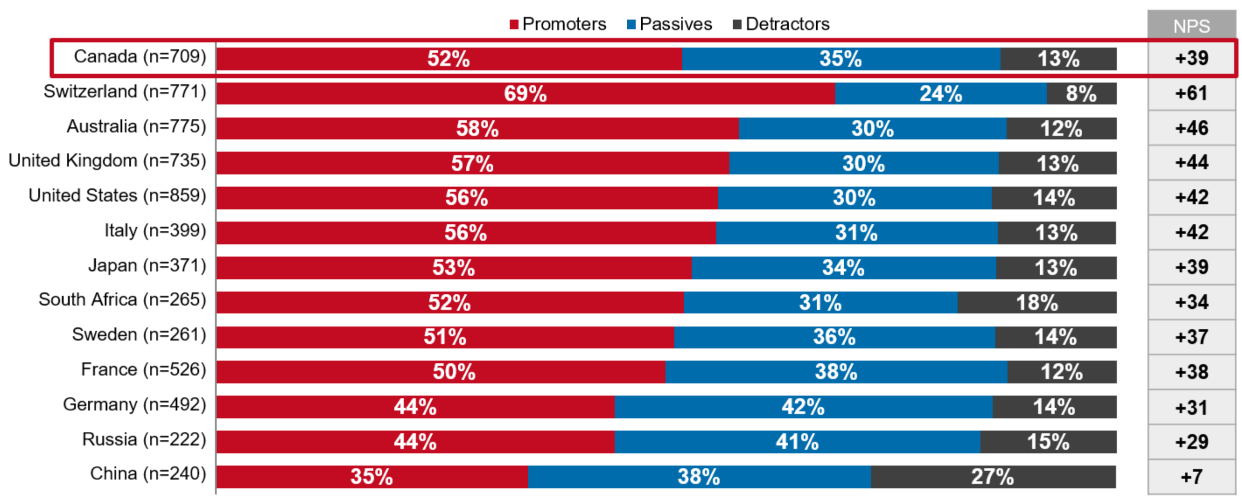
Net Promoter Score (NPS)

The Net Promoter Score (NPS) measure was added in 2017 (previously asked in 2015). NPS measures the likelihood of travellers to recommend a destination. Results are gathered among travellers for each destination in their consideration set (have visited previously and/or considering a visit). The measure has an 11pt scale (0-10). The score is calculated by subtracting Detractors (0-6 rating) from Promoters (9-10 rating). Passives are those who provided a rating of 7-8.

Switzerland (+61) and Australia (+46) achieve the highest NPS results among Indian travellers. Switzerland is the strongest performer by far with the highest number of promoters (69%) as well as the lowest number of detractors (8%). Canada is in the middle of the pack (+39) and is tied with Japan, but trails Switzerland, Australia, the UK, and the US.

When the results for Canada are examined among recent visitors, the score rises to +47, underscoring the opportunity to capitalize on advocacy from recent visitors as well as encouraging them to return.

Net Promoter Score



+ New question added in 2017 – no trending.
Base: Long-haul pleasure travellers (past 3 years or next 2 years) considering visiting each country
+QMP11. Whether you have visited or not, how likely are you to recommend each of the following destinations to a friend, family member or colleague?

Path-to-Purchase

HIGHLIGHTS

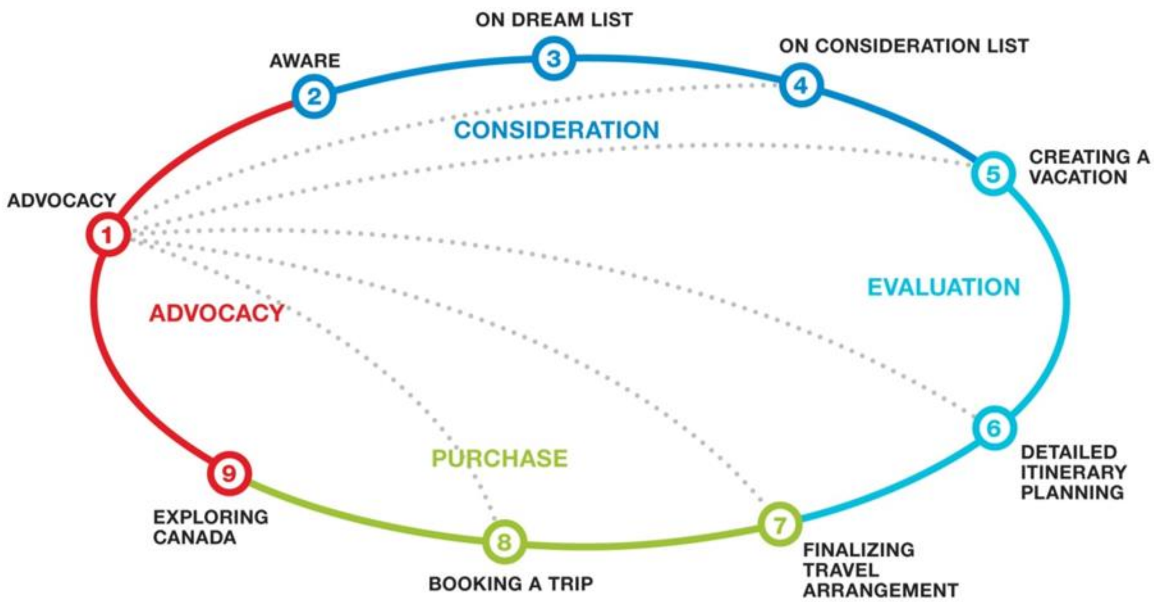
- ✓ *Switzerland moved ahead of the US in 2017, with 37% of Indian long-haul travellers actively planning a visit, up significantly from 24% in 2016.*
- ✓ *30% of Indian travellers are actively planning a trip to Canada, up significantly from 26% in 2016. Travellers aged 25-44 are more likely to be actively planning a trip to Canada.*
- ✓ *Additional focus could be placed on the lower stages of the path-to-purchase: moving travellers from the creating a vacation movie to detailed itinerary planning and from detailed itinerary planning to actual booking.*

Like any other expensive and discretionary consumer product, there is a purchasing or decision-making cycle associated with long-haul travel: consumers move through progressive stages from not knowing anything about a destination to booking a trip.

The final stage, advocacy, happens during and after the actual visit.

Destination Canada wants to understand where the organization can have the greatest influence in converting those with interest in Canada to actual visitors.

Destination Canada's Path-to-Purchase Model



In addition to looking at individual stages of the P2P, Destination Canada has identified phases travellers move through in the purchase cycle. Key phases are defined below and are referenced throughout this report.

Destination Canada's Path-to-Purchase Model

Unaware	Have never thought of taking a trip to this destination
Aware	Not interested in visiting/returning in the foreseeable future
On Dream List	Dreaming about visiting/returning someday
On Consideration List	Seriously considering visiting/ returning in the next 2 years
Creating a Vacation Movie	Have started to gather some travel information for a trip to this country
Detailed Itinerary Planning	Am planning the itinerary for a trip to this country
Finalizing Travel Arrangements	Am currently making transportation and accommodation arrangements
Booking a Trip	Have already booked my transportation and accommodations

Dream to Purchase

Consider to Purchase

Active Planning

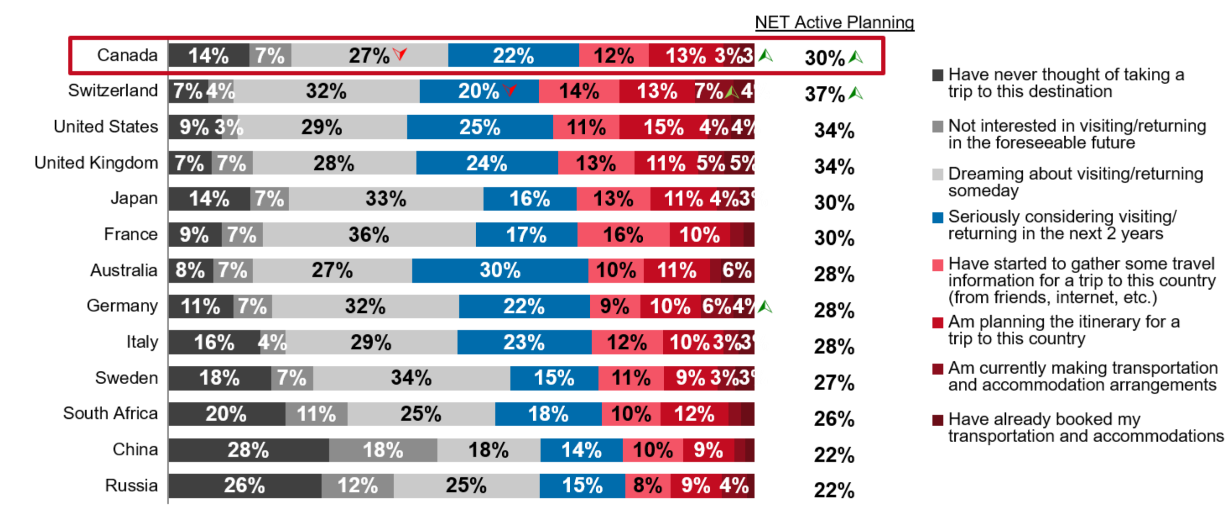
Switzerland's popularity is on the rise, and has taken the top spot from the US, with 37% of Indian long-haul travellers actively engaged in planning a visit, up significantly from 24% in 2016. There is also a significant increase in those in the making arrangements phase (7%, up from 2% in 2016). As more Indian travellers move through the purchasing cycle, Switzerland has seen a significantly drop in Indian travellers at the seriously considering phase (20%, down from 31% in 2016). The US and the UK both share the second spot with 34% of Indian travellers actively planning a visit. The 2017 results are similar to 2016 for the US, but interest in the UK appears to be increasing (28% in 2016).

Thirty percent of Indian travellers are actively planning a trip to Canada, up significantly from 26% in 2016 and 3% have already booked a trip, a significant increase from 1% previously. As more Indian travellers move to actively planning a visit, the proportion dreaming about visiting has dropped significantly from 31% in 2016 to 27% in 2017. Results from the November 2017 Pulse Check wave suggests that seasonality of survey field timing does not have an effect on path-to-purchase measures for Canada and the top competitors (Switzerland, the US and the UK) among Indian travellers. Any significant shifts between December 2016 and July 2017 results have remained stable in the November 2017 Pulse Check wave.

Travellers aged 25-44 (39%) are more likely to be actively planning a trip to Canada. In addition, both recent visitors (53%) and those who have ever visited Canada (39%) are also more likely to be actively planning a visit. This suggests Canada's appeal is greater among younger travellers and past visitors.

There are some other shifts to note with destinations in the competitive set. As interest in visiting destinations such as Switzerland, the UK, Japan, and France is on the rise, interest in Australia is consistent (28% in 2017, versus 29% previously). As a result, Australia has dropped from 2nd to 7th spot in terms of active planning. Indian travellers who have booked a trip to Germany also increased significantly from 1% to 4% in 2017. However, this result for Germany may be related to seasonality as booking results return to 1% in the November 2017 Pulse Check wave.

Stage in the Purchase Cycle by Country



/ Significantly higher/lower than 2016.

Base: Long-haul pleasure travellers (past 3 years or next 2 years) – note all respondents evaluated Canada plus 2 randomly selected countries from the competitive set (n=varies)

QMP1. Which of the following best describes your current situation when thinking about each of the following countries for a holiday trip?

Getting travellers to move through the purchase cycle to booking a trip is critical. The charts below show Canada's progress converting travellers at crucial steps in the purchase cycle relative to top competitors (determined by past 3-year visitation) and other destinations in the competitive set. For reference, also shown is the average across the entire competitive set. 'Strong' and 'weak' conversion ratios were derived through statistical analysis; specifically, if a conversion ratio is greater than one standard deviation from the average, then it is considered 'strong' and if a conversion ratio is lower than one standard deviation from the average, then it is marked as 'weak'.

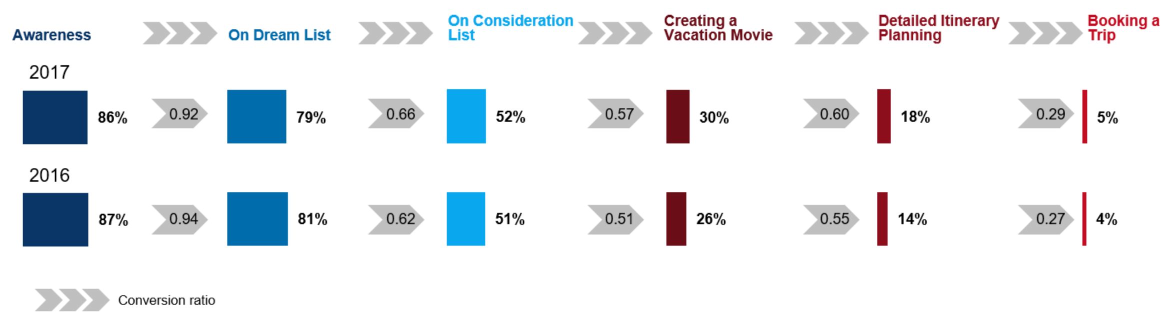
Canada's performance remains average in 2017 across most stages of the purchase cycle, with the exception of below average conversion at the booking stage. Although the proportion (0.29) remains similar year-over-year, Canada's performance at this stage is 'weak' compared to the competitive average in 2017. In comparison to the US, Canada's biggest competition in the Indian market, performance is weaker at converting travellers from the creating a vacation movie stage to the detailed itinerary planning phase.

Two potential areas of focus for Canada are within the lower stages of the path-to-purchase: moving travellers from the creating a vacation movie to detailed itinerary planning and from detailed itinerary planning to actual booking.

At the detailed itinerary planning stage, travellers are primarily self-motivating and will explore the many sources available to build their dream trip; they seek authenticity and real-life experiences in their search for advice. Indian travellers who are currently in the itinerary planning stage for Canada cite the following as the top sources of information that helped them plan their trip: friends and family, in person (51%), travel guidebooks (35%), TV programs (33%), social media sites (32%), and YouTube (32%).

In order to close the loop on bookings, travel agents/tour operators are very important in the Indian market. Given that 92% of recent visitors to Canada consulted a travel agent/tour operator for their trip, it is important to establish a strong presence for Canada among the travel trade. Ensuring that trade partners are equipped with strong knowledge of Canadian travel opportunities and presenting products that appeal to Indian travellers can help move potential travellers from the itinerary planning stage to actual booking. Indian travellers who mention that they have already booked elements of a trip to Canada cite the following as the top sources of information that helped them book their trip: travel guidebooks (49%), brochure from a travel agency/tour operator (44%), friends and family, in person (43%), travel agents in-person (37%), and TV programs (34%).

Path-to-Purchase Conversion – Canada

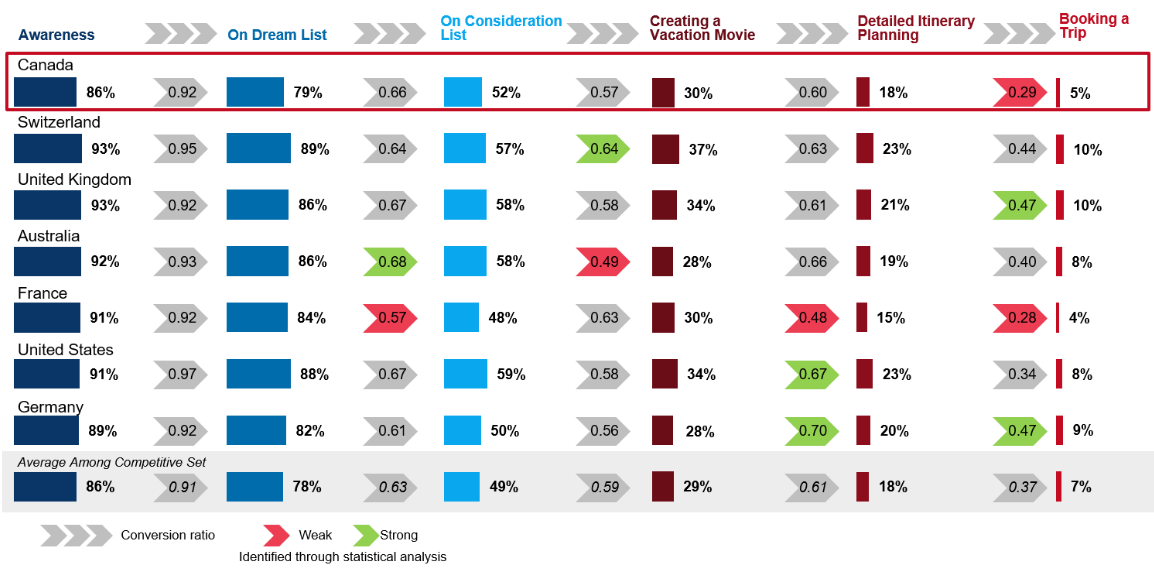


It is notable that unlike 2016, when the US was a strong performer at the consideration, planning and booking stages, the US saw above average performance only at the planning stage in 2017. This may be related to more onerous entry regulations for the US or reduced interest in the country.

Switzerland is now strong at the converting potential visitors between the consideration and creating a vacation movie stages, which was an area of weakness in 2016. It could be very informative to understand what tactics Switzerland has been employing to improve their position in the Indian market. Australia shows strong conversion from the dream to consideration stage, but this strong performance is offset by weak conversion between consideration and creating a vacation movie.

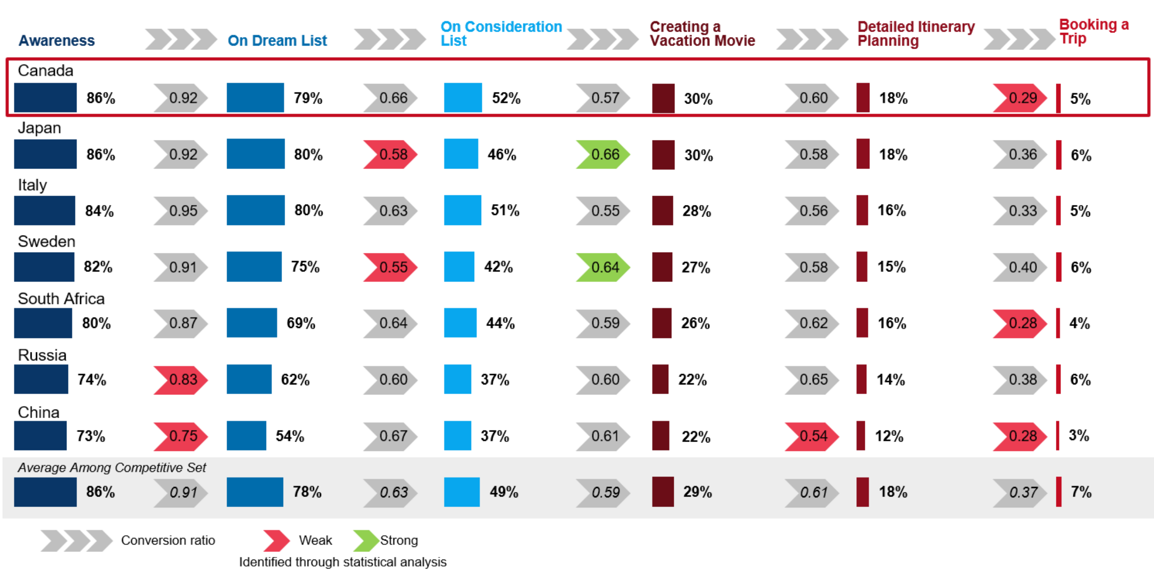
For context, in the first 9 months of 2017, the US recorded 834,000 arrivals from India (down -13% YTD) and the UK saw 436,000 arrivals until September 2017, up 32% over the same period in 2016. Australia logged 302,000 (up 15% from 2016). Canada welcomed 254,000 (up 18% from 2016). Switzerland recorded 350,000 arrivals in 2016.[3]

Path-to-Purchase Conversion – Top Competitors



Examining purchase cycle results for destinations visited less frequently by Indian travellers is also illuminating. Japan and Sweden show weak conversion from the dream to consideration stage, but this weak performance is offset by strong conversion between consideration and creating a vacation movie. Like Canada, South Africa and China are weak performers at the booking stage.

Path-to-Purchase Conversion – Rest of Competitors



3 *Destination Canada, US National Travel & Tourism Office, Australian Bureau of Statistics, Financial Express, and Visit Britain.*

Destinations

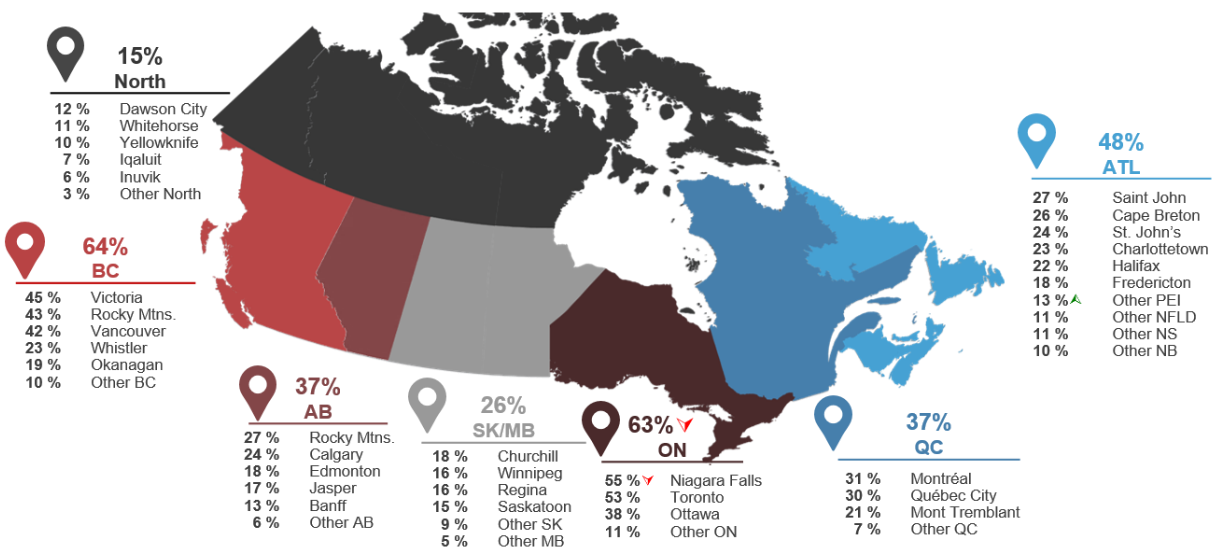
HIGHLIGHTS

- ✓ *Indian travellers are significantly less likely to express interest in visiting Ontario, making BC the most popular province in 2017.*
- ✓ *Interest in visiting in Niagara Falls dropped significantly in 2017 as did overall appeal. Despite the drops, Niagara Falls is still the most popular destination in Canada.*
- ✓ *The only destination to see an increase in likelihood to visit is Other regions in PEI while the Okanagan recorded a significant jump on overall appeal.*

Indian travellers in the dream-to-purchase stages and indicating they are definitely/very likely to visit Canada in the next 2 years were asked which parts of the country they would likely visit. Ontario is no longer the most popular province, dropping significantly from 68% in 2016 to 63%. The lower results for Ontario's may be driven by declining interest in Niagara Falls (55% in 2017, down significantly from 62% in 2016). Despite the drop, Niagara Falls is still the most popular destination in Ontario, marginally ahead of Toronto (53%). BC is now the most popular province (64%, consistent with 2016) with Victoria being top draw (45%). Atlantic Canada in 3rd spot (48%, compared to 43% in 2016).

There is continued interest in visiting the Rocky Mountains, with 43% of probable visitors heading to BC for this experience and 27% saying they would go to Alberta for this. The only region to see a significant increase in probable visitation is Other PEI (13%, up from 9% in 2016). Results from the November 2017 Pulse Check wave suggests that seasonality of survey field timing does not have an effect on destination interest among Indian travellers. Any significant shifts between December 2016 and July 2017 results have remained stable in the November 2017 Pulse Check wave.

Canadian Destinations Likely to Visit (Among those definitely/very likely to visit)

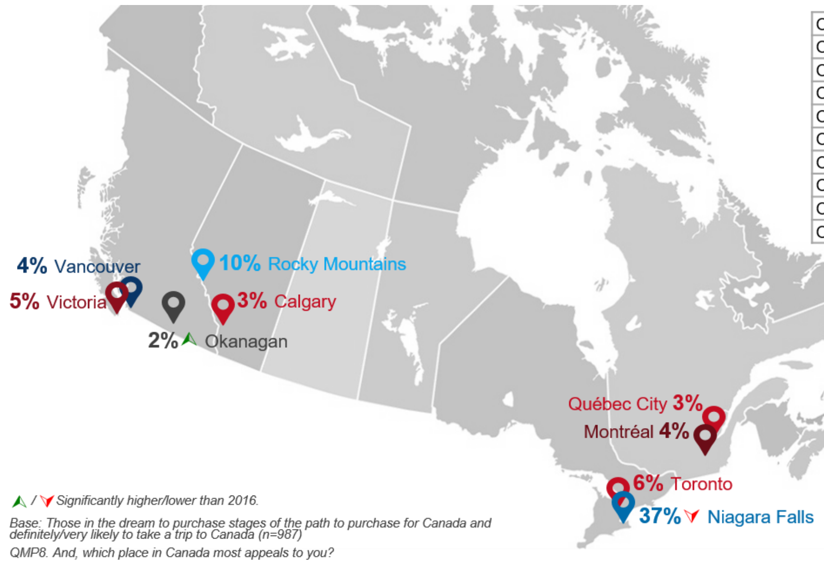


▲/▼ Significantly higher/lower than 2016.

Base: Those in the dream to purchase stages of the path to purchase for Canada and definitely/very likely to take a trip to Canada (n=987)
QMP7. If you were to take a holiday trip to Canada in the next 2 years, which of the following Canadian travel destinations are you likely to visit?
QMP7a-g. Within [province/region], which travel destinations are you likely to visit?

An additional question asked potential visitors to identify the one Canadian destination holding the greatest appeal. Niagara Falls saw a significant decline on this metric (37%, down from 42% in 2016), but it retains its dominant position as the most appealing Canadian destination. The Rocky Mountains remains in 2nd spot (10% compared to 9% in 2016). The top city destinations are Toronto (6%), followed by Victoria (5%), Vancouver (4%), and Montreal (4%). The Okanagan recorded a significant increase from 1% in 2016 to 2% in 2017. Results suggest Canada's landscape-based icons (Niagara Falls and Rocky Mountains) still hold greater appeal for Indian travellers than city destinations. There continues to be an opportunity to use well known natural landscapes as anchors and highlight their proximity to cities and lesser known/desirable destinations to attract Indian travellers.

Most Appealing Canadian Destination – Top 10 Mentions



Other PEI	1.1%
Other SK	0.6%
Other NS	0.4%
Other QC	0.3%
Other AB	0.2%
Other NB	0.2%
Other NFLD	0.2%
Other North	0.1%
Other ON	0.1%
Other MB	0.1%

Churchill	2.1%
Ottawa	2.1%
Mont Tremblant	2.0%
Saint John	1.9%
Halifax	1.7%
Edmonton	1.5%
Charlottetown	1.4%
St. John's	1.3%
Banff	1.3%
Jasper	1.0%
Saskatoon	1.0%
Dawson City	0.7%
Regina	0.6%
Fredericton	0.4%
Whistler	0.3%
Winnipeg	0.2%
Whitehorse	0.2%
Iqaluit	0.2%
Inuvik	0.2%

Vacation Activities

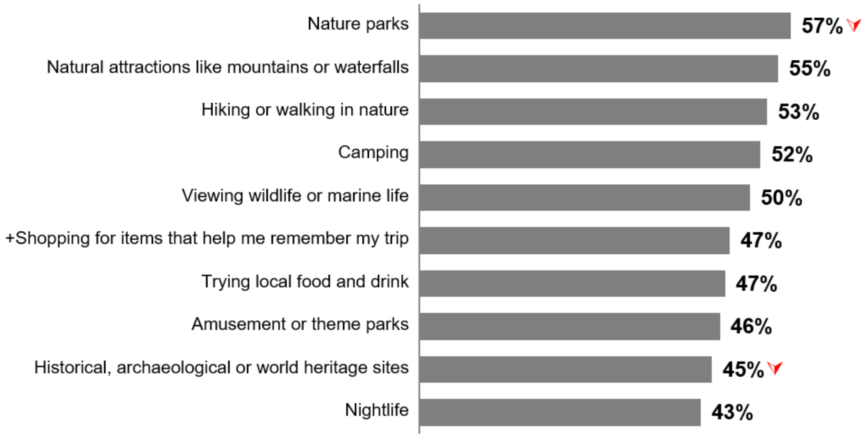
HIGHLIGHTS

- ✓ *There are significant declines in two of the top activities for Indian travellers – nature parks and historic sites.*
- ✓ *Natural attractions, nature parks, wildlife viewing, visiting historical sites, and nightlife are the top trip anchor activities.*
- ✓ *Popular activities that Canada could do more to promote to Indian travellers: Nature parks, wildlife viewing, cruises, guided nature tours, and guided city tours.*

Indian travellers were asked about which activities and experiences they seek while on holidays in general, regardless of the destination. Nature parks retain the top spot, but is down significantly (57%, down from 61% in 2016).Historic sites also had a significant decline in interest (45%, down from 49% in 2016), moving from the 7th spot to 9th spot. The performance of other activities is similar to 2016. It should be noted, however, that 'shopping for items that help me remember my trip' is a new answer option (the previous shopping option included souvenirs and clothes and was ranked 8th).

Activities like visiting nature parks, natural attractions like mountains or waterfalls, viewing wildlife or marine life, visiting theme parks, and historic sites are more popular among travellers aged 45-64, while city experiences like nightlife and food and drink festivals hold greater appeal for travellers aged 25-44.

General Activities/Places Interested In – Top 10



+ New response option added in 2017 – no trending.

/ Significantly higher/lower than 2016.

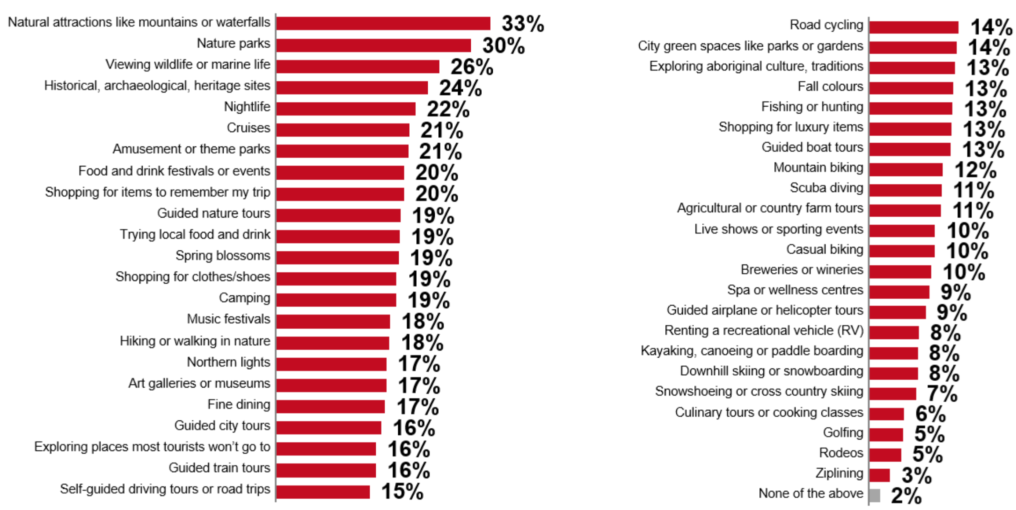
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)

QMP10. In general, what activities or places are you interested in while on holiday?

Trip Anchor Activities

A new question added in 2017 asked Indian travellers which vacation activities are important enough that they would base an entire trip around them. Natural attractions (33%), nature parks (30%), wildlife viewing (26%), historic sites (24%), and nightlife (22%) are the top trip anchor activities. All of these are also among the top activities of interest to Indian travellers. Given that Indian travellers are willing to anchor a trip around these activities, focus could be placed on messaging about their availability in Canada. These anchors are particularly important to highlight at the creating a vacation movie stage of the path-to-purchase since travellers are looking to build a framework around what their trip could look like.

Trip Anchor Activities



+ New question added in 2017 – no trending.

Base: Long-haul pleasure travellers (past 3 years or next 2 years) answering (n=1497)

+QMP12. Among these activities, are there any that are important enough that you would base an entire trip around that activity?

Activities of Interest & Participation in Canada

Another new question added in 2017 looks at participation in activities among recent visitors to Canada. Actual participation data is presented in tandem with general vacation interests to identify any gaps. The activities are grouped into “Popular” activities (those with above average interest among all activities) and “Niche” activities (those with below average interest.) Gaps in participation are identified by calculating the proportion of recent visitors who participated in an activity versus general interest in an activity. Activities with below average participation are highlighted to indicate the largest gaps. In India’s case, actual participation is higher than general interest for many activities – to account for this, the average is calculated only among those activities with actual participation gaps (participation rates under 1.0).

Generally, participation rates are fairly high for widely available activities such as seeing natural attractions, hiking or walking in nature, and trying local food and drink.

Among popular activities for Indian travellers, participation gaps are most pronounced for:

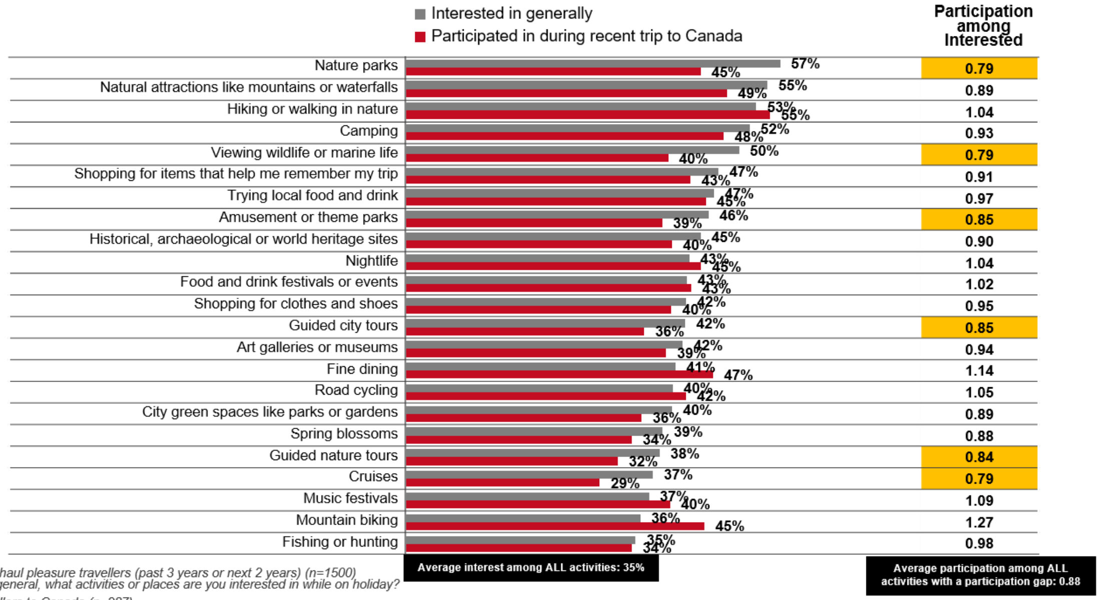
- Nature parks
- Wildlife viewing
- Cruises
- Guided nature tours
- Guided city tours
- Amusement/theme parks

There is an opportunity for the Canadian tourism industry to either further develop or more clearly communicate offerings in these areas since there is evident interest that is going unmet.

Nature parks and wildlife viewing, the activities with the largest gap, are also two of the top activities that Indian travellers would anchor a trip around. Several communication points could be addressed to increase participation in nature parks and wildlife viewing among Indian travellers, including improved messaging on differentiation of the Canadian experience compared to other destinations.

Guided nature tours, guided city tours, and cruises are other activities where improved communication and marketing could increase participation. Although they are not among the top trip anchor activities, given the wide availability of marketable products, they are well positioned as add-ons for Indian travellers.

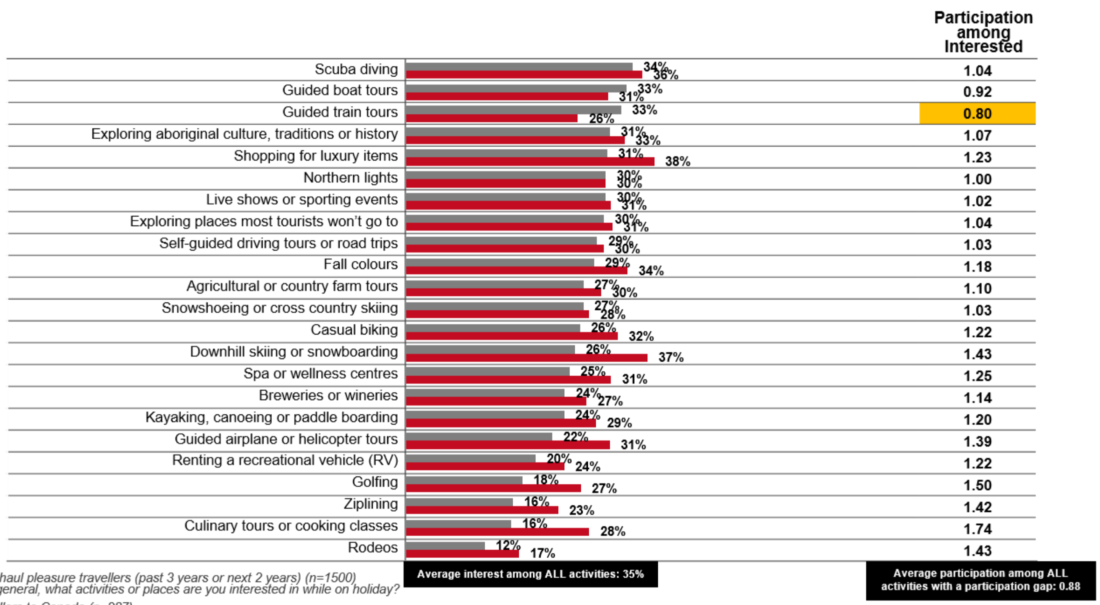
Popular Activities with Above Average Interest



Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)
QMP10. In general, what activities or places are you interested in while on holiday?
Base: Travellers to Canada (n=287)
+QRT16. What activities did you participate in during your recent trip to Canada? *+ New question added in 2017.*

Among the less popular or niche activities, there is one notable gap in participation among recent visitors to Canada and general interest for guided train tours. There is an opportunity to better position this activity as an add-on for Indian travellers.

Niche Activities with Below Average Interest



Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)
QMP10. In general, what activities or places are you interested in while on holiday?
Base: Travellers to Canada (n=287)
+QRT16. What activities did you participate in during your recent trip to Canada? *+ New question added in 2017.*

Barriers

HIGHLIGHTS

- ✓ *Cost remains the primary deterrent to visiting Canada.*
- ✓ *The attraction of competitive destinations and concerns about language barriers are up significantly.*
- ✓ *Concerns about visa requirements and an unfavourable exchange rate have dropped significantly among travellers generally.*

All Indian long-haul travellers were asked what could prevent them from visiting Canada. Cost remains the primary deterrent (30%, compared to 33% in 2016) followed by flight distance (24%, versus 26% in 2016). Visa requirements, which now ranks as the 3rd most cited barrier, has significantly declined from 26% in 2016 to 21% in 2017. Travellers aged 18-54 years are more concerned about visa requirements than older travellers aged 55+. While cost remains the primary barrier, concerns about an unfavourable exchange rate have declined from 15% to 12% in 2017.

Travellers aged 25-44 are more likely to mention safety concerns, potential language barriers, feel they have been to all the places they want to go to in Canada, and a preference for other places. In contrast, travellers aged 45-64 demonstrate significantly lower barriers, with 22% saying nothing would prevent them visiting.

Cost is cited as a barrier equally by all groups; even past visitors mention cost ahead of all other potential barriers. While the cost barrier is challenging to address, it can be indirectly dispelled through messaging about the value offered by a Canadian vacation experience. In addition, highlighting the increasing availability of direct flights between India and Canada (up 53% over 2016[4]) may help address issues around distance to travel to Canada.

The attraction of competitive destinations has significantly increased from 11% in 2016 to 14% in 2017, making Canada competitively more vulnerable. It should also be noted that concern around language barriers has significantly increased from 9% last year to 12% in 2017.

An additional question asked respondents about the impact of entry requirements on booking. It appears this is a very important consideration for Indian travellers, with 98% saying securing an entry visa before booking is important. Note this question is not destination specific.

Older travellers represent the best immediate opportunity as they have the strongest desire to visit Canada. From a lifetime value standpoint, younger travellers may require more efforts to attract, but the pay-off can be greater. Attracting younger travellers will take more effort as travellers need to be informed about what Canada can offer as well as dispel perceptions about language barriers and safety concerns. From a strategic marketing viewpoint, Destination Canada could consider focusing branding awareness efforts on younger travellers and split tactical efforts in collaboration with partners between the younger and older generation.

While cost remains the top barrier among those who have previously visited Canada (29%), past visitors are more likely to cite health risks, destinations and attractions too far apart, language barrier, an unfavourable exchange rate, poor value for money, delays at the airports/borders, safety concerns, and having visited all the places they want to see in Canada.

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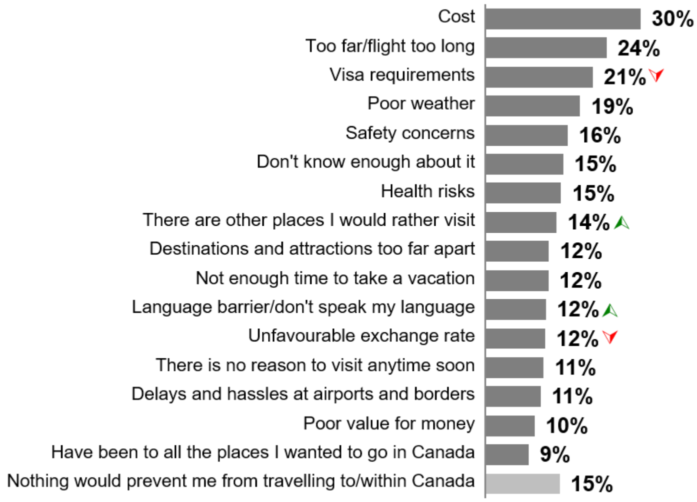
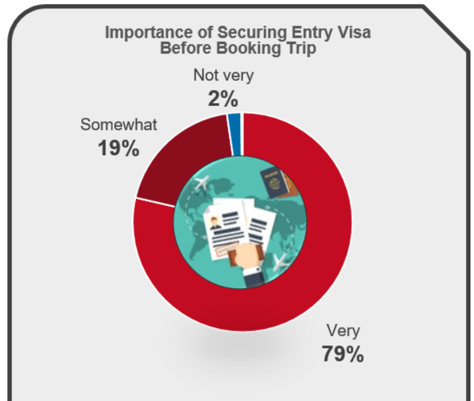
[4] *Destination Canada, Tourism Snapshot, December 2017.*

Key Barriers for Visiting Canada



/ Significantly higher/lower than 2016.
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)
QMP9. Which of the following factors might discourage you from visiting Canada?



+ New question added in 2017 – no trending.
Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)
+QMP14. If you are thinking about visiting a country where you require an entry visa, how important is it for you to properly secure a visa before you start booking flights, accommodation or other trip components?

Examining barriers at key path-to-purchase stages provides additional insight. Those in the evaluation stage (gathering information or planning a visit) are further along the path-to-purchase than those in the consideration stage. Whether they are considering a visit or have progressed to the evaluation stage, cost continues to be the most prominent barrier. Among those considering Canada, concerns about poor weather (21%, up significantly from 15% in 2016) and flight length are secondary barriers. Visa concerns are down significantly for those considering Canada (17%, down from 23% in 2016).

As Indian travellers progress through the purchase cycle, a number of barriers intensify. Most notably, concerns about visa requirements increase in the evaluation stage to 26% (unchanged from 2016). The difference (+9) between consideration and evaluation is more pronounced in 2017 due to the reduced concern about visas at the consideration stage. Perhaps related to visas is the rising concern about delays and hassles at airports and borders (+8). Lack of knowledge about Canada (+6, versus +2 in 2016) is also more pronounced between the two stages. Also concerning is the significant increase year-over-year in lack of urgency to visit among those in the evaluation stage (12%, up from 7% in 2016). This suggests that the cumulative effect of increased barriers is putting some Indian travellers at risk of changing their minds about visiting Canada as they proceed along the purchase path. Stressing the value a Canadian vacation can offer and addressing issues around visa requirements may help alleviate these concerns.

Key Barriers for Visiting Canada – by Path-to-Purchase Segments

	Consider (n=341)	Evaluation (n=379)	Change between Evaluation and Consider
Cost	33%	28%	-5
Too far/flight too long	21%	22%	+1
Poor weather	21% ▲	14%	-7
Safety concerns	20%	16%	-4
Visa requirements	17% ▼	26%	+9
Health risks	15%	16%	+1
Destinations and attractions too far apart	13%	16%	+3
Not enough time to take a vacation	13%	11%	-2
Unfavourable exchange rate	12%	14%	+2
Language barrier/don't speak my language	11%	12%	+1
Have been to all the places I wanted to go in Canada	9%	11%	+2
Poor value for money	8%	11%	+3
Don't know enough about it	8%	14%	+6
Delays and hassles at airports and borders	8%	16%	+8
There are other places I would rather visit	8%	13%	+5
There is no reason to visit anytime soon	7%	12% ▲	+5
Nothing would prevent me from travelling to/within Canada	17%	17%	–

+ New response option added in 2017 – no trending.

▲ / ▼ Significantly higher/lower than 2016.

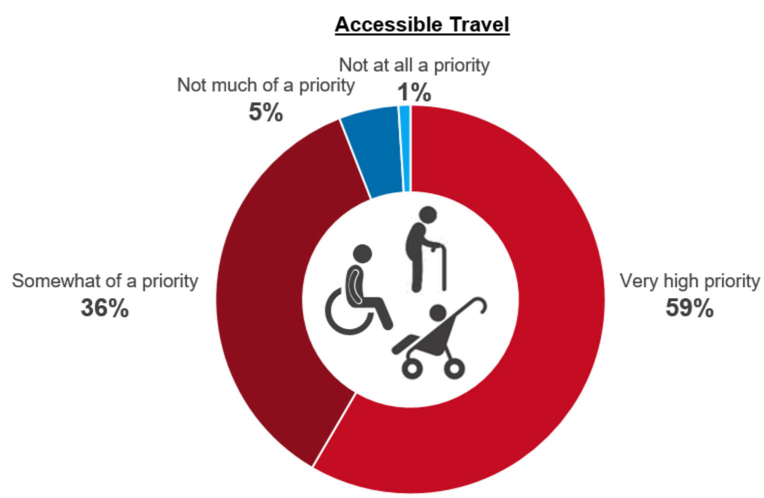
Base: Long-haul pleasure travellers in specific path-to-purchase segments

QMP9. Which of the following factors might discourage you from visiting Canada?

Niche Market

An additional question was added for 2017 to size particular niche markets. Accessible tourism, which strives to make a destination accessible to everyone, regardless of physical limits, disability, or age, is relevant for 95% of Indian travellers, with 59% seeing it as a very high priority. Those with children in the household and travellers aged 25-44 are more likely to see accessible tourism as a high priority. Those in the purchase stage for Canada are more likely to see accessibility as a high priority, which suggests communicating Canada's commitment to accessible tourism could be a deciding factor for Indian travellers.

Niche Market Sizing



+ New question added in 2017 – no trending.

Base: Long-haul pleasure travellers (past 3 years or next 2 years) (n=1500)

+QMP13. Accessible tourism strives to make tourist destinations, products and services accessible to everyone regardless of physical limits, disability or age. How much of a priority is having accessible travel options for you and your companions?

Recent Trip Profile

HIGHLIGHTS

- ✓ *85% of all Indian travellers reported consulting a travel agent/tour operator on their most recent long-haul trip for either planning or booking purposes. The proportion among recent visitors to Canada is even higher, with 92% of those travelling to Canada using the services of a travel agent/tour operator.*
- ✓ *Booking directly with the airline as well as with the accommodation provider has declined significantly among both travellers generally and those who visited Canada.*

The following section provides details on the most recent long-haul trip taken by Indian travellers to competitive set destinations in the past 3 years (72% took such a trip). If the most recent trip encompassed more than one destination, the data reflects where the most time was spent.

Trip Purpose

Unchanged from 2016, the primary reason for travelling among all Indian long-haul travellers was for holiday purposes (cited by 51% of all travellers). Also consistent with 2016, 53% of recent visitors to Canada cited holiday as the primary purpose. Among those travelling to Canada, attending a personal event as the reason for the trip (8%, up from 4% in 2016) has significantly increased, while education has declined (1%, down significantly from 4% in 2016).

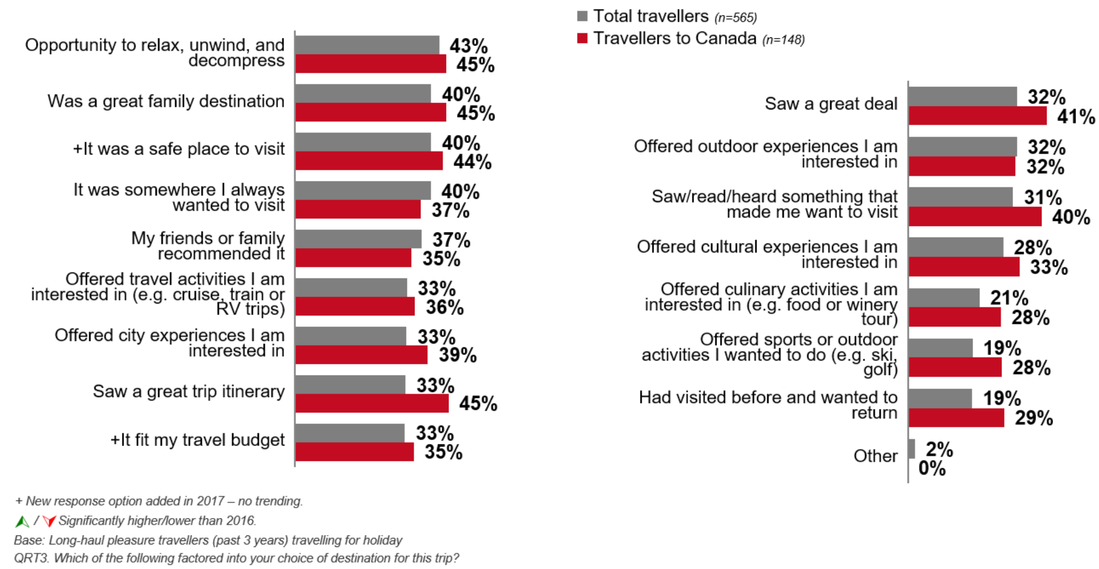
Motivators

Those travelling for holiday purposes were asked about factors which influenced their choice of destination.

Once again, the opportunity to relax, unwind and de-compress is the top reason influencing destination choice among travellers generally and visitors to Canada. Being a great family destination, a safe place to visit, and a longstanding desire to visit are tied for 2nd spot among travellers generally. For travellers to Canada, being a great family destination and seeing a great itinerary are the next most important motivators behind relaxation.

It is notable that the desire to return is relatively more important among those travelling to Canada compared to those travelling to other destinations (29% versus 19%). Other motivators that are stronger for visitors to Canada compared to trips generally include: seeing a great itinerary, seeing a great deal, offering outdoor experiences of interest, offering culinary experiences of interest, and seeing/reading/hearing something that made them want to visit.

Factors Influencing Destination Selection



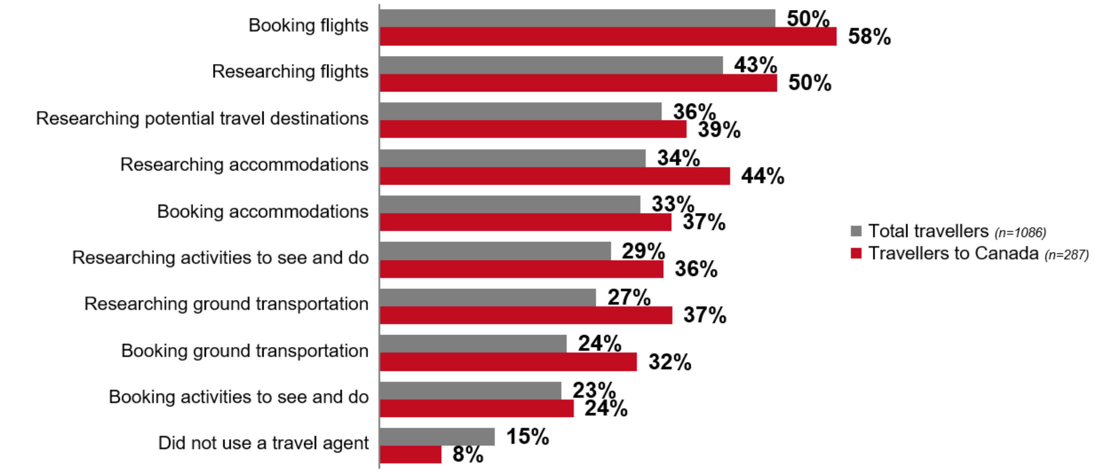
Travel Party

Regardless of destination, Indian travellers were most likely to be accompanied by their spouse or partner (60%), which is in line with 2016. However, those travelling to Canada are now much more likely to travel with a spouse or partner than they were a year ago (66%, up from 57% in 2016). Thirty percent of Indian travel parties included children under the age of 18, most common among those aged 35-54 (57%). Indian travellers visiting Canada are even more likely to travel with children under 18 years (38%), suggesting that there is some opportunity in the family market. It should be noted that solo travellers have declined both among Indian travellers generally (10%, down from 13% in 2016) and those visiting to Canada (5%, down from 13% in 2016).

Booking

Eighty-five percent of all Indian travellers report consulting a travel agent/tour operator on their most recent long-haul trip for either planning or booking purposes. The proportion is even higher among recent visitors to Canada, with 92% of those travelling to Canada using the services of a travel agent/tour operator. An additional question added in 2017 shows that travel agents/tour operators are most likely to be used for booking and researching flights, followed by researching potential travel destinations, and researching and booking accommodations.

Travel Agent/Tour Operator Usage



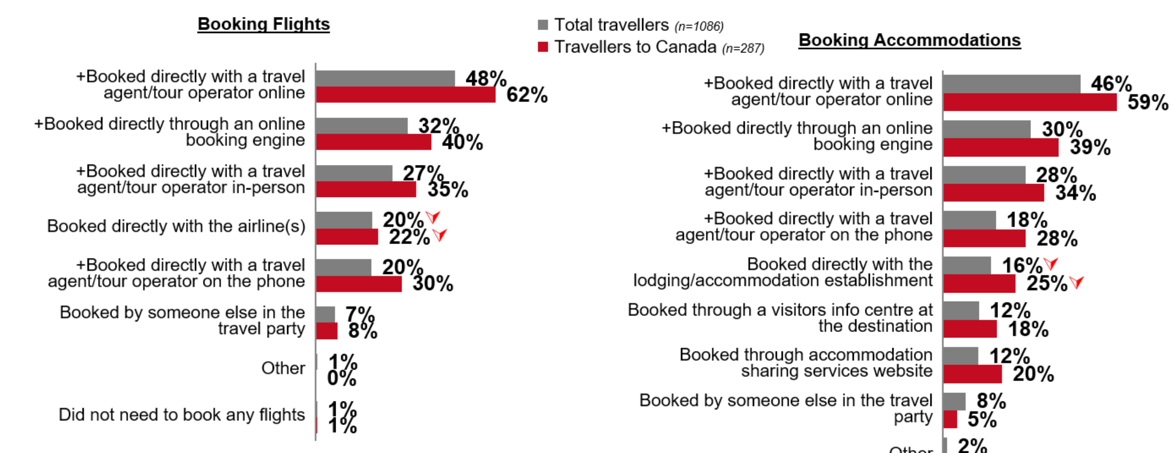
+ New question added in 2017 – no trending.
Base: Long-haul pleasure travellers (past 3 years)
+QRT15. Did you use a travel agent or tour operator to help you with any of the following for this trip?

Booking patterns for trips generally are similar to those for trips to Canada. In terms of flights, the most popular way to book is with a travel agent/tour operator online (48%), followed by use of online booking engines (32%), and in-person with a travel agent/tour operator (27%).

For accommodation, both for trips generally and to Canada specifically, travel agents/tour operators online are the most popular (46%), followed by booking via an online booking engine (30%), and in-person with a travel agent/tour operator (28%).

Booking directly with the airline and accommodation provider has declined among Indian travellers generally and among those who visited Canada.

Booking of Flights and Accommodations



+ New response option added / wording change in 2017 – no trending.
/ Significantly higher/lower than 2016.
Base: Long-haul pleasure travellers (past 3 years)
QRT6. How did you book your flight for this trip?
QRT7. How did you book your accommodation for this trip?

Organized group travel is very popular among Indian travellers, especially those who visited Canada (92% indicated at least a portion of their trip was part of an organized group). Booking group travel with a travel agent/tour operator online is the most common way to arrange organized group tours.

Type of Accommodation

Similar to 2016, regardless of destination, Indian travellers show a preference for luxury hotels (35%) followed by budget hotels (32%). Preference for budget hotels has increased significantly since 2016 (32%, up from 27%). The same pattern is evident among recent visitors to Canada (47% opted for luxury hotel and 40% for a budget hotel). However, visitors to Canada were more likely to stay with friends and family (30%) than travellers in general (23%).

Information Sources

HIGHLIGHTS

- ✓ *Personal recommendations from friends and family are cited as a top information source throughout the purchasing cycle. Encouraging past visitors to Canada to advocate and share their experiences with their personal networks is key.*
- ✓ *TV programs and guidebooks are influential throughout the purchase cycle.*
- ✓ *Meeting travel agents/tour operators in-person is important when gathering information and subsequently when making arrangements and booking.*

Examining information sources by path-to-purchase stages is informative. Personal interactions with friends and family are the most influential source in the early stages of path-to-purchase, from the dreaming stage through to planning the itinerary and again at the booking stage. This underscores the need to encourage past visitors to Canada to advocate and share their experiences with their personal networks.

Travel guidebooks also play an important role throughout the purchase cycle; they rise in importance during the itinerary planning and booking stages. Meeting travel agents/tour operators in-person is important when gathering information and subsequently when making arrangements and booking. Brochures from travel agents/tour operators are important in the latter stages of making arrangements and booking. Online tools (such as travel review sites, social media sites, and YouTube) emerge as important touchpoints when gathering information, itinerary planning, and making arrangements. It is notable that TV programs are one of the top five information sources at all stages of the purchase process.

Top Information Sources for Canada – by P2P Stage

Information sources that…	**Dreaming** *…inspired you to think about a trip to Canada*	**Seriously Considering** *…encouraged you to seriously consider visiting Canada*	**Started Gathering** *…helped you gather some information for a trip to Canada*	**Planning Itinerary** *…helped you plan your itinerary for a trip to Canada*	**Making Arrangements** *…helped you make transport and / or accom arrangements for a trip to Canada*	**Already Booked** *…helped you book your transportation and / or accom for a trip to Canada*
	(n=388)	(n=341)	(n=177)	(n=202)	(n=57)*	(n=53)*
Top 5 Sources	Friends and family, in person **53%**	Friends and family, in person **58%**	Friends and family, in person **50%**	Friends and family, in person **51%**	TV programs **61%**	Travel guidebooks **49%**
	Magazine or newspaper articles **36%**	TV programs **39%**	Travel guidebooks **42%**	Travel guidebooks **35%**	Magazine or newspaper articles **50%**	Brochure from a travel agency/tour operator **44%**
	TV programs **32%**	Magazine or newspaper articles **36%**	TV programs **36%**	TV programs **33%**	Travel agents, in person **45%**	Friends and family, in person **43%**
	Travel guidebooks **32%**	Travel guidebooks **34%**	Travel review sites **35%**	Social media sites **32%**	YouTube **44%**	Travel agents, in person **37%**
	Films featuring the destination **28%**	YouTube **32%**	Travel agents, in person **34%**	YouTube **32%**	Brochure from travel agency/tour operator **44%**	TV programs **34%**

+ New question added in 2017 – no trending.
** Small base size (<100), interpret with caution.*
Base: Those in the dream to purchase stages of the path to purchase for Canada (n=1218)
+QMT3. Earlier you mentioned that you [insert P2P stage for Canada]. Where did you see, read or hear information that [inspired/encouraged/helped in P2P stage for Canada]?