

Travel Intentions Study Initial Results Wave 2 (February 2004)

Presented To: Ontario Ministry Of Tourism And
Recreation
Ontario Tourism Marketing
Partnership

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Background

- This study is intended to measure intent to travel to Ontario and specific Ontario destinations within key US and domestic markets.
- Information will be used to:
 - gauge the impact of negative events on travel to Ontario;
 - forecast demand to assist with industry planning;
 - provide information to assist with messaging and targeting of promotional communications and marketing initiatives more generally.
- This presentation focuses on initial findings in two key areas:
 - the impact of SARS and other negative events on future travel to Ontario;
 - measurement of Ontario travel intentions within key markets.

Methodology

- Interviewing was conducted by telephone among individuals 18 years or older.
- The survey for this second wave was essentially confined to the month of February, 2004. This follows Wave 1 conducted in November of last year.
- The focus was on travel intentions for the coming season (March/May) and, secondarily the following season (June/August).
- A stringent methodology was used:
 - modified random digit dialing using a seed sample drawn from up-to-date telephone listings;
 - Multiple callbacks (up to 8 calls to achieve a completion once contact is made with the household);
 - One additional callback to “soft” refusals.

Methodology (Cont'd)

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

| | <u>Assigned</u> | <u>Achieved In Wave 2</u> |
|--------------------|-----------------|---------------------------|
| Canada: | | |
| Toronto CMA | 400 | 378 |
| Ottawa CMA | 200 | 228 |
| Hamilton CMA | 80 | 81 |
| Ontario 100 – 499M | 180 | 180 |
| Ontario 30 – 99M | 80 | 106 |
| Ontario 10 – 29M | 60 | 62 |
| Ontario under 10M | 100 | 130 |
| Montreal CMA | 300 | 372 |
| Quebec City CMA | 200 | 188 |
| Winnipeg CMA | 300 | 308 |

Methodology (Cont'd)

| | <u>Assigned</u> | <u>Achieved In Wave 2</u> |
|-----------------------------|-----------------|---------------------------|
| United States: | | |
| Rochester MSA | 300 | 306 |
| Buffalo — Niagara Falls MSA | 300 | 318 |
| Syracuse MSA | 200 | 204 |
| New York City PMSA | 181 | 183 |
| Nassau — Suffolk PMSA | 43 | 44 |
| Other NY State | 87 | 66 |
| | | |
| Chicago PMSA | 230 | 227 |
| Other Illinois | 70 | 72 |
| | | |
| Indianapolis MSA | 90 | 85 |
| Other Indiana | 55 | 56 |
| | | |
| Boston NECMA | 150 | 163 |
| Mass. Ex-Boston | 31 | 37 |

Methodology (Cont'd)

| | <u>Assigned</u> | <u>Achieved In Wave 2</u> |
|--------------------------------|-----------------|---------------------------|
| United States: (Cont'd) | | |
| Detroit PMSA | 300 | 311 |
| Northern Michigan PMSAs/MSAs | 84 | 81 |
| Other Michigan | 64 | 85 |
| Minneapolis—St. Paul UA | 200 | 295 |
| Other Minnesota | 41 | 38 |
| Cleveland—Lorain—Elyria PMSA | 200 | 204 |
| Cincinnati PMSA | 100 | 115 |
| Columbus MSA | 104 | 111 |
| Other Ohio | 60 | 51 |
| Pittsburgh MSA | 300 | 336 |
| Philadelphia PMSA | 150 | 197 |
| Other Pennsylvania | 77 | 72 |
| Milwaukee—Waukesha PMSA | 200 | 213 |
| Other Wisconsin | 67 | 67 |
| Washington DC PMSA | 100 | 119 |
| Maryland Ex. Washington DC | 118 | 113 |

Methodology (Cont'd)

- In total, 6,202 interviews were completed:
 - 2,033 in Canada;
 - 4,169 in the United States.
- As part of data processing, the sample was weighted in three stages using the most recently available census information from each country:
 - household size within market;
 - household conversion weight (to correct for differential selection probabilities within household due to variations in number of age-qualified individuals within each);
 - age within gender within market.

Presentation Outline

- Impact Of Negative Events
- Market By Market Variations In SARS Impact
- Travel Intentions
- Perceptions Of Ontario As Travel Destination
- Summary And Implications

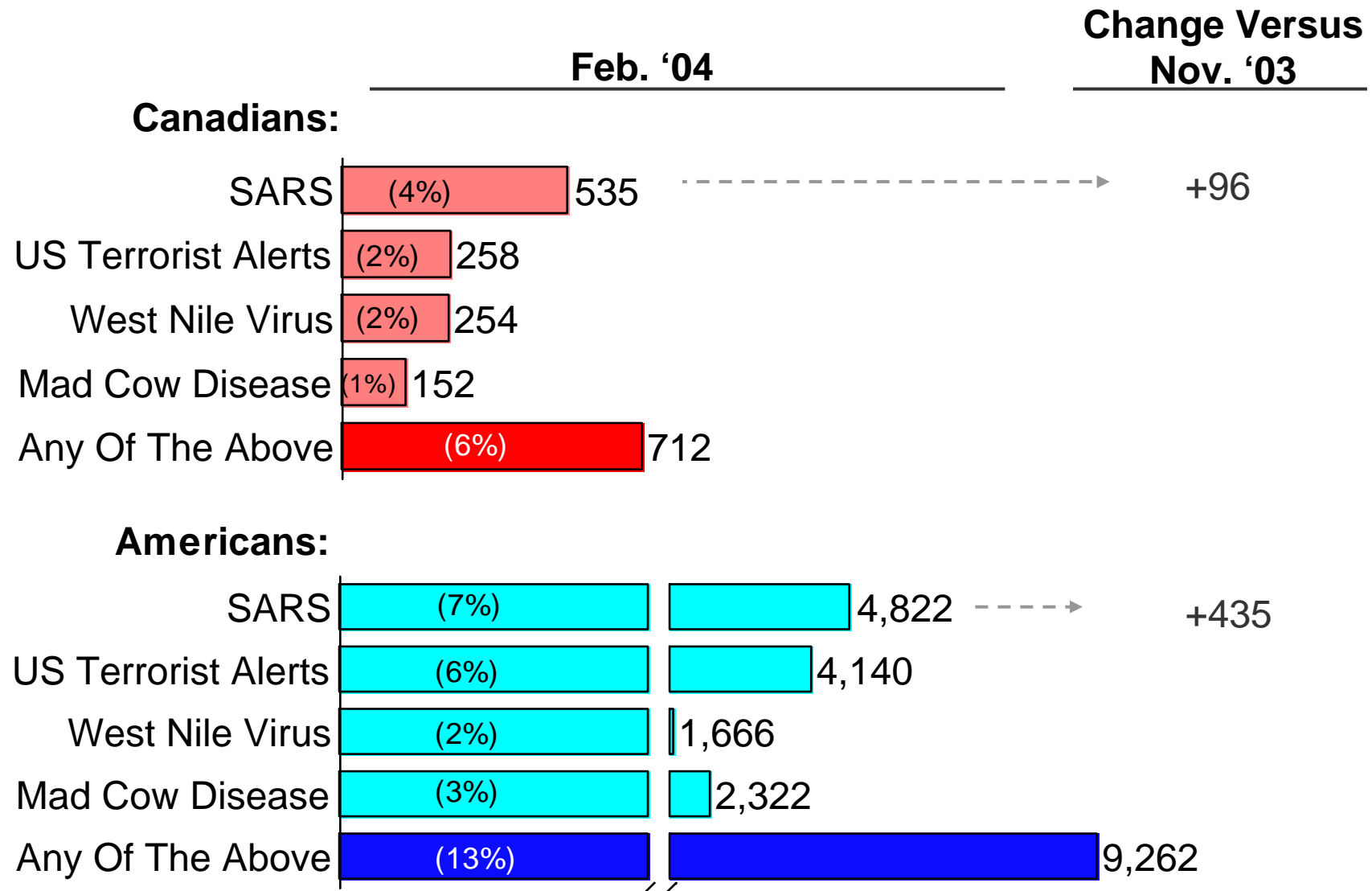
Impact Of Negative Events



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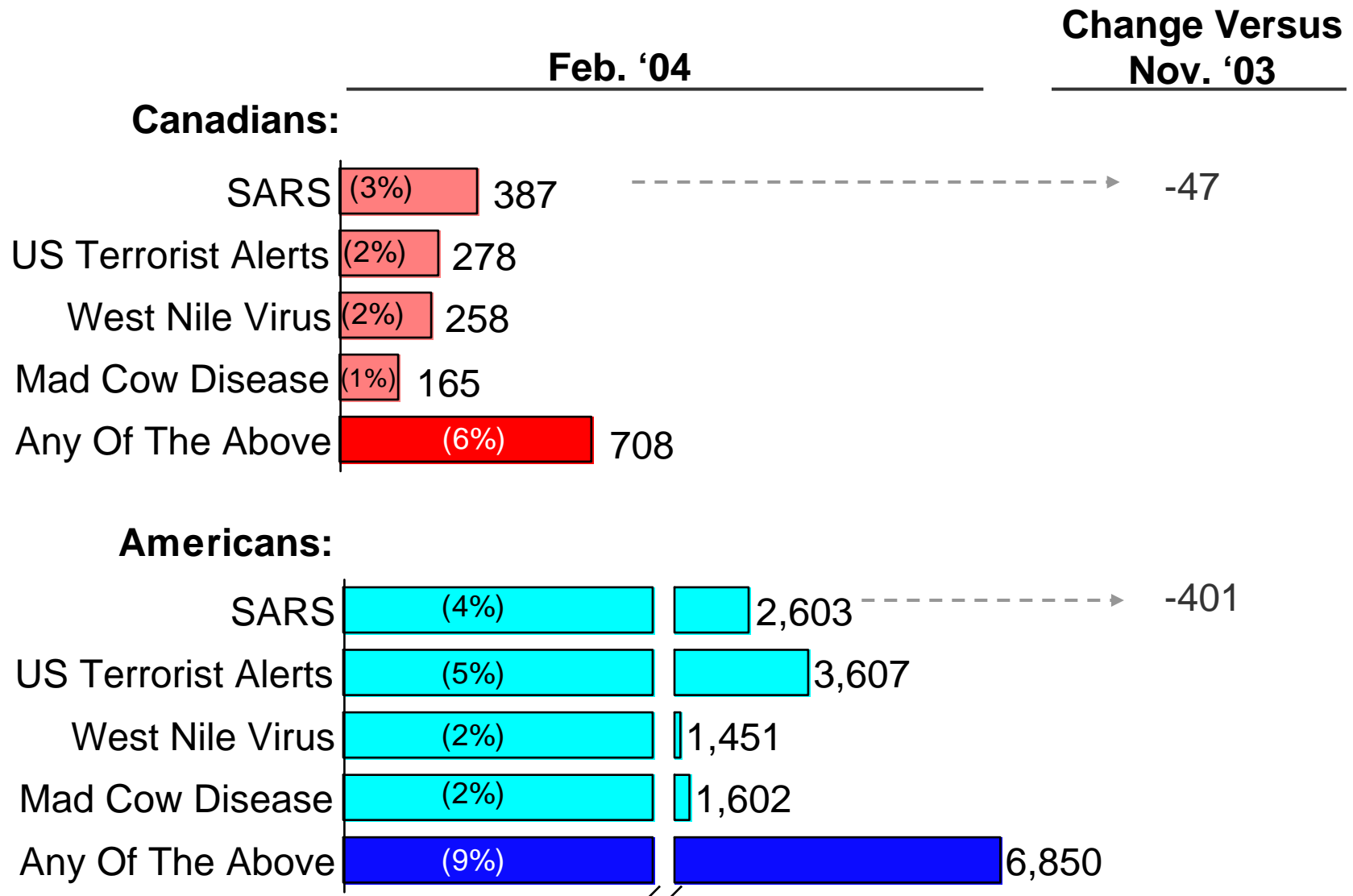
Effect Of Negative Events On Toronto Travel To May Of 2004

Projected number of individuals 18 years+ (in thousands) stating less likely to travel to Toronto for listed reasons



Effect Of Negative Events On Niagara Falls Travel To May Of 2004

Projected number of individuals 18 years+ (in thousands) stating less likely to travel to Niagara Falls for listed reasons

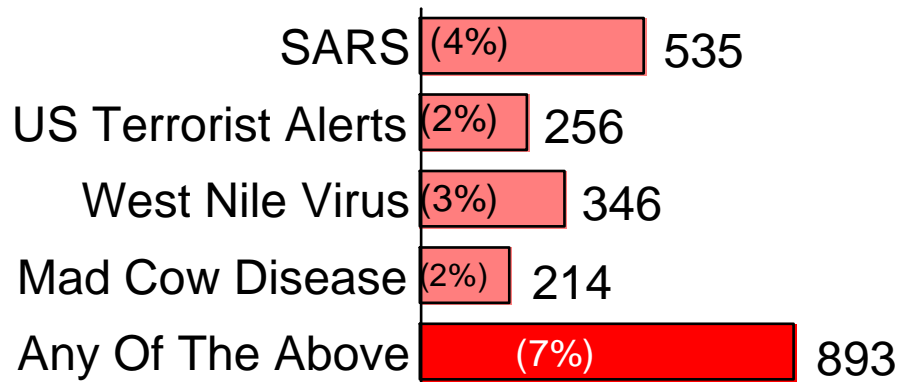


Effect Of Negative Events On Other Ontario Travel To May Of 2004

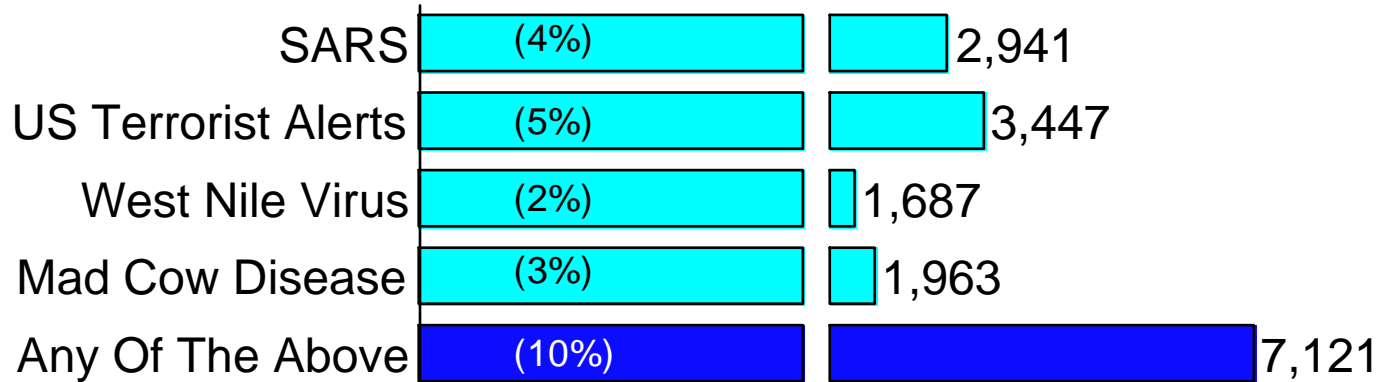
Projected number of individuals 18 years+ (in thousands) stating less likely to travel elsewhere in Ontario for listed reasons

Feb. '04

Canadians:



Americans:



Market By Market Variations In SARS Impact



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Canadian Geographic Variation In SARS Impact On Toronto

| | | Percent Of Adult Residents In Each Case Stating... Because Of SARS | | | Recovery Index (Feb. '04) | |
|---------------|---|--|--|----------|---------------------------|----|
| | | Have Cancelled Or Reduced Travel To Toronto (As Of Nov. '03) | Less Likely To Travel To Toronto Between Now & May | | - | + |
| | | | Nov. '03 | Feb. '04 | | |
| Quebec City | % | 9 | 8 | 7 | | +2 |
| Montreal | % | 8 | 8 | 8 | | ±0 |
| Ottawa | % | 7 | 7 | 4 | | +3 |
| Other Ontario | % | 8 | 3 | 5 | | +3 |
| Winnipeg | % | 6 | 5 | 6 | | ±0 |

US Geographic Variation In SARS Impact On Toronto

Percent Of Adult Residents In Each Case Stating... Because Of SARS

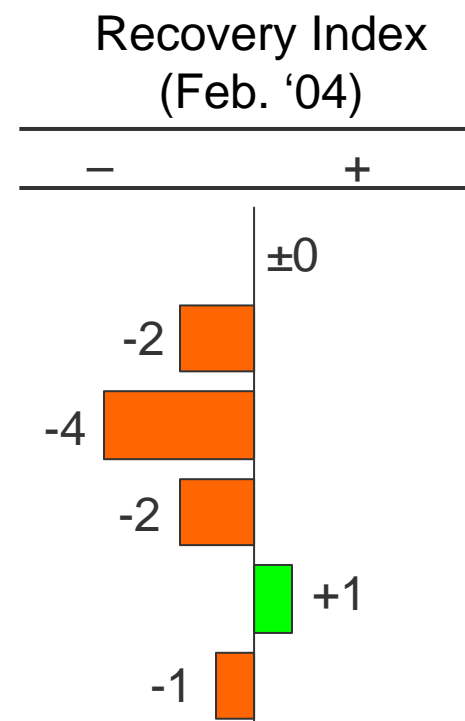
| | | Have Cancelled Or Reduced Travel To Toronto (As Of Nov. '03) | Less Likely To Travel To Toronto Between Now & May | | Recovery Index (Feb. '04) | |
|---------------|---|--|--|----------|---------------------------|-----|
| | | | Nov. '03 | Feb. '04 | - | + |
| Buffalo | % | 20 | 6 | 8 | | +12 |
| Rochester | % | 14 | 6 | 6 | | +8 |
| Syracuse | % | 7 | 7 | 5 | | +2 |
| New York City | % | 7 | 9 | 9 | -2 | |
| Pittsburgh | % | 7 | 6 | 6 | | +1 |
| Detroit | % | 5 | 10 | 8 | -3 | |
| Cleveland | % | 4 | 8 | 11 | -7 | |
| Boston | % | 5 | 6 | 5 | | ±0 |
| Columbus | % | 1 | 1 | 2 | -1 | |
| Washington DC | % | 4 | 4 | 6 | -2 | |
| Cincinnati | % | 2 | 2 | 2 | | ±0 |
| Milwaukee | % | 3 | 8 | 3 | | ±0 |
| Indianapolis | % | 2 | 4 | 4 | -2 | |
| Chicago | % | 2 | 5 | 8 | -6 | |
| Philadelphia | % | 2 | 10 | 4 | -2 | |
| Minneapolis | % | * | 2 | 5 | -5 | |

*Less than 0.5%.

Canadian Geographic Variation In SARS Impact On Niagara Falls

Percent Of Adult Residents In Each Case Stating... Because Of SARS

| | | Percent Of Adult Residents In Each Case Stating... Because Of SARS | |
|---------------|---|--|--|
| | | Have Cancelled Or Reduced Travel To Niagara Falls (As Of Nov. '03) | Less Likely To Travel To Niagara Falls Between Now & May |
| | | Nov. '03 | Feb. '04 |
| Quebec City | % | 5 | 5 |
| Montreal | % | 3 | 5 |
| Ottawa | % | 1 | 5 |
| Toronto | % | 2 | 4 |
| Other Ontario | % | 3 | 2 |
| Winnipeg | % | 2 | 3 |



US Geographic Variation In SARS Impact On Niagara Falls

| | | Percent Of Adult Residents In Each Case Stating... Because Of SARS | | | Recovery Index (Feb. '04) | |
|---------------|---|---|---|----------|------------------------------|----|
| | | Have Cancelled Or Reduced Travel To NF (As Of Nov. '03) | Less Likely To Travel To NF Between Now & May | | - | + |
| | | | Nov. '03 | Feb. '04 | | |
| Buffalo | % | 8 | 5 | 3 | | +5 |
| Rochester | % | 6 | 5 | 2 | | +4 |
| Syracuse | % | 6 | 6 | 4 | | +2 |
| New York City | % | 5 | 6 | 3 | | +2 |
| Pittsburgh | % | 5 | 6 | 5 | | ±0 |
| Detroit | % | 4 | 6 | 4 | | ±0 |
| Cleveland | % | 4 | 6 | 6 | -2 | |
| Boston | % | 3 | 4 | 2 | | +1 |
| Columbus | % | 2 | 1 | 1 | | +1 |
| Washington DC | % | 3 | 5 | 1 | | +2 |
| Cincinnati | % | 2 | 2 | 1 | | +1 |
| Milwaukee | % | 2 | 7 | 2 | | ±0 |
| Indianapolis | % | 1 | 3 | - | | +1 |
| Chicago | % | 1 | 3 | 5 | -4 | |
| Philadelphia | % | 1 | 8 | 3 | -2 | |
| Minneapolis | % | - | 1 | 2 | -2 | |

Travel Intentions



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Ontario Travel Intention Incidence By Canadian Market

| | | Percent Of Adults In Each Case Stating... Intend To Travel To/Within Ontario | | | |
|-----------------------|---|---|-------------------|-------------------|--------------------|
| | | As Of Nov. '03 | | As of Feb. '04 | |
| | | During Dec/Feb | During Mar/May | During Mar/May | During June/Aug |
| Quebec City | % | 12 | 10 | 9 | 14 |
| Montreal | % | 14 | 16 | 18 | 22 |
| Ottawa | % | 33 | 32 | 44 | 48 |
| Toronto | % | 29 | 27 | 28 | 37 |
| Other Ontario | % | 34 | 35 | 40 | 43 |
| Winnipeg | % | 11 | 15 | 17 | 29 |
| TOTAL CANADA % | | 26 | 27 | 30 | 35 |

Ontario Travel Intention Incidence By US Market

| | | Percent Of Adults In Each Case Stating... Intend To Travel To/Within Ontario | | | |
|-----------------|----------|---|-------------------|-------------------|--------------------|
| | | As Of Nov. '03 | | As of Feb. '04 | |
| | | During Dec/Feb | During Mar/May | During Mar/May | During June/Aug |
| Buffalo | % | 25 | 24 | 29 | 36 |
| Rochester | % | 22 | 22 | 23 | 37 |
| Syracuse | % | 10 | 11 | 17 | 26 |
| New York City | % | 6 | 10 | 9 | 14 |
| Pittsburgh | % | 8 | 19 | 8 | 18 |
| Detroit | % | 15 | 22 | 20 | 27 |
| Cleveland | % | 6 | 16 | 18 | 26 |
| Boston | % | 2 | 10 | 3 | 9 |
| Columbus | % | 6 | 7 | 6 | 4 |
| Washington DC | % | 2 | 9 | 9 | 10 |
| Cincinnati | % | 2 | 3 | 6 | 14 |
| Milwaukee | % | 3 | 5 | 3 | 6 |
| Indianapolis | % | 2 | 2 | 6 | 14 |
| Chicago | % | 3 | 5 | 2 | 10 |
| Philadelphia | % | 5 | 9 | 9 | 11 |
| Minneapolis | % | 2 | 4 | 5 | 9 |
| TOTAL US | % | 6 | 9 | 8 | 12 |

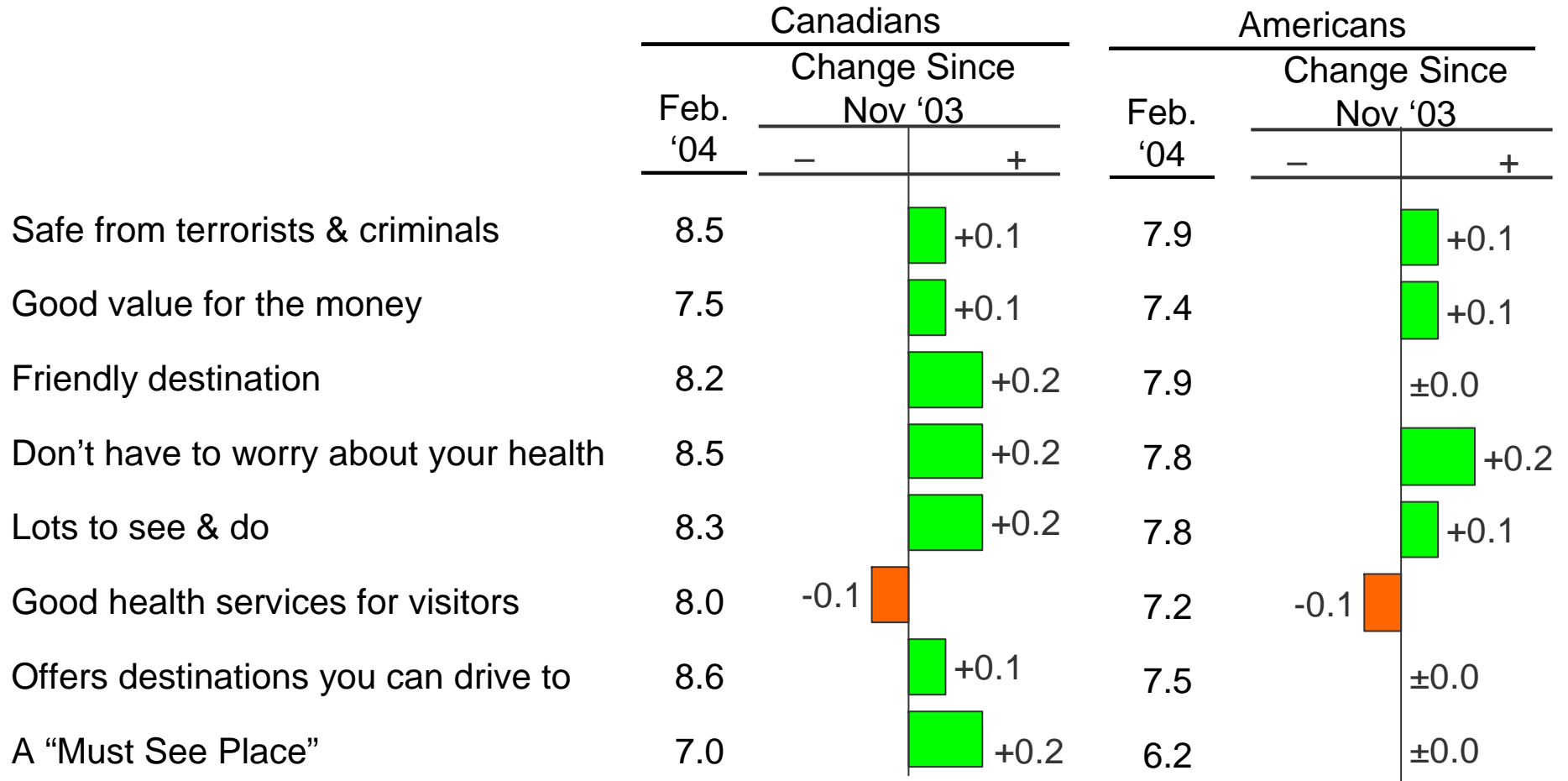
Perceptions Of Ontario As Travel Destination



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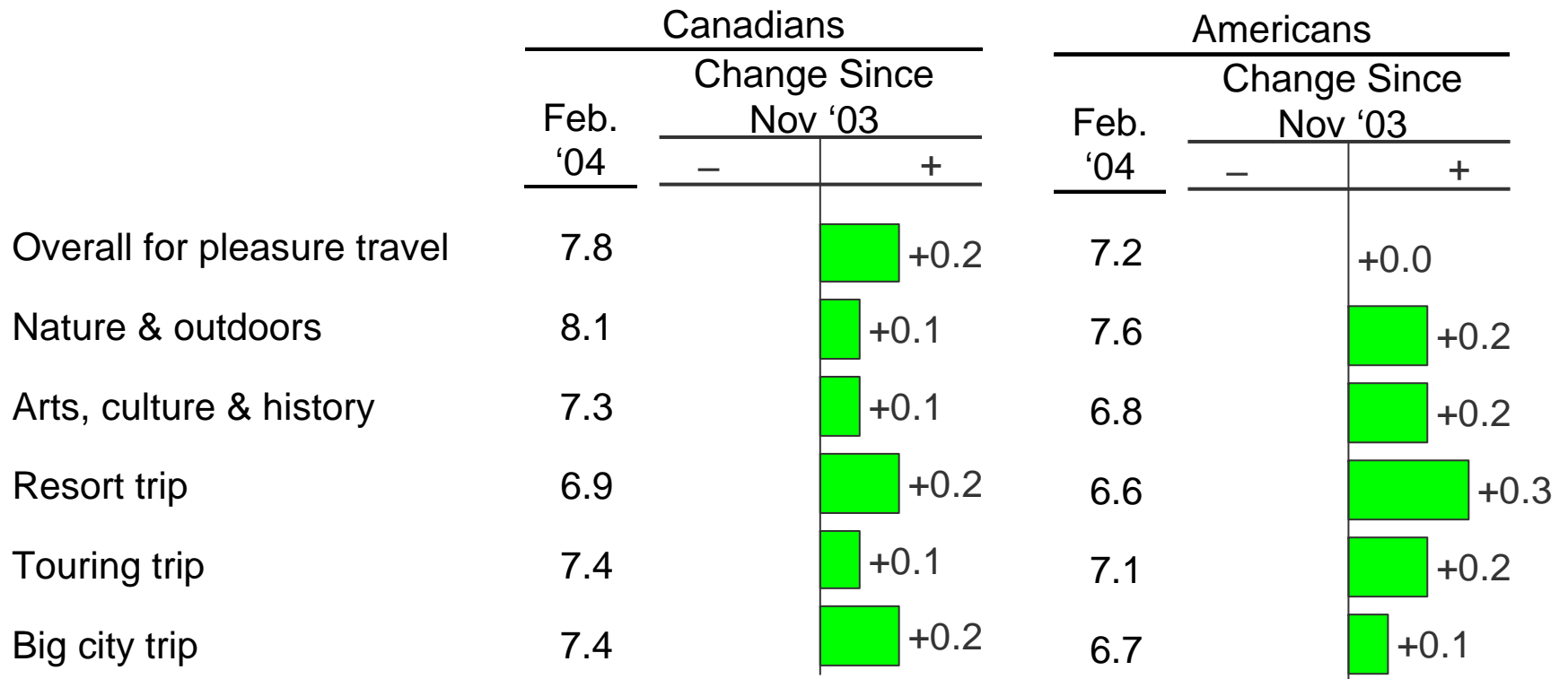
Ontario Imagery Ratings

Average on 10-point scale among travellers













Ontario Ratings For Trip Types

Average on 10-point scale among travellers



Toronto Ratings For Trip Types

Average on 10-point scale among travellers

| | Canadians | | | Americans | | |
|--|-----------|----------------------|---|-----------|----------------------|---|
| | Feb. '04 | Change Since Nov '03 | | Feb. '04 | Change Since Nov '03 | |
| | | - | + | | - | + |
| Overall rating | 7.5 | ±0.0 | | 7.5 | +0.2 |  |
| Family vacation | 6.9 | +0.2 |  | 7.1 | +0.1 |  |
| Shopping, restaurants, nightlife | 8.1 | ±0.0 | | 7.6 | +0.1 |  |
| Arts, culture & history | 7.8 | +0.1 |  | 7.4 | +0.1 |  |
| Strolling around to see buildings/sights | 7.4 | +0.1 |  | 7.2 | +0.1 |  |
| "Must See" destination | 7.5 | +0.2 |  | 6.9 | +0.1 |  |

Summary And Implications



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Conclusions and Implications

- There is little evidence that Ontario travel intentions pertaining to the Spring season have improved over the past few months.
 - This despite the fact that Spring travel plans are likely to have been better formulated at the time of the February wave.
- However, it is clear that there is momentum going into the peak summer season particularly within the US source markets.
 - This highlights a need to remove any perceptual barriers to Ontario travel in order to take full advantage of this seasonal buoyancy.

Conclusions and Implications (Cont'd)

- Negative events continue to act as a drag on travel to Ontario.
 - The residual impact of SARS on Toronto continues to be felt.
 - But there is evidence that the SARS effects on other major Ontario destinations such as Niagara Falls are beginning to dissipate.
- On the other hand, terrorism alerts and the potential for terrorists activity may be growing in significance, at least in relative terms.
- In response to this, more Americans may be staying closer to home or, in some cases, eliminating overnight pleasure travel entirely.
 - All out-of-state travel destinations are likely to be affected by this response, Ontario included.

Conclusions and Implications (Cont'd)

- Turning to perceptions and imagery, the situation has basically been static over the past three months whether one turns to Ontario in general, or Toronto specifically.
- This means that....
 - Ontario remains somewhat dependent on its reputation for nature and the outdoors, despite the fact that the tourism offering is much broader than this (Toronto, Niagara?)
 - Value for the money impressions remain suppressed.
 - Americans continue to question accessibility to quality health services if needed.
 - Toronto continues to project a fairly subdued image for a large urban destination, particularly in the US, and, in general, Ontario stimulates little passion as a potential travel destination.

Conclusions and Implications (Cont'd)

- What are the marketing implications of the foregoing?
- There remains a need to stimulate more enthusiasm for travelling to/within Ontario.
- To demonstrate that it offers a varied and evolving product capable of delivering “new” tourism experiences even to repeat visitors.

Conclusions and Implications (Cont'd)

- There is also evidence that a differentiated approach should be adopted when executing the marketing strategy, with initiatives geared to the needs of specific destinations or products, and to the nature of the barriers and demands that exist in specific source markets.



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