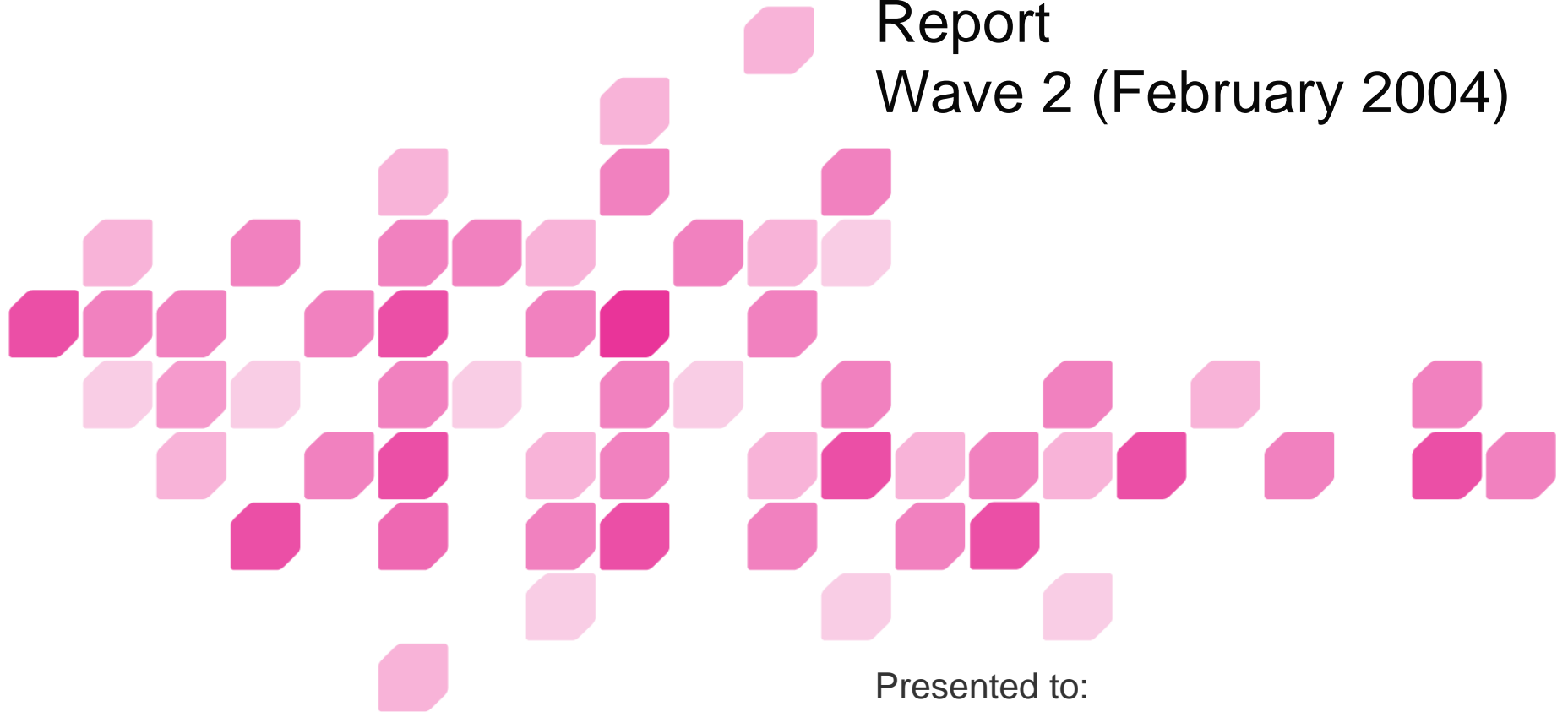


Travel Intentions Study Report Wave 2 (February 2004)



Presented to:

Ontario Ministry Of Tourism And Recreation
Ontario Tourism Marketing Partnership

March 29, 2004

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Travel Intentions Study Wave 2 (February '04)



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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 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.

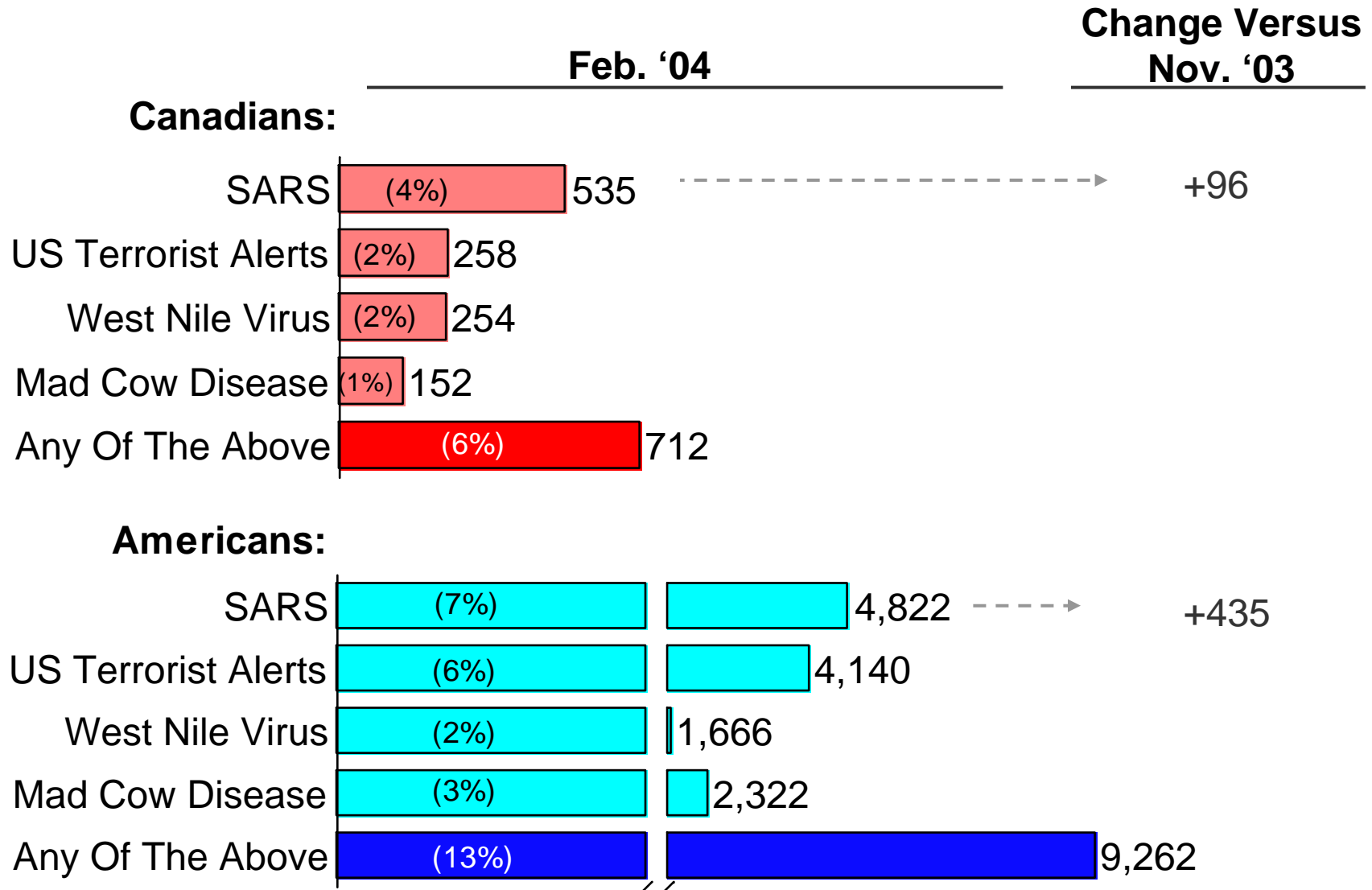
Presentation Outline

- Impact Of Negative Events
- Market By Market Variation In SARS Impact
- Market By Market Variation In Impact Of US Terrorism Alerts
- Size Of The Travel Pool
- Travel Intentions
- Variation In Ontario Travel Intentions By Specific Source Markets
- Nature Of Travel To/Within Ontario
- Overall Impressions Of Ontario As Travel Destination
- Pleasure Destination Selection Criteria
- Perceptions Of Ontario As Travel Destination
- Perceptions Of Toronto As Travel Destination
- The Conan O'Brien Initiative
- Summary And Implications

Impact Of Negative Events

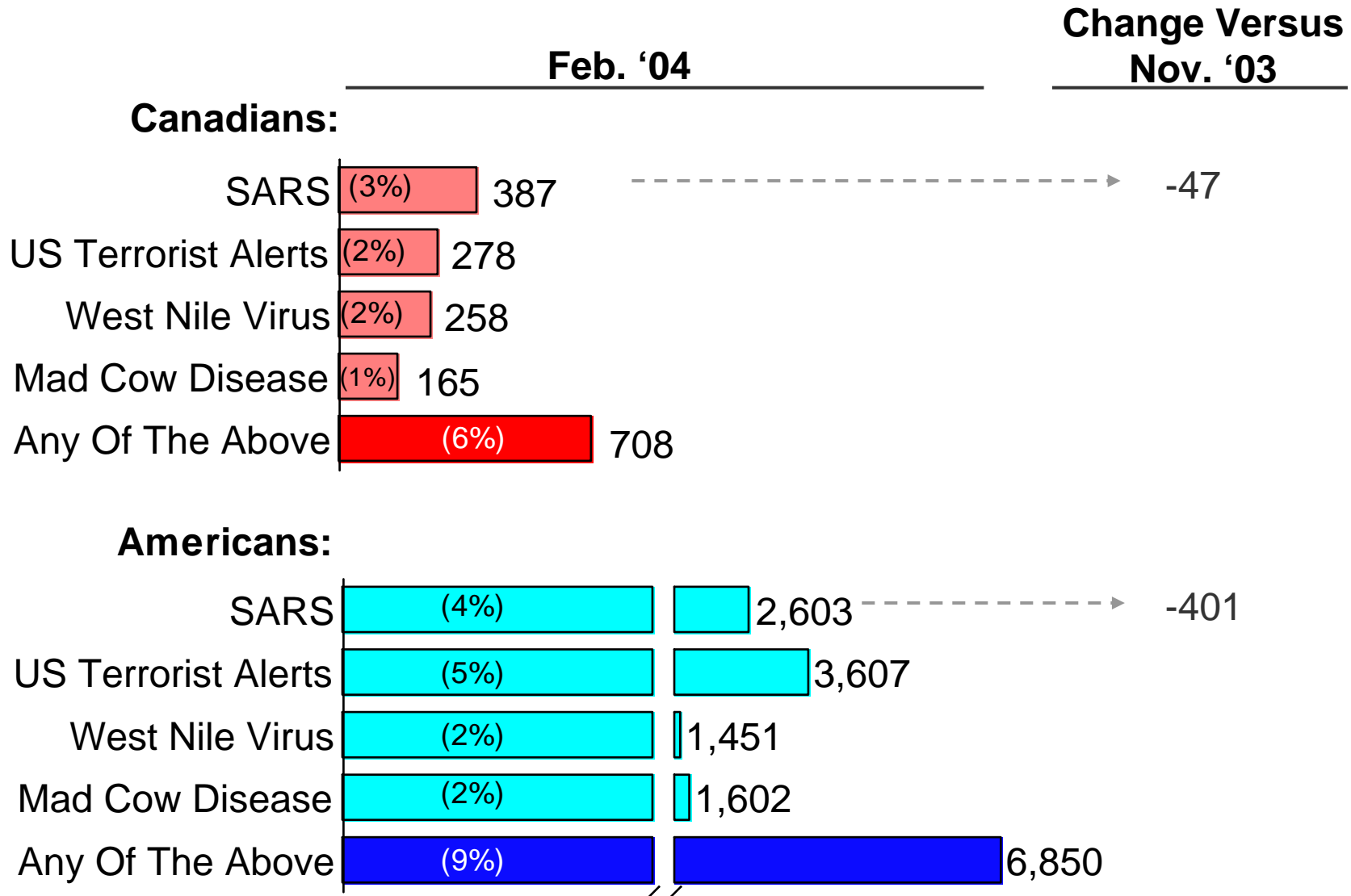
Effect Of Negative Events On Toronto Travel To May Of 2004

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



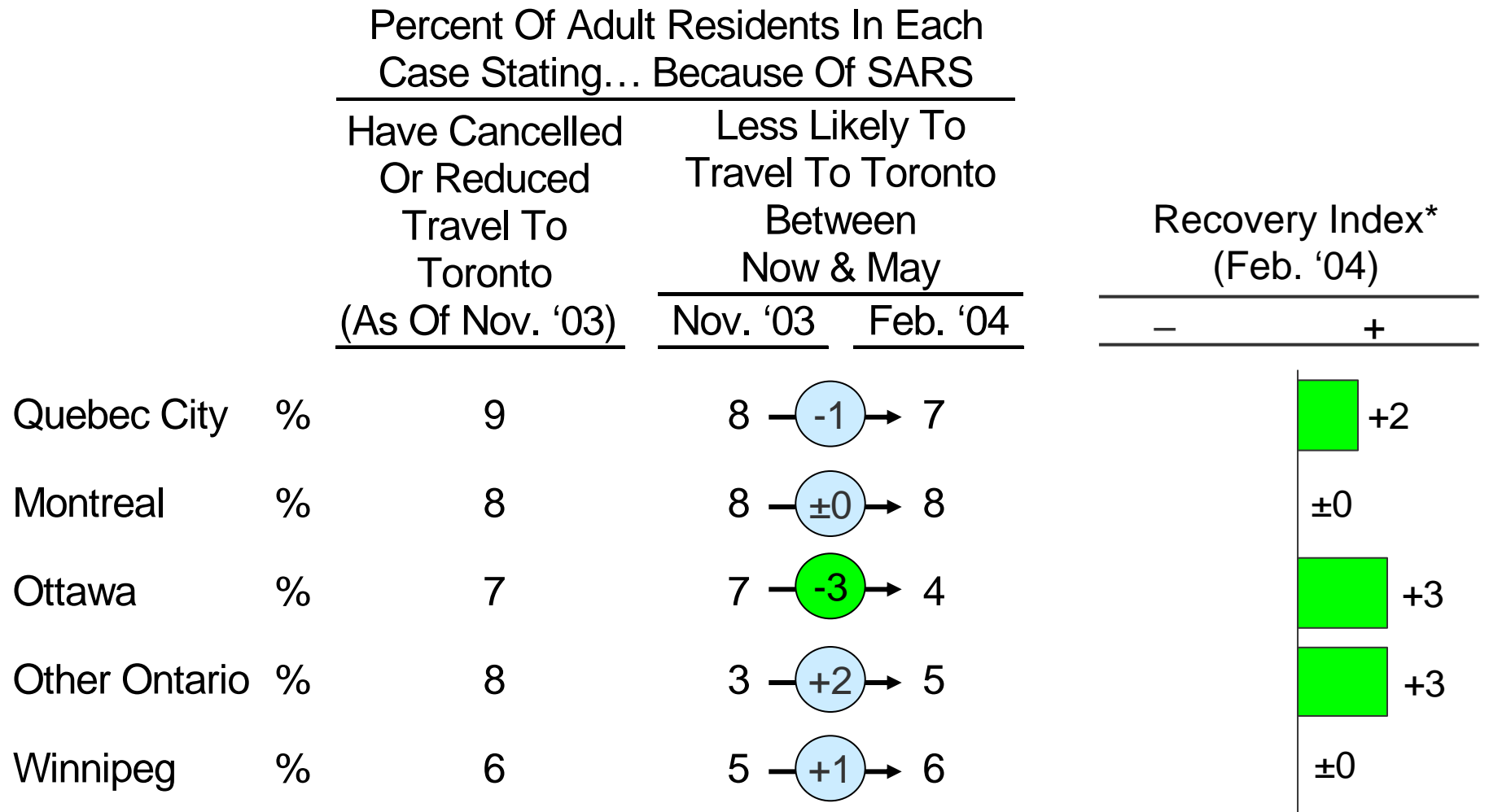
Effect Of Negative Events On Niagara Falls Travel To May Of 2004

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



Market By Market Variation In SARS Impact

Canadian Geographic Variation In SARS Impact On Toronto



*Less likely in Feb. — have cancelled in Nov.

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

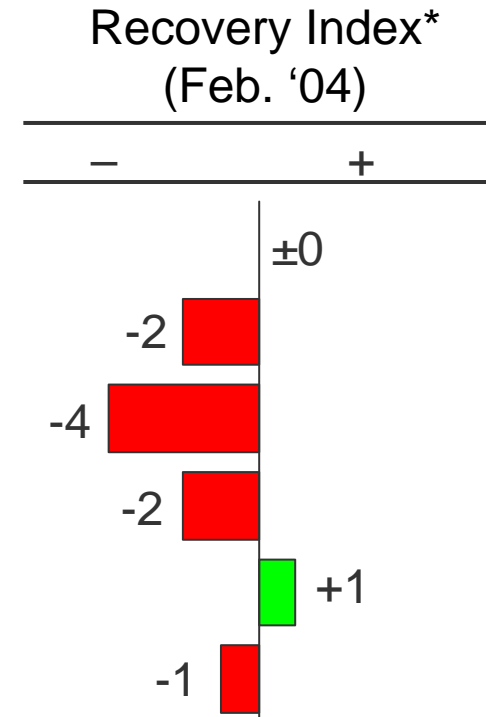
† Less than 0.5%.

*Less likely in Feb. — have cancelled in Nov.

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



*Less likely in Feb. — have cancelled in Nov.

US Geographic Variation In SARS Impact On Niagara Falls

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

		Have Cancelled Or Reduced Travel To NF (As Of Nov. '03)	Less Likely To Travel To NF Between Now & May		Recovery Index (Feb. '04)*
			Nov. '03	Feb. '04	
Buffalo	%	8	5	3	+5
Rochester	%	6	5 → -3	2	+4
Syracuse	%	6	6	4	+2
New York City	%	5	6 → -3	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 → -4	1	+2
Cincinnati	%	2	2	1	+1
Milwaukee	%	2	7 → -5	2	±0
Indianapolis	%	1	3 → -3	-	+1
Chicago	%	1	3	5	-4
Philadelphia	%	1	8 → -5	3	-2
Minneapolis	%	-	1	2	-2

*Less likely in Feb. — have cancelled in Nov.

Market By Market Variation In Impact Of US Terrorism Alerts



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Canadian Geographic Variation In Impact Of US Terrorism Alerts on Specific Ontario Destinations

Percent Of Adult Residents In Each Case Stating Less Likely To Travel To... Between Now and May Because Of US Terrorist Alerts (Feb. '04)

		Toronto	Niagara Falls	Elsewhere In Ontario
Quebec City	%	4	4	2
Montreal	%	4	2	1
Ottawa	%	2	1	2
Toronto	%	n/a	3	2
Other Ontario	%	2	2	2
Winnipeg	%	4	2	2
TOTAL CANADA	%	3*	2	2

* ex-Toronto residents

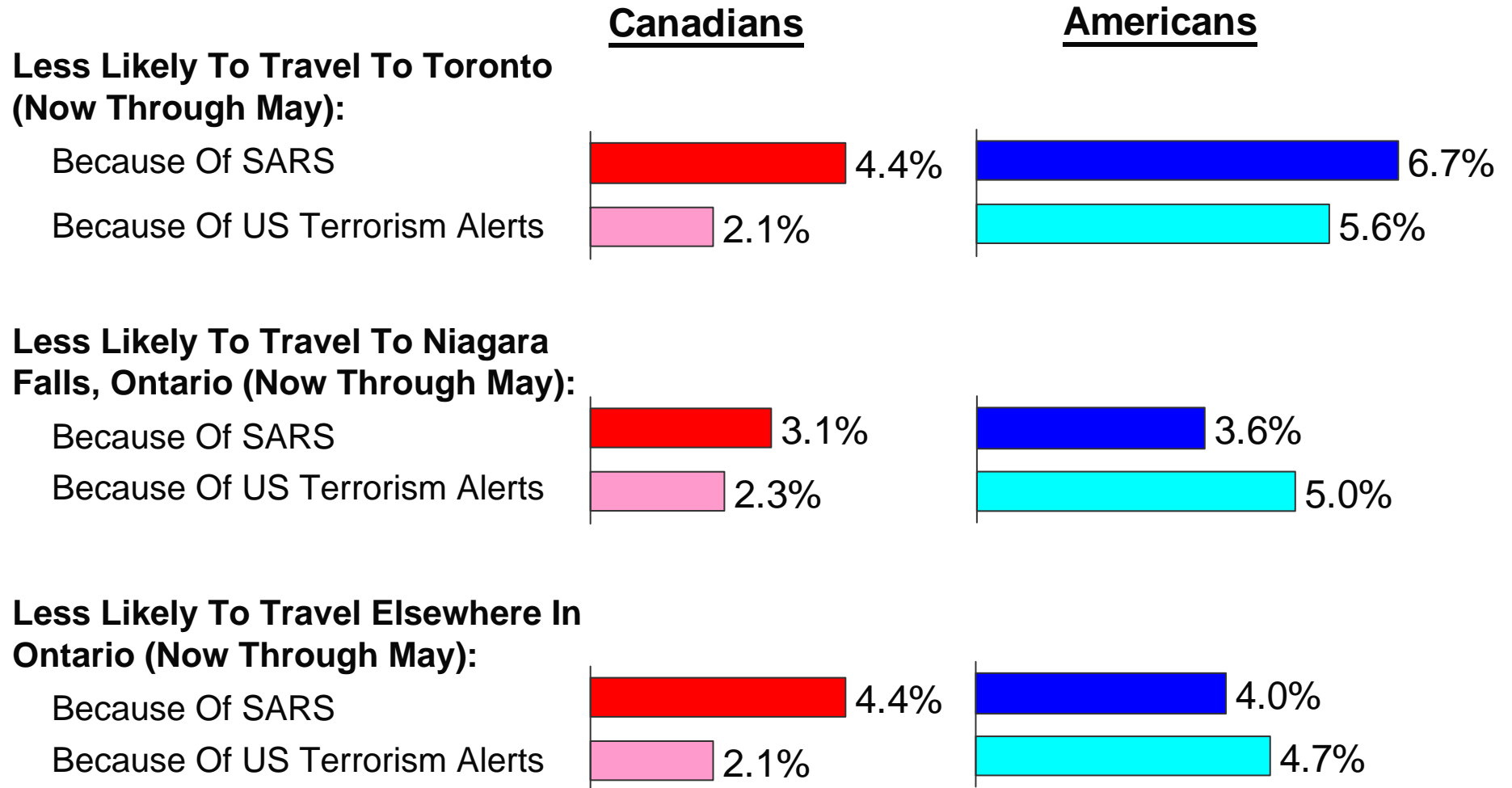
US Geographic Variation In Impact Of US Terrorism Alerts on Specific Ontario Destinations

Percent Of Adult Residents In Each Case Stating Less Likely To Travel To... Between Now and May Because Of US Terrorist Alerts (Feb. '04)

		Toronto	Niagara Falls	Elsewhere In Ontario
Buffalo	%	4	2	2
Rochester	%	4	2	3
Syracuse	%	4	6	4
New York City	%	5	5	5
Pittsburgh	%	4	4	3
Detroit	%	6	6	5
Cleveland	%	5	6	5
Boston	%	4	4	4
Columbus	%	9	5	5
Washington DC	%	6	5	3
Cincinnati	%	8	3	5
Milwaukee	%	3	3	3
Indianapolis	%	7	9	8
Chicago	%	7	5	4
Philadelphia	%	5	4	4
Minneapolis	%	3	5	3
TOTAL US	%	6	5	5

Relative Impact Of SARS and Terrorism In Canada And U.S.

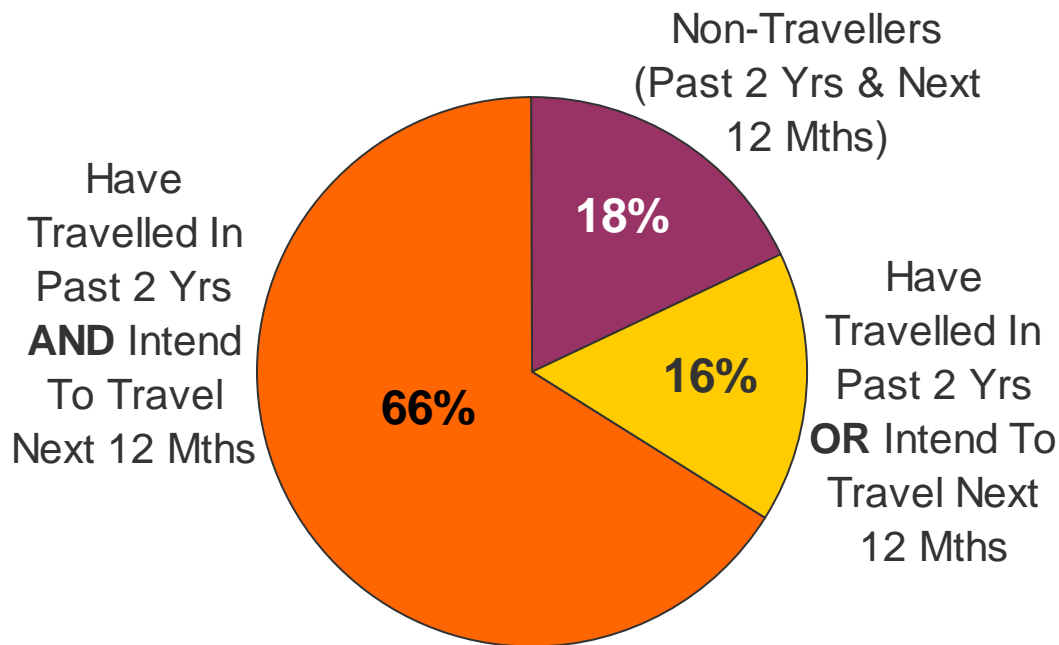
Percent of adults in each country



Size Of The Travel Pool

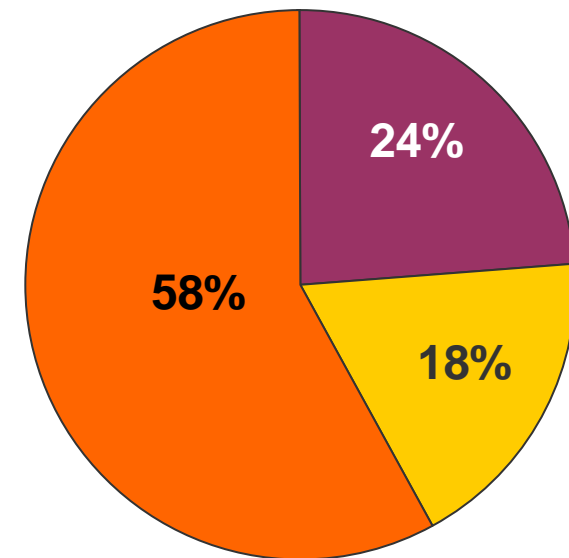
Size Of The Overnight Traveller Pool — Feb. '04

Americans



**Total Population
Of Overnight Travellers = 59,572,000**

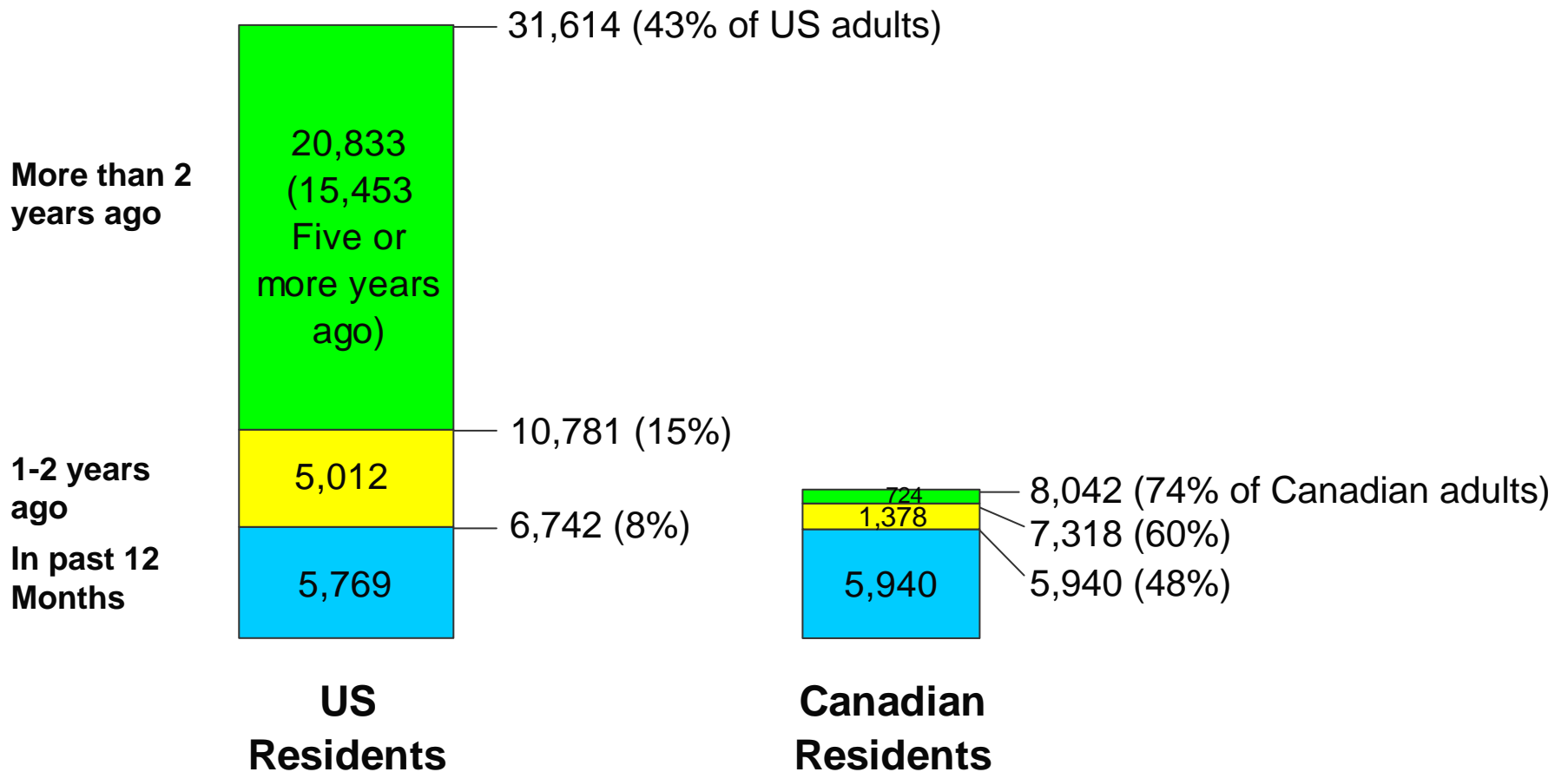
Canadians



**Total Population
Of Overnight Travellers = 9,396,000**

Last Trip To/Within Ontario

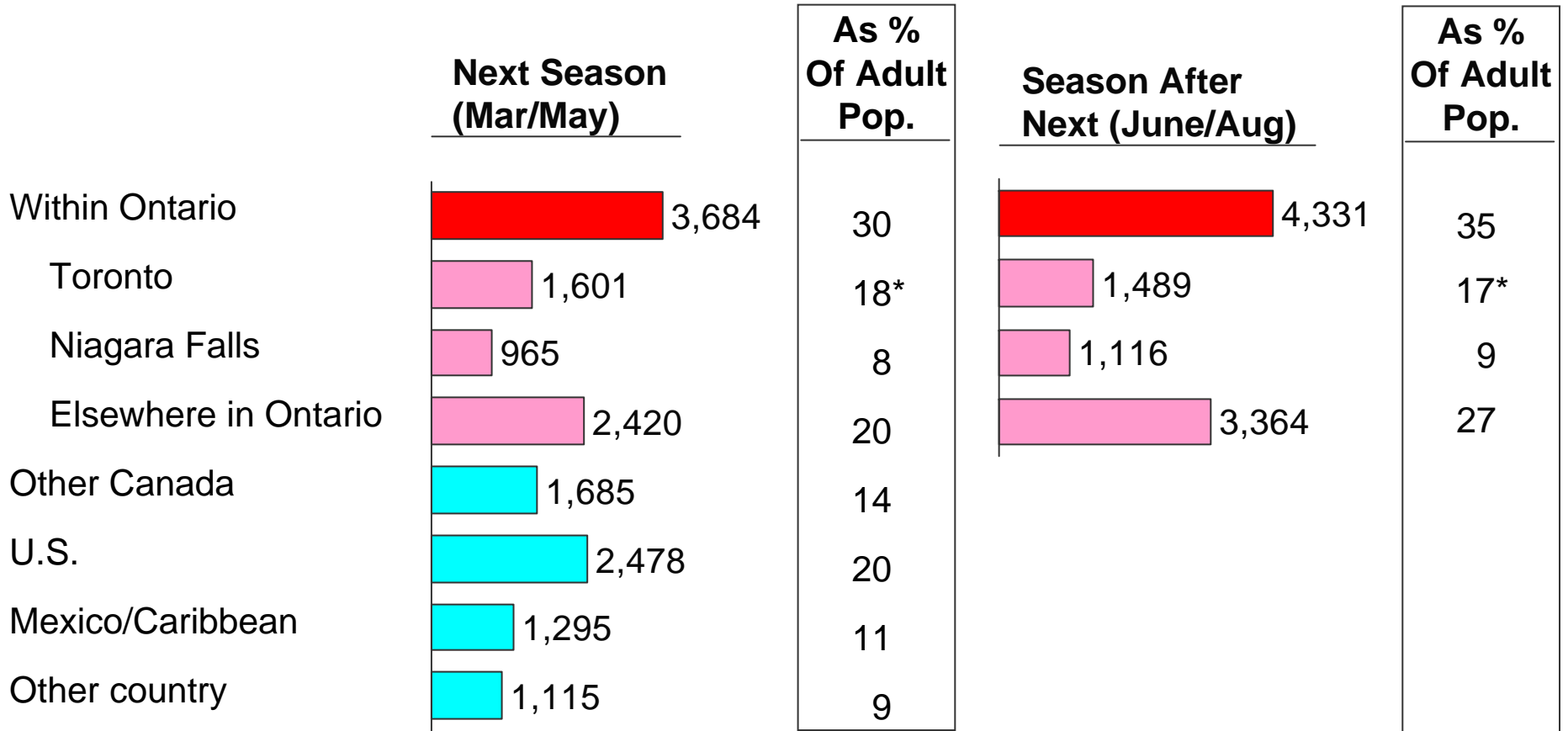
Number of adults in each region (thousands) — Feb. '04



Travel Intentions

Intended Travel Patterns Of Canadian Residents

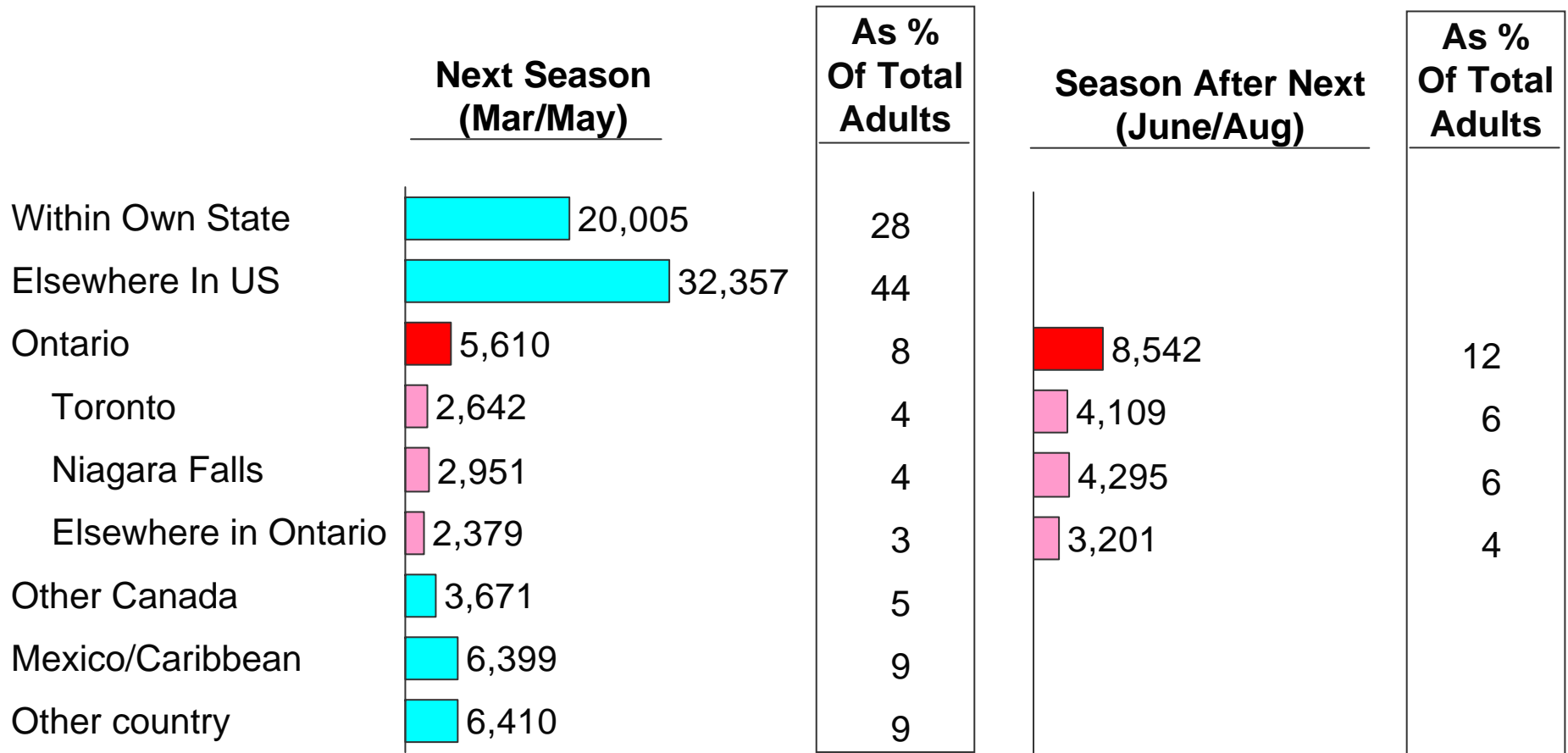
Number of adults claiming overnight trip (thousands) — Feb. '04



* Among Toronto non-residents

Intended Travel Patterns Of US Residents

Number of adults claiming overnight trip (thousands) — Feb. '04



Variation In Ontario Travel Intentions By Specific Source Markets

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

Nature Of Travel To/Within Ontario

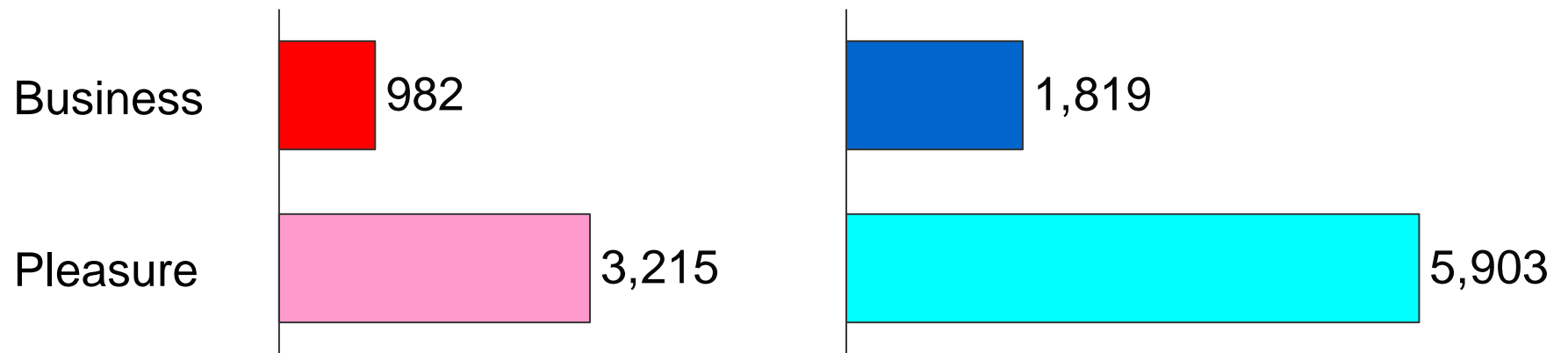
Trip Volume For Spring Season (Mar/May) By Purpose

Number of overnight trips (thousands)

Canadians

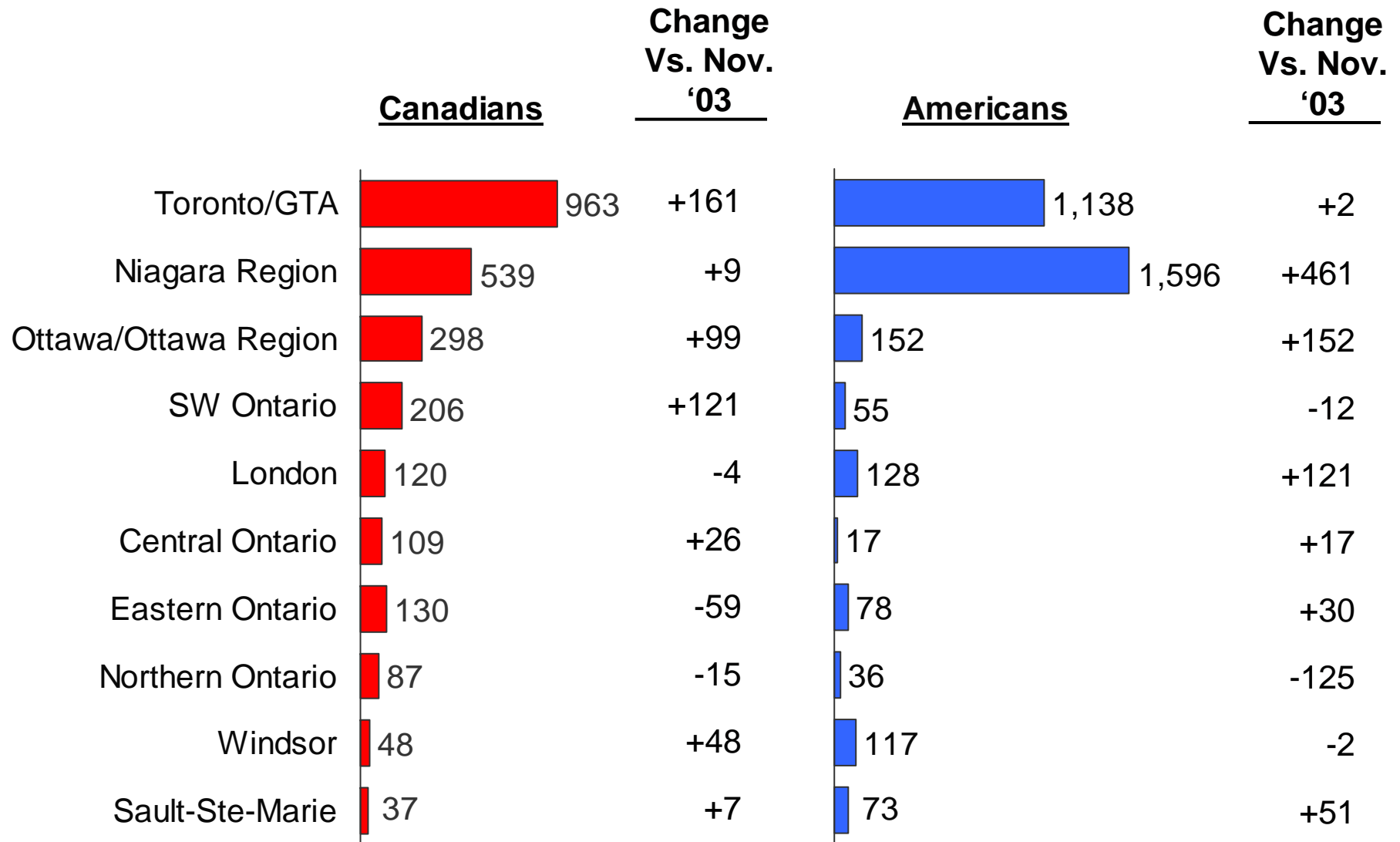
Americans

Ontario Travel:



Destination Of Next Overnight Pleasure Trip To/Within Ontario (as of Feb. '04)

Number of individuals who intend to travel to each destination (thousands)



Overall Impressions Of Ontario As Travel Destination

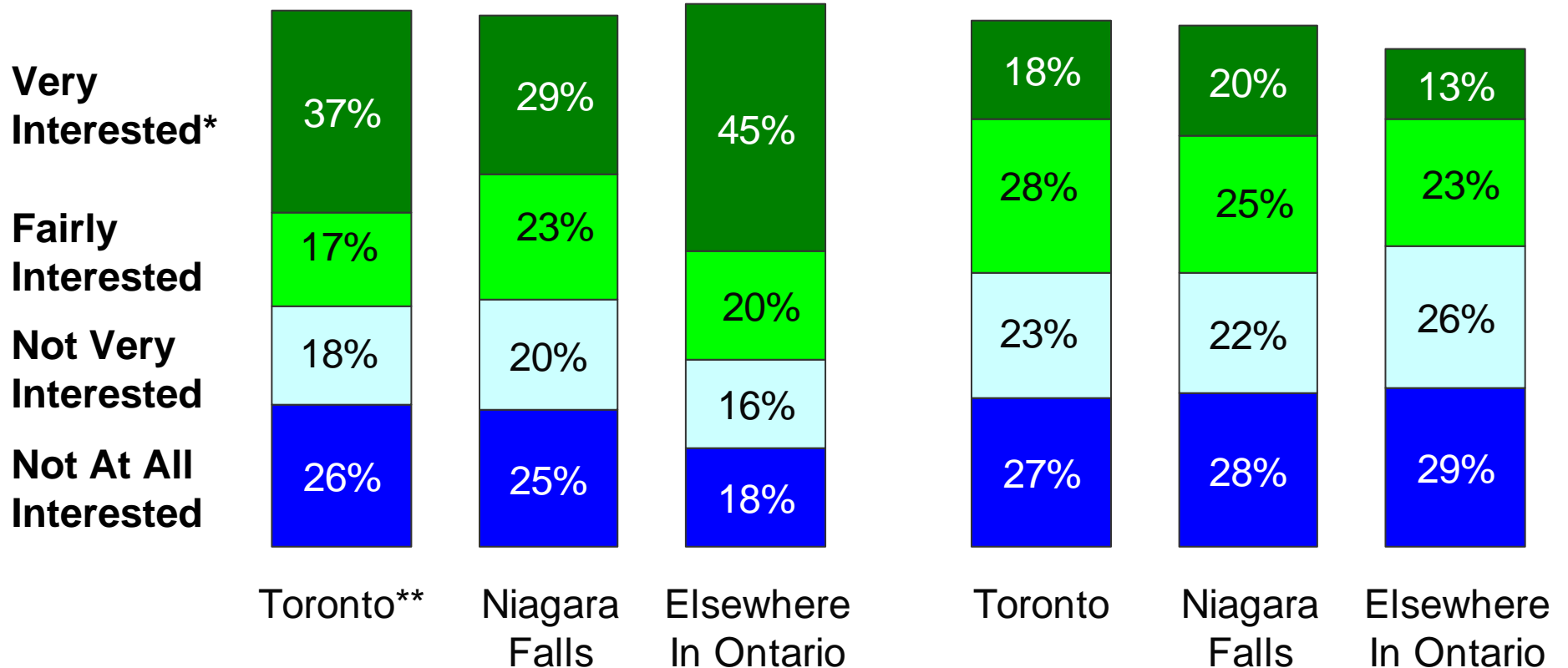


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Interest In Travelling To Specific Ontario Destinations In Next 2 Years

Among Canadians (Feb. '04)

Among Americans (Feb. '04)



* Including intended travellers Mar/Aug

** Excluding Toronto residents

Overall Rating Of Ontario Relative To Ideal

TOP 10 "IDEAL" TRAVEL DESTINATIONS

Among Ontarians

Among Quebecers

Among Americans

Australia 9%	France 10%	Hawaii 9%
Italy 6%	Greece 7%	Australia 6%
Hawaii 5%	Paris 7%	Paris 5%
Europe 4%	Italy 5%	Italy 4%
UK 4%	Europe 5%	Rome 4%
Paris 3%	Australia 4%	Ireland 4%
London 3%	Spain 3%	Alaska 3%
Greece 2%	Rome 3%	NF, Ont. 3%
Caribbean 2%	China 3%	Jamaica 2%
Egypt 2%	Hawaii 3%	Germany 2%

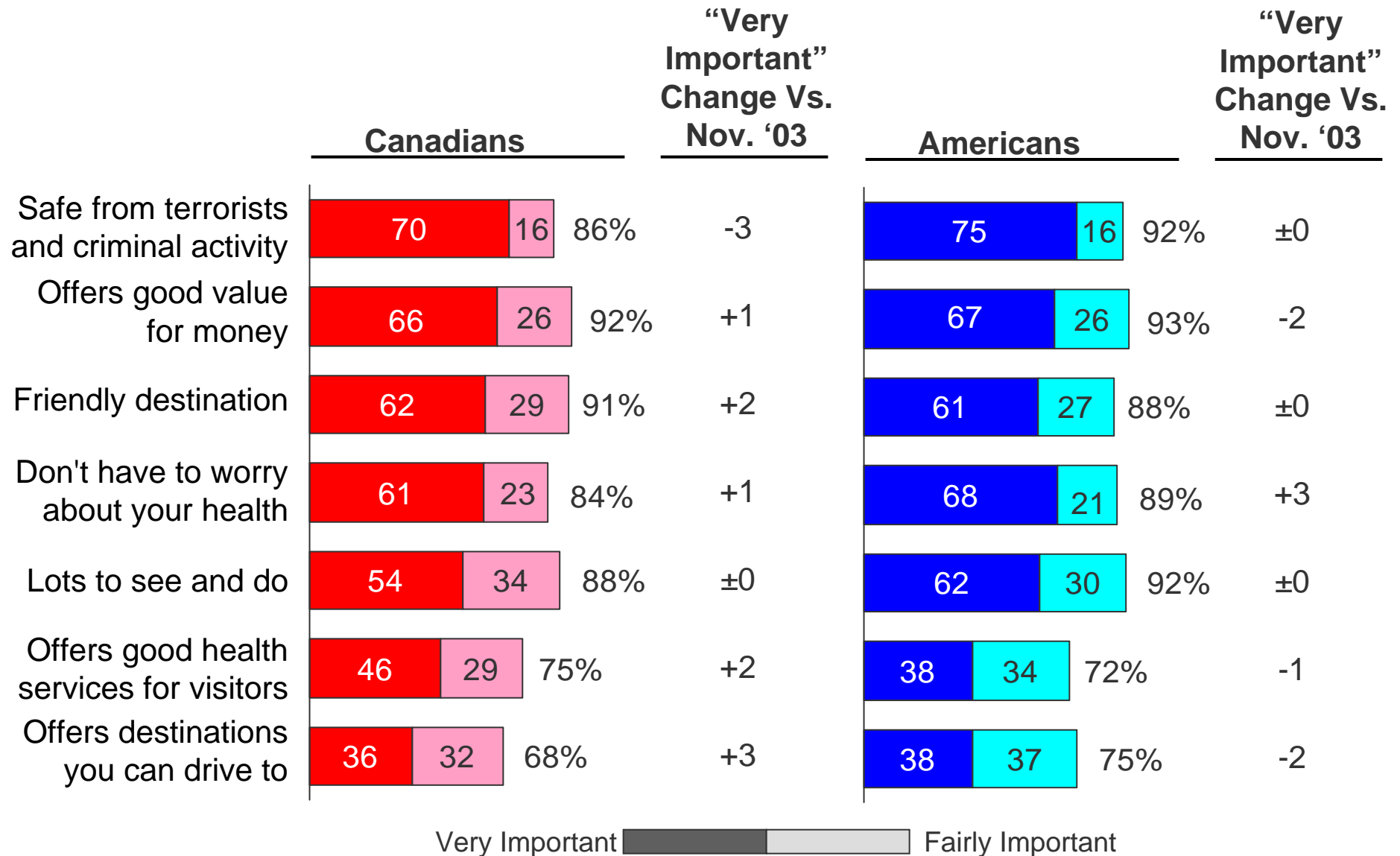
Overall Rating Of Ontario (Average On 10-Point Scale)

	Comparison To Ideal "Must See" Destination	Overall Rating For Pleasure Travel
Among Past/Intended Travellers:		
Americans	6.2	7.2
Ontario Residents	7.5	8.5
Quebec Residents	5.7	6.9
Winnipeg Residents	6.1	6.9

Pleasure Destination Selection Criteria

Importance Of Various Factors In Selecting A Pleasure Travel Destination

Percent of past 2 year/next 12-month travellers



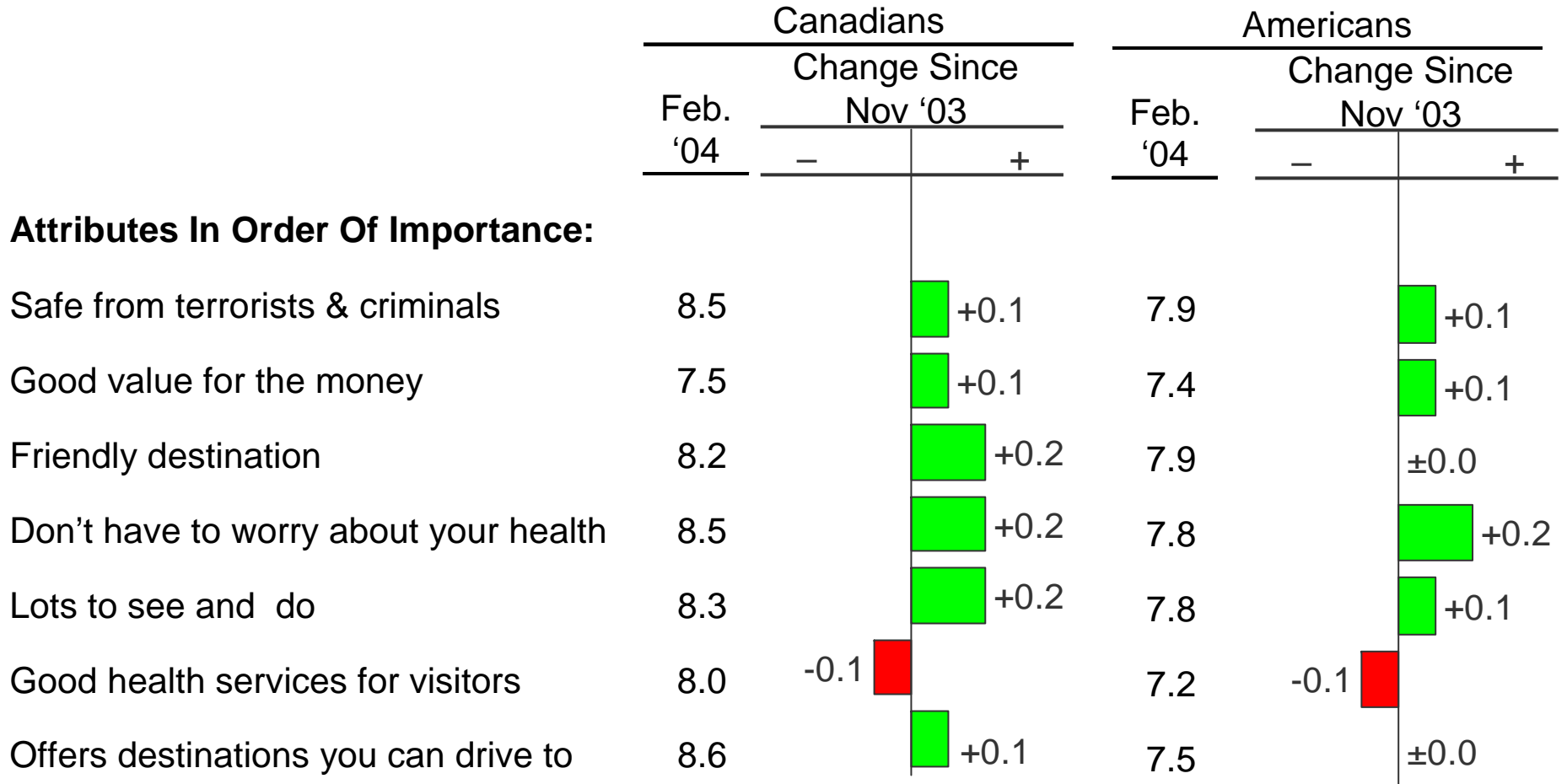
Perceptions Of Ontario As A Travel Destination



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Ontario Imagery Ratings

Average on 10-point scale among travellers



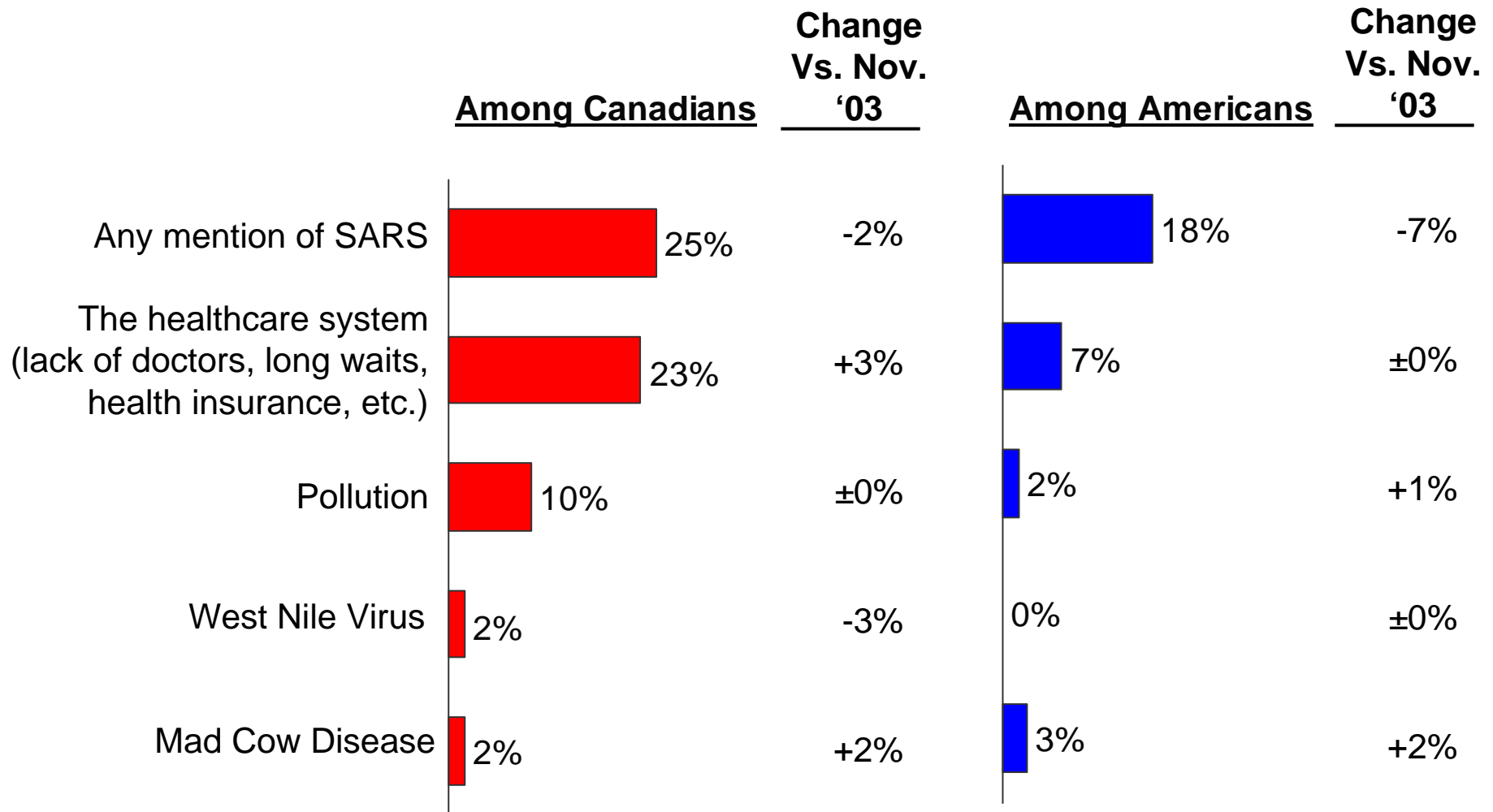
Ontario Imagery Ratings By American Experience With The Province

Average on 10-point scale among travellers

	Americans Who Have Been To Ontario In Past 2 Years	Americans Aware Who Have Not Been To Ontario	Difference In Favor Of Visitors
Attributes In Order Of Importance:			
Safe from terrorists & criminals	8.3	7.7	+0.6
Good value for the money	8.2	6.8	+1.4
Friendly destination	8.5	7.6	+0.9
Don't have to worry about your health	8.2	7.4	+0.8
Lots to see and do	8.4	7.4	+1.0
Good health services for visitors	7.6	7.0	+0.6
Offers destinations you can drive to	8.3	7.0	+1.3











Volunteered Health Issues Associated With Ontario

Percent of those who rate Ontario 7 or lower as a destination where you don't have to worry about your health



Ontario 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	
		-	+		-	+
Nature & outdoors	8.1		+0.1	7.6		+0.2
Touring trip	7.4		+0.1	7.1		+0.2
Big city trip	7.4		+0.2	6.7		+0.1
Arts, culture & history	7.3		+0.1	6.8		+0.2
Resort trip	6.9		+0.2	6.7		+0.3

Ontario Ratings For Trip Types By American Experience With The Province











Average on 10-point scale among travellers

	Americans Who Have Been To Ontario In Past 2 Years	Americans Aware Who Have Not Been To Ontario	Difference In Favor Of Visitors
Nature & outdoors	8.1	7.3	+0.8
Touring trip	7.6	6.7	+0.9
Big city trip	7.5	6.2	+1.3
Arts, culture & history	7.4	6.4	+1.0
Resort trip	7.0	6.4	+0.6

Perceptions Of Toronto As A Travel Destination

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	
		-	+		-	+
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
Family vacation	6.9		+0.2	7.1		+0.1
Overall rating	7.5		±0.0	7.5		+0.2
"Must See" destination	7.5		+0.2	6.9		+0.1

Toronto Ratings For Trip Types By American Experience With The City

Average on 10-point scale among travellers

	Americans Who Have Been To Toronto In Past 2 Years	Americans Aware Who Have Not Been To Toronto	Difference In Favor Of Visitors
Shopping, restaurants, nightlife	8.4	7.1	+1.3
Arts, culture & history	8.1	6.9	+1.2
Strolling around to see buildings/sights	7.8	6.9	+0.9
Family vacation	7.6	6.8	+0.8
Overall rating	8.1	6.9	+1.2
“Must See” destination	7.7	6.5	+1.2

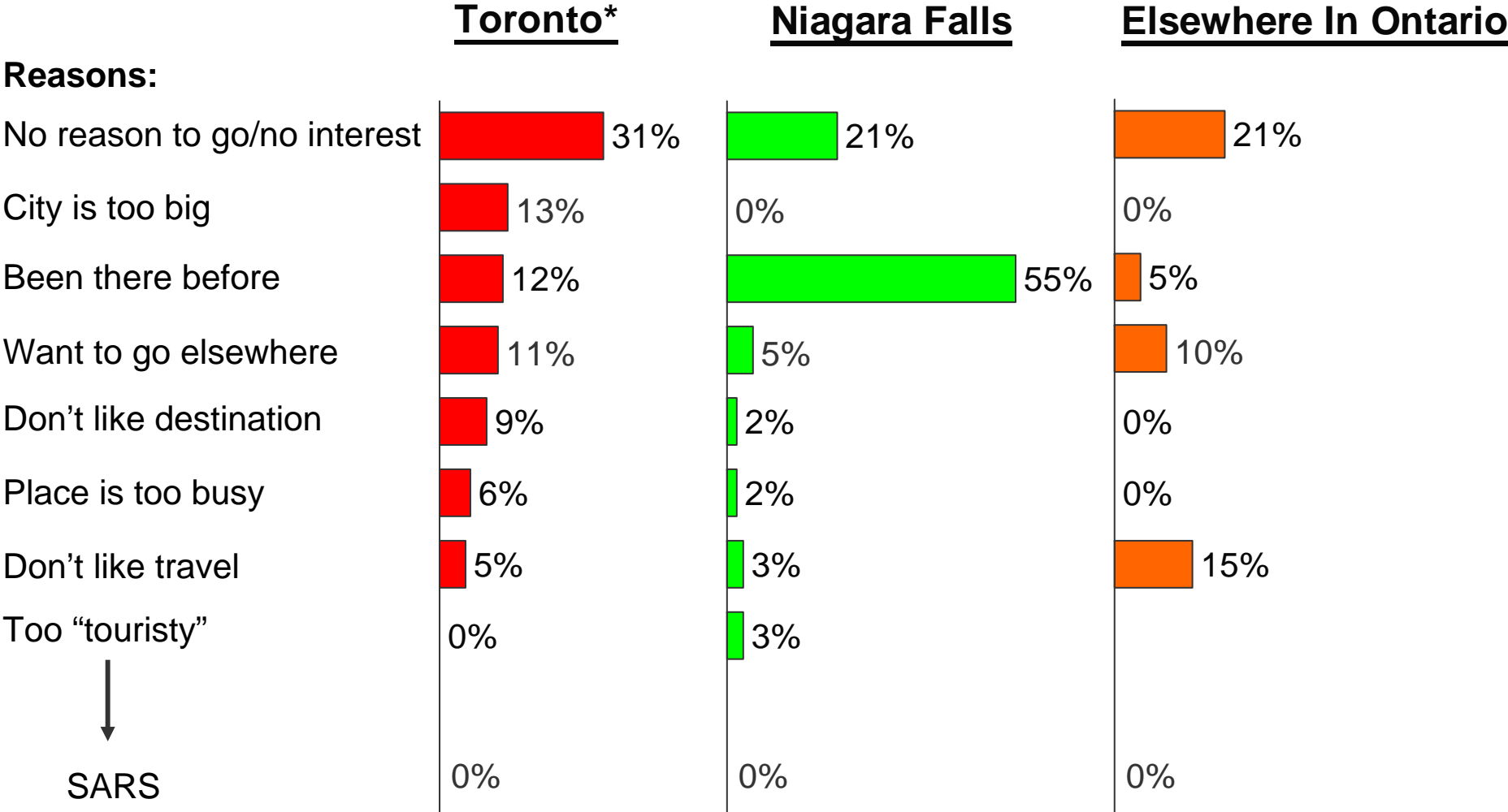
Volunteered Barriers To OntarioTravel



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Reasons For Lack Of Interest In Specific Ontario Destinations

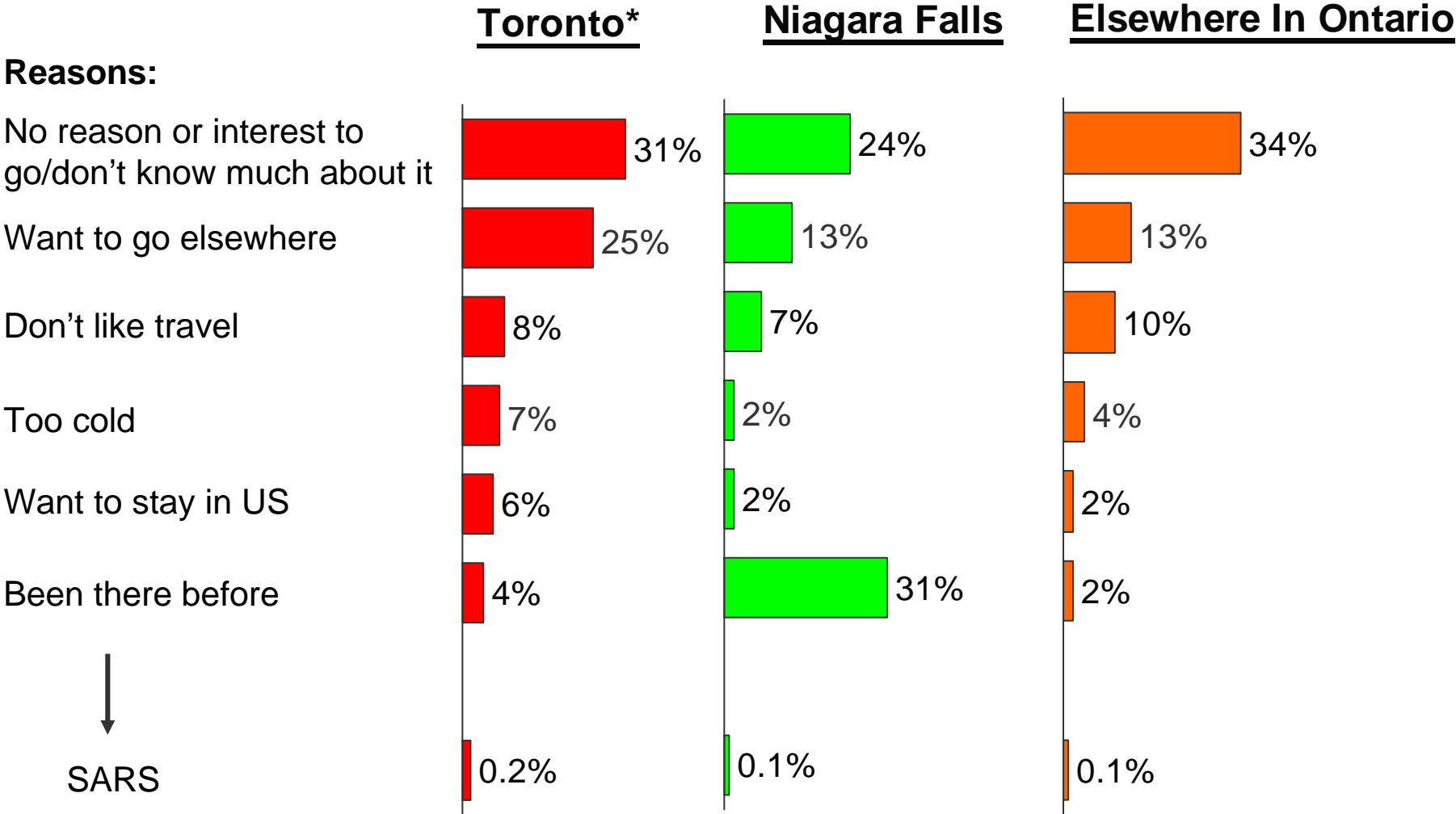
Among Canadians with little/no interest in visiting (Feb. '04)



* Excluding Toronto residents

Reasons For Lack Of Interest In Specific Ontario Destinations

Among Americans with little/no interest in visiting (Feb. '04)



* Excluding Toronto residents

The Conan O'Brien Initiative

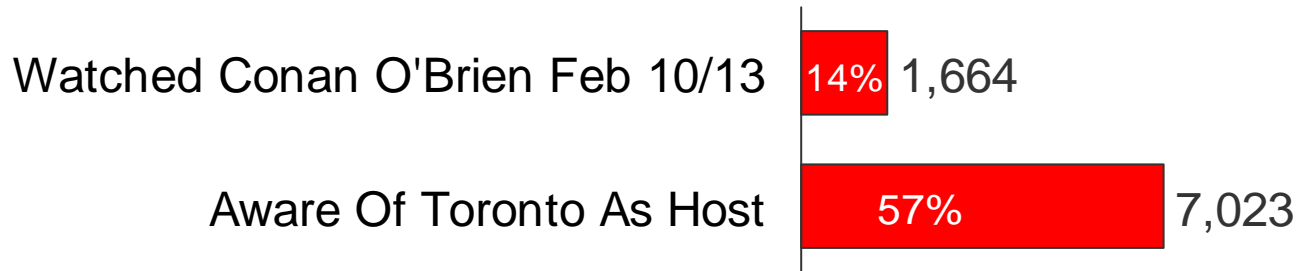


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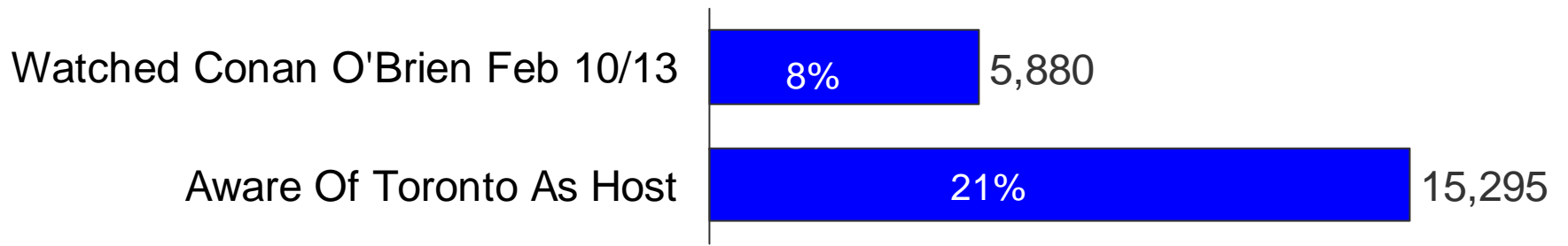
Exposure To Conan O'Brien Feb 10/13

Number of adults 18 years+ (thousands)

Canadians:



Americans:



Impact Of Conan On Toronto Interest/Intentions

	Percent Of Those Who...		Difference In Favor Of Viewers
	Aware Of Toronto As Host %	Not Aware Of Toronto As Host %	
Canadians:			
Overall rating of Toronto as travel destination positive (8/10)	66	45	+21
Intend to visit Toronto Mar/Aug	20	7	+13
Americans:			
Overall rating of Toronto as travel destination positive (8/10)	64	50	+14
Intend to visit Toronto Mar/Aug	16	7	+9

Summary And Implications

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 focuses on 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..

Conclusions and Implications (Cont'd)

- 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.
- Ontario and Toronto have weak image profiles among Americans in the key source markets who have never visited.

Conclusions and Implications (Cont'd)

What are the marketing implications of the foregoing?

“One off” initiatives such as sponsoring the Conan O’Brien show can have a positive effect.

But such initiatives should be imbedded in a broader marketing plan with long term goals and strategic objectives.

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)

...This will likely mean focusing some attention on a range of specific products or offerings.

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 linked to the nature of the barriers and demands that exist in specific source markets.

Apart from creative packaging and pricing of product, efforts directed toward enhancing impressions of the range, quality and distinctiveness of the Ontario tourism offering should go some way toward helping boost value impressions.

Conclusions and Implications (Cont'd)

For Americans particularly, terrorism concerns should be addressed, at least obliquely, by underlining impressions of Ontario as...

- A safe and friendly destination;
- A destination that offers great tourism experiences within easy driving distance;
- Offering much more than nature and the outdoors.

Americans may also need reassurance that they will have access to quality healthcare if needed. This is in keeping with the theme of promoting Ontario as an enticing but low-risk destination.



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