

# Travel Intentions Study Report Wave 7 (February 2006)

Michael Ennamorato



Presented to:

Ontario Ministry Of Tourism And Recreation  
Ontario Tourism Marketing Partnership Corp.

March 31, 2006

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# Background

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- 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 other marketing initiatives.

# Methodology

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- Interviewing was conducted by telephone among individuals 18 years or older.
- The survey for this seventh wave was essentially confined to the month of February, 2006.
- 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)

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- 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 7</u>
<b>Canada:</b>		
Toronto CMA	400	402
Ottawa CMA	200	201
Hamilton CMA	80	82
Ontario 100 – 499M	180	200
Ontario 30 – 99M	80	75
Ontario 10 – 29M	60	60
Ontario under 10M	100	106
Montreal CMA	300	315
Quebec City CMA	200	224
Winnipeg CMA	300	313

# Methodology (Cont'd)

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	<u>Assigned</u>	<u>Achieved In Wave 7</u>
<b>United States:</b>		
Rochester MSA	300	374
Buffalo — Niagara Falls MSA	300	334
Syracuse MSA	200	197
New York City PMSA	181	176
Nassau — Suffolk PMSA	43	41
Other NY State	87	62
Chicago PMSA	230	233
Other Illinois	70	66
Indianapolis MSA	90	80
Other Indiana	55	51
Boston NECMA	150	156
Mass. Ex-Boston	31	33

# Methodology (Cont'd)

	<u>Assigned</u>	<u>Achieved In Wave 7</u>
<b>United States: (Cont'd)</b>		
Detroit PMSA	300	283
Northern Michigan PMSAs/MSAs	84	82
Other Michigan	64	59
Minneapolis—St. Paul UA	200	221
Other Minnesota	41	40
Cleveland—Lorain—Elyria PMSA	200	189
Cincinnati PMSA	100	115
Columbus MSA	104	102
Other Ohio	60	60
Pittsburgh MSA	300	311
Philadelphia PMSA	150	144
Other Pennsylvania	77	74
Milwaukee—Waukesha PMSA	200	198
Other Wisconsin	67	65
Washington DC PMSA	100	105
Maryland Ex. Washington DC	118	109

# Methodology (Cont'd)

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- In total, 5,938 interviews were completed:
  - 1,978 in Canada;
  - 3,960 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

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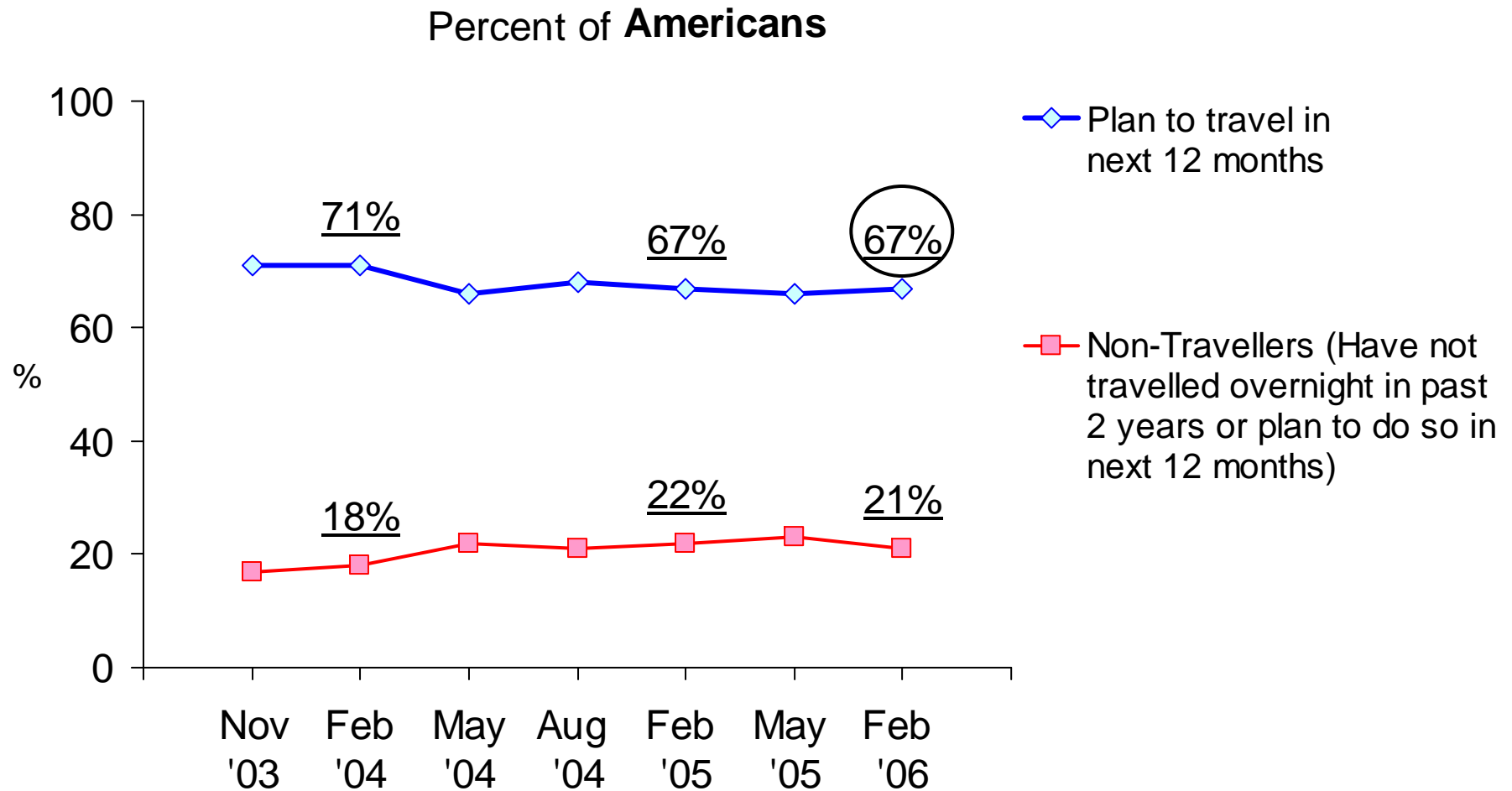
- Propensity To Travel and Trip Planning
- Travel Intention Details
  - Next Season and Season After Next
  - By Specific Source Market
  - By Trip Purpose
- Ontario Experience and Interest
- Perceptions Of Ontario

# Propensity To Travel & Trip Planning



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# Trend in General Travel Intentions and Propensity to Travel



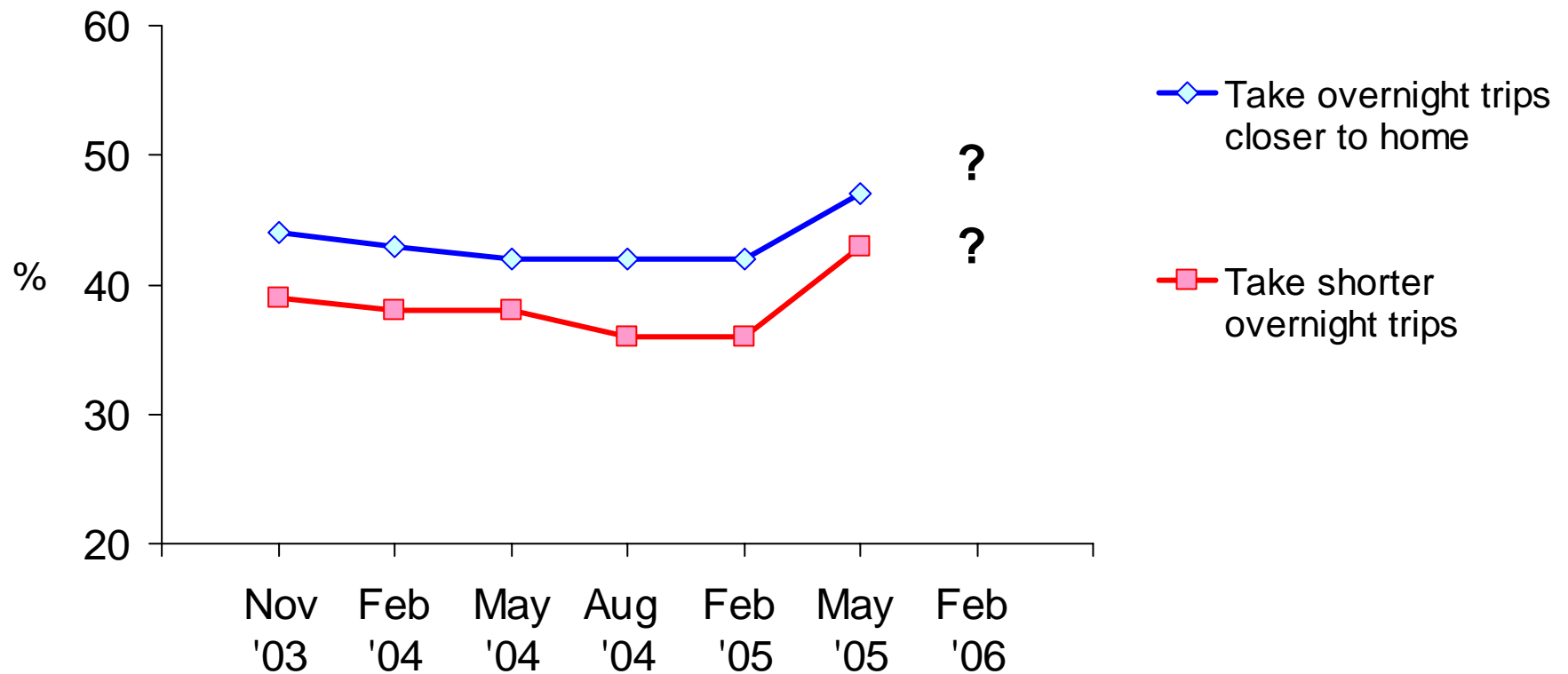
○ Significant lower than Feb. '04 at  $\alpha$  .05

Q. Are you considering taking an out-of-town trip of one or more nights away from home in the next 12 months?

Q. How, if at all, have your travel plans changed over the past two years? Are you inclined to... ?

# Trend in Duration and Distance of Overnight Trips

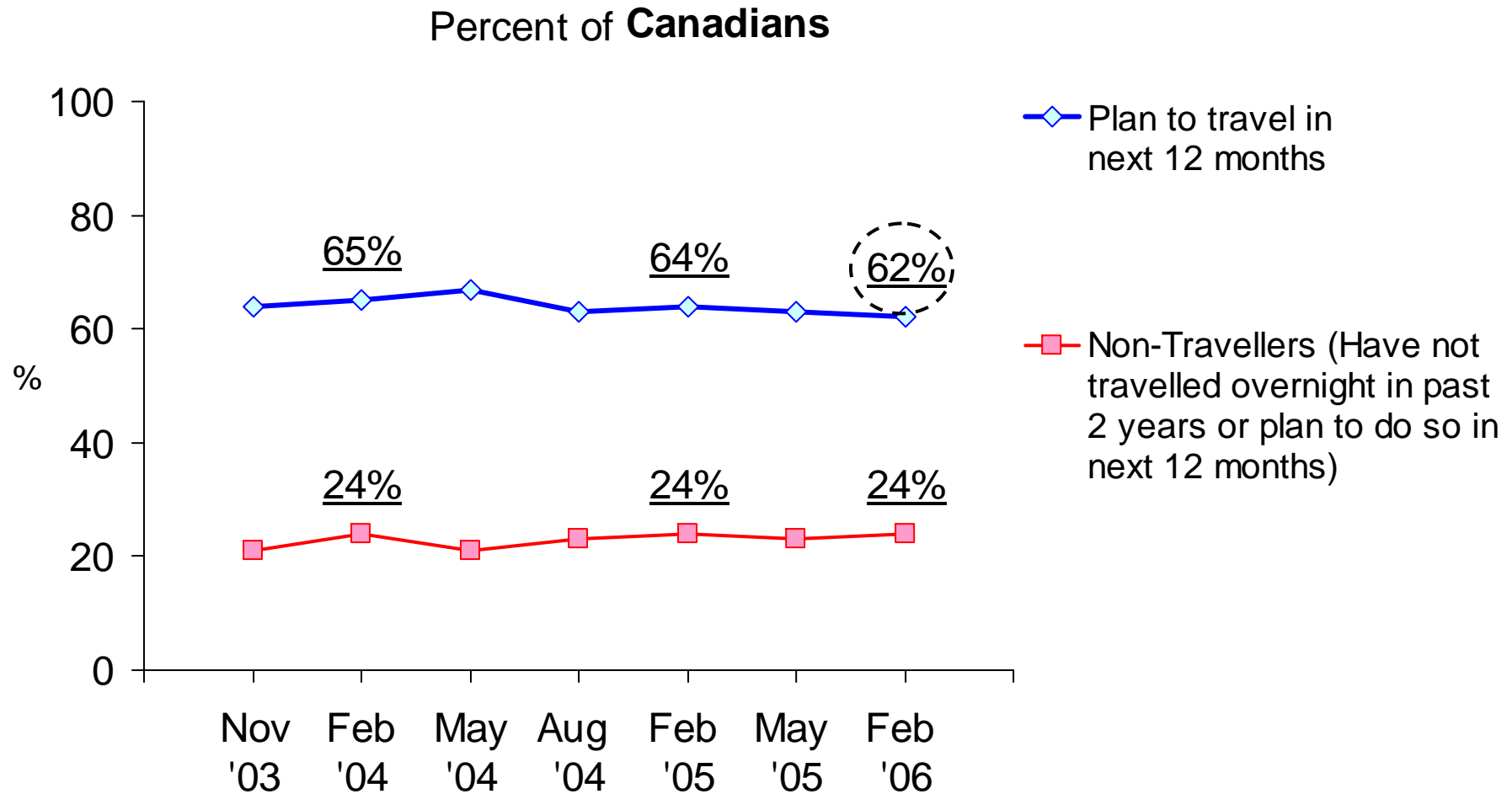
Percent of **American** travellers\*



\* Have taken an overnight trip in the past two years or will take one in the next 12 months.

Q. How, if at all, have your travel plans changed over the past two years? Are you inclined to... ?

# Trend in General Travel Intentions and Propensity to Travel



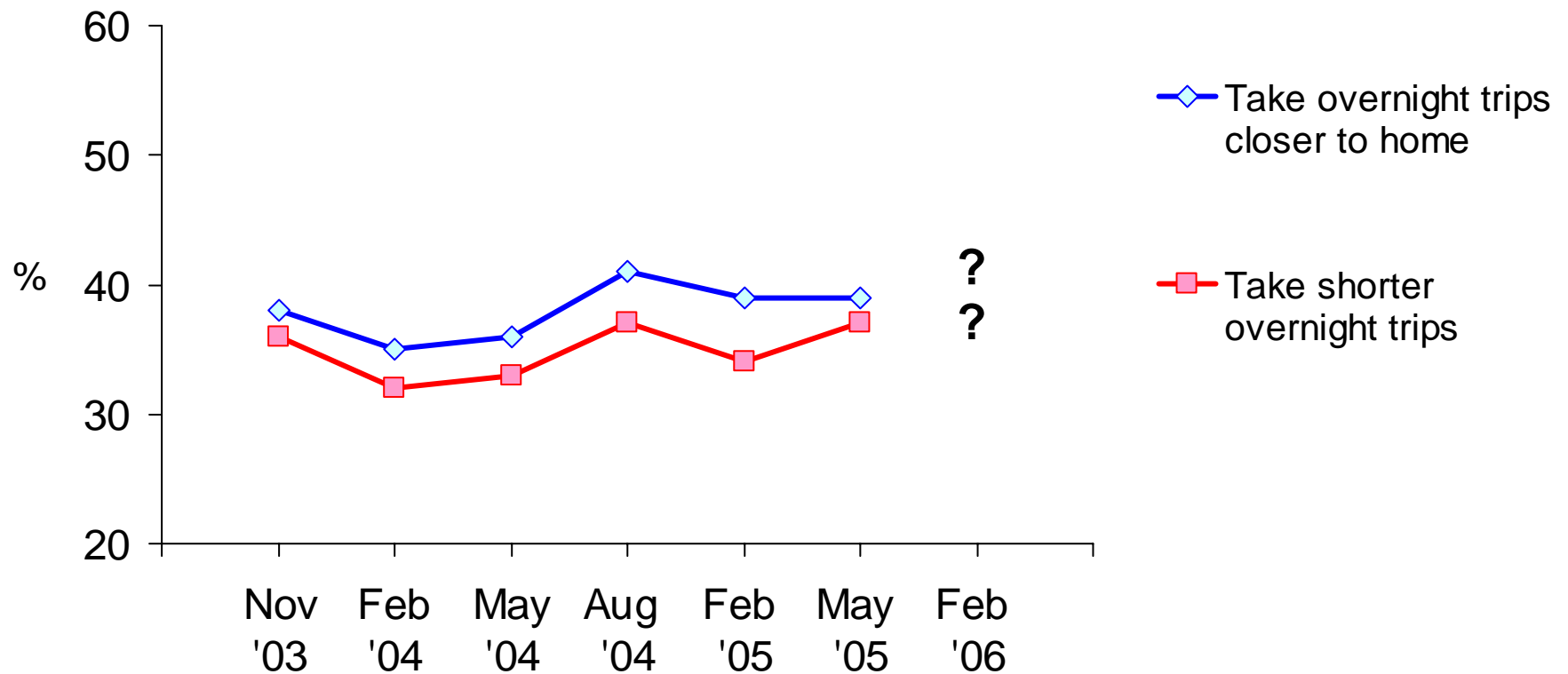
⊖ Significant lower than Feb. '04 at  $\alpha .10$

Q. Are you considering taking an out-of-town trip of one or more nights away from home in the next 12 months?

Q. How, if at all, have your travel plans changed over the past two years? Are you inclined to... ?

# Trend in Duration and Distance of Overnight Trips

Percent of **Canadian** travellers\*

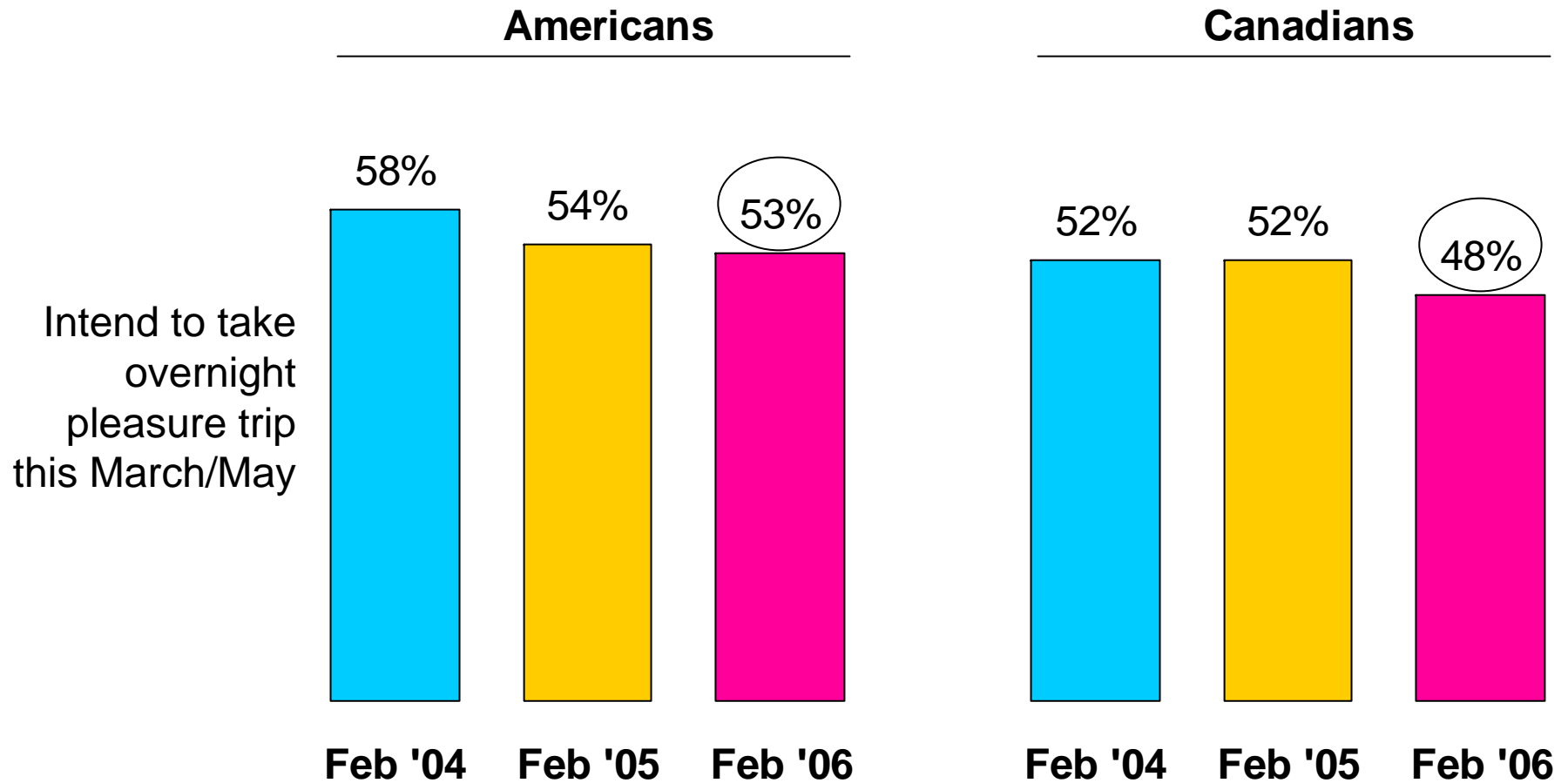


\* Have taken an overnight trip in the past two years or will take one in the next 12 months.

Q. How, if at all, have your travel plans changed over the past two years? Are you inclined to... ?

# Spring Travel Intentions (March/May)

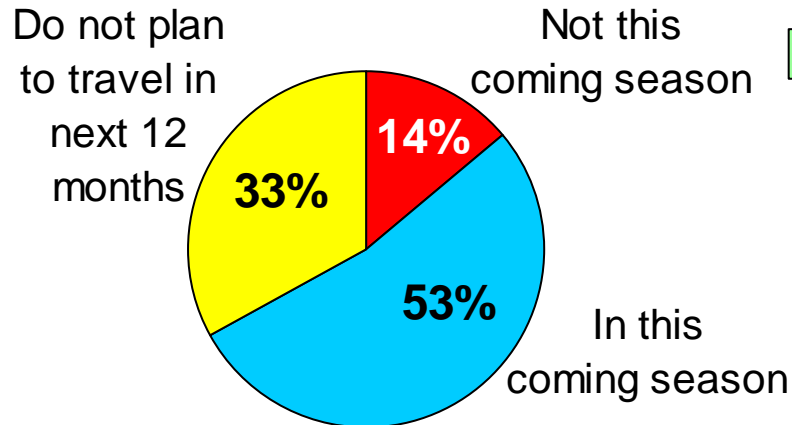
Percent of American and Canadian Adults



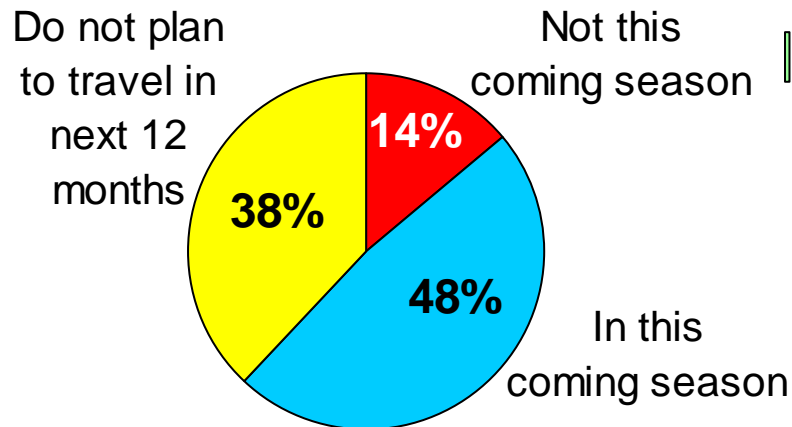
○ Significant change versus Feb. '04 at  $\alpha$  .05

# Rationale For Not Travelling This March/May

## Total American Adults



## Total Canadian Adults



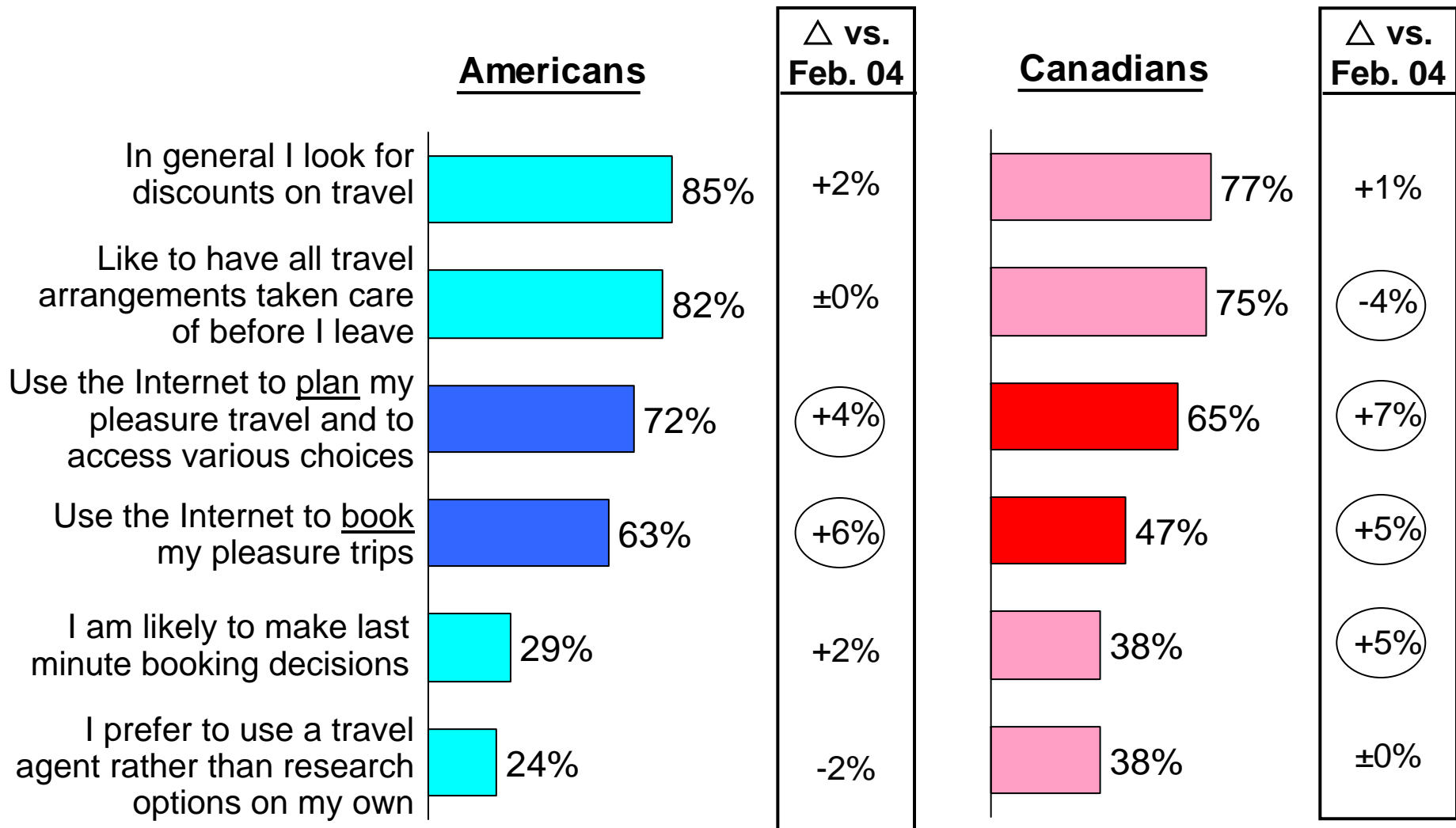
### Why not?\* ....

	<u>US</u>	<u>Canada</u>
Too busy	28%	29%
Financial reasons	19%	22%
Student/children in school	12%	4%
Not at this time of year	10%	6%
Family reasons	8%	5%
No vacation time	8%	13%
Just took a trip	3%	8%
Weather	3%	6%
Have other plans	3%	5%
No reason to	11%	6%

\*Based on response to open-ended question.

# Various Aspects Considered in Planning Process for Pleasure Travel

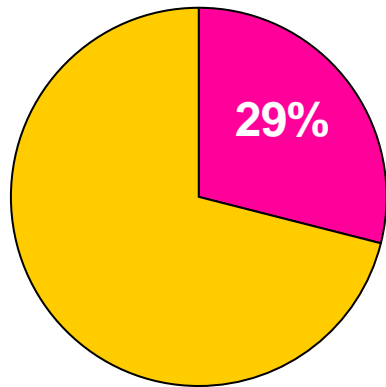
Percent of travellers — Feb '06



○ Statistically significant at 95% level of confidence.

# Rationale For Compressing Planning Process

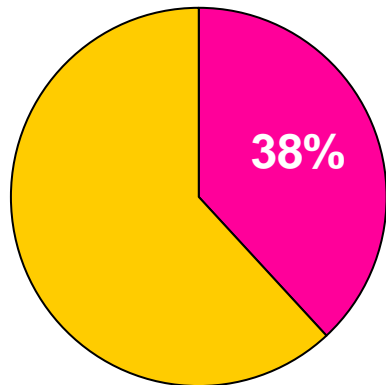
## American Travellers



Likely to make last minute booking decisions



## Canadian Travellers



Likely to make last minute booking decisions



Because* .....	US	Canada
Looking for best prices	74%	78%
Work schedule	73%	70%
Travel budget/ finances	72%	70%
Looking for best travel package	70%	73%
Check weather conditions	68%	70%
Lack of time earlier	64%	55%
Ensure safety from terrorism	59%	67%
Ensure no health risk	57%	66%

\*Based on response to prompted list.

# Travel Intention Details

# Intended Travel Patterns Of US Residents — Next Season

	Percent Of Total US Adults Stating Intend To Travel To ... March/May			Change 04 - 06 (Projected Number In Thousands)		△ As % Of Feb. '04 Projection
	Feb. '04 %	Feb. '05 %	Feb. '06 %	-	+	
Within Own State	28	24	23	-2,981		-15%
Elsewhere In US	44	42	41	-2,722		-8%
Ontario	8	6	6	-1,577		-28%
Toronto	4	3	3	-557		-21%
Niagara Falls	4	3	3	-968		-33%
Elsewhere in Ont.	3	3	3	-516		-22%
Other Canada	5	3	3	-1,495		-41%
Mexico/Caribbean	9	8	7	-1,115		-17%
Other Country	9	8	8	-525		-8%

Significant decrease versus Feb. '04 at  $\alpha$  .05

# Ontario Travel Intention Incidence By Specific US Market

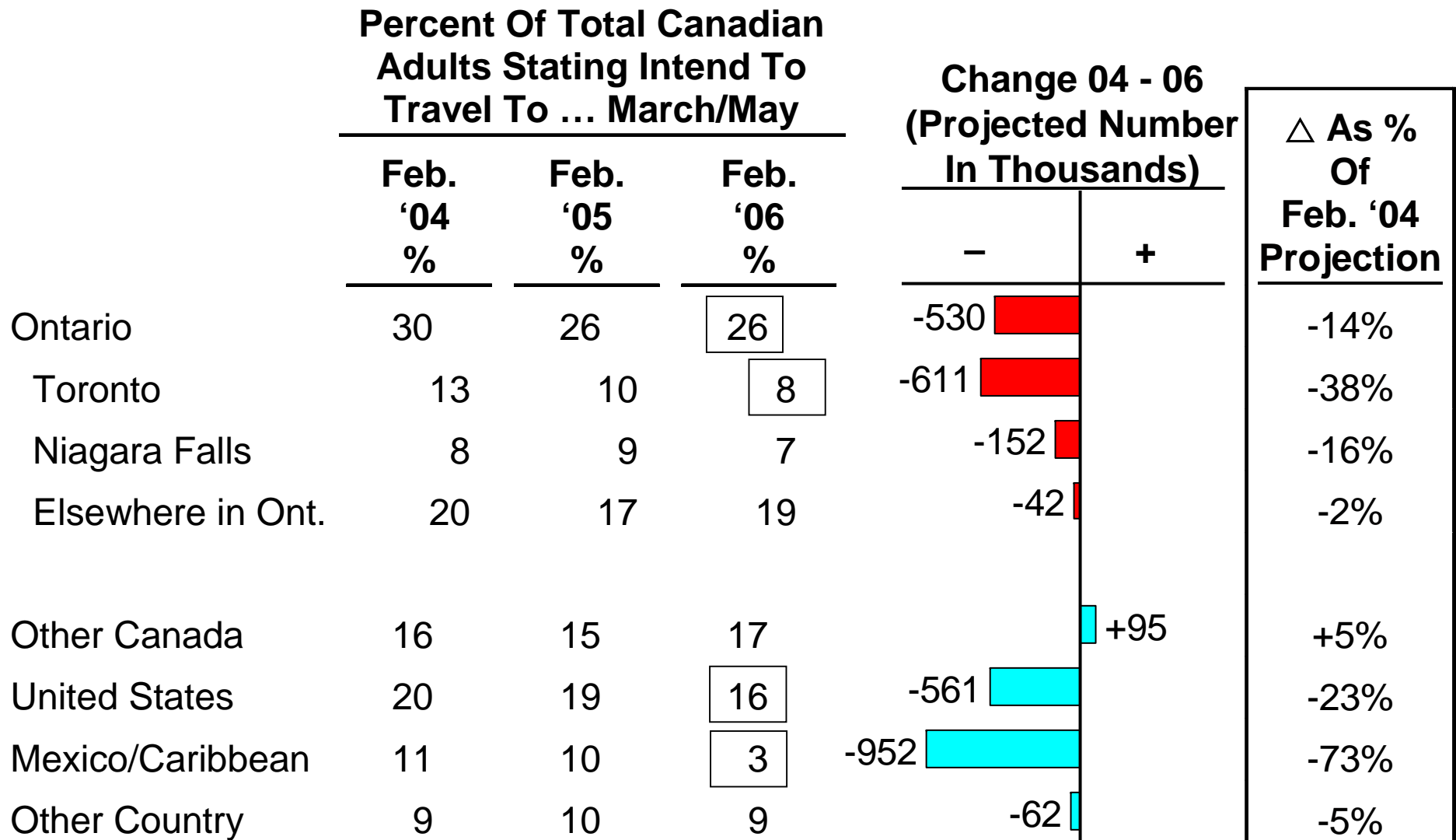
Percent Of Adults In Each Case Stating Intend To Travel To  
Ontario During ...

		March/May			June/August		
		Feb '04	Feb '05	Feb '06	Feb '04	Feb '05	Feb '06
Buffalo	%	29	31	21	36	27	24
Rochester	%	23	20	20	37	19	21
Syracuse	%	17	8	12	26	14	16
Cleveland	%	18	12	10	26	13	15
Detroit	%	20	13	12	27	20	16
Boston	%	3	6	7	9	8	9
New York City	%	9	10	9	14	9	10
Pittsburgh	%	8	8	6	18	9	10
Philadelphia	%	9	2	5	11	9	9
Washington DC	%	9	4	4	10	6	5
Cincinnati	%	6	5	10	14	6	10
Chicago	%	2	2	4	10	6	7
Indianapolis	%	6	2	2	14	5	7
Milwaukee	%	3	2	4	6	7	4
Minneapolis	%	5	1	4	9	6	4
<b>TOTAL US</b>	<b>%</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>12</b>	<b>8</b>	<b>8</b>

○ Significant increase versus Feb. '04 at  $\alpha$  .05

□ Significant decrease versus Feb. '04 at  $\alpha$  .05

# Intended Travel Patterns Of Canadian Residents — Next Season



□ Significant decrease versus Feb. '04 at  $\alpha$  .05

# Ontario Travel Intention Incidence By Specific Canadian Market

Percent Of Adults In Each Case Stating Intend To Travel  
To/Within Ontario During ...

		March/May			June/August		
		Feb '04	Feb '05	Feb '06	Feb '04	Feb '05	Feb '06
Quebec City	%	9	11	10	14	14	8
Montreal	%	18	18	17	22	16	18
Ottawa	%	44	35	34	48	32	32
Toronto	%	28	28	23	37	26	29
Other Ontario	%	40	31	33	43	31	29
Winnipeg	%	17	18	16	29	21	21
<b>TOTAL CANADA</b>	<b>%</b>	<b>30</b>	<b>26</b>	<b>26</b>	<b>35</b>	<b>26</b>	<b>26</b>

○ Significant increase versus Feb. '04 at  $\alpha$  .05

□ Significant decrease versus Feb. '04 at  $\alpha$  .05

□ Significant decrease versus Feb. '04 at  $\alpha$  .10

# Projected Travel To Toronto Next Season (Spring) By Specific Market

# Toronto Travel Intention Incidence By Specific US Market

Percent Of Adults In Each Case Stating Intend  
To Travel To Toronto During .... March/May

		Feb '04	Feb '05	Feb '06
Buffalo	%	15	15	10
Rochester	%	13	9	8
Syracuse	%	3	5	4
Cleveland	%	8	2	4
Detroit	%	10	8	8
Boston	%	1	3	1
New York City	%	6	8	4
Pittsburgh	%	4	2	2
Philadelphia	%	3	*	2
Washington DC	%	8	3	3
Cincinnati	%	4	1	5
Chicago	%	1	2	2
Indianapolis	%	1	2	1
Milwaukee	%	2	1	3
Minneapolis	%	3	*	1
<b>TOTAL US</b>	<b>%</b>	<b>4</b>	<b>3</b>	<b>3</b>

\* Less than 0.5%.

□ Significant decrease versus Feb. '04 at  $\alpha$  .05

# Toronto Travel Intention Incidence By Specific Canadian Market

Percent Of Adults In Each Case Stating Intend To  
Travel To/Within Toronto During ... March/May

		Feb '04	Feb '05	Feb '06
Quebec City	%	6	7	4
Montreal	%	12	11	11
Ottawa	%	33	23	26
Other Ontario*	%	22	15	15
Winnipeg	%	9	12	6
<b>TOTAL CANADA</b>	<b>%</b>	<b>18</b>	<b>13</b>	<b>12</b>

\* Excluding Toronto

□ Significant decrease versus Feb. '04 at  $\alpha$  .05

# Destination Selection And Purpose

# Main purpose of trips planned to Ontario In March/May — Americans

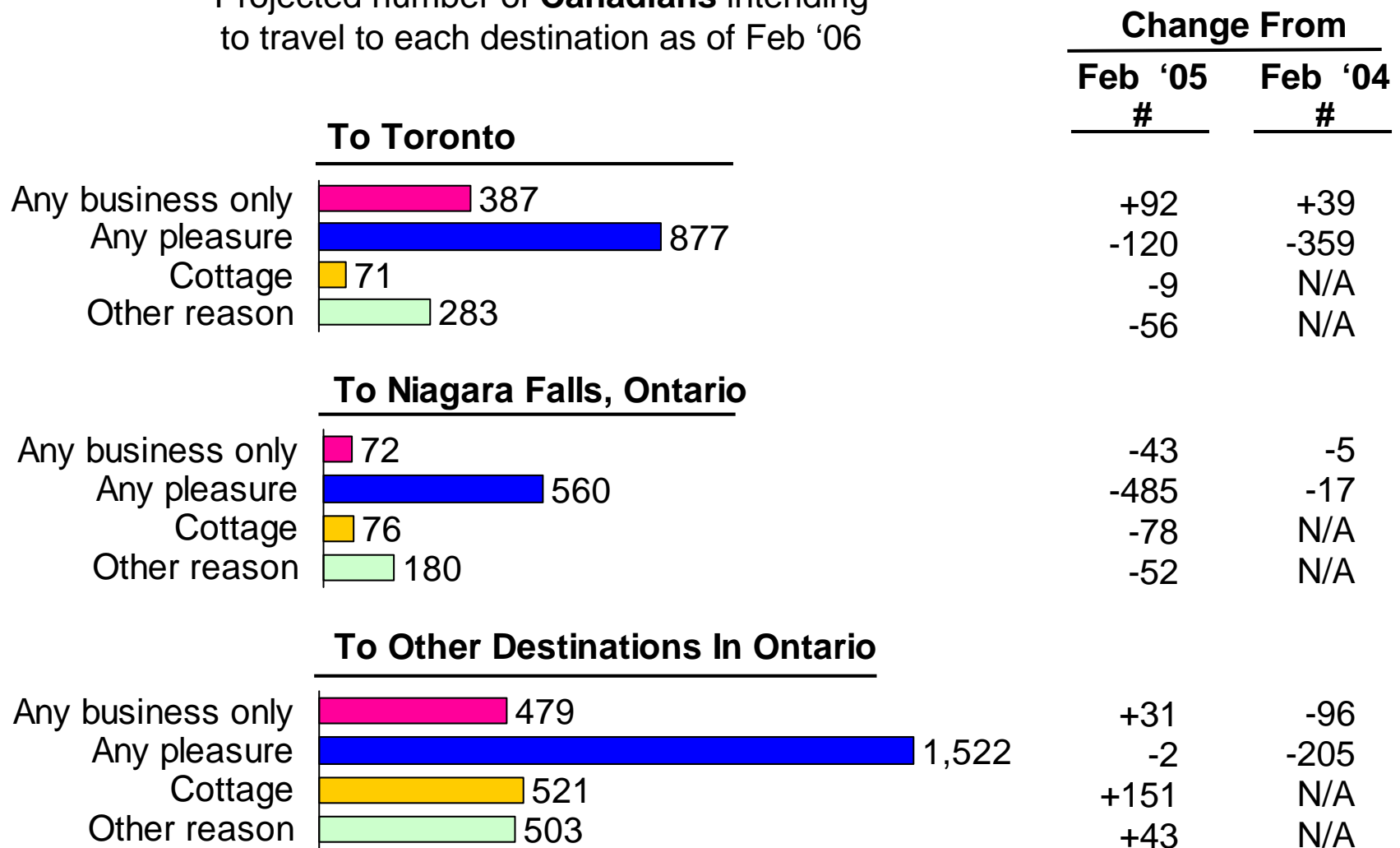
Projected number of **Americans** intending to travel to each destination as of Feb '06

		<u>Change From</u>	
		<u>Feb '05</u>	<u>Feb '04</u>
		<u>#</u>	<u>#</u>
<b>To Toronto</b>			
Any business only	678	+427	+11
Any pleasure*	1,461	-168	-330
Cottage	70	-250	N/A
Other reason	614	+95	N/A
<b>To Niagara Falls, Ontario</b>			
Any business only	164	-19	-139
Any pleasure*	1,641	-100	-540
Cottage	126	-160	N/A
Other reason	546	+16	N/A
<b>To Other Destinations In Ontario</b>			
Any business only	433	+263	+73
Any pleasure*	1,064	-586	-898
Cottage	298	-59	N/A
Other reason	343	-199	N/A

\* Excluding cottage/country home.

# Main purpose of trips planned to Ontario In March/May — Canadians

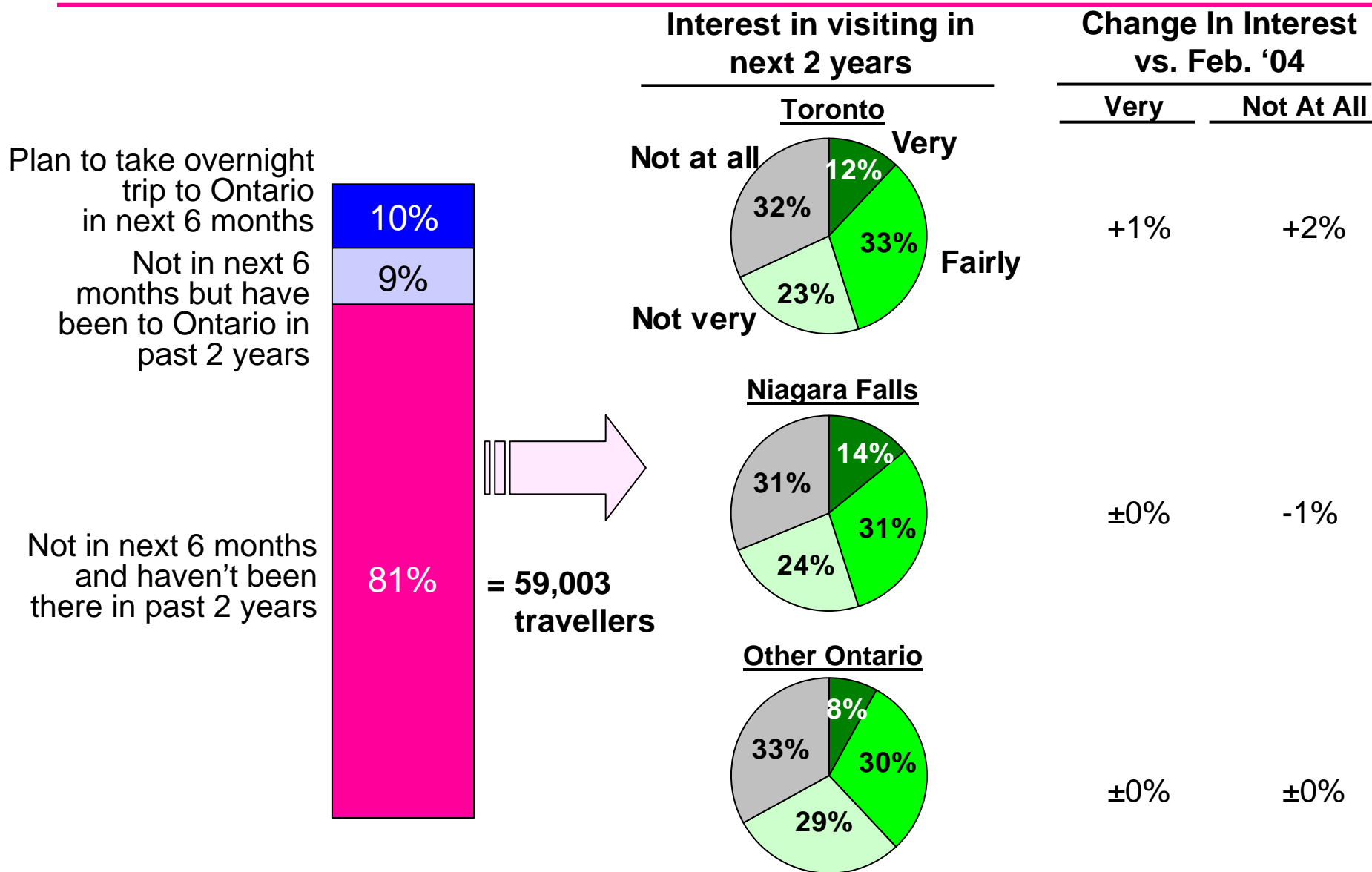
Projected number of **Canadians** intending to travel to each destination as of Feb '06



# General Experience With And Interest In Ontario

# Latent Interest In Ontario Travel Among Americans (Feb '06)

Percent of US travellers



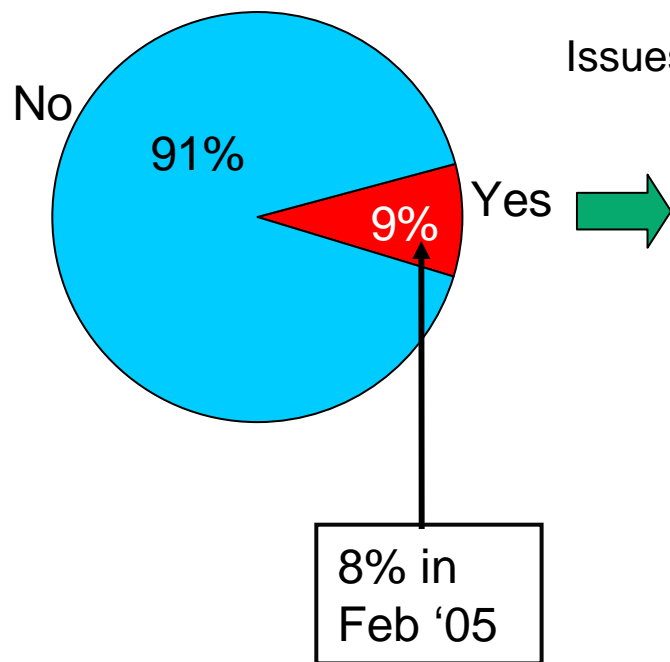
# Impact Of Negativity Specific To Ontario



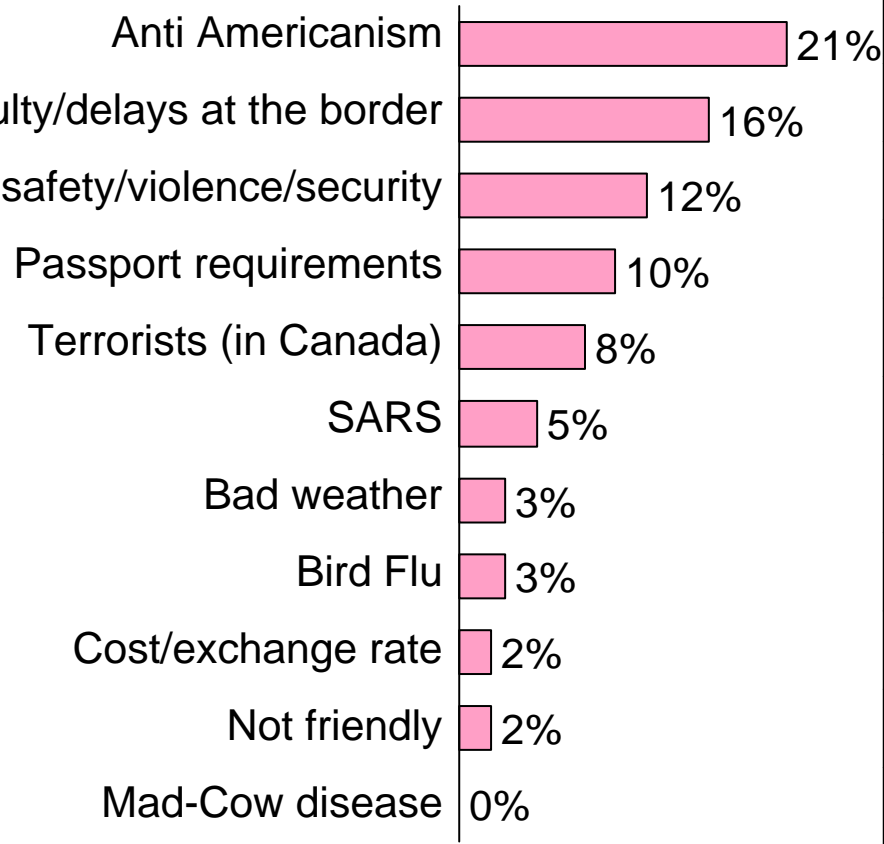
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# Are there any specific events or issues that you have heard about that make you less inclined to travel to Toronto, Niagara Falls or other places in Ontario?

## Percent of **Americans** aware of Ontario



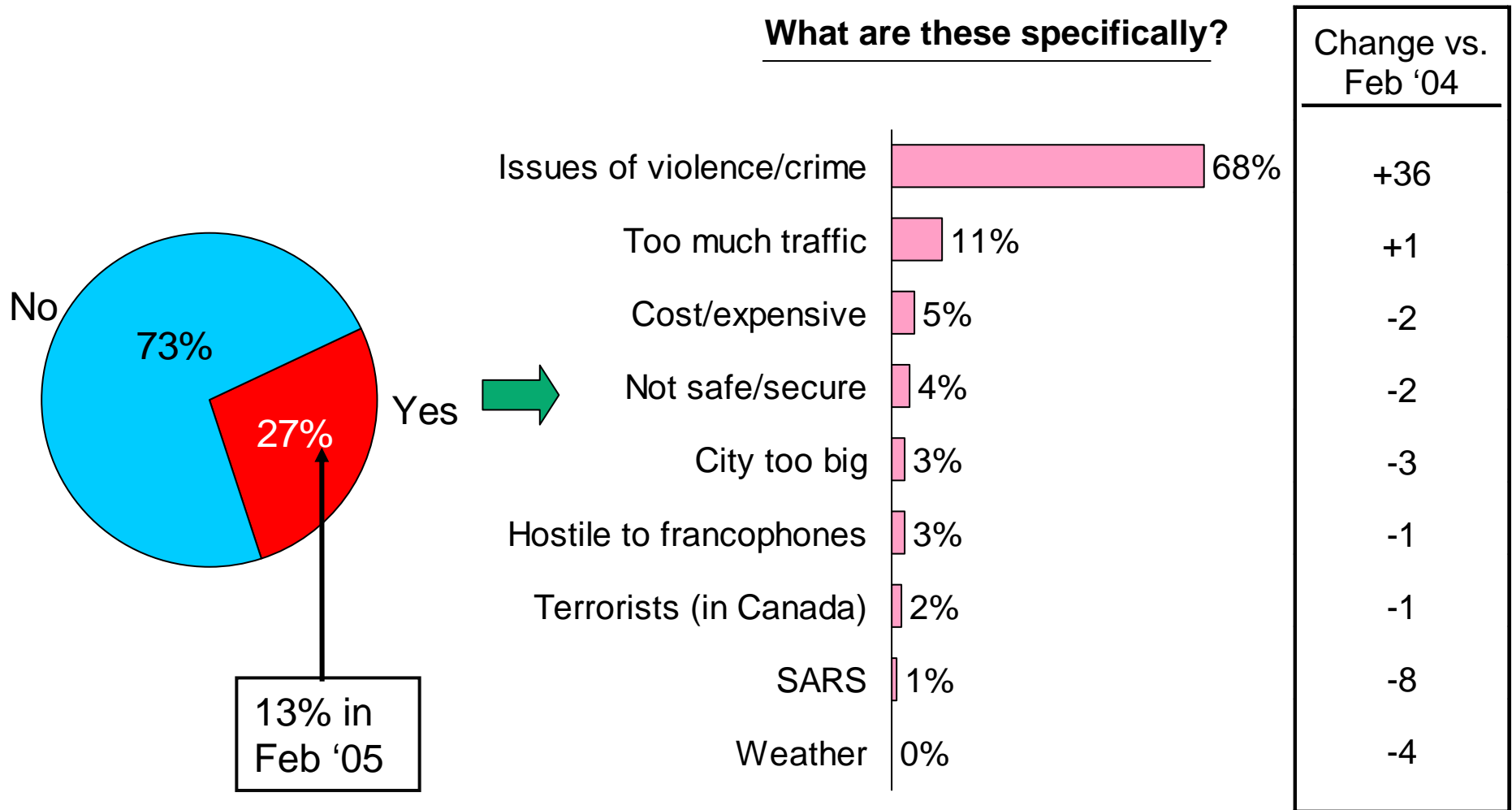
### What are these specifically?



Change vs. Feb '04
-2
±0
+6
+10
-2
-6
-4
+3
-2
-5
-5

Are there any specific events or issues that you have heard about that make you less inclined to travel to Toronto, Niagara Falls or other places in Ontario?

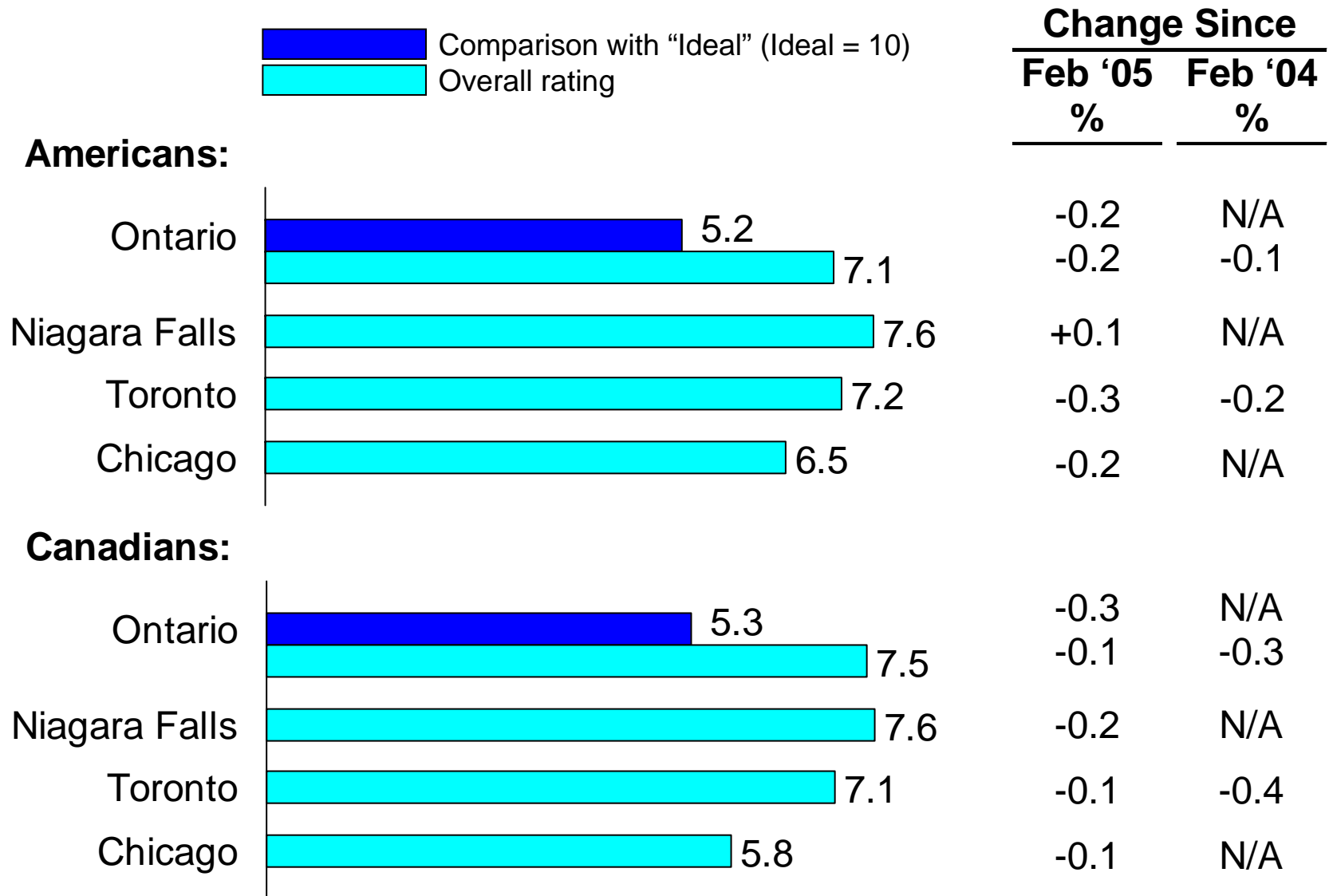
Percent of **Canadians**



# Perceptions Of Ontario

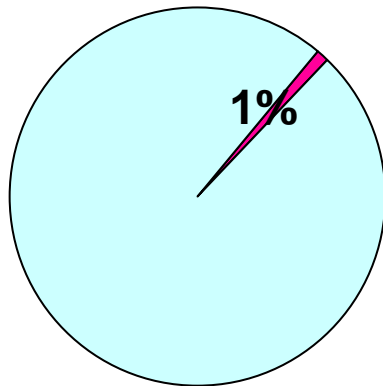
# Overall Rating Of Ontario As Pleasure Travel Destination & Comparison With Ideal (Feb '06)

Average rating on 10-point scale among travellers



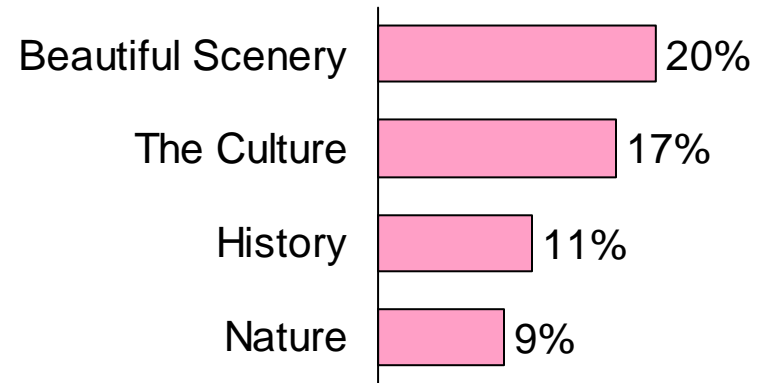
# Ontario's Standing Among "Must See" Destinations

## American Travellers

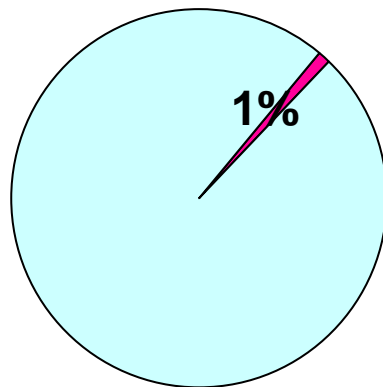


Any Destination  
In Ontario  
(Toronto = 0.1%)

## What do Americans look for in a ideal destination?

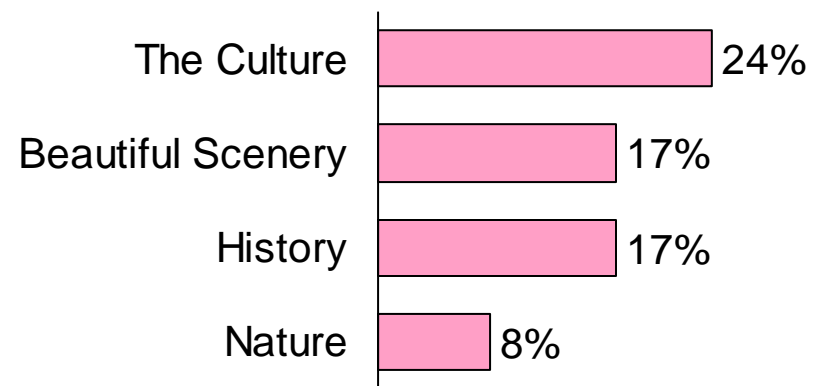


## Canadian Travellers



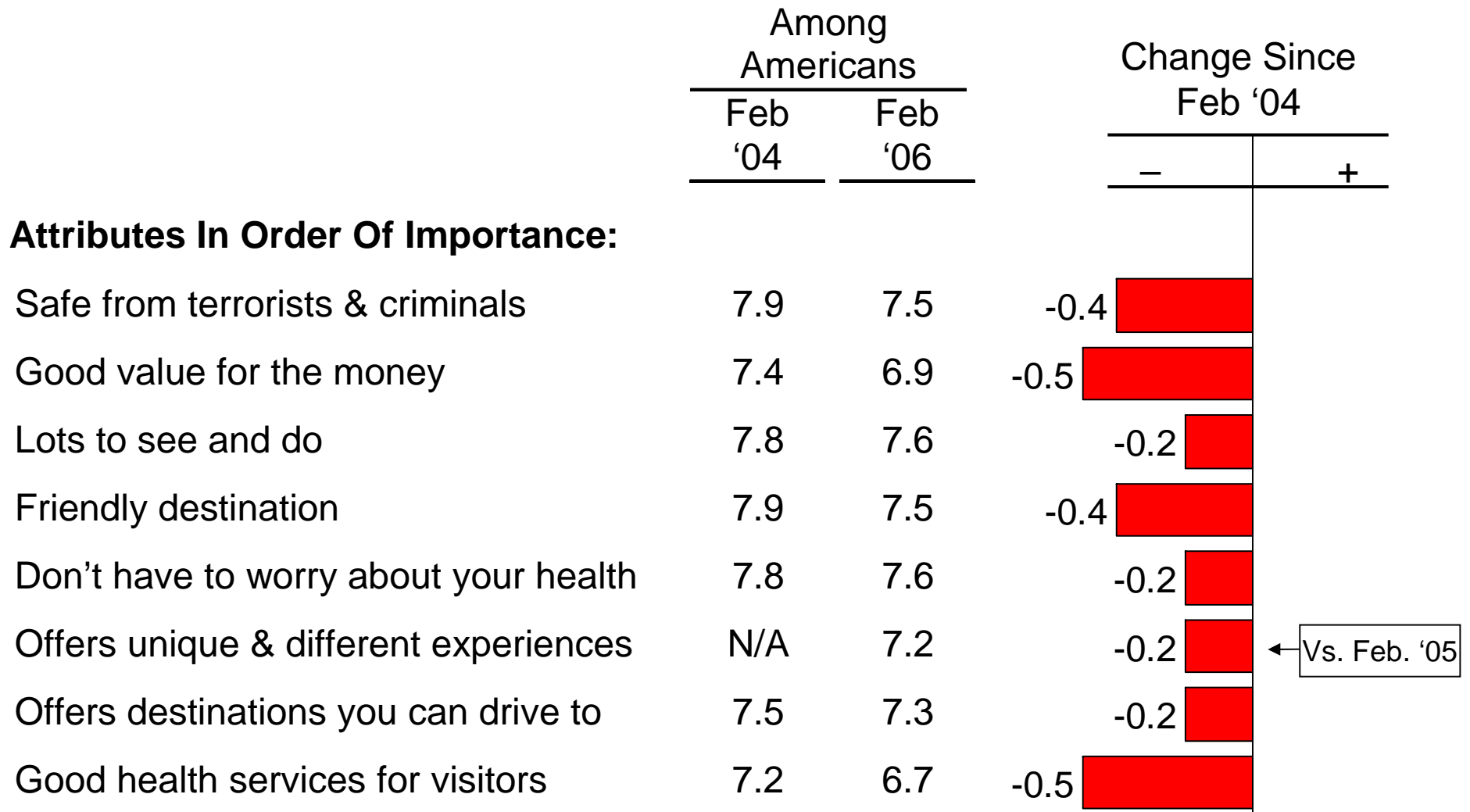
Any Destination  
In Ontario  
(Toronto = 0.5%)

## What do Canadians look for in a ideal destination?










# Ontario Imagery Ratings

Average on 10-point scale among American travellers








# Ontario Imagery Ratings

Average on 10-point scale among Canadian travellers

	Among Canadians		Change Since Feb '04	
	Feb. '04	Feb '06	-	+
<b>Attributes In Order Of Importance:</b>				
Safe from terrorists & criminals	8.5	7.8	-0.7	
Good value for the money	7.5	7.2	-0.3	
Friendly destination	8.2	7.8	-0.5	
Don't have to worry about your health	8.5	8.3	-0.2	
Lots to see and do	8.3	7.9	-0.4	
Offers unique & different experiences	N/A	6.8		±0.0 ← <span style="border: 1px solid black; padding: 2px;">Vs. Feb. '05</span>
Good health services for visitors	8.0	7.7	-0.3	
Offers destinations you can drive to	8.6	8.2	-0.4	

# Ontario Ratings For Trip Types

Average on 10-point scale among American travellers

	Among Americans		Change Since Feb '04	
	Feb '04	Feb '06	-	+
Nature & outdoors	7.6	7.4	-0.2	
Touring trip	7.1	6.9	-0.2	
Arts, culture & history	6.8	6.7	-0.1	
Big city trip	6.7	6.6	-0.1	
Resort trip	6.5	6.4	-0.1	

# Ontario Ratings For Trip Types






Average on 10-point scale among Canadians travellers

	Among Canadians		Change Since Feb '04	
	Feb '04	Feb '06	-	+
	Nature & outdoors	8.1	8.0	-0.1
Touring trip	7.4	7.2	-0.2	
Arts, culture & history	7.4	7.2	-0.2	
Big city trip	7.3	7.2	-0.1	
Resort trip	6.9	6.6	-0.3	

# Rating Toronto For Specific Trip Types







# Toronto Ratings For Trip Types

Average on 10-point scale among American travellers aware of Toronto

	Among Americans		Change Since Feb '04	
	Feb '04	Feb '06	-	+
	Shopping, restaurants, nightlife	7.6	7.3	-0.3
Arts, culture & history	7.4	7.2	-0.2	
Strolling around to see buildings/sights	7.2	7.1	-0.1	
Family vacation	7.1	6.9	-0.2	
Overall rating	7.5	7.2	-0.3	
"Must See" destination	6.9	6.7	-0.2	

# Toronto Ratings For Trip Types

Average on 10-point scale among Canadian travellers

	Among Canadians		Change Since Feb '04	
	Feb '04	Feb '06	-	+
Shopping, restaurants, nightlife	8.1	7.6	-0.5	
Arts, culture & history	7.8	7.5	-0.3	
Strolling around to see buildings/sights	7.4	7.0	-0.4	
Family vacation	6.9	6.3	-0.6	
Overall rating	7.5	7.1	-0.4	
"Must See" destination	7.5	7.0	-0.5	

# Conclusions And Implications

# Conclusions and Implications

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- Results of the February 2006 wave of Travel Intentions Tracking suggest that Ontario, for the most part, has not succeeded in gaining ground as a potential Spring tourism destination over the last two years.
- There is evidence of directional improvement in intent to travel to Ontario among residents of two American urban markets:
  - Boston,
  - Cincinnati.
- And signs of recovery over the past 12 months in...
  - Minneapolis,
  - Philadelphia,
  - and, to some degree, Syracuse.

## Conclusions and Implications (Cont'd)

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- Apart from this, intentions expressed by Americans have been fairly flat.
- More concerning, however, is the significant decline in interest evident in the Buffalo region, a key source market for destinations in South-Central Ontario and the Niagara Peninsula.
- Other significant Near Markets, such as Detroit and Cleveland, also give cause for concern.
- Within the domestic market, anticipated Spring travel within Ontario may have slipped recently in Toronto, and does not appear to have recovered from the losses registered one year elsewhere in the province.
- In other Canadian origin markets, interest in the province has remained virtually unchanged over the past two years.

## Conclusions and Implications (Cont'd)

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- Given these trends, it is critical to examine shifts in attitudes and travel motivation to uncover the nature of resistance or ambivalence to Ontario.
- In both the US and Canada, Ontario's image as a tourism destination has shown signs of softening over the past two years, with deterioration noted on the large majority of specific attributes examined.
  - Of particular significance, in this regard, are the fairly large losses posted on dimensions critical to establishing Ontario as a locale that is welcoming to tourists (safe and friendly)...
  - And capable of delivering good value for the money.
  - Especially in today's climate, each of these dimensions plays a central role in defining the traveler's destination consideration-set.

## Conclusions and Implications (Cont'd)

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- There are also signs of decline when attention is turned to consumer impressions of Ontario's suitability for specific types of pleasure travel (outdoors, urban, resort, cultural or touring trip).
  - Although the magnitude of losses recorded are fairly minor in the absolute, they are statistically significant.
  - If they are indicative of a gradual long-term trend, ameliorative action may be warranted at the present time.
- What lies behind these largely negative results?
  - A general softening of enthusiasm for travel in both Canada and the US.

## Conclusions and Implications (Cont'd)

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- A deal conscious and price sensitive consumer who is increasingly making use of technology (the Internet) to...
  - explore all possible options,
  - price compare,
  - take personal control,
  - wait for the best deals and travel conditions.
- A time-pressured consumer who may forego travel opportunities on the basis of cost, perceived hassle (particularly cross-border) and the availability of a growing array of competing leisure-time pursuits.
- All of this makes competition in the travel market more intense, and places increased pressure on Ontario to attract notice, differentiate itself and deliver value.

## Conclusions and Implications (Cont'd)

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- Evidence suggests that the province is having difficulty in these respects, at least in the pleasure travel market.
  - Among Americans, Ontario (and Canada) have suffered disproportionately relative to other destinations with respect to stimulating interest.
  - The province may be having difficulty establishing a unique and meaningful presence among other travel destinations competing for the attention of US residents.
- Generally speaking, there is no evidence of a shift toward antipathy.
  - More than anything else Ontario suffers from consumer apathy.
- Nonetheless, there are events specific to Ontario and Canada that have taken their toll.
  - A strong Canadian dollar.

## Conclusions and Implications (Cont'd)

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- Perceived border hassles (including misperceptions about passport requirements) among some Americans.
- A persistent sense among Americans that Canada may be less welcoming than it once was.
- Recent media coverage that has raised crime as an issue.
  - This has been particularly harmful to Toronto within the domestic market.
  - But there is also evidence of effects in the US.
  - These developments have likely suppressed value-for-the money impressions.
  - And, related to this, may have tarnished Ontario's (and especially Toronto's) reputation as a destination suitable for families.

## Conclusions and Implications (Cont'd)

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- In response to these trends, Ontario may need to pursue a more aggressive image-building strategy that not only emphasizes differentiating strengths but also addresses areas of perceptual deterioration.
- An aggressive approach inevitably requires an injection of funds. However effective targeting can help optimize ROI.
  - Key Near Markets and populous Mid Markets.
  - High value attitudinal/lifestage segments that may be particularly receptive to Ontario's offering.
- Creative use of Internet marketing and value-added packaging of product will also continue to play important roles.
- It may also be useful to engage in partnerships and product packaging initiatives that specifically address a consumer need for convenience and pre-arrangement of all travel details.



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