



Travel Intentions Study Initial Results Wave 1 (Nov. 2003)

**Presented To: Ontario Ministry Of
Tourism And Recreation

Ontario Tourism Marketing
Partnership**

December 22, 2003

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 with a particular emphasis on prioritizing regionally targeted marketing efforts.

Methodology

- ✓ Interviewing was conducted by telephone among individuals 18 years or older.
- ✓ The survey was essentially confined to the month of November, 2003.
- ✓ The focus was on travel intentions for the coming season (Dec/Feb) and, secondarily the following seasons (March/May).
- ✓ A stringent methodology was used:
 - modified random digit dialing using a seed sample drawn from up-to-date telephone listings;
 - Multiple callbacks (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</u>
Canada:		
Toronto CMA	400	434
Ottawa CMA	200	249
Hamilton CMA	80	84
Ontario 100 – 499M	180	166
Ontario 30 – 99M	80	95
Ontario 10 – 29M	60	55
Ontario under 10M	100	114
Montreal CMA	300	280
Quebec City CMA	200	197
Winnipeg CMA	300	249

Methodology (Cont'd)

	<u>Assigned</u>	<u>Achieved</u>
United States:		
Rochester MSA	300	305
Buffalo — Niagara Falls MSA	300	293
Syracuse MSA	200	205
New York City PMSA	181	164
Nassau — Suffolk PMSA	43	30
Other NY State	87	55
Chicago PMSA	230	198
Other Illinois	70	70
Indianapolis MSA	90	81
Other Indiana	55	46
Boston NECMA	150	129
Mass. Ex-Boston	31	23

Methodology (Cont'd)

	<u>Assigned</u>	<u>Achieved</u>
United States: (Cont'd)		
Detroit PMSA	300	223
Northern Michigan PMSAs/MSAs	84	56
Other Michigan	64	60
Minneapolis—St. Paul UA	200	165
Other Minnesota	41	33
Cleveland—Lorain—Elyria PMSA	200	185
Cincinnati PMSA	100	89
Columbus MSA	104	81
Other Ohio	60	63
Pittsburgh MSA	300	242
Philadelphia PMSA	150	116
Other Pennsylvania	77	59
Milwaukee—Waukesha PMSA	200	175
Other Wisconsin	67	83
Washington DC PMSA	100	73
Maryland Ex. Washington DC	118	79

Methodology (Cont'd)

- ✓ In total, 5,304 interviews were completed:
 - 1,923 in Canada;
 - 3,381 in the United States.

- ✓ At the data processing stage, 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

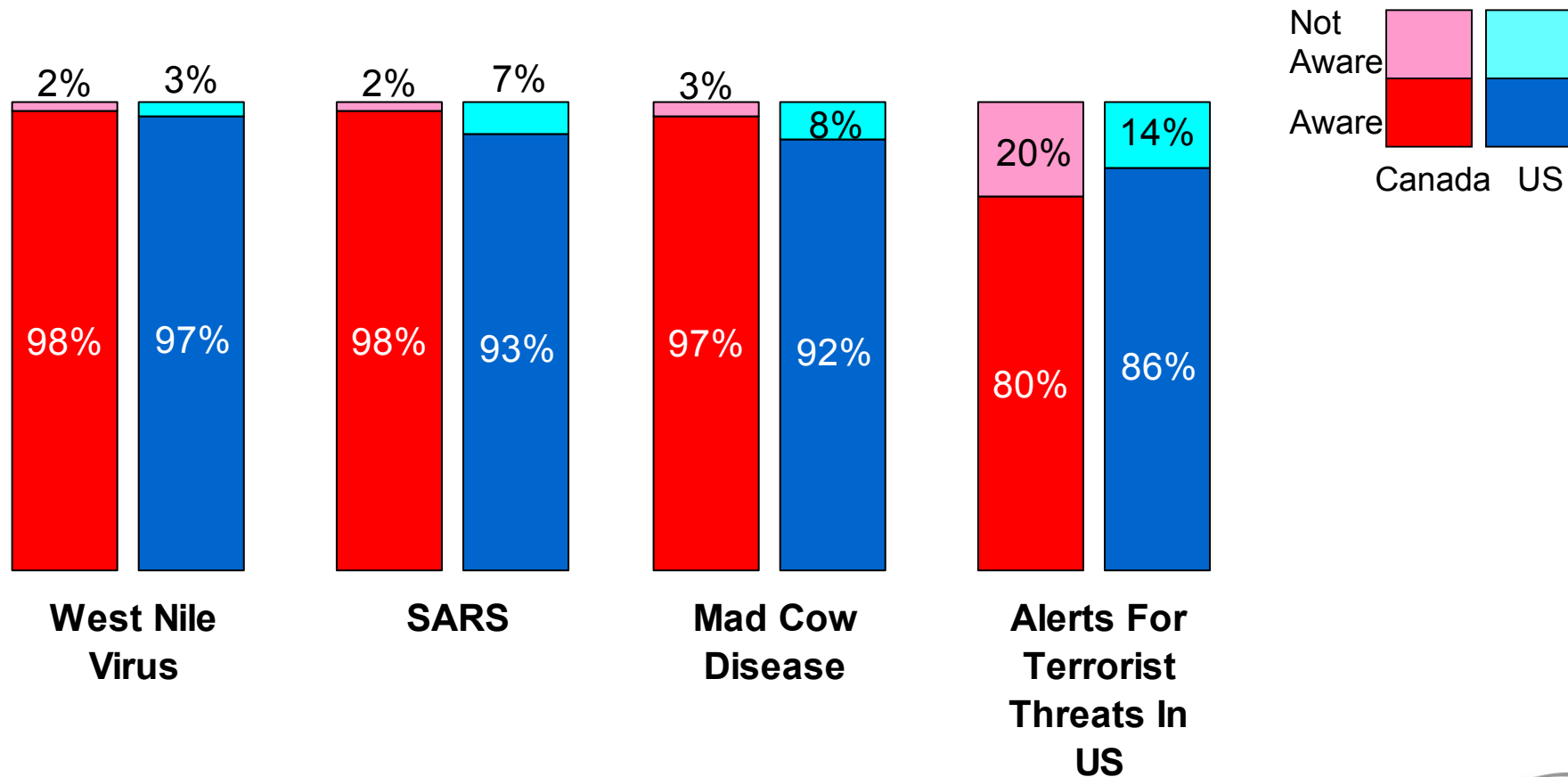
- ✓ Short-term impact of negative events
- ✓ Longer term impacts
- ✓ Travel intentions
- ✓ Travel barriers
- ✓ Summary and implications



Short Term Impacts Of Negative Events

Awareness Of Negative Events

Percent of individuals 18+ years in each market



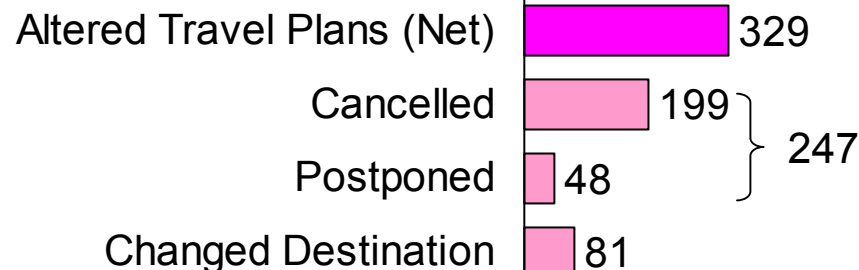
Impact Of Negative Events On Winter Travel Plans (Dec '03/Feb. '04)

Projected number of adults in each market (thousands)

Canada:

Total Travel Intenders (Dec/Feb) 7,914

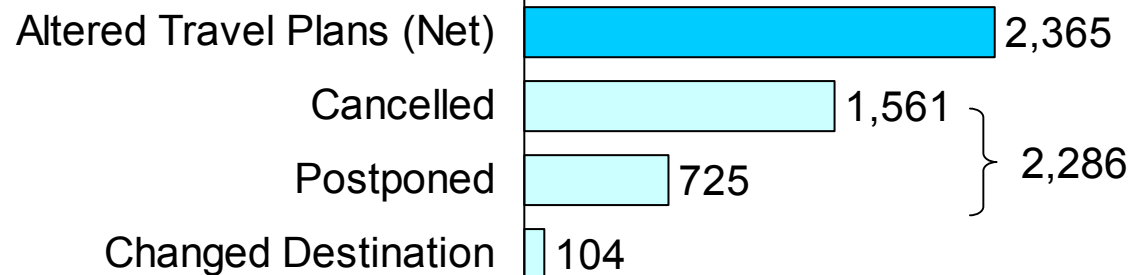
Because Of Negative Events...



United States:

Total Travel Intenders (Dec/Feb) 51,935

Because Of Negative Events...



Impact Of Negative Events On Ontario Travel Next Season

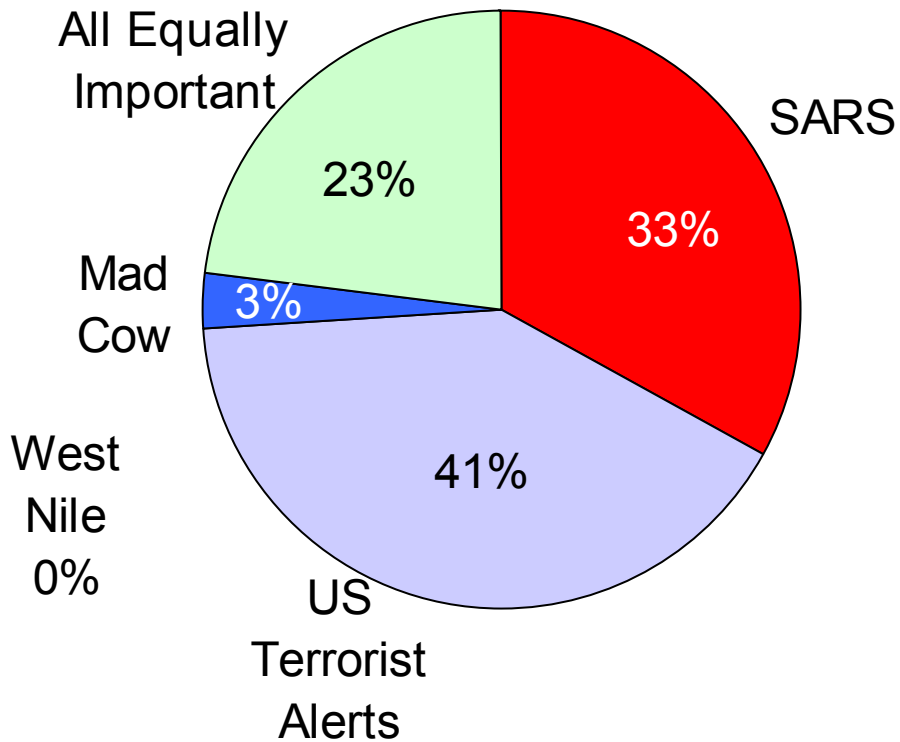
Projected number of adults in each case

	Travel Intention (Dec/Feb)	Travel Alteration Due To Negative Events (Dec/Feb)	RATIO Alteration/ Intention
Canadians:			
Any Travel	7,914	329	.042
Travel To Ontario	3,247	118	.036
Americans:			
Any Travel	51,935	2,365	.046
Travel To Ontario	4,573	642	.140

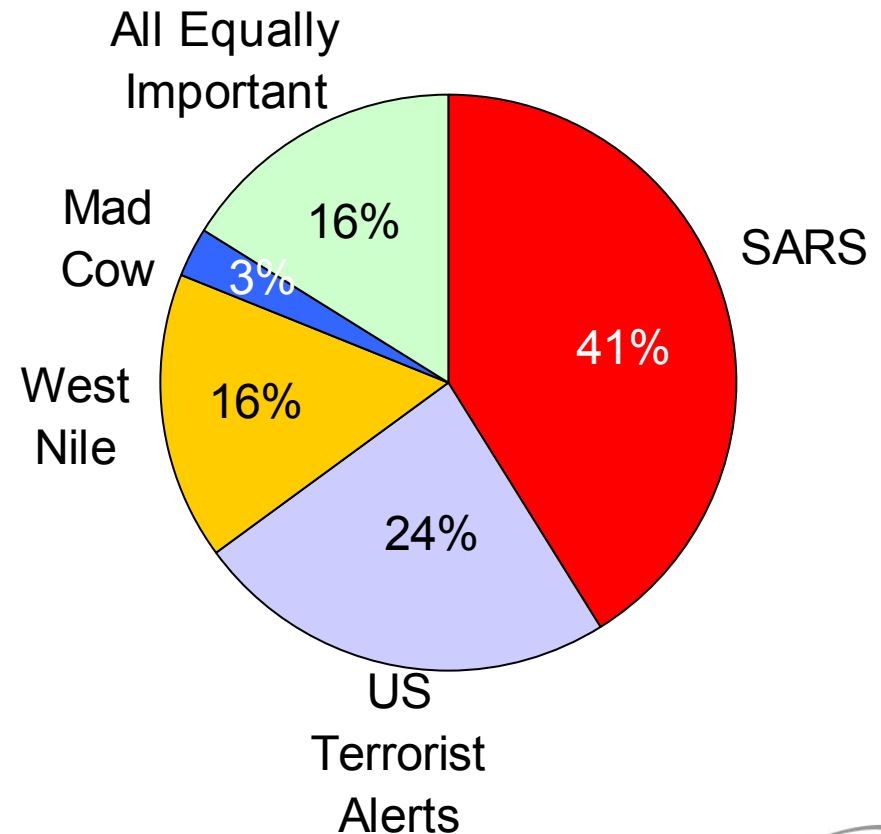
Most Important Event Affecting Next Season's Travel Plans

Percent of those claiming to have altered any travel plans*

Canadians



Americans



* Excluding "don't know".



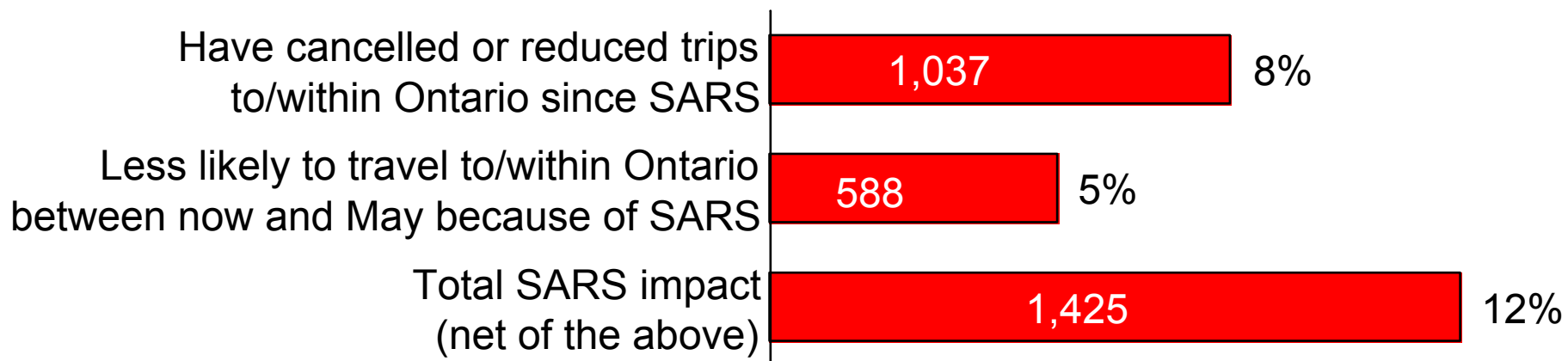
Longer Term Impacts

SARS

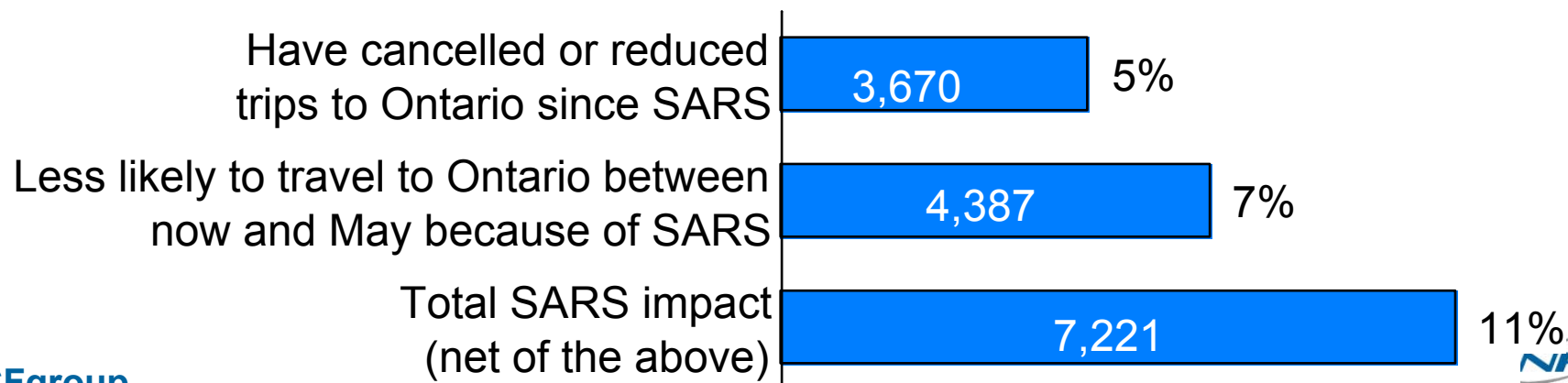
Total SARS Impact On Ontario

Project number (thousands)/percent of adults in each case

Canadians



Americans



Canadian Geographic Variation In SARS

Longer Term Impact On Ontario

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

		Have Cancelled Or Reduced Travel To Ontario	Less Likely To Travel To Ontario Between Now & May	Recovery Index	
				-	+
Quebec City	(197) %	10	9	+1	
Montreal	(280) %	9	8	+1	
Ottawa	(249) %	8	8	±0	
Toronto	(434) %	7	3	+4	
Other Ontario	(514) %	9	4	+5	
Winnipeg	(249) %	6	5	+1	

U.S. Geographic Variation In SARS

Longer Term Impact On Ontario

		Percent Of Adult Residents In Each Case Stating... Because Of SARS		Recovery Index	
		Have Cancelled Or Reduced Travel To Ontario	Less Likely To Travel To Ontario Between Now & May	-	+
Buffalo	(293) %	21	8		+13
Rochester	(305) %	16	7		+9
Syracuse	(205) %	9	9		±0
New York City	(164) %	7	9	-2	
Pittsburgh	(242) %	7	7		±0
Detroit	(223) %	7	11	-4	
Cleveland	(185) %	6	8	-2	
Boston	(129) %	5	6	-1	
Columbus	(81) %	4	1		+3
Washington DC	(73) %	4	5	-1	
Cincinnati	(89) %	3	2		+1
Milwaukee	(175) %	3	8	-5	
Indianapolis	(81) %	3	5	-2	
Chicago	(198) %	2	6	-4	
Philadelphia	(116) %	2	11	-9	
Minneapolis	(165) %	*	2	-2	

*Less than 0.5%.

Canadian Geographic Variation In SARS

Longer Term Impact On Toronto

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

		Have Cancelled Or Reduced Travel To Toronto	Less Likely To Travel To Toronto Between Now & May	Recovery Index	
				-	+
Quebec City	(197) %	9	8	+1	
Montreal	(280) %	8	8	±0	
Ottawa	(249) %	7	7	±0	
Other Ontario	(514) %	8	3	+5	
Winnipeg	(249) %	6	5	+1	

US Geographic Variation In SARS

Longer Term Impact On Toronto

		Percent Of Adult Residents In Each Case Stating... Because Of SARS		Recovery Index	
		Have Cancelled Or Reduced Travel To Toronto	Less Likely To Travel To Toronto Between Now & May	-	+
Buffalo	(293) %	20	6		+14
Rochester	(305) %	14	6		+8
Syracuse	(205) %	7	7		±0
New York City	(164) %	7	9	-2	
Pittsburgh	(242) %	7	6		+1
Detroit	(223) %	5	10	-5	
Cleveland	(185) %	4	8	-4	
Boston	(129) %	5	6	-1	
Columbus	(81) %	1	1		±0
Washington DC	(73) %	4	4		±0
Cincinnati	(89) %	2	2		±0
Milwaukee	(175) %	3	8	-5	
Indianapolis	(81) %	2	4	-2	
Chicago	(198) %	2	5	-3	
Philadelphia	(116) %	2	10	-8	
Minneapolis	(165) %	*	2	-2	


*Less than 0.5%.



Travel Intentions


Ontario Travel Intention Incidence By Canadian Market

		Percent Of Adults In Each Case Stating...				
		Intend To Travel To/Within Ontario			SARS Will Likely Reduce Ont. Travel	
		Dec/Feb	Mar/May	Net Dec/May	Dec/May	
Quebec City	(197) %	12	10	15	9	0.60
Montreal	(280) %	14	16	20	8	0.40
Ottawa	(249) %	33	32	42	8	0.19
Toronto	(434) %	29	27	37	3	0.08
Other Ontario	(514) %	34	35	47	4	0.09
Winnipeg	(249) %	11	15	20	5	0.25
TOTAL CANADA	(1,923) %	26	27	36	5	0.14

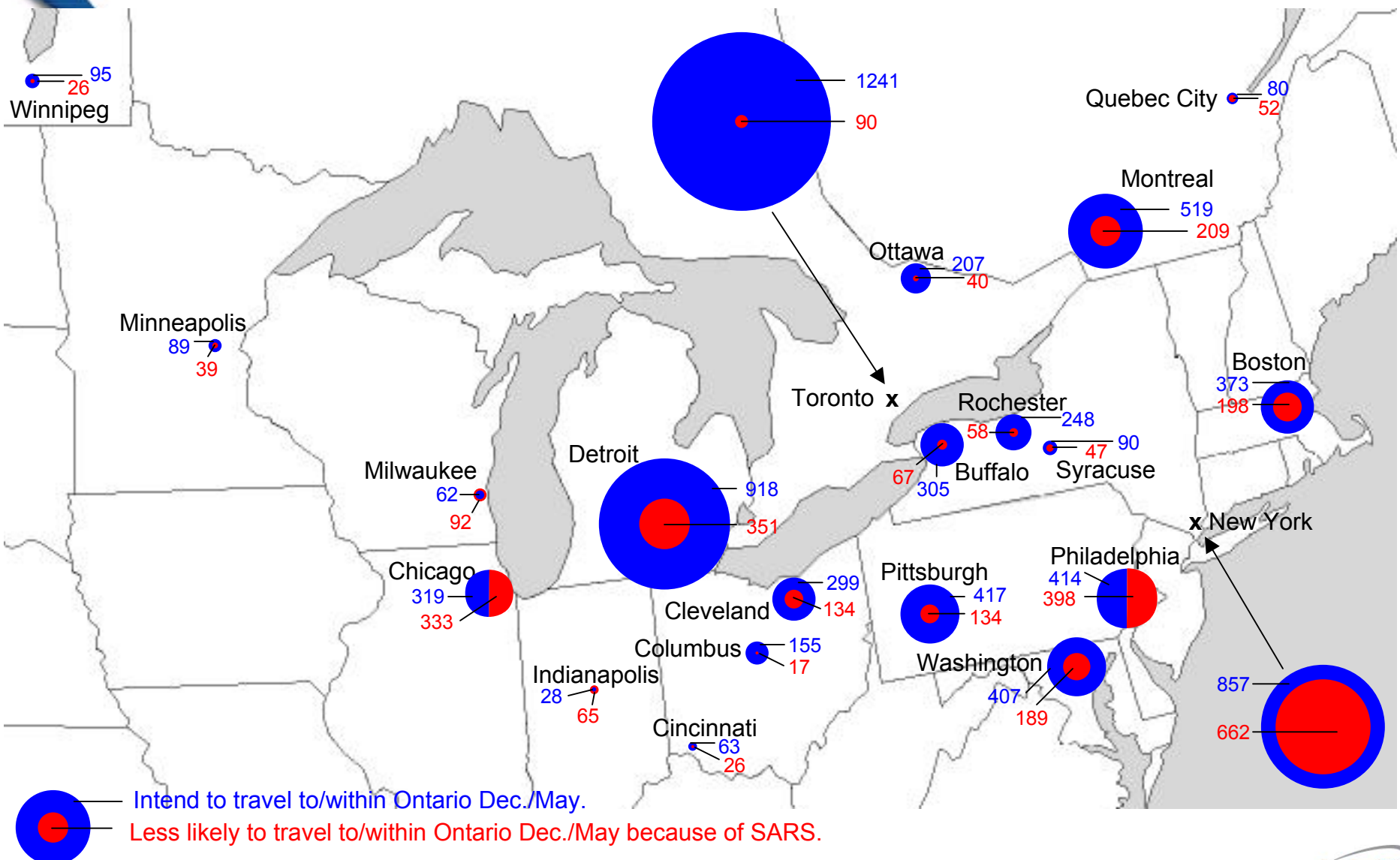
 SARS Magnitude Ratio (Reduce/Will Travel Dec-May)

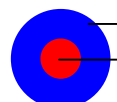
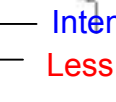
Ontario Travel Intention Incidence By US Market

		Percent Of Adults In Each Case Stating					
		Intend To Travel To/Within Ontario			SARS Will Likely Reduce Ont. Travel		
		Dec/Feb	Mar/May	Net Dec/May	Dec/May		
Buffalo	(293) %	25	24	34	6	0.18	
Rochester	(305) %	22	22	30	6	0.20	
Syracuse	(205) %	10	11	17	7	0.41	
New York City	(164) %	6	10	12	9	0.75	
Pittsburgh	(242) %	8	19	23	6	0.26	
Detroit	(223) %	15	22	28	10	0.36	
Cleveland	(185) %	6	16	18	8	0.44	
Boston	(129) %	2	10	12	6	0.50	
Columbus	(81) %	6	7	11	1	0.09	
Washington DC	(73) %	2	9	11	4	0.36	
Cincinnati	(89) %	2	3	5	2	0.40	
Milwaukee	(175) %	3	5	6	8	1.33	
Indianapolis	(81) %	2	2	2	4	2.00	
Chicago	(198) %	3	5	5	5	1.00	
Philadelphia	(116) %	5	9	11	10	0.91	
Minneapolis	(165) %	2	4	4	2	0.50	
TOTAL US	(3,381) %	6	9	12	7	0.58	

 SARS Magnitude Ratio (Reduce/Will Travel Dec-May)

Ontario Travel Intention Volume - Dec./May (Thousands)



 Intend to travel to/within Ontario Dec./May.
 Less likely to travel to/within Ontario Dec./May because of SARS.



Barriers To Ontario Travel

Volunteered Reasons For Not Travelling To Toronto Next Season

Percent of Toronto non-residents considering trip to Ontario but not Toronto
(unweighted verbatim responses)

Will not travel to Toronto because....





Summary And Implications

Conclusions and Implications

- ✓ Negative events affecting the North American market for travel have achieved widespread awareness in both Canada and the United States.
 - SARS, West Nile and Mad Cow are known to virtually all North Americans.
 - Indeed, on both sides of the border, these events have a somewhat stronger cognitive presence than do the various terrorist alerts that have been issued in the US.
- ✓ By implication, these negative events have the potential for significant residual negative impact on travel volumes. Given this backdrop, they can also quickly turn into tourism crises if there is a recurrence, or if similar events receive media attention.

Conclusions and Implications (Cont'd)

- ✓ If one considers their impact on Winter 2004 travel volumes, it can certainly be argued that, collectively, these incidents have had a dampening effect on the market well after the immediate crises have passed.
 - More than two million potential North American travellers have cancelled, postponed or otherwise altered travel plans for the coming season because of these events.
 - Ontario stands out as bearing the brunt of the impact within the US source markets, with more than 600,000 Americans reducing their travel to the province (usually by cancelling, postponing or choosing an alternative destination).

Conclusions and Implications (Cont'd)

- ✓ Of the specific events specifically measured in the survey, SARS has had, and continues to have, the most impact on travel planning. This is particularly true in the US markets where more than 40% of those who have altered Winter plans in response to these events point specifically to SARS as the main factor.
- ✓ There is also strong evidence to suggest that Ontario and, Toronto in particular, have been stigmatized to some degree by the occurrence of SARS.
 - Approximately 600,000 Canadians and more than 4 million Americans are inclined to reduce or eliminate travel to or within Ontario during the coming Winter and Spring seasons because of SARS.

Conclusions and Implications (Cont'd)

- ✓ There is a marked geographic skew to these effects, and this has the potential to mask their significance among tourism planners and decision-makers based in Ontario.
 - In Ontario itself, concern about SARS has declined dramatically since its peak.
 - In the external source markets closest to Toronto (and reached by Toronto media), SARS has had a very substantial negative impact on travel planning.
 - However, there are clear indications that these effects will dissipate quite dramatically in 2004, with travellers in markets such as Western New York returning to more typical dispositions.

Conclusions and Implications (Cont'd)

- ✓ In the more distant source markets, evidence suggests that SARS continues to represent a drag on Ontario travel intentions. In fact, the potential exists for these negative impacts to continue manifesting themselves over an extended time frame.
 - In part, this is likely because knowledge of Toronto and Ontario in these markets is fairly limited. The negative spotlight on the region during 2003 therefore takes on greater significance in the absence of more recent (positive) news.
 - Within this type of environment, specific negativity could transmute into stigma and a more general, and lasting, feeling of unease about the region.

Conclusions and Implications (Cont'd)

- ✓ This situation takes on the particular significance when considering large source markets that, in absolute terms, have the potential to generate large tourism volumes for Ontario. This would include markets such as Detroit, New York City and to a somewhat lesser degree, Philadelphia, Pittsburgh, Chicago, Boston and Montreal.
- ✓ It should be emphasized that negative events, and SARS in particular, are not necessarily top-of-mind among potential travellers in these markets. Instead, the aura of negativity associated with these events is more likely to express itself as general lack of interest, low appeal and an inclination to consider alternative travel destinations first. All else being equal, the perceptual effects of such events might just be enough to push potential travellers elsewhere for an extended period.

Conclusions and Implications (Cont'd)

- ✓ What are the marketing implications of this?
- ✓ It would seem that a communications initiative targeting markets capable of delivering large tourism volumes and manifesting lingering resistance should be considered to support Ontario over the Winter season and, perhaps more importantly, during the following Spring shoulder season.
 - One could argue that the emphasis should be placed on generating excitement and enthusiasm for Ontario and its specific destinations.
 - Demonstrate the variety of product and the fact that the region is vibrant, dynamic and quite capable of delivering new tourism experiences to repeat visitors.

Conclusions and Implications (Cont'd)

- ✓ This means dealing with the impact of issues such as SARS in an indirect way by reinforcing or re-establishing a positive brand positioning for the Province.
- ✓ After all, fundamentally the issue is not really SARS per se, but rather the more nebulous disenchantment with the region that events like this have engendered.
- ✓ Finally, it should be underlined that this recommendation does not imply abandoning support in near markets such as Buffalo and Rochester. Instead, a dual strategy may be required - one for recovering markets and one for those that are less in tune with Ontario and more likely to harbour lingering negative effects.



Travel Intentions Study Wave 1 (November '03) Initial Results

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