

Travel Intentions Study Topline Report

Wave 12 - May, 2009

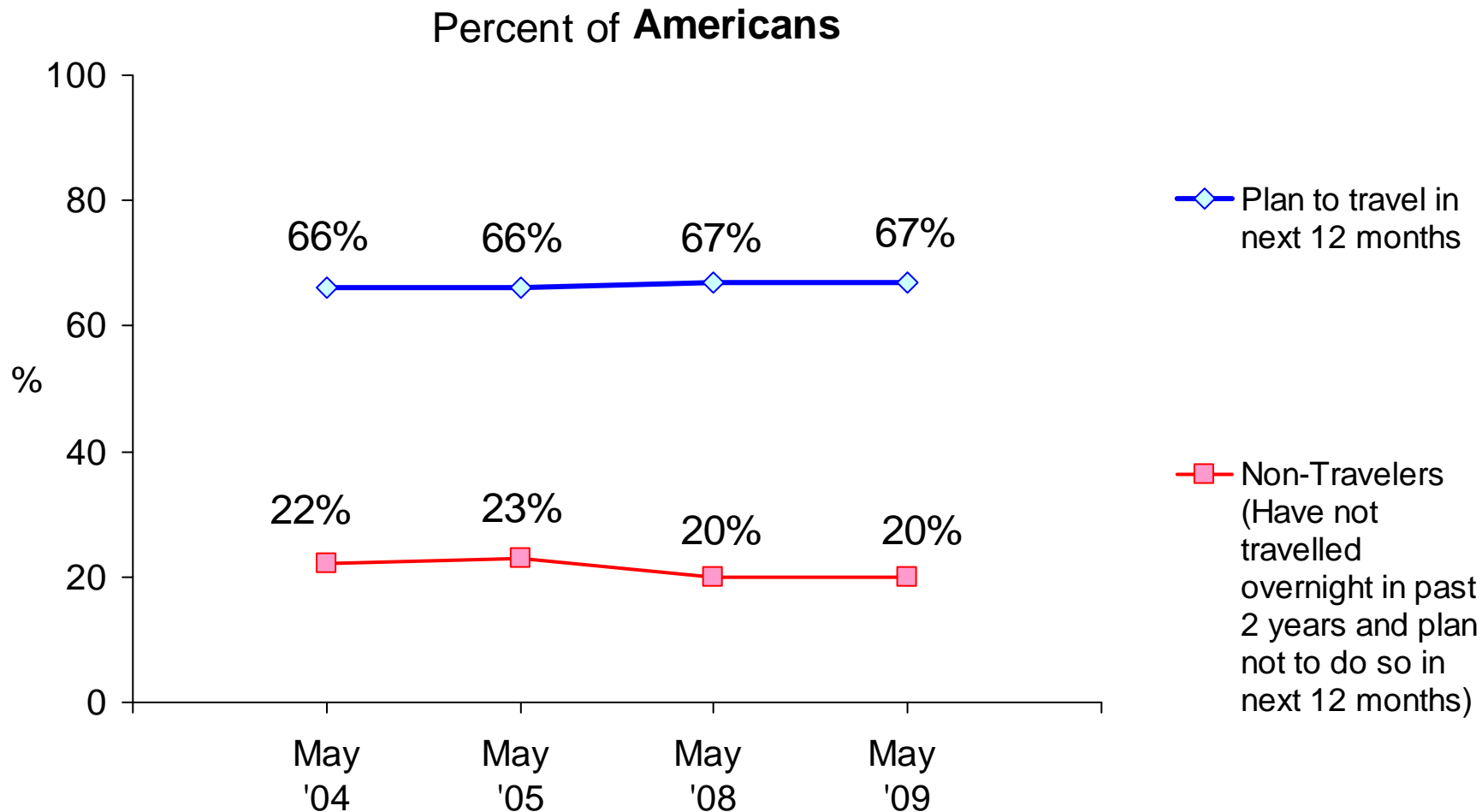
Presented June 24th

Background

- This wave of Travel Intentions tracking draws comparisons with May 2008 and May 2005.
- This gives us a sense of long-term and short-term trends, with seasonality effects removed.
- Research in May 2009 was conducted online with sample drawn from our Canadian and US Online Access Panels.
 - 2,538 in Canada (Ontario, Montreal, Quebec City and Winnipeg)
 - 5,355 in the US (Near and Mid)
- An identical approach was used in May 2008.
- The May 2005 study was conducted by telephone.
 - Data collection methodology effects have been corrected where appropriate.

Travel Intention Trends

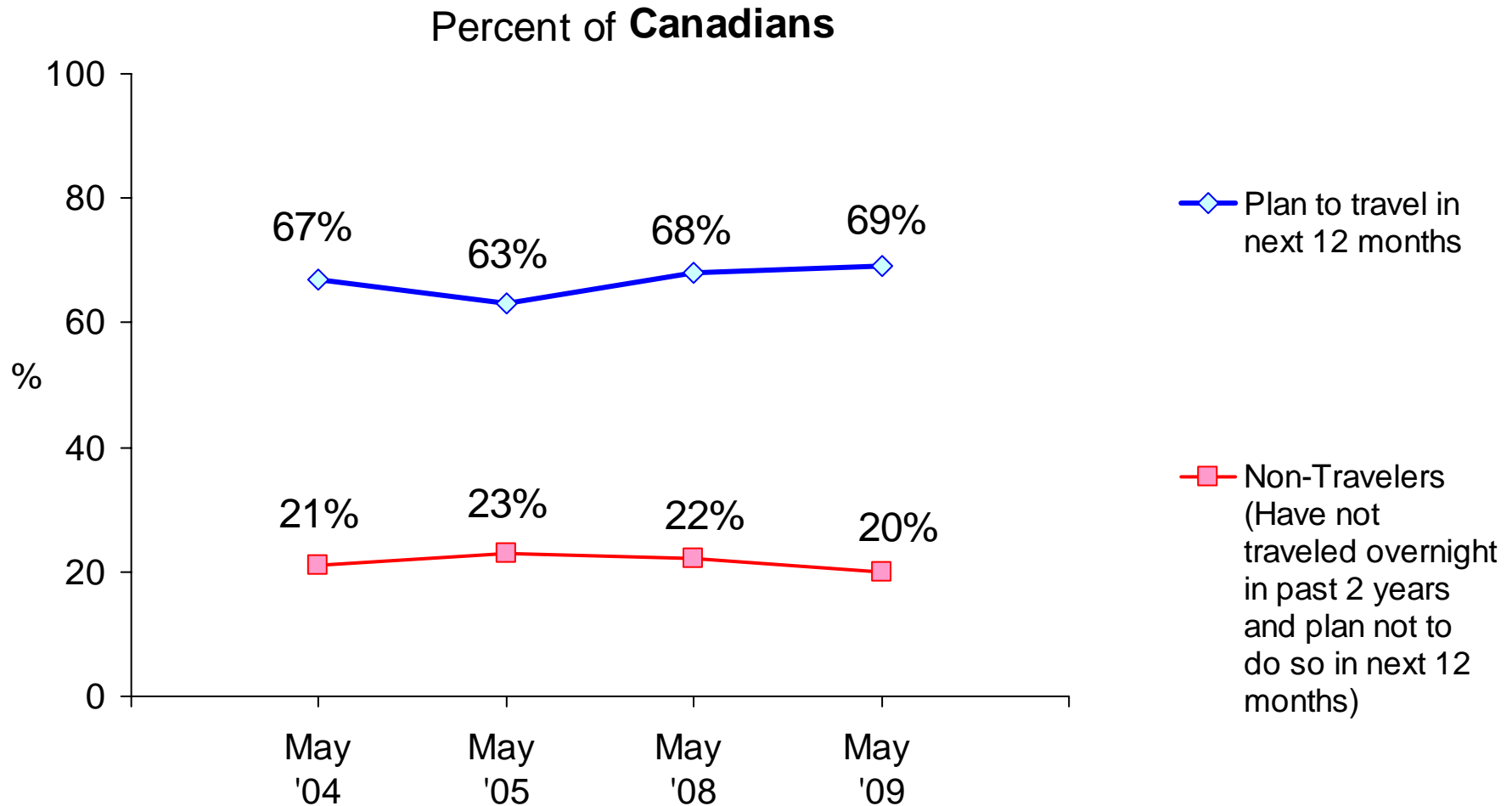
Trend in General Travel Intentions and Propensity to Travel



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 General Travel Intentions and Propensity to Travel



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Intended Travel Patterns Of US Residents — Summer Season

Percent Of Total US Adults Stating Intend To Travel To ... June/Aug.

	May '05 %	May '08 %	May '09 %
Destinations:			
Within Own State	30	39	38
Elsewhere In US	48	49	49
Ontario	8	8	8
Toronto	4	4	4
Niagara Falls	4	5	5
Elsewhere in Ont.	4	3	3
Other Canada	6	4	3
Mexico/Caribbean	8	6	6
Other Country	10	7	6

○ Significant increase versus May '05 at 95%

□ Significant decrease versus May '05 at 95%

Ontario Summer Travel Intention Incidence By Specific US Market

Percent Of Adults In ... Stating Intend To
Travel To Ontario During June/Aug.

		As of May '08	As of May '09	Change May '08 to '09
Buffalo	%	30	28	-2
Rochester	%	18	31	+13
Syracuse	%	12	20	+8
New York City	%	11	16	+5
Pittsburgh	%	11	6	-5
Detroit	%	11	21	+10
Cleveland	%	10	11	+1
Boston	%	5	5	±0
Washington DC	%	6	5	-1
Cincinnati	%	5	9	+4
Indianapolis	%	4	10	+6
Chicago	%	8	9	+1
Philadelphia	%	7	5	-2
Minneapolis	%	5	4	-1
Total US	%	8	8	±0

○ Significant at α .05

Intended Travel Patterns Of Canadian Residents — Summer Season

Percent Of Total Canadian Adults Stating Intend To Travel To ... June/Aug.

	May '05 %	May '08 %	May '09 %
Destinations:			
Ontario	34	41	44
Toronto	13	13	13
Niagara Falls	11	14	18
Elsewhere in Ont.	25	32	35
Other Canada	21	17	18
United States	23	22	22
Mexico/Caribbean	7	6	6
Other Country	12	7	9

○ Significant increase versus May'05 at 95%

□ Significant decrease versus May '05 at 95%

Figures in **blue** are significantly higher versus May '08.

Figures in **red** are significantly lower vs. May '08.

Ontario Summer Travel Intention Incidence By Specific Canadian Market

Percent Of Adults In ... Stating Intend To
Travel Within Ontario During June/Aug.

		As of May '08	As of May '09	Change May '08 to '09
Quebec City	%	15	9	-6
Montreal	%	19	15	-4
Ottawa	%	56	56	±0
Toronto	%	48	55	+7
Other Ontario	%	49	43	-6
Winnipeg	%	20	22	+2
Total Canada	%	41	44	+3

○ Significant at $\alpha .05$

Brand Impressions

Rating Ontario For Specific Imagery Characteristics

Average score* among travelers in each case

	U.S.					Canada				
	May '05	May '08	May '09	Difference		May '05	May '08	May '09	Difference	
				'05 To '09	'08 To '09				'05 To '09	'08 To '09
Safe from criminals/terrorists	8.2	7.4	7.5	-0.7	+0.1	8.5	7.9	8.0	-0.5	+0.1
Good value for money	7.2	6.7	7.0	-0.2	+0.3	7.4	7.3	7.5	+0.1	+0.2
Lots to see and do	7.9	7.5	7.5	-0.4	±0.0	8.1	8.1	8.2	+0.1	+0.1
Friendly	7.9	7.5	7.6	-0.3	+0.1	8.1	7.9	8.1	±0.0	+0.2
Don't have to worry about health	8.1	7.4	7.5	-0.6	+0.1	8.6	8.4	8.4	-0.2	±0.0
Can drive there	7.4	7.5	7.6	+0.2	+0.1	8.5	8.6	8.7	+0.2	+0.1
Good health services for visitors	7.1	6.8	6.9	-0.2	+0.1	8.2	8.0	8.1	-0.1	+0.1
Offers different or unique experience	7.3	7.3	7.2	-0.1	-0.1	6.9	7.3	7.5	+0.6	+0.2
Having fun & being entertained	N/A	7.4	7.4	NA	±0.0	N/A	7.9	8.0	NA	+0.1
Would recommend visiting	N/A	7.2	7.2	NA	±0.0	N/A	8.0	8.1	NA	+0.1
Overall rating for pleasure travel	7.3	7.0	6.9	-0.4	-0.1	7.7	7.7	7.8	+0.1	+0.1

○ Statistically significant at α .01

* Average rating on 10-point scale.

Rating Ontario For Specific Trip Types

Average score* among travelers in each case

	U.S.					Canada				
	May '05	May '08	May '09	Difference		May '05	May '08	May '09	Difference	
				'05 To '09	'08 To '09				'05 To '09	'08 To '09
Enjoy nature/outdoors	7.5	7.3	7.2	-0.3	-0.1	8.0	8.0	8.1	+0.1	+0.1
Arts, culture and history	6.7	6.8	6.8	+0.1	±0.0	7.2	7.5	7.6	+0.4	+0.1
Resort trip	6.4	6.3	6.3	-0.1	±0.0	6.6	6.8	6.9	+0.3	+0.1
Touring trip	7.0	7.1	7.1	+0.1	±0.0	7.3	7.5	7.6	+0.3	+0.1
Big city trip	6.7	7.0	6.9	+0.2	-0.1	7.2	7.6	7.7	+0.5	+0.1

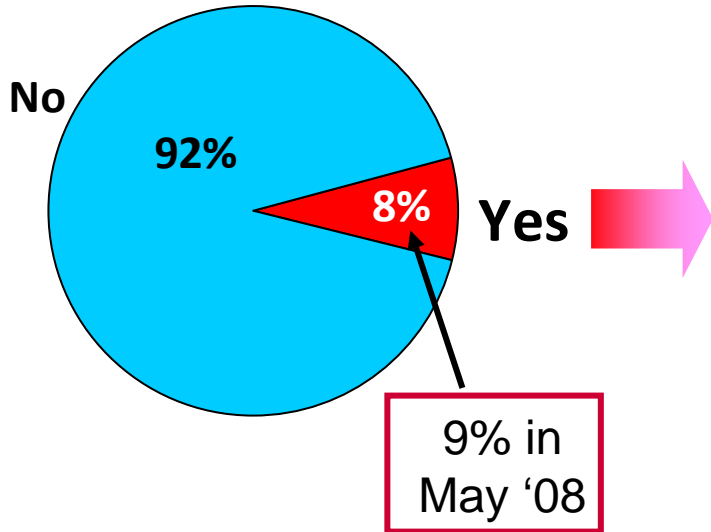
* Average rating on 10-point scale.

○ Statistically significant at α .01

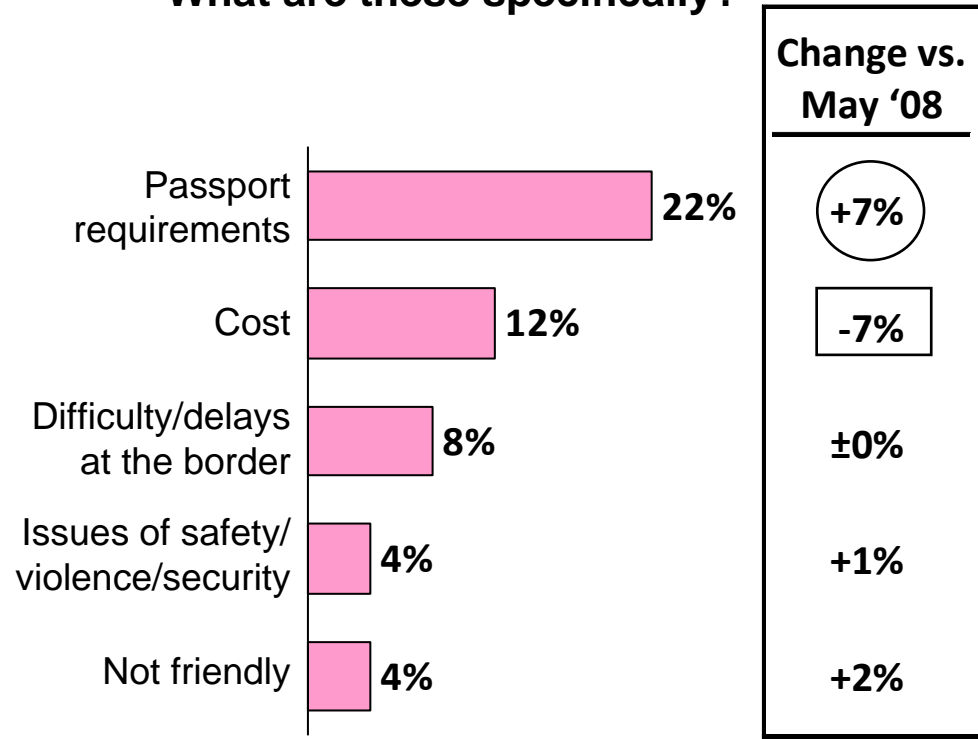
Impact Of Negativity Specific To Ontario

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?



○ Statistically significant increase at 95% level of confidence.

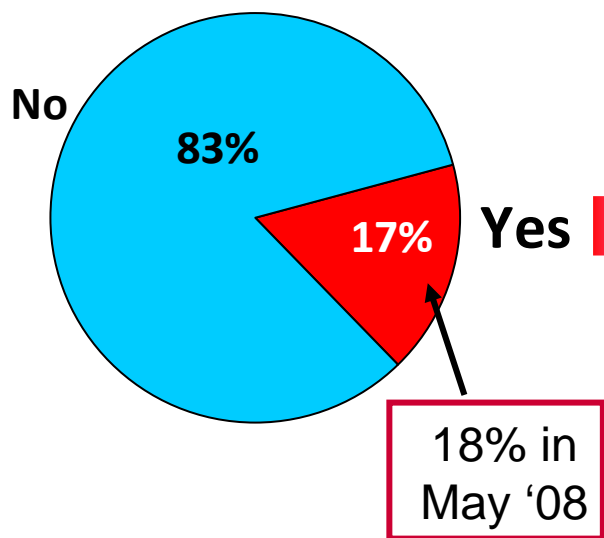
□ Statistically significant decrease at 95% level of confidence.

Q21A. You may have already mentioned this, but apart from your own personal circumstances or your general interest in Ontario, are there any specific events or issues that you have heard about that make you (less inclined to travel to/at all concerned about traveling to) Toronto, Niagara Falls, or other places in Ontario?

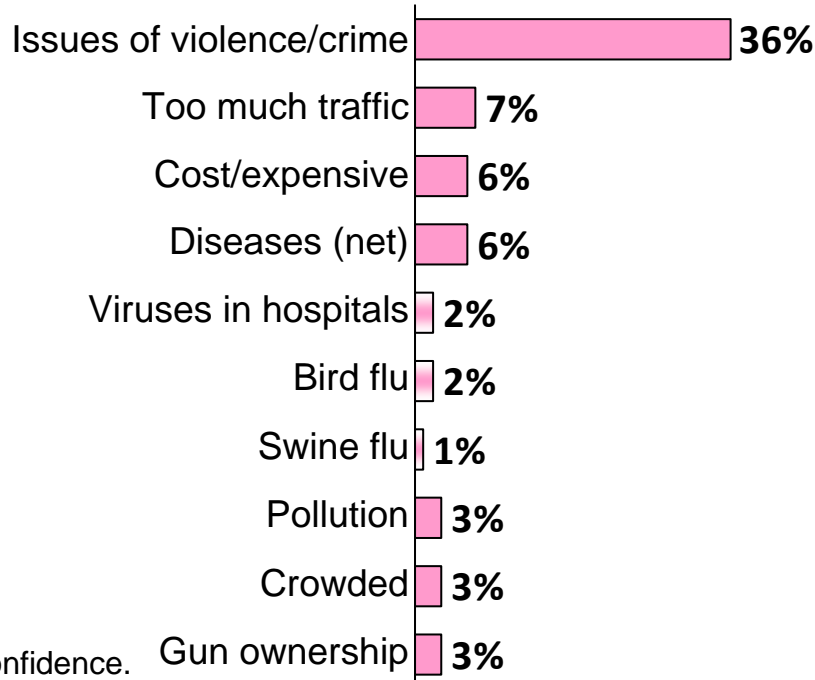
Q21B. What are these issues specifically

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



What are these specifically?



Change vs. May '08
-2%
+3%
-3%
+4%
+2%
+2%
+1%
+1%
+1%

- Statistically significant increase at 95% level of confidence.
- Statistically significant decrease at 95% level of confidence.

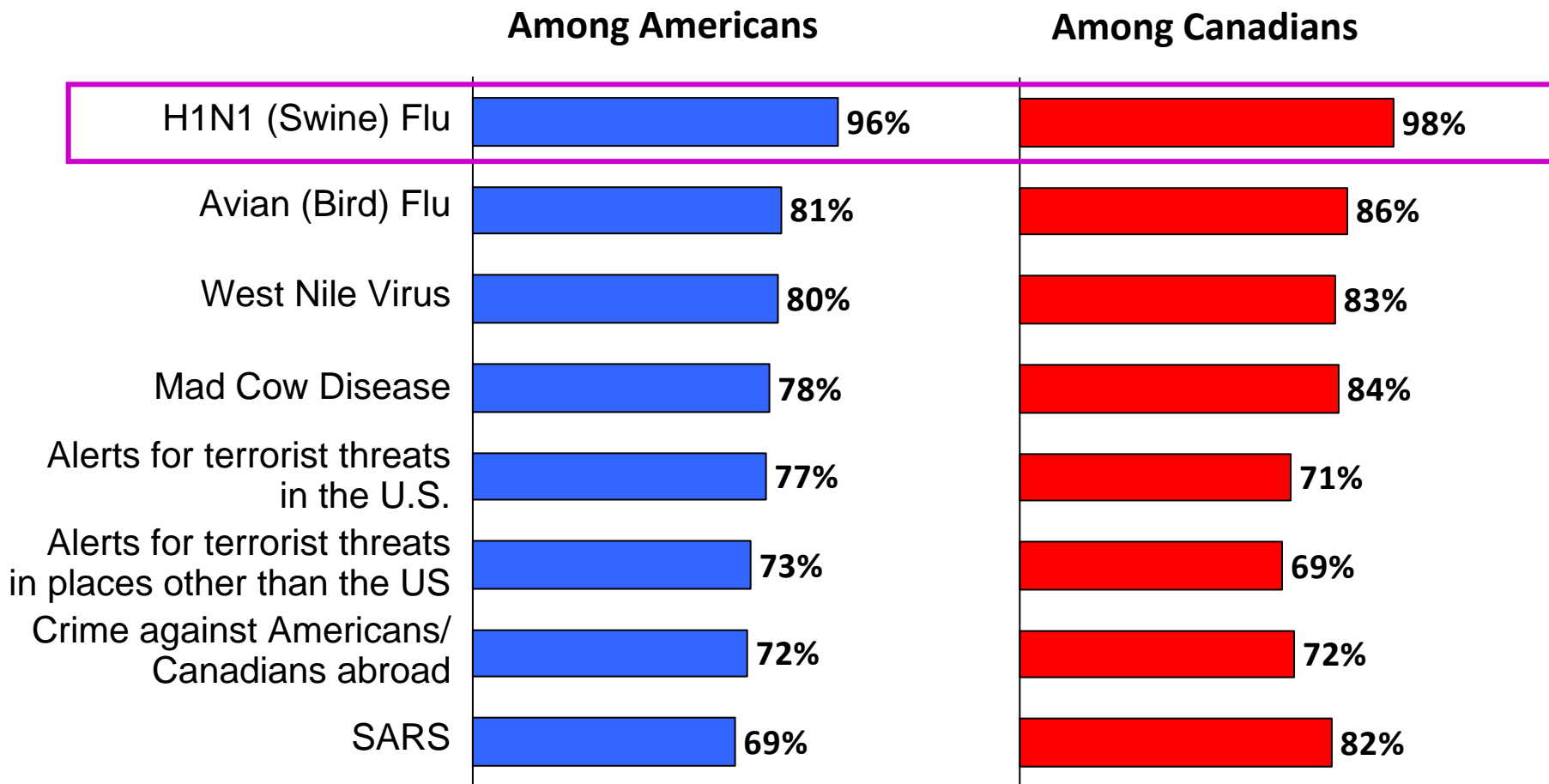
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Q21B. What are these issues specifically

H1N1 (Swine) Flu Supplement

Awareness Of Recent Health/Safety News Items

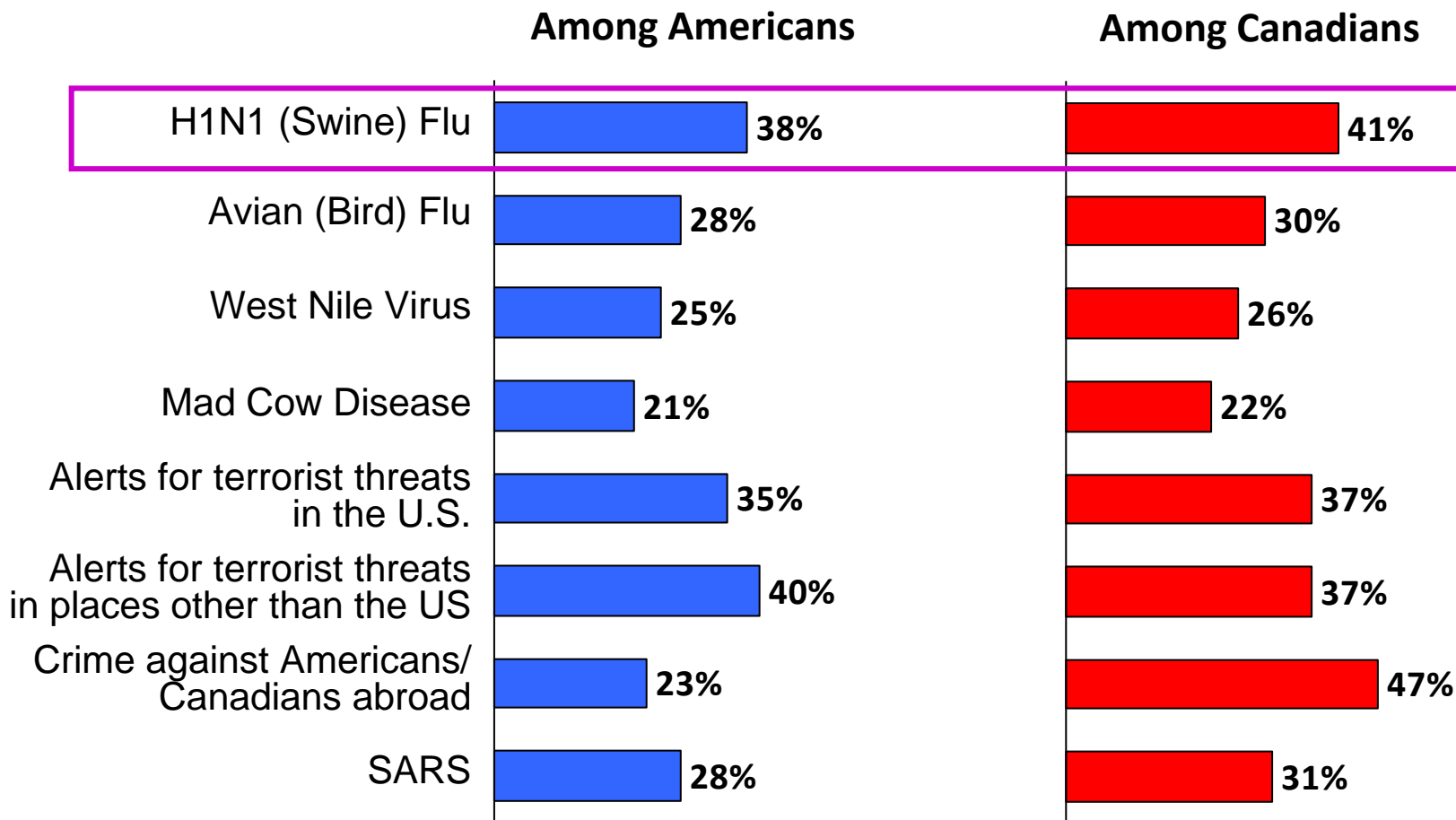
Among total respondents



Q1SF. Have you heard of any of the following in the news recently?

Likelihood Of Avoiding Travel Due To Knowledge Of Specific Events/Threats

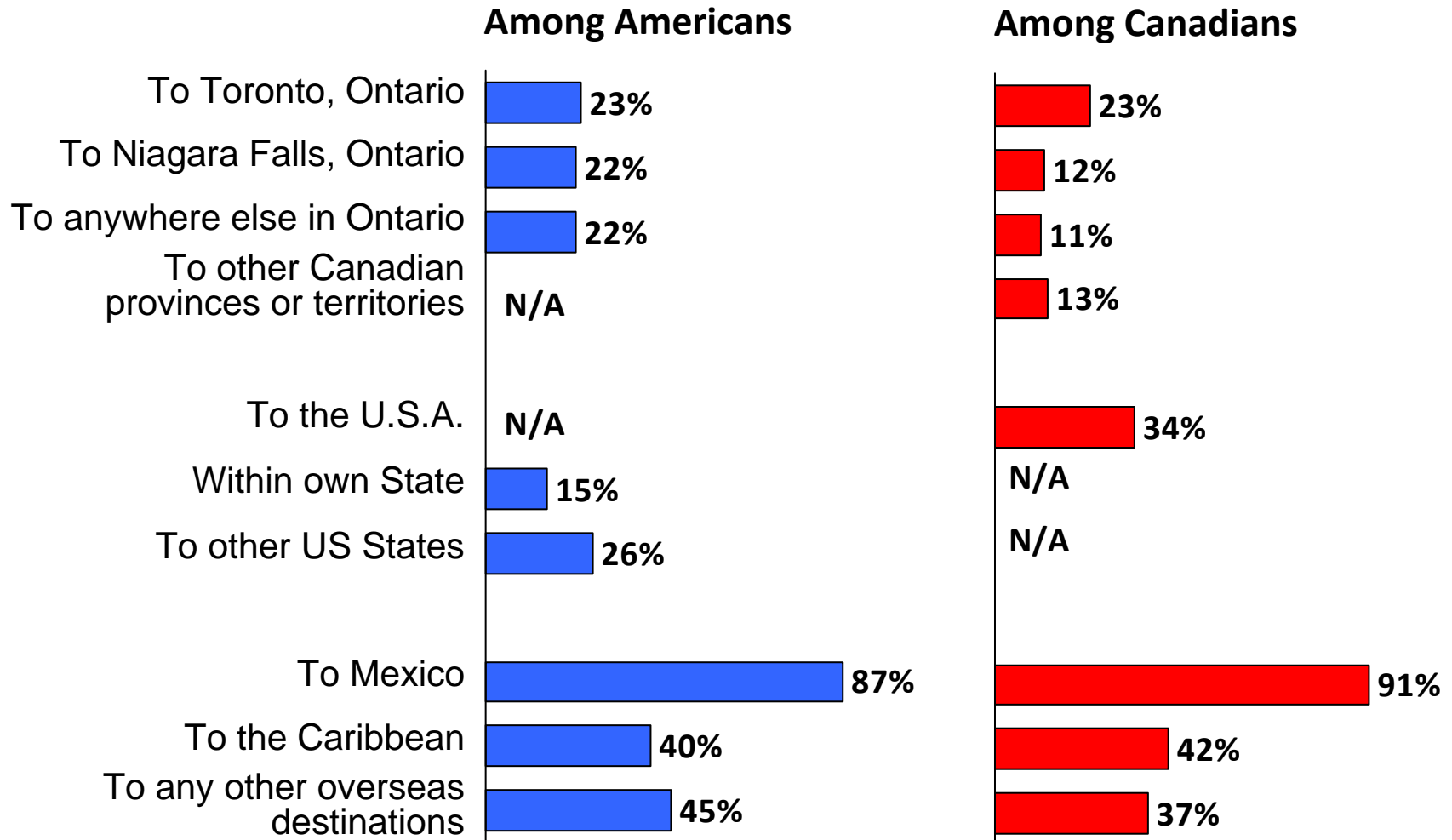
Among those aware of each event/threat



Q2SF. Are you likely to avoid travelling to specific destinations or regions during this coming June, July or August because of what you have heard about...?

Specific Destinations That Will Be Avoided Due To H1N1 (Swine) Flu

Among those who will alter this Summer's travel plans due to H1N1 (Swine) Flu



Q3SF. And which, if any, of the following specific destinations will you avoid this coming June, July or August because of Swine Flu?

Summary

Travel Intentions — May '09 Topline Summary

- Despite the economic pressures that currently exist across North America, the tracking results paint a picture of stability heading into the summer season.
 - General interest in travel remains constant within both Canada and the US.
 - The recession appears to have had little impact with respect to altering the size of the traveler population.
 - These findings are entirely consistent with the results of the preceding wave of tracking conducted this past February.

Travel Intentions — May '09 Topline Summary

- Ontario's place within the consideration set has remained essentially unchanged relative to May, 2008.
 - Both Americans and Canadians may have been steering away from more distant localities over the past year or two and staying closer to home.
 - Ontario does not seem to have been negatively affected by such behaviour within its core source markets.
 - To the contrary, there is evidence that interest in an Ontario summer trip remains very strong within the province itself...
 - ...and has continued to build within the larger domestic urban source markets (Toronto particularly).

Travel Intentions — May '09 Topline Summary

- This more than compensates for declining enthusiasm noted in Quebec
 - arguably the result of similar internalization of interest within one's home province.

Travel Intentions — May '09 Topline Summary (cont'd)

- In the US, there is evidence that renewed interest in nearby destinations in combination with a more favourable currency exchange rate relative to last summer may have firmed up commitment to Ontario, especially in urban markets.
 - Retention of strong interest in Buffalo and a renewal of interest in other Near Markets such as Rochester, Syracuse and Detroit may have been given additional impetus by lower gasoline prices, making road trips across the border more palatable.
 - However, there are also signs of robustness in other US urban source markets, most notably New York City.

Travel Intentions — May '09 Topline Summary (cont'd)

- These US results are encouraging because they suggest that Ontario has maintained its appeal within traditional “rust belt” markets, at least in the context of summer travel.
 - The confluence of pressures and events may have enhanced Ontario’s position as a peak season destination.
 - Still, off-peak travel may certainly diminish within these economically challenged markets over time.
 - The nature of travel may alter as well (for instance, more same-day travel to Niagara).
- The results in New York City are encouraging, because they suggest buoyancy within a market specifically targeted for development long-term.

Travel Intentions — May '09 Topline Summary (cont'd)

- Ontario's brand image has experienced little change over the past year,
 - ...although, as expected, value-for-the-money impressions have seen some improvement in the US.
- The longer-term trend (relative to 2005) is generally positive within the domestic market.
 - Ontario has gained traction with respect to the perceived ability to offer unique and different experiences, particularly beyond the "great outdoors".
 - This development is consistent with the thrust of the current creative strategy.
 - The province may, however, still be on the road to recovery with regard to perceptions of safety following the "Summer of the Gun".

Travel Intentions — May '09 Topline Summary (cont'd)

- Broader safety concerns related to health, terrorism and possibly crime, appear to be somewhat more prominent in the US than they were in 2005.
 - But it is difficult to determine whether this is a function of general travel issues or of weakening perceptions specific to Ontario.
- There is evidence, though, that Ontario's image has seen some long-term softening in the US overall.
 - This possibly stems from greater vagueness about the offering.
 - And this is possibly attributable, at least in part, to the strong domestic focus of recent marketing efforts.



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