



**Arctic Development  
Library**

**U.s. Pleasure Travel Market - Canadian  
Potential: Highlightd Report  
Type of Study: Market Information  
Date of Report: 1986  
Catalogue Number: 11-35-4**



**U.S. PLEASURE TRAVEL MARKET - CANADIAN POTENTIAL: HIGHLIGHTD REPORT**

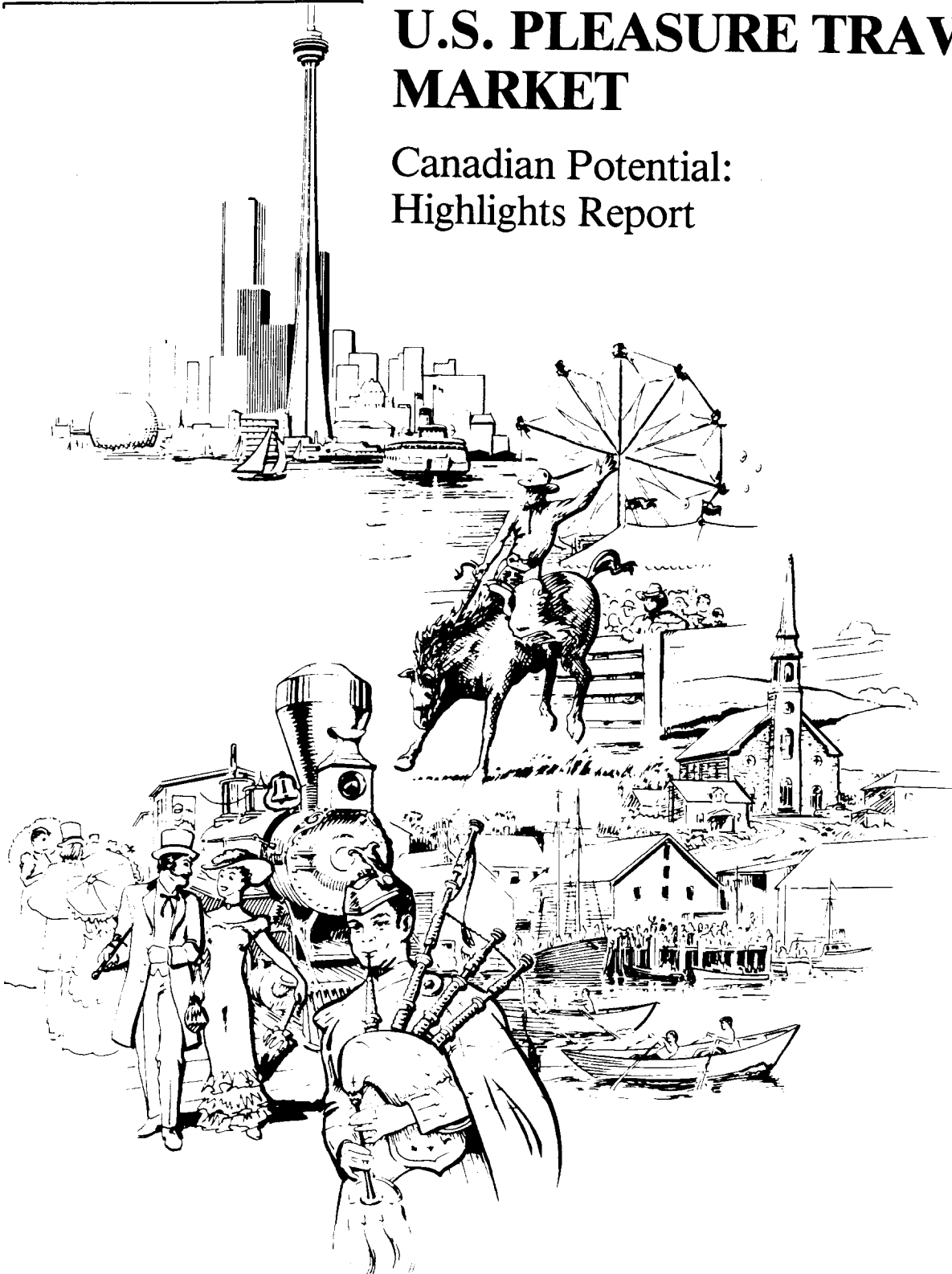
Sector: Tourism

11-35-4

Market Information

# U.S. PLEASURE TRAVEL MARKET

## Canadian Potential: Highlights Report



THE U.S. TRAVEL MARKET STUDY  
CANADIAN POTENTIAL  
HIGHLIGHTS REPORT

TOURISM CANADA

Published under the authority of the  
Department of Regional Industrial Expansion  
January 1986

TRDC

(613) 995-2754

Ross Vid

The research on which this report is based was  
conducted by Longwoods Research Group Inc. of Toronto  
under contract to Camp Associates Advertising Ltd.  
of Toronto for Tourism Canada.

TABLE OF CONTENTS

|  | <u>Page</u> |
|--|-------------|
| Introduction .....                                 | 1           |
| Structure of the U.S. Pleasure Travel Market ..... | 7           |
| Overview .....                                     | 7           |
| The U.S. Pleasure Travel Market .....              | 7           |
| The Touring Trip .....                             | 15          |
| The Outdoors Trip .....                            | 24          |
| The City Trip .....                                | 33          |
| The Resort Trip .....                              | 40          |
| Barriers and Hot Buttons .....                     | 46          |
| Conclusions and Implications for Canada .....      | 53          |

---

## INTRODUCTION

Tourism is one of Canada's largest industries, generating \$20 billion annually in the Canadian economy and employing some 600 000 people directly.

Canada's most important source of foreign visitors is the United States. Visitors from the U.S. who stayed one or more nights in Canada accounted for 87 per cent of person-trips to Canada in 1984 and over 75 per cent of expenditures by foreign visitors.

After the major decline in overnight person-trips from the U.S. to Canada between 1975 and 1979, from 12.499 million to 10.909 million, such visits remained close to this lower level for the five years 1979 to 1983. Overnight visits increased by 8 per cent and expenditures rose by 35 per cent from 1982 to 1984.

Overnight visits from countries other than the U.S. reached a peak in 1981 at 1.843 million, with 1984 visits down 9 per cent from this level. Expenditures by visitors from other countries increased by less than one percentage point over the same period, with their expenditures at 24.4 per cent of the total compared with 30.6 per cent in 1981.

Flows of visitors among countries represent the effects of many different factors with exchange rates, the economic situation and demographic factors, etc., all affecting personal decisions. For example, between 1976 and 1984 the number of overnight visits from the U.S. declined by 3.1 per cent. However, the number of visitors aged 12 and under dropped by 25.9 per cent and the number over age 12 remained virtually the same. Similarly, the decline in automobile

travel from more than 80 per cent of overnight visitors from the U.S. to less than 70 per cent will have been affected not only by changing relative prices among transport modes, but also by demographic changes and other factors.

A coordinated approach by governments and the private sector is seen as essential if Canada's advertising and other marketing are to be more effective in attracting foreign tourists. This approach will reduce duplication of effort and avoid presenting conflicting or confusing messages about Canada as a tourist destination. It is also vital to provide the market research on which an integrated, efficient and effective approach to marketing Canada may be based.

The United States, as Canada's largest market and best potential source of increased tourism revenue, was chosen for an extensive and in-depth study to provide the necessary information on which to base future coordinated tourism marketing decisions by public and private sectors.

This summary report, as well as the more extensive report that accompanies it, has been written from the vantage point of Canada as a whole, specifically to deal with the needs of Tourism Canada and its agency, Camp Associates Advertising Limited. The usefulness of the study, however, does not end there. A study of this magnitude also provides a large data base with extensive geographic coverage and is thereby able to meet the specific information needs of a variety of sectors of the tourism industry. From governments at the "macro" level to the individual operator at the "micro" level, the data base has the flexibility to provide the industry with a framework of information for common planning and action.

This summary report represents the results of the largest single pleasure travel study of the U.S. market ever conducted for Canada. Field work for this study was conducted during the fall of 1985. A total of 9 000 personal, in-home interviews, averaging 50 minutes in length, were conducted in each of the nine U.S. census divisions, 1 000 interviews per division.

The size of this sample is large by any standard. Under normal circumstances a national sample of 2 000 to 3 000 respondents for a study of this type would be considered statistically reliable. However, because this study's data base is to be utilized by a number of publics, including the provinces and the private sector, it must be large enough to allow for statistically reliable segmentation by geographical regions.

All respondents in this study are pleasure travellers 16 years or older and were selected on the basis of having taken at least one pleasure trip in the past 36 months that required them to travel more than 100 miles one way and to spend at least one night away from home, and which required the use of either commercial accommodation or transportation. Americans meeting these criteria represent 75 per cent of the U.S. population 16 years of age or older.

The need for accuracy and quality of information in any study is of utmost importance. A number of steps were therefore taken at the design stage of this study to ensure the validity of this information. These included an initial qualitative assessment of trip categories and benefits sought by the U.S. traveller through 14 focus groups, as well as input from key U.S. travel experts to help Canada better understand its U.S. customers.



As well as examining pleasure travel generically, this study has divided the U.S. travel market into eight easily recognizable and meaningful vacation type segments, as verified by the American traveller. The trip types were defined as follows:

- 1) A visit to friends and relatives is a trip whose primary purpose is to visit and spend time with friends or relatives.
- 2) A close-to-home leisure trip is a trip to a place close to home where you can enjoy facilities related to a beach, lake, seashore or park.
- 3) A touring trip is one by car, bus or train through areas of scenic beauty, cultural or general interest.
- 4) A city trip is a journey to a city where you may shop, visit museums, enjoy entertainment, dine, attend plays or concerts, or just stroll around and enjoy the city.
- 5) An outdoors trip occurs in a natural area where you may engage in activities such as camping, hunting, fishing, hiking or rafting.
- 6) A resort trip is a journey to a resort or resort area where a wide variety of activities such as beaches, skiing, golfing, tennis and so on, are available nearby or on the premises.
- 7) A cruise is a trip on a cruise ship where you enjoy all the on-board activities and planned stops at points of interest along the way.

- 8) A trip to a theme park, exhibition or special event is taken primarily for the purpose of visiting a major theme park or exhibition or special event such as a Super Bowl, World's Fair or Olympic Games.

For each of these different types of trips that Americans take, we examined:

- ° the size of the market, both in terms of the past year and travellers' intentions for the next two years;
- ° Canada's market share;
- ° consumers' wants, needs and activities;
- ° image strengths and weaknesses of Canadian destinations relevant to each type of trip.

From this analysis has emerged an understanding of the major barriers that must be overcome if Canada is to become a more viable vacation destination for U.S. pleasure travellers, as well as the "hot buttons" that must be pushed if we are to increase our market share.

The study results will surprise many readers and challenge many of the prevailing beliefs about Canada's strengths and weaknesses as a vacation destination. The single most important finding to emerge from this research is that Canada's greatest strength is as a **touring** destination. **None** of Canada's individual products, including its great outdoors, its major cities and its resorts, has an image that stands up well to competition, nor is Canada's market share strong in any of these trip categories. Instead, Canada's strength lies

in the fact that it is a foreign destination, close and familiar, and yet somehow different. The essential difference is the people of Canada -- their British and French heritage, their ethnic diversity and their regional and local traditions. Canada's strength as a pleasure travel destination does not lie in its emulation of American destinations, but rather in its points of difference. The hook is not unspoiled wilderness, clean, modern cities, beautiful countryside, or resorts per se, but the fact that all of these attractions are in Canada, a foreign destination that provides a different set of experiences from those offered by the U.S.

The study was born of the need to address the declining share issue -- to provide the Canadian tourism industry with a blueprint from which to develop a common and concentrated marketing thrust in order to meet the challenge of foreign competition head on in the battle for tourism dollars.

The task of increasing market share is not a simple one. As a starting point, we need to work together, to dispel old stereotypes, increase awareness and come to grips with the industry's strengths and weaknesses. It is the purpose of this study to address these issues and to provide a data base for developing an integrated and consistent industry-wide marketing strategy and, ultimately, a healthier and more vibrant industry sector.

## STRUCTURE OF THE U.S. PLEASURE TRAVEL MARKET

### Overview

The U.S. pleasure travel market is enormous. In the past 12 months, a total of 130.6 million Americans took a total of 468 million personal pleasure trips, representing 1.94 billion person-nights. The typical U.S. pleasure traveller takes 3.6 pleasure trips a year lasting four days on average.

In a twelve-month period preceding the interviews,<sup>1</sup> 4.3 per cent or some 5.6 million American pleasure travellers visited Canada, staying for a total of 49.6 million trip-nights and accounting for 2.6 per cent of all the trip-nights of pleasure travel taken in the past year by Americans.

These Canada-bound travellers came from all over the U.S. Four of the nine U.S. census divisions, however, showed considerably weaker development relative to the rest of the country. The Mountain and the three southern U.S. divisions were at about one-third the level of development of the national average of 4.3 per cent, while New England, Mid-Atlantic and East North Central were clearly well ahead.

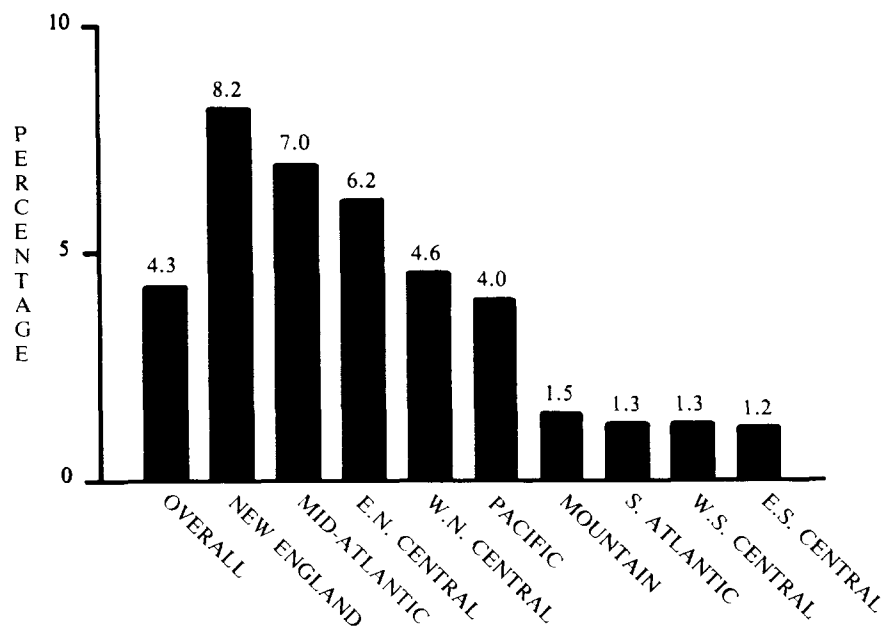
### The U.S. Pleasure Travel Market

The U.S. pleasure travel market is geographically vast, the nine census divisions representing nine distinct markets in themselves. It is also vast in other ways. Of particular

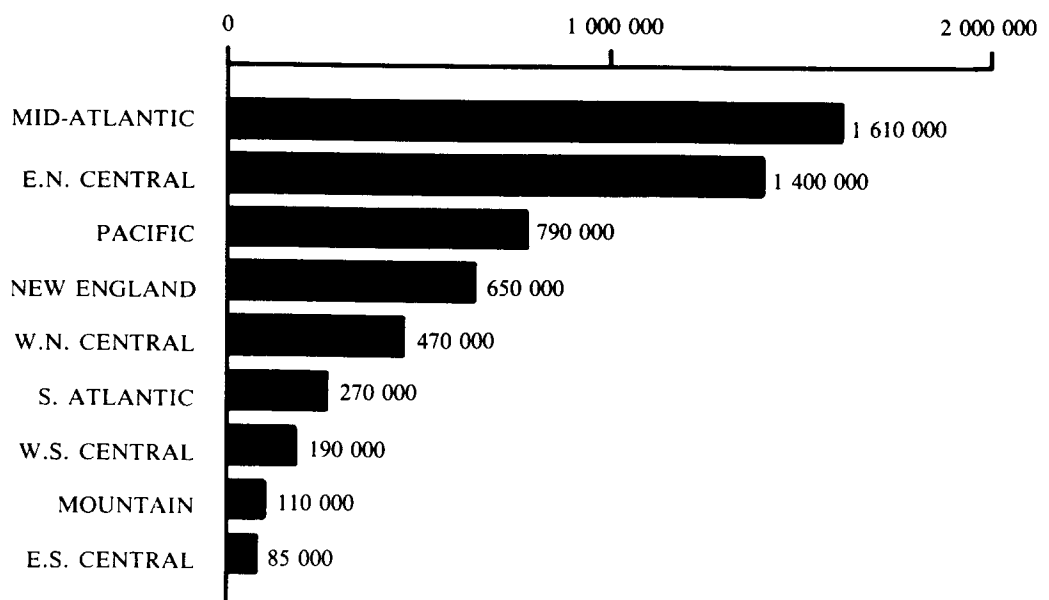
<sup>1</sup> Based on the 12 months immediately preceding the date of the interview. Depending on the respondent, this period ranged from September 1984 to November 1985.

importance for Canada is the fact that the U.S. pleasure travel market is not one market, but many. U.S. travellers seek different amenities on different occasions, demonstrating once again that variety is the spice of life. The marketing implication of this fact is that the typical U.S. traveller is potentially a multiple customer for Canada's services.

**SOURCES OF CANADA'S PLEASURE TRAVEL MARKET**  
PERCENTAGE OF U.S. PLEASURE TRAVELLERS VISITING CANADA IN PAST YEAR  
BY U.S. CENSUS DIVISION



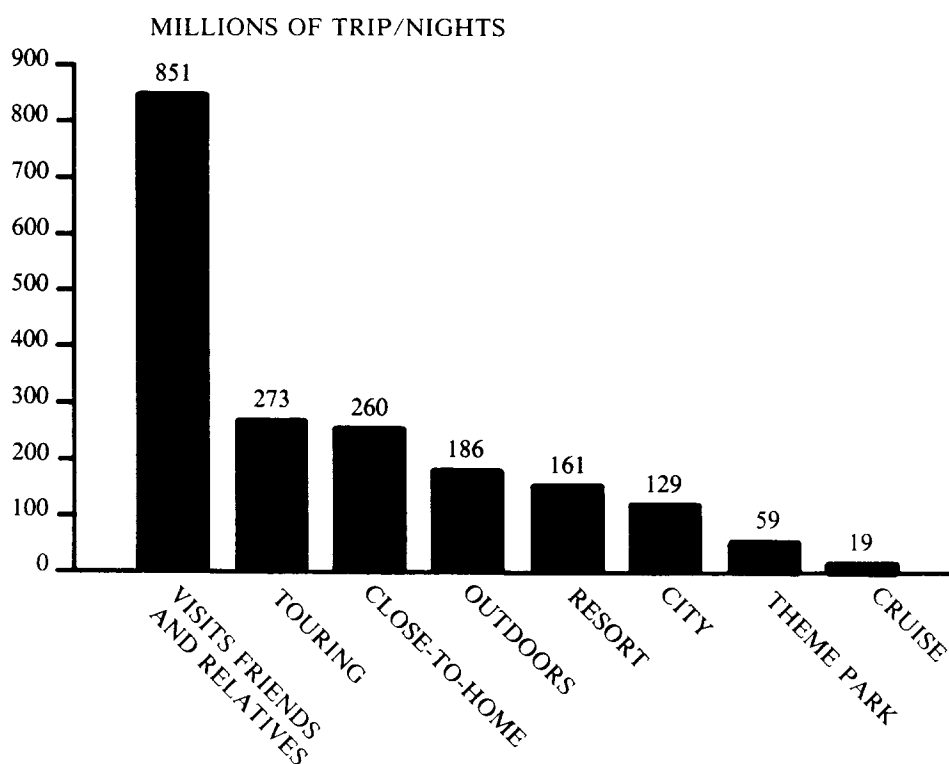
ESTIMATED NUMBERS OF TRAVELLERS TO CANADA  
BY CENSUS DIVISION  
TWELVE-MONTH PERIOD IMMEDIATELY PRECEDING SURVEY



It was the premise "that a retiree interested in Mayan ruins one year could seek a midnight cruise the next"<sup>1</sup> that prompted the occasion-based approach to the U.S. market adopted in this study. This study shows that eight distinct pleasure travel markets exist in the U.S., each with its own different travel patterns and travel needs, and each defining its own particular set of travel experiences.

<sup>1</sup> Tourism Canada, DRIE, Tourism Tomorrow, 1985, page 9.

## STRUCTURE OF THE U.S. PLEASURE TRAVEL MARKET BY TRIP TYPE

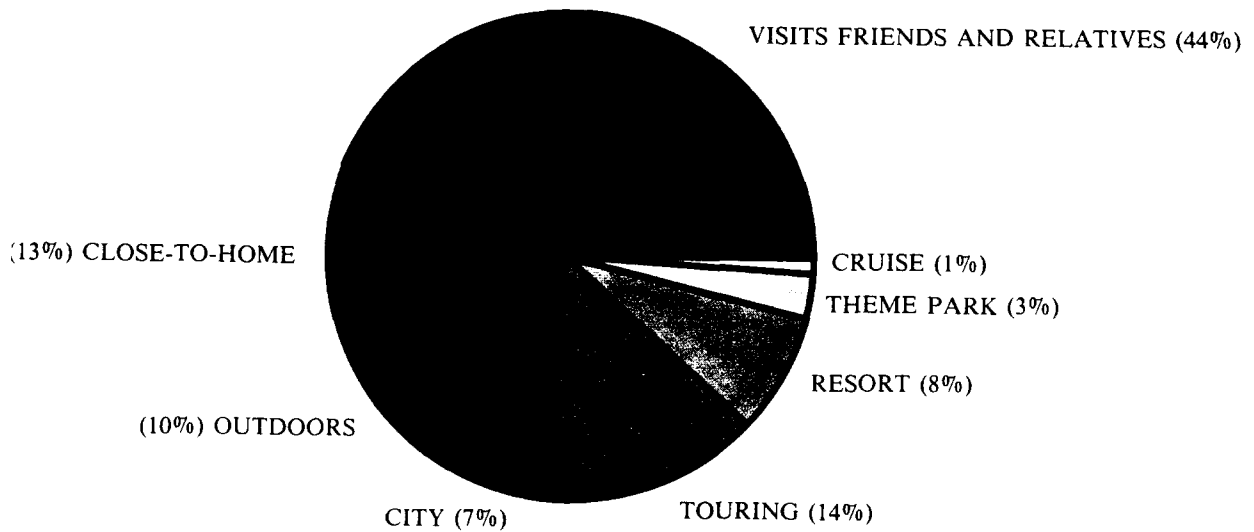


These markets are as follows:

### THE STRUCTURE OF THE U.S. PLEASURE TRAVEL MARKET

| <u>Type of Vacation</u>        | <u>Millions of Trips in Past Year</u> | <u>% Share by Trip Type</u> | <u>Average Length of Stay in Nights</u> | <u>% of Total Trip Nights</u> |
|--------------------------------|---------------------------------------|-----------------------------|---|-------------------------------|
| Visiting friends and relatives | 193                                   | 41%                         | 4.4                                     | 44%                           |
| Touring                        | 34                                    | 7%                          | 8.0                                     | 14%                           |
| Close-to-home leisure          | 97                                    | 21%                         | 2.7                                     | 13%                           |
| Outdoors                       | 55                                    | 12%                         | 3.4                                     | 10%                           |
| Resort                         | 32                                    | 6%                          | 5.0                                     | 8%                            |
| City                           | 39                                    | 8%                          | 3.3                                     | 7%                            |
| Theme park/special event       | 15                                    | 4%                          | 3.9                                     | 3%                            |
| Cruise                         | 3                                     | 1%                          | 6.3                                     | 1%                            |
| <b>TOTAL:</b>                  | <u>468</u>                            | <u>100%</u>                 | <u>4.1</u>                              | <u>100%</u>                   |

## STRUCTURE OF U.S. PLEASURE TRAVEL MARKET BASED ON TOTAL TRIP NIGHTS



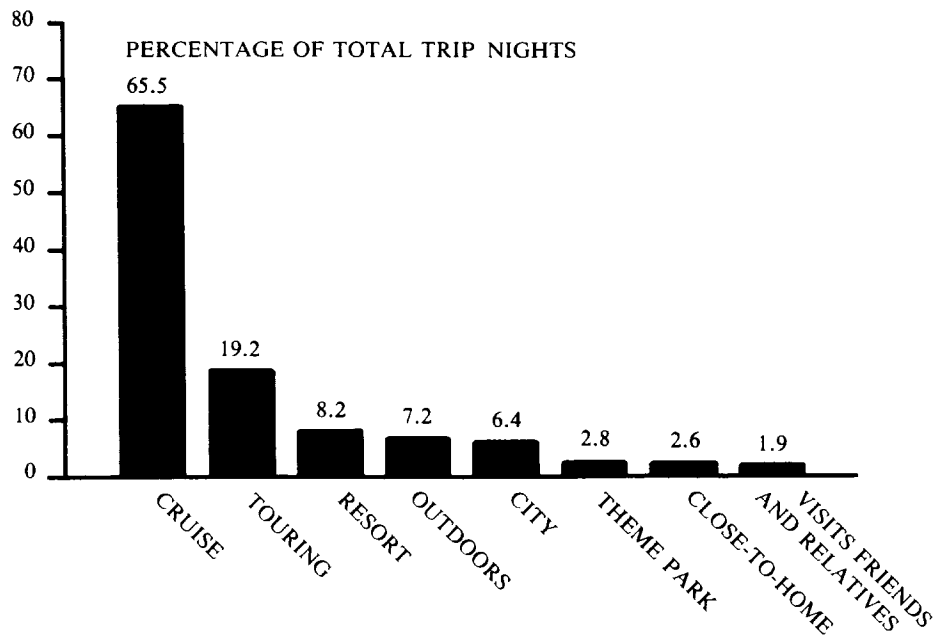
Canada's share of these eight trip types is distributed as follows:

| <u>Type of Vacation</u>        | <u>Millions of Trips to Canada in Past Year</u> | <u>*Average Length of Stay in Days</u> | <u>Millions of Trip-Nights into Canada in Past Year</u> | <u>% of Total Trip-Nights</u> |
|--------------------------------|---|--|---|-------------------------------|
| Visiting friends and relatives | 1.7   | 7.0                                    | 11.5  | 23%                           |
| Touring                        | 2.3   | 8.1                                    | 18.5  | 37%                           |
| Close-to-home leisure          | 0.8   | 3.4                                    | 3.0   | 6%                            |
| Outdoor                        | 1.6   | 6.3                                    | 10.1  | 20%                           |
| Resort                         | 0.3   | 3.8                                    | 1.3   | 3%                            |
| City                           | 1.0   | 3.7                                    | 3.7   | 8%                            |
| Theme park/<br>special event   | 0.3   | 4.1                                    | 1.2   | 2%                            |
| Cruise                         | <u>0.1</u>                                      | <u>2.7</u>                             | <u>0.3</u>  | <u>1%</u>                     |
| <b>TOTAL:</b>                  | <u>8.1</u>                                      | <u>6.1</u>                             | <u>49.6</u>   | <u>100%</u>                   |

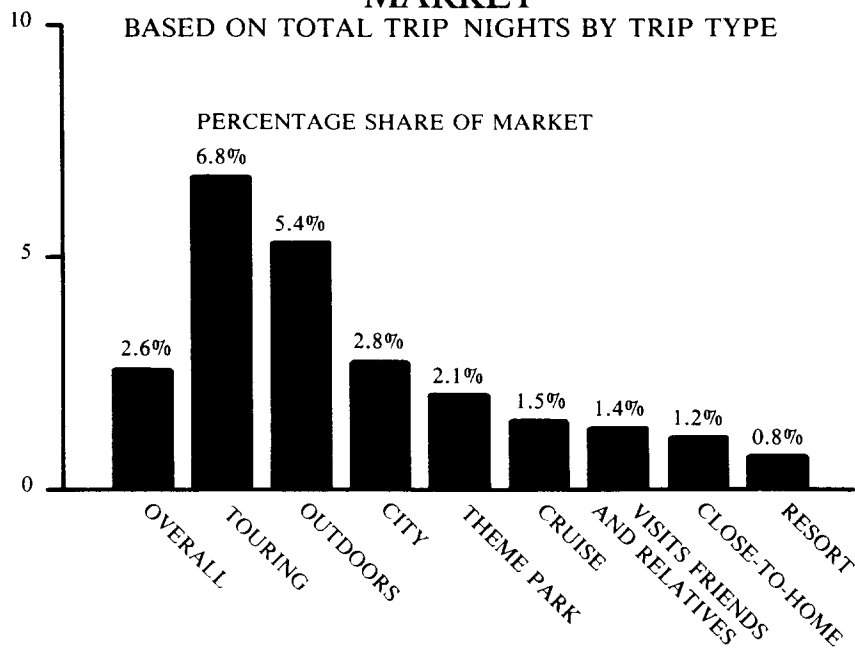
\* Individual variances due to rounding



### SHARE OF U.S. MARKET BY FOREIGN DESTINATIONS BY TRIP TYPE



### CANADA'S SHARE OF THE U.S. PLEASURE TRAVEL MARKET

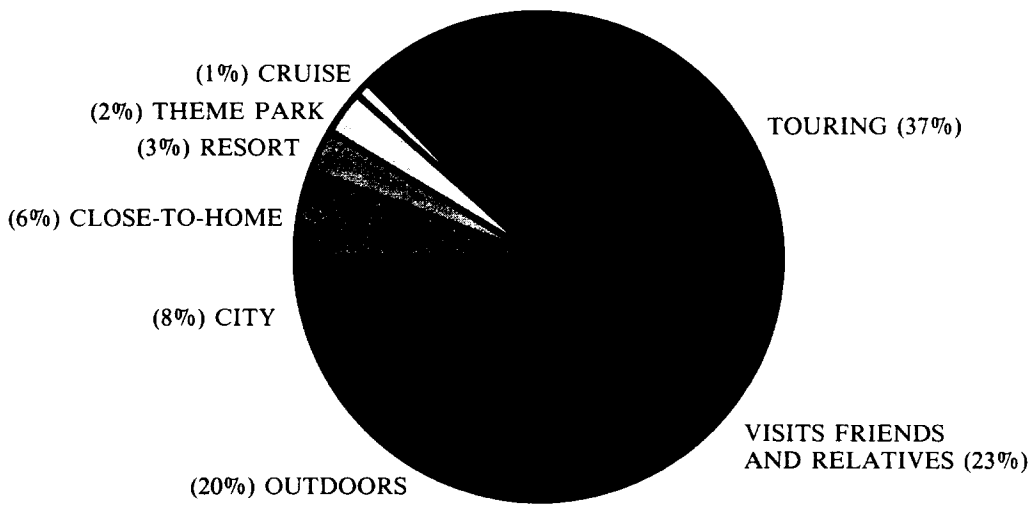


Those markets of major interest to Canada will be dealt with at some length in subsequent sections of this report. Suffice it to note here that, when Canada's performance is examined on the basis of these eight distinct market segments, some startling facts emerge. The most significant of these is that Canada's greatest strength is the **touring trip** not the **outdoors trip**, as might have been supposed. Canada's share of the touring market is 6.8 per cent compared to the outdoors market at 5.4 per cent.

Also surprising was Canada's weak showing in the resort market at 0.8 per cent, and Canada's fairly strong showing in the city market at 2.8 per cent.

These results demand answers to some very basic questions. Certainly, image and awareness are important items in these deliberations. But is there some underlying structural problem or some missed opportunity? How does the touring market differ from the outdoors, city and resort markets? And how can we do better? To answer these questions, it is necessary to know the markets themselves, the key needs and benefits sought in each and how Canada's particular set of assets and liabilities meets or fails to meet the particular demands of each vacation experience. The answers to these marketing issues must be found for each of Canada's main travel markets: touring, outdoors, city and resort.

**CANADA'S VACATION TYPE MIX**  
PERCENTAGE OF TOTAL TRIP NIGHTS TO CANADA



### THE TOURING TRIP

Perhaps the greatest surprise of this study was that Canada's single strongest attribute for U.S. pleasure travellers was not the outdoors trip, but rather the touring trip. Understanding that touring is our preeminent trip type and, more important, why that is the case, will allow Canada to focus more clearly on both the content and targetting of our messages to the U.S. travelling public.

#### What is a Touring Trip?

A touring trip has no single focus. It involves, instead, a mix of a number of individual products. A touring trip is an extended trip, lasting eight days on average and is planned well in advance, typically one to two months, and a variety of information sources are used, including travel agents, travel magazines and, for trips to Canada, newspapers and TV. Thus, there is a real opportunity for Canada to reach this target group through marketing activities.

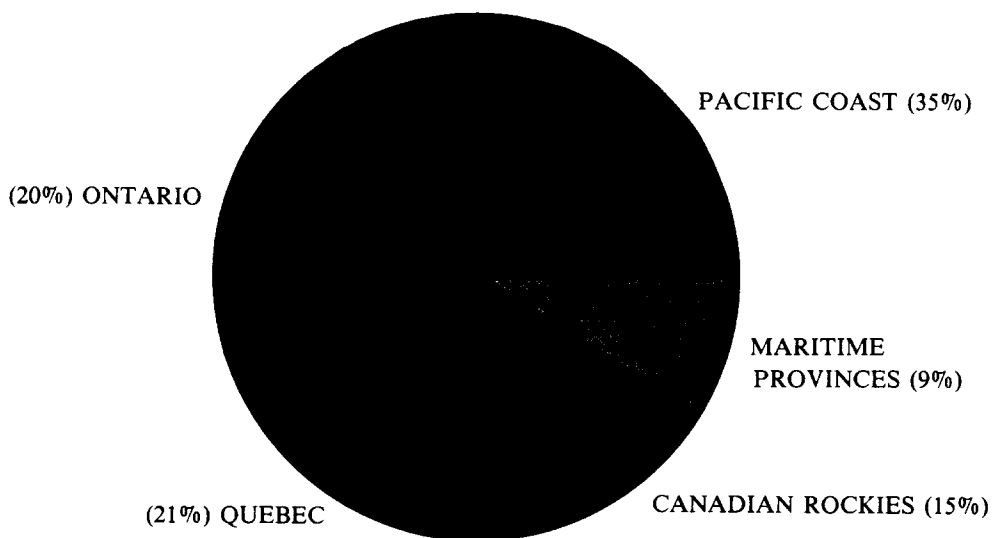
On a touring trip, the car is the primary mode of transportation, but less so than for any other trip type. Air (26 per cent), bus (14 per cent) and rented cars (12 per cent) are relatively important for the touring trip, and motels (49 per cent) and hotels (38 per cent) are the main types of accommodation. One trip in five involves a package deal.

The most attractive Canadian regions for a touring trip, based on trips planned for in the next two years, are in order:

- ° Pacific Coast
- ° Quebec
- ° Ontario
- ° Canadian Rockies
- ° Maritime Provinces.

Although touring represents almost twice the number of trip-nights for Canada as the outdoors trip, its economic impact is even greater. Since it is less of a rubber tire market, there are significant spinoffs for the transportation sector. Moreover, roughly half of touring vacationers are looking for first-class accommodation and food, a tendency that generates more revenues for the hospitality sector.

### PREFERRED CANADIAN REGIONS FOR TOURING TRIPS



What are Americans looking for in a touring trip?  
Following is what Americans say they feel about the touring destinations they really want to visit:

|                                  | <u>Importance</u> <sup>1</sup> |
|----------------------------------|--------------------------------|
| <u>Sightseeing</u>               |                                |
| ° Beautiful scenery              | 81                             |
| ° Lots to see and do             | 76                             |
| ° Interesting cities and towns   | 66                             |
| ° Many points of interest        | 59                             |
| ° Noted for its history          | 55                             |
| <u>Popularity</u>                |                                |
| ° Well-known area                | 73                             |
| ° Popular                        | 73                             |
| ° Well-known landmarks           | 70                             |
| <u>Exciting</u>                  |                                |
| ° Not dull                       | 76                             |
| ° Dreamed of visiting            | 56                             |
| ° Friends would be impressed     | 50                             |
| ° Exciting nightlife             | 41                             |
| <u>Accommodation and Food</u>    |                                |
| ° First class hotels             | 53                             |
| ° Excellent local cuisine        | 50                             |
| ° Elegant restaurants            | 48                             |
| ° Affordable accommodation       | 42                             |
| <u>Climate</u>                   |                                |
| ° Good climate                   | 52                             |
| <u>Foreign Experiences</u>       |                                |
| ° Very different                 | 52                             |
| ° Different cultures/way of life | 49                             |

<sup>1</sup> Percentage agreeing strongly that their preferred destination has this feature.

Top 20 Touring Activities (Rank Order)

- 1) Walking and strolling about
- 2) Visiting small towns and villages
- 3) Dining at a variety of restaurants
- 4) Sampling local cuisine
- 5) Visiting natural parks
- 6) Seeing wildlife I don't usually see
- 7) Being close to mountains
- 8) Being by the ocean
- 9) Being by a lake
- 10) Taking guided tours
- 11) Going to zoos and wildlife exhibits
- 12) Visiting big cities
- 13) Shopping
- 14) Attending festivals or ethnic events
- 15) Visiting museums and galleries
- 16) Visiting science exhibits
- 17) Swimming
- 18) Exploring wilderness areas
- 19) Sunbathing
- 20) Dining at elegant, sophisticated restaurants

Canada's Image Among Touring Travellers

Americans have a positive view of Canada as a touring destination; however, we have very few points of advantage, relative to the U.S. itself, and a number of weak points.

Although Americans see their own country in a more positive light, they perceive Canada as a beautiful country with lots of things to do and see, with interesting cities and towns and many well-known landmarks. Canada is a safe country to travel in, very different, and definitely not dull. Nor is Canada

---

seen as particularly expensive. While, overall, Canada is seen very positively, the problem is that U.S. pleasure travellers see their own country even more positively. In comparison to our main competition, the U.S. itself, Canada's image is weak in a number of areas. Relative to the U.S., Canada's touring regions are viewed as:

- ° much less popular and well known;
- ° less exciting, and with fewer things to do and see;
- ° lacking first-class food and accommodation;
- ° having a poorer climate.

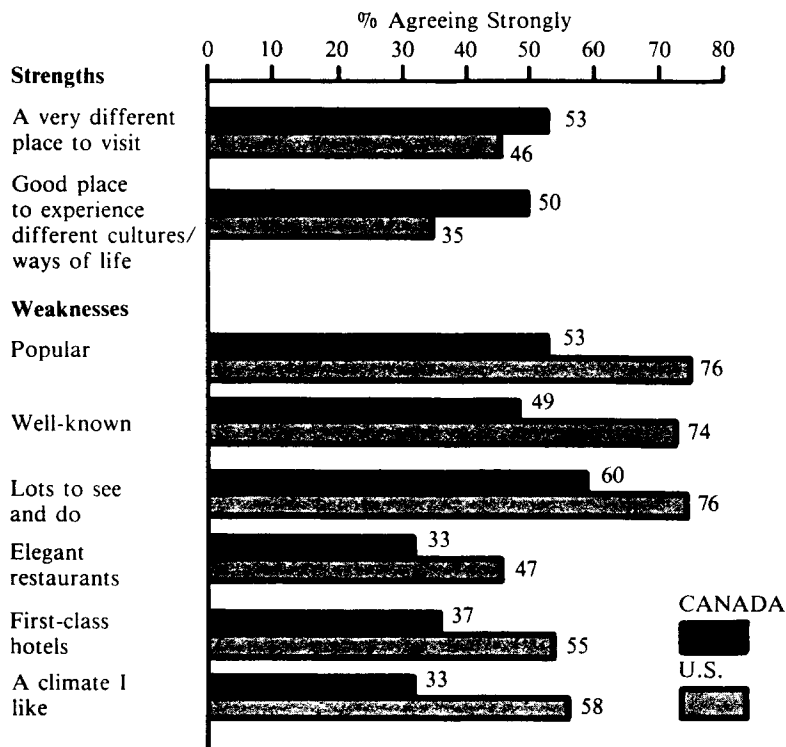
#### Canada's Unique Selling Proposition

Foreign destinations have had varying degrees of success in penetrating what is primarily a U.S. home-bound market. The most significant penetration, by trip type and by foreign destination, is in the touring market, of which Canada has a 7 per cent share, compared to 12 per cent for other foreign destinations. Foreign destinations also hold a 66 per cent share of the cruise market. In all markets though, Canada essentially competes with domestic destinations in the United States.

Where does Canada have an edge? Its one advantage over the U.S. as a touring destination is that it is different: it is a foreign destination with a different culture and way of life; it is Canadian. In a touring trip, people are more likely to be looking for differences, for some foreign mystique or cachet, something that the U.S. does not have, but which Americans think Canada possesses.



### CANADA'S IMAGE VS. THE U.S. TOURING



In both this major quantitative study and in 14 focus groups involving in-depth discussions with many Americans, one thing about Canada stood out as being a unique and important advantage: Americans perceive Canada's scenery and buildings as foreign. It is Canada's people, cultures, heritage and ethnic mosaic that make Canada substantively different from America.

It is this sense of difference that gives a foreign destination like Canada some appeal in an otherwise home-bound U.S. market.

Canada's Opportunity in the Touring Market

"A modern travel experience is more than the transportation, the attractions, the food and the accommodation: it is a combination of all factors selected as a package."

(Tourism Tomorrow)

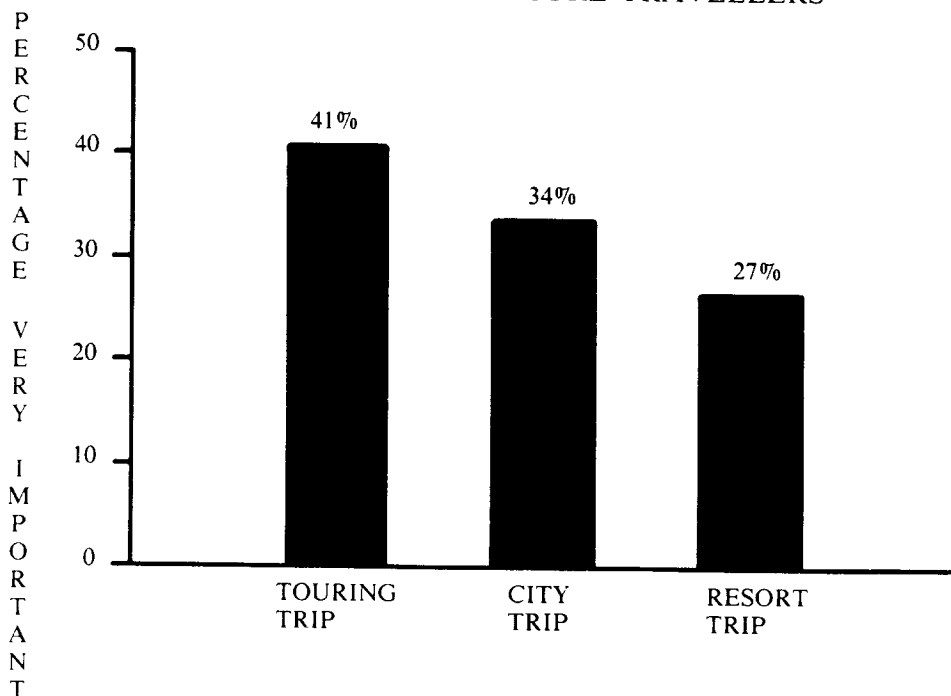
Nowhere is this statement more true than in the case of a touring trip. And yet, in order to capture the fullest sense of a touring experience, we would expand the definition by including the human dimension and the search for difference. At least that is what the American traveller is saying.

As shown above, there is one key benefit that differentiates Canada from the U.S.: the fact that Canada is a foreign country and is perceived as offering a different set of cultural experiences and way of life. Moreover, we are attracting a customer to Canada who particularly values the cultural factor. This segment of the U.S. travelling public is more likely to be upscale and living in major urban areas than the typical U.S. touring vacationer. For this traveller, distance to Canada is not a major barrier. Yet we have never promoted Canada's unique cultural heritage intensively in order to capitalize on its strength in this market. We clearly have a real opportunity to market to this group by portraying essential differences, a foreign mystique, while addressing the country's weakness relative to the U.S. in infrastructure (hotels, restaurants, landmarks and things to do and see).

If potential touring customers are unaware of and unfamiliar with what Canada offers them, they will perceive the country as not as popular a place to tour as our competition. Given the commitment of time and money required for a touring vacation, it is no wonder that popularity is high on the priority list of the touring vacationer, as it gives the reassurance that the experience will be enjoyable, that there will be lots of things to do and see and that the infrastructure will be in place to provide the required amenities of food and lodging. Touring vacationers simply want the most for their money.

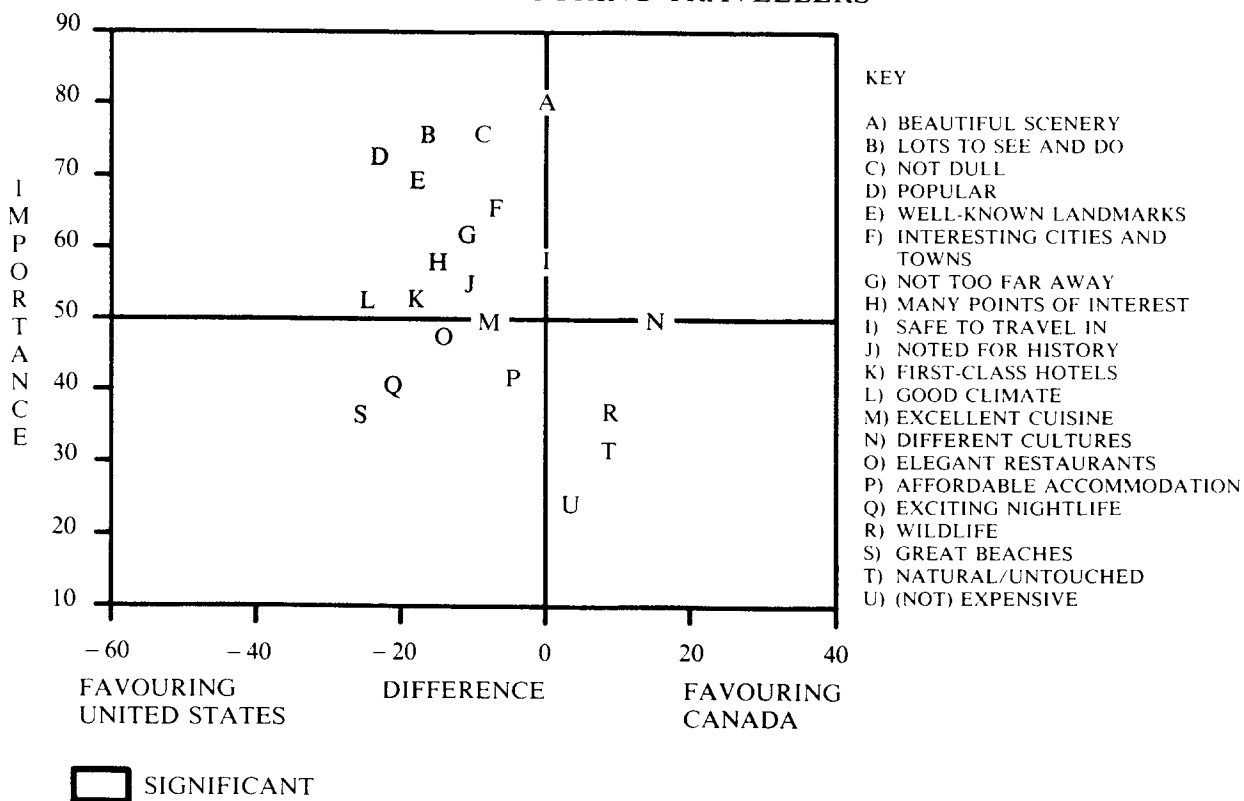
# THE IMPORTANCE OF DIFFERENT CULTURES AND WAYS OF LIFE

TOTAL U.S. PLEASURE TRAVELLERS



## CANADA VS. UNITED STATES

TOTAL U.S. TOURING TRAVELLERS



### THE OUTDOORS TRIP

As noted above, Canada is not as popular a destination as might be expected among U.S. travellers taking an outdoors trip. Given the stereotype of Canada as a land of mountains, moose and Mounties, together with Canadian advertising of the great outdoors, one would think that the outdoors trip would be Canada's greatest strength. Where have we missed the mark? The answer lies both in the nature of the outdoors trip and the kind of image that Canada projects relative to its main competitor, the U.S.

#### What is an Outdoors Trip?

The outdoors trip is typically taken by a younger American family with children, travelling by car, truck or recreational vehicle to one of the many natural areas that dot the U.S. With only a week or two of planning, the family is off to a campground or trailer park, there to enjoy the scenery, to spend time together, to rest and relax, or generally just to have fun. Walking or strolling about, enjoying the wilderness, being near mountains or water, or visiting a nearby town and sampling the local cuisine -- these are the orders of the day. In selecting a destination, these travellers consult friends, but generally do little else. Areas of scenic beauty which are natural, but not too wild, and which offer a sense of seclusion and privacy and lots to do and see are the destinations they see as most attractive.

The outdoors trip is typically quite short (three to four days), and thus fairly close to home. This definition limits the potential for Canadian destinations to border areas and to the subsegment of longer outdoors trips. Indeed, the average

length of an outdoors trip to Canada is six to seven days, about twice the average for a trip of this type in the U.S.

The outdoors trip is popular with mainstream America. It is a family vacation for the family whose idea of roughing it may be having martinis out of a paper cup. The more rugged and strenuous activities such as mountain climbing, white-water rafting, ice-fishing or trophy hunting represent vertical interest segments that are minor in importance in comparison to the broader outdoors market. This is not to say that, for specific regions of Canada, the "sportsman" is not a significant target group, but rather that, for mass marketing purposes, mainstream America prefers a tamer and more sedate version of the outdoors, with more amenities.

Top 20 Outdoors Activities (Rank Order)

- 1) Walking or strolling about
- 2) Exploring wilderness areas
- 3) Being by a lake
- 4) Seeing wildlife I don't usually see
- 5) Visiting natural parks
- 6) Close to mountains
- 7) Fresh-water fishing
- 8) Swimming
- 9) Visiting small towns and villages
- 10) Hiking or backpacking
- 11) Being by the ocean
- 12) Sunbathing
- 13) Power boating
- 14) Canoeing
- 15) Hunting

- 16) Sampling local cuisine
- 17) Shopping for arts and crafts
- 18) Mountain climbing
- 19) Indoor activities
- 20) Water skiing

The most attractive Canadian regions for an outdoors vacation, based on trips planned for the next two years are, in order:

- ° Canadian Rockies
- ° Pacific Coast
- ° Ontario
- ° Quebec
- ° Northern Manitoba, Saskatchewan
- ° Arctic
- ° Newfoundland.

Relative to touring, outdoors trips contribute considerably less to the Canadian economy. Virtually all of the business comes via the rubber tire route (96 per cent), with campgrounds (65 per cent) being the primary form of accommodation.

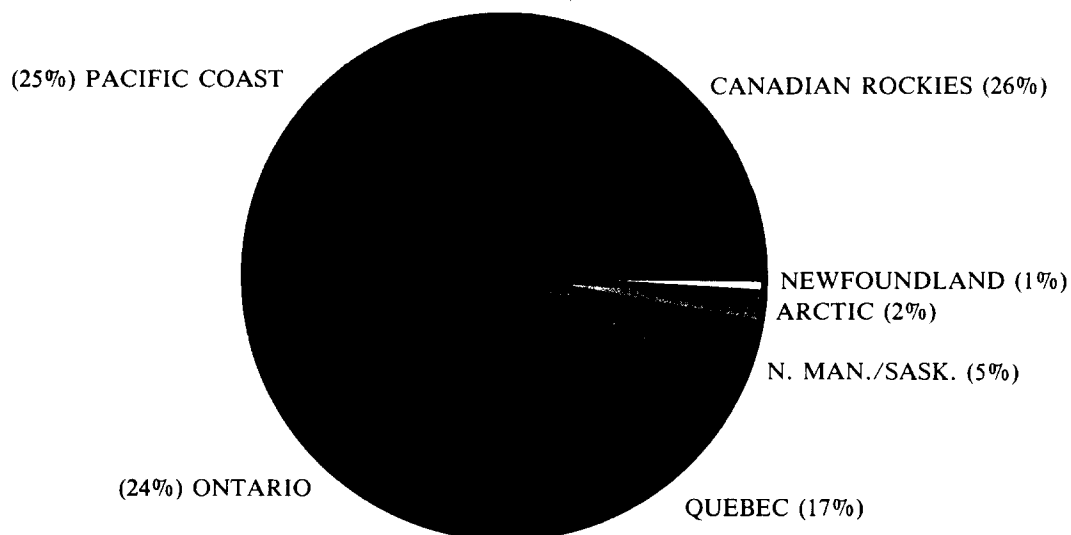
What are Americans looking for in an outdoors trip?  
Following is what Americans say they feel about the outdoors  
destinations they really want to visit:

|                           | <u>Importance</u> <sup>1</sup> |
|---------------------------|--------------------------------|
| <u>Scenery</u>            |                                |
| ° Beautiful scenery       | 85                             |
| <u>Activities</u>         |                                |
| ° Lots to do and see      | 71                             |
| ° Hunting/fishing         | 62                             |
| ° Hiking/climbing         | 58                             |
| ° Many points of interest | 63                             |
| ° Boating/water sports    | 49                             |
| ° Snow skiing             | 46                             |
| ° Historical interest     | 41                             |
| ° Swimming                | 36                             |
| <u>Seclusion</u>          |                                |
| ° Not too wild            | 68                             |
| ° Rest/relaxation         | 61                             |
| ° Seclusion/privacy       | 56                             |
| ° Natural/untouched       | 43                             |
| <u>Exciting</u>           |                                |
| ° Real adventure          | 65                             |
| ° Challenge skills        | 36                             |
| <u>Convenient</u>         |                                |
| ° Not too far away        | 65                             |
| ° Not too hard to reach   | 44                             |
| <u>Popular</u>            |                                |
| ° Well-known area         | 61                             |
| ° Popular                 | 60                             |
| <u>Climate</u>            |                                |
| ° Good climate            | 56                             |

<sup>1</sup> Percentage agreeing strongly that their preferred destination has this feature.



## PREFERRED CANADIAN REGIONS FOR AN OUTDOORS TRIP



### The Image of Canada's Outdoors

The analysis shows that there is a great deal that U.S. outdoor vacationers admire about Canada. They think of Canada's natural areas as truly beautiful, its hunting and fishing as good and that there will be lots to see and do once they get here.

But herein lies the basic dilemma for Canada. Americans are at least as positive about areas available to them in their own country, which are much closer to home.

The simple fact about the outdoors trip type is that the primary pursuits of swimming, walking, strolling, hunting and fishing in a beautiful natural area can be found in any of hundreds of locales in the U.S. Canada's trees, mountains and lakes are seen as no more or less beautiful, no more or less full of the promise of adventure, than those in the U.S. And, for most Americans, Canada is a lot farther away, a significant factor for a trip which, on average, lasts only three to four days.

Canada's only image **strengths** for the outdoors trip are as follows:

- ° we are more natural and untouched;
- ° we are seen as different and offering a different lifestyle.

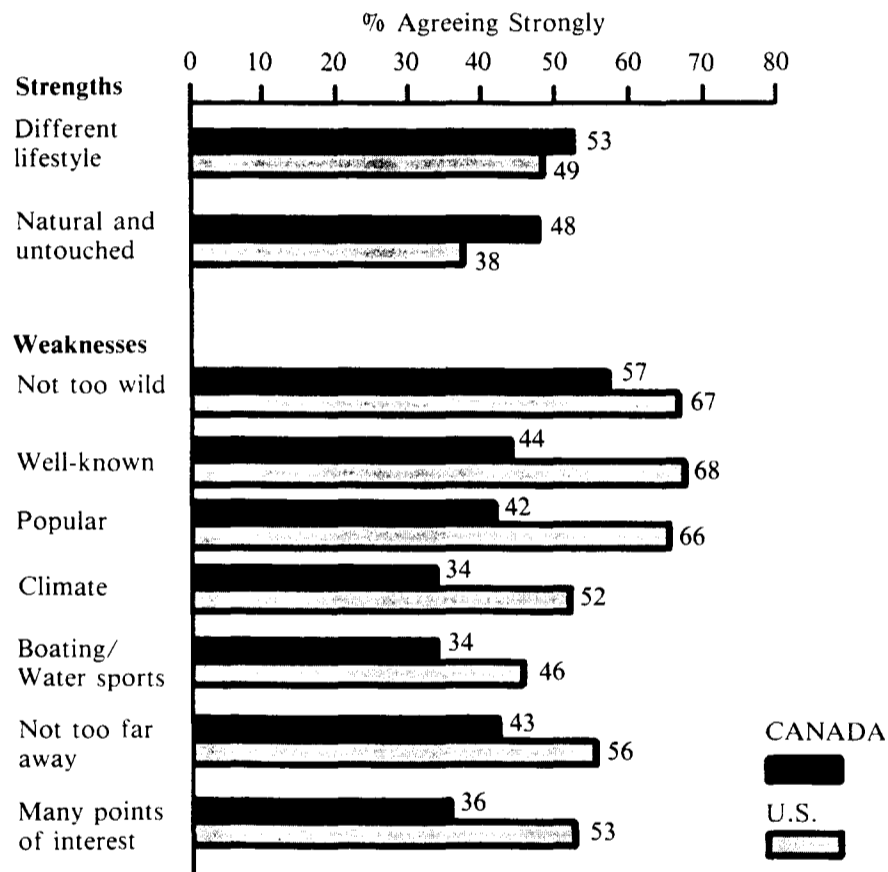
These attributes are relatively low on the priority list of the outdoors vacationer.

The image of our outdoors relative to the U.S. is weak in each of the following areas (in rank order):

- ° we are less well known, less popular;
  - ° our climate is not as good;
  - ° as a result, we are less suitable for boating, water sports and swimming;
  - ° we are too far away;
  - ° we offer few points of interest and, as a result, there are fewer things to see and do;
  - ° and finally, the country is a bit **too** wild.
-

It seems that if we continue stereotyping Canada as a vast wilderness we may do more harm than good in attracting mainstream America, even to the outdoors segment that we were intending to appeal to.

### CANADA'S IMAGE VS. THE U.S. OUTDOORS



Canada's Opportunity in the Outdoors Market

Despite the rather gloomy picture portrayed above, the outdoors segment does currently constitute Canada's second largest market. Further analysis reveals that Canada's outdoors does have specific appeal, but to a smaller group of outdoors vacationers. A key prerequisite is that they be taking a somewhat longer vacation, approximately one week, to compensate for the long drive. Second, they are more interested in:

- ° fishing,
- ° hunting,
- ° exploring wilderness areas.

In addition, further analysis shows that the destinations this group intended to visit for an outdoors vacation were more likely to be seen as:

- ° providing a sense of adventure,
- ° being natural, untouched,

than those sought by mainstream U.S. outdoors vacationers.

Conversely, Canada's high potential outdoors vacationer is **less** interested in:

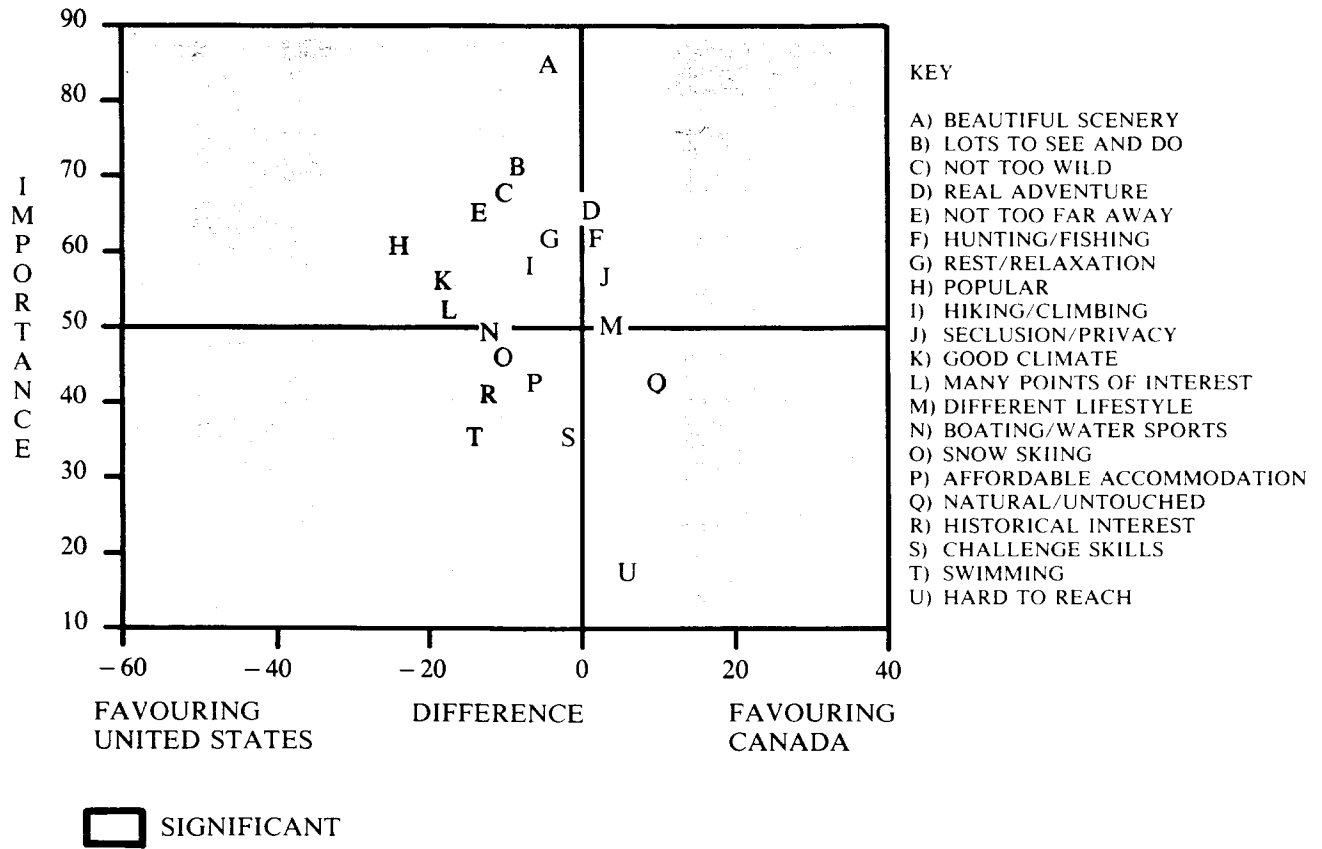
- ° swimming,
- ° shopping for arts and crafts,
- ° indoor activities,

and the destinations sought are less likely to be described as:

- popular, well known,
- having many points of interest,
- having lots to do and see.

If Canada is seen as a bit too rugged and tough for mainstream America, there is definitely a segment of the outdoors market that prefers it that way. By pinpointing that segment and targetting our messages more effectively to it, Canada may have some upside potential within the outdoors market.

### CANADA VS. UNITED STATES TOTAL U.S. OUTDOORS TRAVELLERS



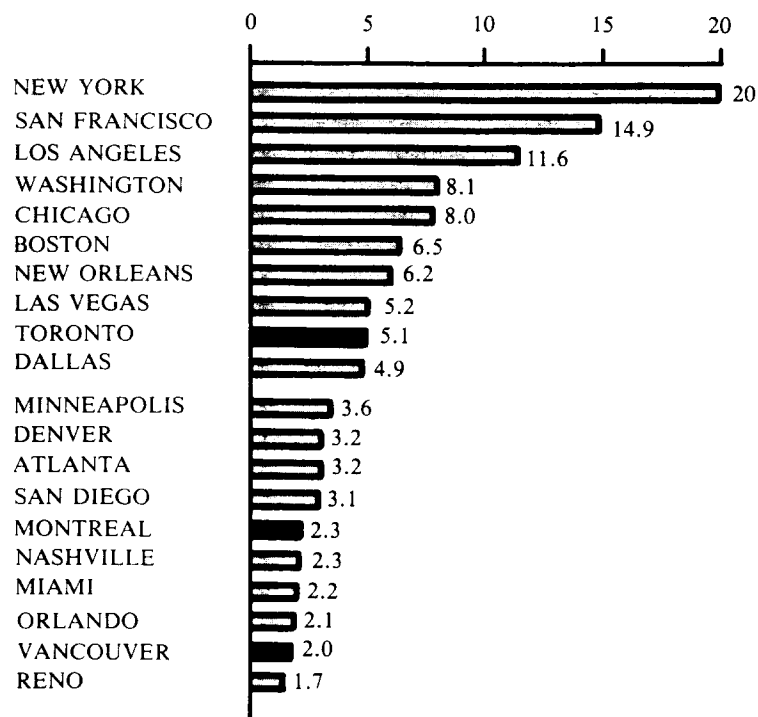
### THE CITY TRIP

The city trip is basically an extended weekend getaway experience lasting, on average, three days. For the U.S. traveller, this trip is more a last-minute impulse for which little planning is made. The city trip is somewhat escapist in nature. Getting away from the pressures and responsibilities at home, being together as a family, resting and relaxing, and just having the opportunity to see and do lots of things are all high on the priority list.

The typical U.S. city traveller is most likely to be married and middle-aged and to have slightly above average income and educational levels, but on the whole still representative of mainstream America. In selecting a city destination, the city traveller probably wants to reduce the risk element associated with unknown destinations, given the short duration of the stay. The U.S. city traveller is therefore likely to select a city that is famous, certainly beautiful, has first-class hotels and is popular with travellers. Variety is key to this vacation, including such amenities as elegant restaurants, good shopping, different cultures, interesting people, excellent local cuisine and exciting nightlife.

Excluding visiting friends and relatives and close-to-home leisure trips, Canada's share of the U.S. city trip market is 2.8 per cent. Currently, three Canadian cities rank in the top twenty "top-of-mind" city destinations in North America. They are Toronto, Montreal and Vancouver, which rank ninth, fifteenth and nineteenth respectively. These cities are not only final destinations, but also serve an equally important function as gateway entry points for other types of vacation experiences, particularly touring.

TOP TWENTY NORTH AMERICAN CITIES  
PERCENTAGE SPONTANEOUSLY MENTIONING CITY  
AS LIKELY DESTINATION FOR A CITY TRIP



Top 20 City Activities (Rank Order)

- 1) Walking or strolling about
- 2) Sampling local cuisine
- 3) Dining at a variety of restaurants
- 4) Visiting museums, galleries
- 5) Shopping
- 6) Going to zoo or wildlife exhibits
- 7) Being by the ocean
- 8) Attending ethnic festivals or events
- 9) Viewing science exhibits
- 10) Going to live concerts or theatre
- 11) Shopping for arts, crafts
- 12) Taking guided tours
- 13) Attending sports events
- 14) Dining in elegant restaurants

- 15) Taking rides at amusement parks
- 16) Going to bars, pubs
- 17) Indoor activities such as reading, cards
- 18) Sunbathing
- 19) Going to nightclubs, discos
- 20) Gambling

What are Americans looking for in a city trip? Following is what Americans say they feel about the city destinations they really want to visit:

|                               | <u>Importance</u> <sup>1</sup> |
|-------------------------------|--------------------------------|
| <u>Popularity</u>             |                                |
| ◦ Famous city                 | 85                             |
| ◦ Popular                     | 79                             |
| ◦ Well-known landmarks        | 77                             |
| ◦ Few have seen               | 16                             |
| <u>Accommodation and Food</u> |                                |
| ◦ First-class hotels          | 79                             |
| ◦ Elegant restaurants         | 74                             |
| ◦ Excellent local cuisine     | 65                             |
| ◦ Affordable accommodation    | 40                             |
| <u>Exciting</u>               |                                |
| ◦ Not dull                    | 78                             |
| ◦ Exciting nightlife          | 63                             |
| ◦ Friends would be impressed  | 63                             |
| ◦ Swinging city               | 48                             |
| ◦ Dreamed of visiting         | 47                             |
| ◦ Good place to live it up    | 39                             |
| <u>Things To Do</u>           |                                |
| ◦ Good place to shop          | 71                             |
| ◦ Many points of interest     | 71                             |
| ◦ Museums/galleries           | 64                             |
| ◦ Good for walking/strolling  | 56                             |

<sup>1</sup> Percentage agreeing strongly that their preferred destination has this feature.



Importance<sup>1</sup>

People and Culture

|                                 |    |
|---------------------------------|----|
| ° Interesting people            | 68 |
| ° Different culture/way of life | 65 |
| ° Noted for history             | 62 |
| ° Ethnic contrasts              | 50 |

Ambience

|                           |    |
|---------------------------|----|
| ° Beautiful city          | 68 |
| ° Beautiful parks/gardens | 62 |
| ° Crowded                 | 50 |
| ° Clean                   | 40 |
| ° Safe at night           | 20 |

Price

|             |    |
|-------------|----|
| ° Expensive | 50 |
|-------------|----|

The Image of Canada's Major Cities

On the whole, Americans have a positive image of Canada's large cities. They are seen as famous, popular and having well-known landmarks. They are perceived as offering first-class hotels, elegant restaurants and good shopping, and as being relatively inexpensive. They are viewed as clean, safe, uncrowded, beautiful, good for walking or strolling about and a place visitors really enjoy visiting. Canada's people are seen as interesting, and its cities as offering a different culture and way of life. There is little recognition, however, of the multicultural nature and ethnic diversity of the major centres.

<sup>1</sup> Percentage agreeing strongly that their preferred destination has this feature.

The problem is that the U.S. city traveller has an even higher regard for American cities. In comparison to large U.S. cities, Canada's strengths include:

- ° inexpensive,
- ° clean,
- ° uncrowded,
- ° safe,
- ° good for walking/strolling about,
- ° beautiful,
- ° offering different cultures/way of life.

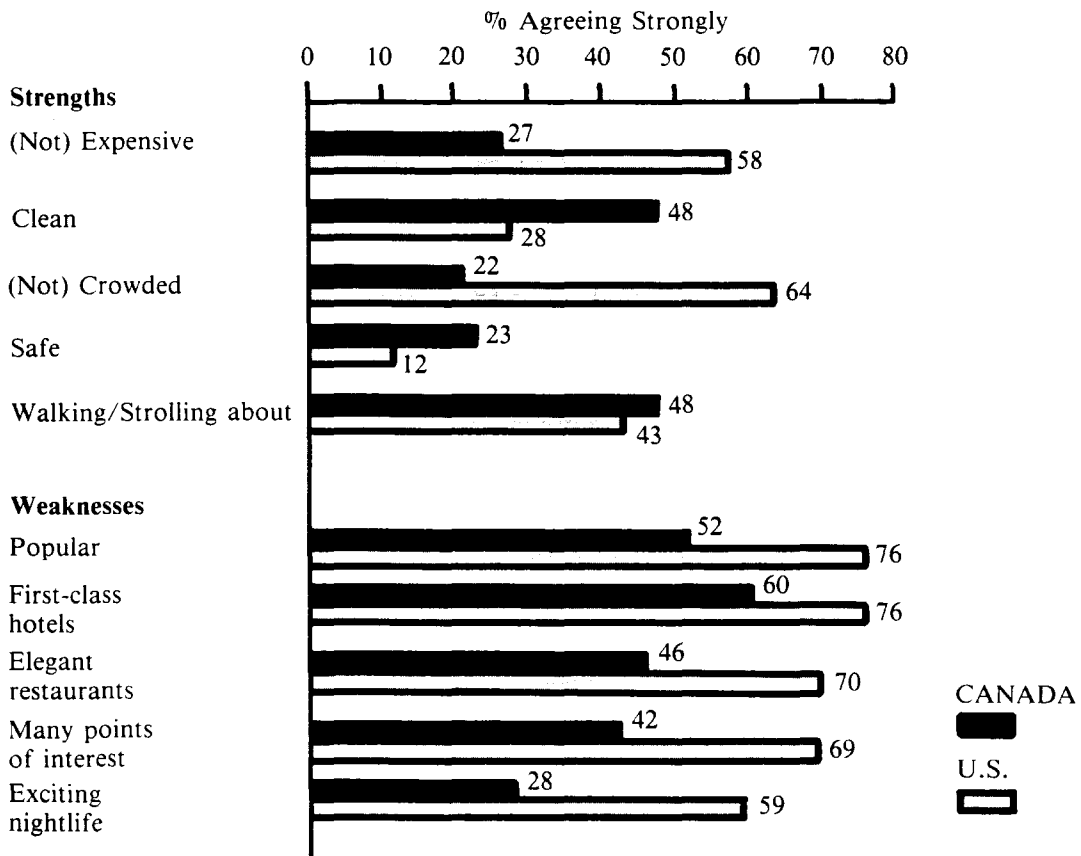
When Canadian destinations are compared with U.S. cities, however, Canada is weak in all other areas, including popularity, accommodation and food, excitement and things to do and see. While Canada's people and culture are interesting to Americans, we are certainly not viewed as a nation of swingers.

Where does opportunity lie for Canada's cities? First of all, there would appear to be a major gap between what Canadian cities offer in the way of amenities and attractions and how they are perceived. Much of the problem may be simple ignorance, which can be corrected over time with effective communications. There is a very real opportunity to play up such strengths as beautiful, clean, safe and "walkable" cities, while beginning to address the major weakness (the image of our infrastructure).

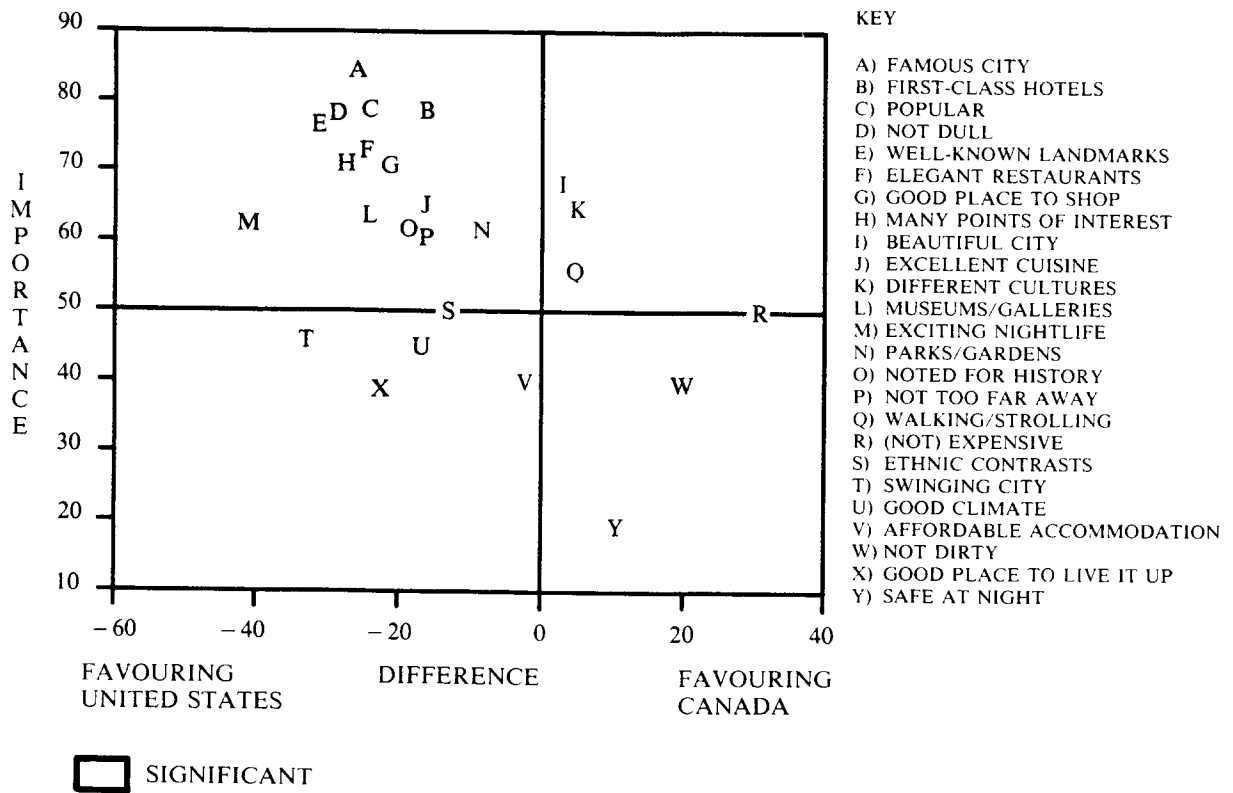
In addition, there is a real opportunity to make Canadian cities larger than life by portraying them as the gateway to a broader, uniquely Canadian set of experiences, as the entry point of a touring trip. By playing on our strengths as a

touring destination for Americans, and by communicating more effectively the cultural and ethnic diversity of the major cities, we can give Americans a point of differentiation or a hook to entice them to come to Canada.

### CANADA'S IMAGE VS. THE U.S.



## CANADA VS. UNITED STATES TOTAL U.S. CITY TRAVELLERS



### THE RESORT TRIP

The weakest trip type for Canada is the resort trip. Although resort trips account for 6 per cent of all trip-nights spent by the U.S. pleasure traveller, Canada's share of that market is a disappointing 0.8 per cent of trip-nights, 3 per cent of all trip-nights spent in Canada by the U.S. traveller. These basic facts beg the question why Canada is so unsuccessful in addressing the needs of this market.

#### What is a Resort Trip?

The resort trip is a trip to a resort or resort area, where a wide variety of activities such as beaches, skiing, tennis and so on are available on the premises or nearby.

The typical resort traveller is slightly younger, better educated and better off financially than the typical U.S. pleasure traveller. Half have at least some college education and over 40 per cent have annual family incomes of \$40 000 or more. When the U.S. traveller goes on a resort trip, the goal is to rest and relax and just take it easy.

The typical U.S. resort traveller plans his or her trip two to three months in advance and tends to consult friends (47 per cent) and travel agents (23 per cent) when planning the trip. He or she is likely to stay in a hotel (31 per cent), apartment/condo (27 per cent) or motel (26 per cent).

The U.S. pleasure traveller's ideal resort trip is primarily to a southern destination that offers the experiences of sun, sea and sand. When U.S. travellers think of a resort trip

destination in their own country they think of Hawaii, Las Vegas, Myrtle Beach, San Diego, Lake Tahoe, Miami and Los Angeles. Southern destinations outside the U.S. are also ranked high on the list, including the Bahamas, Bermuda, Mexico and Jamaica. U.S. pleasure travellers are about four times more likely to think of the Caribbean or the Bahamas for a resort vacation as they are to think of Canada.

What makes the resort trip unique is its accent on sun, sea and sand, warm weather, dining and dancing. Amenities are therefore particularly important since the length of stay for the resort vacationer is totally dependent on what the resort or resort area has to offer.

Top 20 Resort Activities (Rank Order)

- 1) Having predictable weather
- 2) Strolling or walking about
- 3) Dining in a variety of restaurants
- 4) Being by the ocean
- 5) Swimming
- 6) Sampling local cuisine
- 7) Sunbathing
- 8) Shopping
- 9) Staying in first-class hotels
- 10) Being by a lake
- 11) Being close to mountains
- 12) Shopping for arts and crafts
- 13) Dining at elegant, sophisticated restaurants
- 14) Seeing wildlife I don't usually see
- 15) Going to live theatre/concerts
- 16) Taking guided tours
- 17) Going to nightclubs, discos

- 18) Attending sporting events
- 19) Exploring wilderness areas
- 20) Attending ethnic festivals or events

What do Americans seek in a resort trip? Following is what Americans say they feel about destinations they really want to visit:

|                               | <u>Importance</u> <sup>1</sup> |
|-------------------------------|--------------------------------|
| <u>Scenery</u>                |                                |
| ° Beautiful scenery           | 75                             |
| <u>Activities</u>             |                                |
| ° Lots to see and do          | 72                             |
| ° Walking and strolling about | 68                             |
| ° Sunbathing                  | 61                             |
| ° Elegant restaurants         | 58                             |
| ° Exciting nightlife          | 53                             |
| ° Good place to live it up    | 51                             |
| ° Good for water sports       | 51                             |
| ° Meet similar people         | 50                             |
| ° Excellent local cuisine     | 49                             |
| ° Hunting and fishing         | 33                             |
| ° Many points of interest     |                                |
| <u>Popular</u>                |                                |
| ° Really enjoy visiting       | 84                             |
| ° Popular                     | 77                             |
| ° Well-known area             | 76                             |
| ° Exciting                    | 70                             |
| ° Friends would be interested | 55                             |
| <u>Climate</u>                |                                |
| ° Good climate                | 66                             |
| <u>Convenient</u>             |                                |
| ° Not too far away            | 60                             |

<sup>1</sup> Percentage agreeing strongly that their preferred destination has this feature.

The most popular Canadian regions for a resort trip, based on trips planned for the next two years are, in rank order:

- ° Ontario
- ° Pacific Coast
- ° Rockies
- ° Quebec
- ° Maritime Provinces.

#### Canada's Opportunity in the Resort Market

Canada's image suffers in two significant areas. First, Americans have the impression that Canada's climate places it at a distinct disadvantage, compared to other destinations, with regard to water and beach activities, particularly sunbathing, swimming and water sports. Second, the image weakness as regards infrastructure re-appears here to aggravate a comparative disadvantage and foster the view that Canadian hotels, restaurants and nightlife are not as exciting as in the U.S.

Nevertheless, some U.S. resort travellers do come to Canada. The analysis shows that this group is clearly differentiated from the mainstream, being mainly upscale, middle-aged and male, and demonstrating a particular interest in fishing and hunting. They see the resort areas of Canada as being inexpensive and particularly good for fishing relative to the resort areas of the U.S. For this group, sun and sand and an active nightlife appear to be less important.



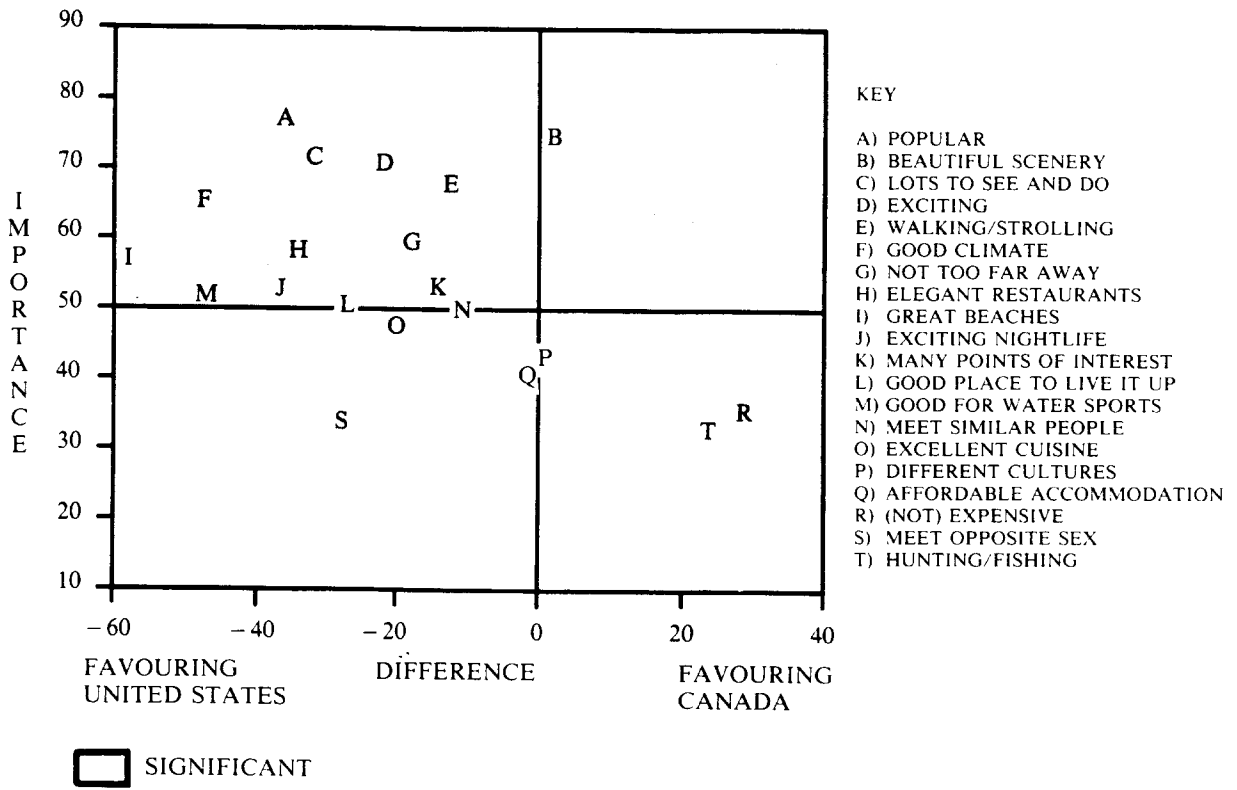
To compound Canada's image problem further, even this specialized group appears not to have the positive image of Canada that we might like them to have. While fishing or hunting are no doubt important to these resort vacationers, other benefits are important as well. As indicated above, the purpose of a resort trip is as much to rest and relax and have fun as it is to fish and pursue other similar activities. In this regard, this group also has the impression that our hotels and restaurants are somehow less exciting and less sophisticated than those in the U.S. It may therefore find that a resort experience in Canada, though enjoyable, is likely to be not completely so.

Some improvement in the image of our infrastructure would no doubt be beneficial to the resort market. The fact remains, however, that it will be difficult to attract younger resort vacationers since they are mainly looking for sun and beaches, something that Canada cannot really deliver.

Opportunities for resort operations in Canada may therefore lie more in development of the domestic market or selling resort vacations as part of an overall touring package than in trying to convince the younger U.S. resort vacationer to visit Canada without the added value of other products.

The exception once again is the relatively small but important segment looking for a fishing/hunting resort, a feature which Canada can actively promote on a regional basis.

### CANADA VS. UNITED STATES TOTAL U.S. RESORT TRAVELLERS



BARRIERS AND HOT BUTTONS

Many hypotheses have been advanced in the past to explain why Canada is not attracting more U.S. visitors. Many of these hypotheses have had to do with issues such as distance, climate, dullness, stereotype as an exclusively outdoors destination, hospitality or lack thereof, or an overall poor image.

The results of this review of the primary U.S. markets, analyzed by trip types, offer a new perspective on our strengths and weaknesses. These may be summarized as follows:

- 1) Rather than having a poor overall image, Canada is in fact viewed quite positively by the U.S. pleasure traveller. In regard to Canada's touring areas, cities and natural areas, Canada is regarded as beautiful, scenic, natural, clean, untouched and generally an enjoyable and pleasant place to visit. However -- and this point is central -- U.S. travellers tend to hold their own country in the same high regard. Consequently, identifying "hot buttons" for Canada involves searching not just for areas in which Canada is doing well, but also seeking out areas in which Canada can demonstrate a clear edge or advantage.
  
- 2) Canada has such an advantage in the touring trip. In this trip type, the search for differences uniquely reveals something Canada can and does offer the American traveller: a sense of foreignness, of different cultures and different ways of living. This finding explains why touring is Canada's preeminent trip type and why the single most important "hot button" for travel to Canada is Canada's foreign mystique.

- 3) Does Canada have strength in the outdoors market? Clearly, Canada has attracted a type of traveller whose interests lean more to rugged outdoors experiences. However, because the outdoors experience demanded by mainstream America is available at any of hundreds of locales in the U.S., the outdoor traveller to Canada has not tended to be drawn from the mainstream. The consequence of this situation is that Canada's vast wilderness image is of interest to a much smaller group of U.S. travellers than we have previously thought.
  
- 4) Canada does have some weakness in regard to the image of its infrastructure. Nowhere is this clearer than in the case of cities, where entertainment, shopping, food and cultural activities are the main features sought in a city trip. Canada has a strength in its beautiful, clean, safe, "walkable" cities. But there is a clear opportunity to improve Canada's image in this regard by addressing the infrastructure issue. There is evidence that Canada's image of vast open spaces is working against us in the city trip market and that the gap between how Canada's cities are perceived and what they do in fact offer can be closed through effective advertising and communications programs.
  
- 5) In creating a new list of strengths and weaknesses for Canada based on this study, other issues such as climate and distance have been noted in passing. Far from being at the top of the list, these have tended to play an important role in some trip types, while less so in others. Distance is a factor in the outdoors trip, for example, where many destinations in the U.S. can

adequately meet vacationers demands. Climate is more important in the resort trip, where the emphasis is on sunbathing, swimming and water sports. On the whole, however, other factors are of greater importance.

In completing this list of strengths and weaknesses for Canada, two other issues merit attention.

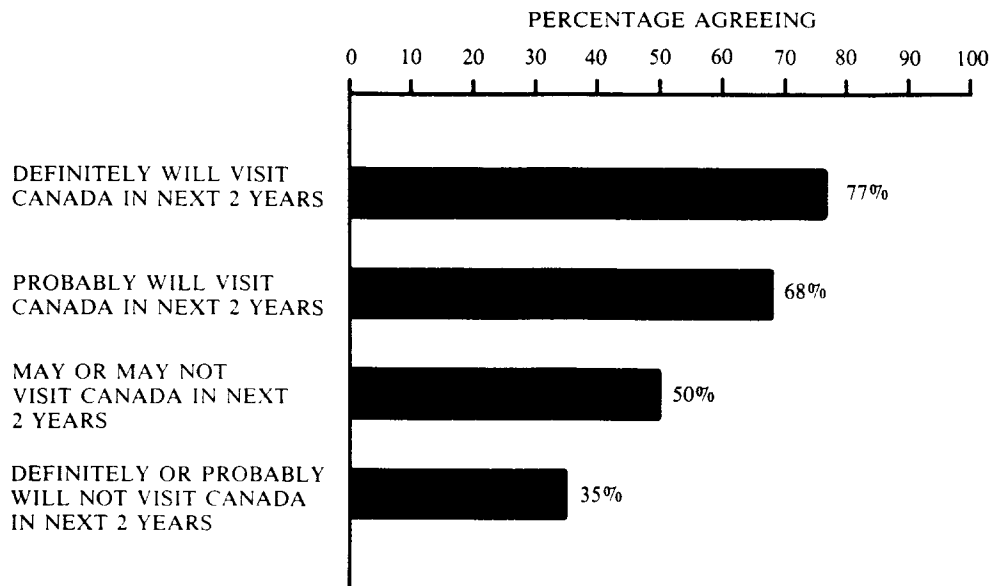
#### The Problem of Awareness

It may be just because Canada is a foreign country that the problem of awareness even exists. Canada's basic problem in regard to its U.S. neighbours is one of ignorance and benign neglect.

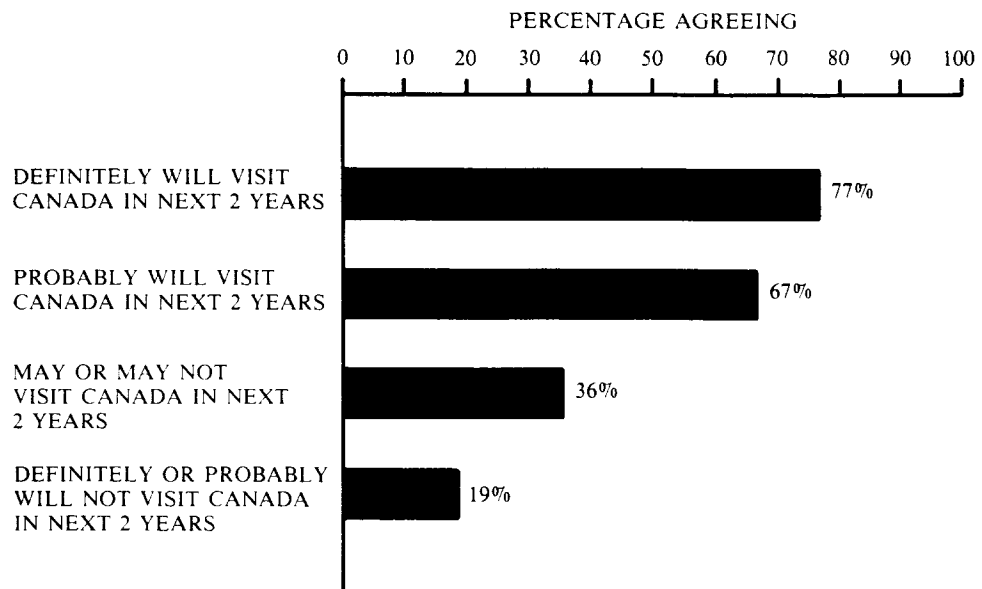
In fact, fewer than one in five U.S. travellers even thinks of Canada as a place to consider for a vacation of any particular type. For about 85 per cent of Americans, Canada is not even on the list.

This problem has manifested itself in a number of ways. In analyzing trip types, Canadian destinations are uniformly perceived as being less well known and less popular than U.S. ones. But another important pattern in the results has also emerged. There is a very strong link between the simple act of thinking about a Canadian destination and actually intending to go there. Those who intend to come to Canada are three to four times more likely to think of Canadian destinations and to notice advertising and information about Canada than those who do not intend to come. Out of sight is out of mind.

### I OFTEN NOTICE TRAVEL INFORMATION AND ADVERTISING ABOUT CANADA



### CANADA IS A DESTINATION I OFTEN THINK ABOUT

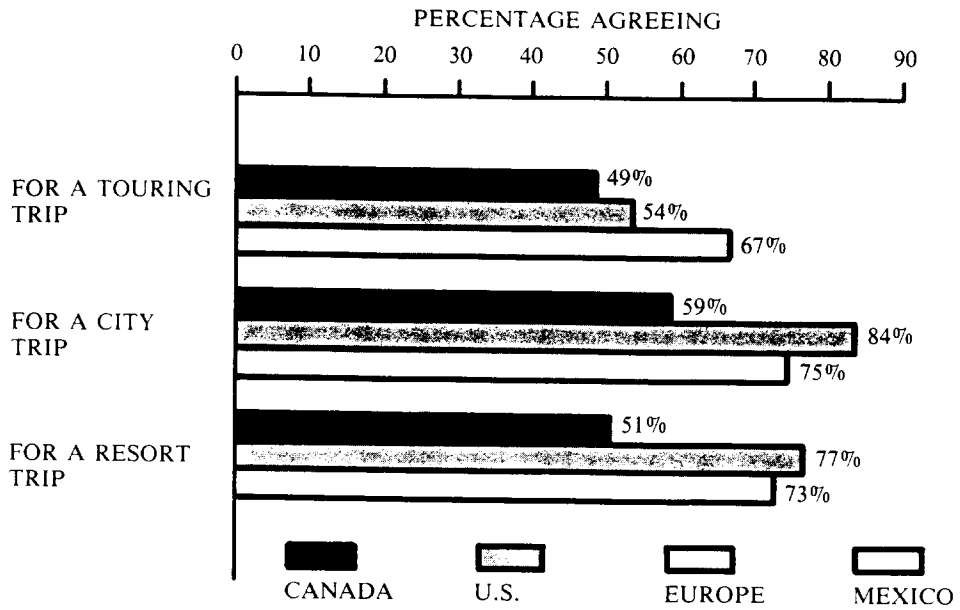


This result clearly demonstrates the importance not just of being perceived positively, but of being perceived at all. Given the positive link between awareness and choice of Canada as a destination, there is a real opportunity to increase share of the U.S. market through a concerted and intrusive advertising campaign.

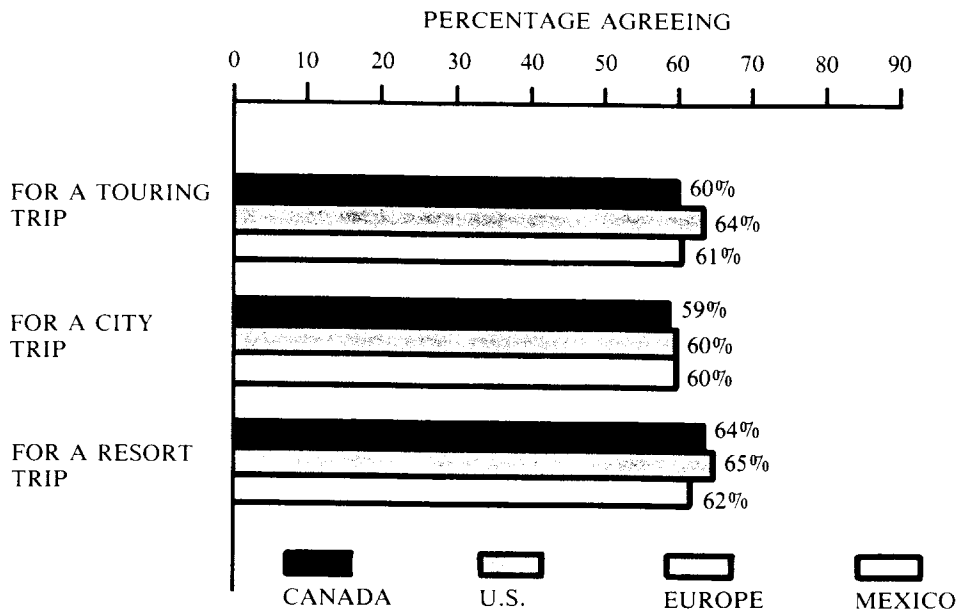
#### The Issue of Price

One of the findings of this study is that Canada's price image is on the whole more favourable than that of the U.S. While for a touring trip or an outdoors trip Canadian prices were deemed to be on par with those in the U.S., Canadian cities and resort areas were perceived to be **less expensive** than American ones. These overall ratings do not reflect individual differences in specific items such as transportation costs, food, gasoline and so on. There was no evidence however, in this study that U.S. travellers were staying away from Canada because of high prices.

### IS CANADA EXPENSIVE? TOTAL U.S. PLEASURE TRAVELLERS



### DOES CANADA HAVE AFFORDABLE ACCOMMODATION? TOTAL U.S. PLEASURE TRAVELLERS





Summary

We may summarize this examination of our main barriers and hot buttons as follows:

| <u>Areas More Important<br/>to Emphasize</u>                  | <u>Areas Less Important<br/>to Emphasize</u> |
|---|--|
| ° Increasing awareness of Canada<br>and Canadian destinations | ° Our vast wilderness<br>image               |
| ° Canada's foreign mystique                                   | ° Our climate                                |
| ° Canada's amenities/<br>infrastructure                       | ° Price                                      |
| ° Canada's beautiful<br>walkable cities                       | ° Distance.                                  |

CONCLUSIONS AND IMPLICATIONS FOR CANADA

In summary, the findings of this study have the following implications for the marketing of Canada and Canadian destinations to the U.S. pleasure traveller.

- 1) There is an immediate opportunity to **market** Canada actively as a destination for a touring trip.
- 2) Since touring involves sampling a potpourri of our products, the focus must be **regional**, encompassing a number of individual products that may not be sufficient travel generators on their own, but which, when packaged together, make Canadian touring destinations attractive prospects.
- 3) Much remains to be done at the regional level to identify the most promising regional touring "products". In addition, the private sector can play a significant role in putting together touring packages tailored to the very specific needs of particular lifestyle segments.
- 4) Our major cities can gain from being positioned not just as viable end destinations on their own, but also as **gateways** to an enjoyable touring trip, one that can include our countryside, towns and villages, resorts, cruises, theme parks and special events, as well as the great outdoors.

- 5) There is an opportunity to increase awareness of Canada through advertising specifically designed to enhance Canada's visibility in the eyes of U.S. travellers. In order to meet this objective, it is important that regional and national campaigns be coordinated as much as possible and that a central theme be developed for use in all U.S.-directed advertising.
  
- 6) It will be important to emphasize Canada's foreign mystique in national advertising and communications and to portray the exciting things offered in the way of hotels, food, landmarks and things to do and see. Less important will be Canada's great outdoors. While this aspect of Canada is clearly important and translates into Canada's second largest market, the evidence is that our real opportunity lies in portraying Canada as an exciting foreign place. Our image of vast open spaces is already well established. We now need to begin the job of filling in those open spaces.