

IMPACT OF COVID-19 ON THE CANADIAN ECONOMY AND CONSUMER SENTIMENT - as of September 17, 2020

To better understand the impact of COVID-19 on the economy, the consumer mindset and to inform marketing recovery strategies, Destination Ontario has accessed various economic and public attitude and behavior studies.

EXECUTIVE SUMMARY AS OF SEPTEMBER 17, 2020

According to the weekly Ipsos Canada Tracking Report #24, Updated: September 17, 2020

- 39% of Canadians are **worried about losing their job**, this has improved from 44% observed in the August 14 – 17 wave of data
 - This perception is higher in Ontario with 47% of Ontarians being **worried about losing their job**, this has remained the same observed in the August 14 – 17 wave of data
- Likelihood of travel within their own province has **decreased** in Ontario potentially due to the start of the school year signaling the summer is coming to an end
 - 45% of Ontarians are likely to avoid travel even within their own province, this has **significantly improved** from 53% observed in the August 14 – 17 wave of data

According to Destination Canada's Resident Sentiment Survey Report, Updated September 15, 2020

- Ontario's level of safety towards travel to other destinations decreases the further away people think of travelling from their home
 - 74% of Ontarians feel safe when thinking about travelling to nearby communities
 - 62% of Ontarians feel safe when thinking of travelling within Ontario
 - 40% of Ontarians have mixed feelings of safety for out-of-province travel
 - 8% of Ontarians' perceived safety is much lower when thinking about travelling to the US and 9% to other international destinations

DESTINATION ONTARIO

An Agency of the Government of Ontario

According to Destination Canada's Sentiment Toward Tourism Advertisement Survey Report, Updated September 15, 2020

- Overall Ontario receptivity of promoting communities as a destination in other nearby communities in Ontario continues to be net positive of +14; therefore, promoting hyperlocal travel is well received
- Overall Ontario receptivity of promoting communities as a destination in other parts of Ontario has improved to net positive of +5; therefore, promoting pan Ontario travel is neutrally received
- Overall Ontario receptivity of promoting communities as a destination in other parts of Canada continues to be net negative at – 10; therefore, promoting to other provinces is not well received

According to Leger Research's national pandemic tracker study results from September 11 – 13, 2020 reported

- Ontarians overall **remained comfortable with outdoor activities** that allowed for better physical distancing and with protective measures in place and **increasingly more comfortable** with indoor and large gatherings

According to Google Travel Intent survey online poll results ending September 11, 2020

- **15%** of Canadians are looking at booking a domestic trip in the next three months
- **20%** of Canadians are looking at booking a domestic trip after a year from September 11, 2021
- **16%** of Canadians are interested a major city travel destination
- **20%** of Canadians are interested in a small-town travel destination

According to Google's recovery signal dashboard based on search query data, as of September 17, 2020

- Overall Canadian travel search queries have reached 2019 levels
- Overall Ontario travel search queries have reached 2019 levels

DESTINATION ONTARIO

An Agency of the Government of Ontario

- Overall travel search is down potentially due to the start of the school signaling the end of summer
 - Travel search interest within Canada is down 31%; however local attraction search queries are down 54% compared to the same period March 1 – September 17, 2019
 - Travel search interest within Ontario is down 26%; however local attraction search queries are down 60% compared to the same period March 1 – September 17, 2019

According to Google's Global Travel Intent survey based on data as of September 11, 2020

- In the UK, Germany and France, less than 10% polled in each country regarding booking window for an international trip, intend to book an international trip within the next year

MACRO-ECONOMIC OUTLOOK:

COVID-19 has seen a significant negative economic impact causing noticeable changes in public behavior. Market research firm Ipsos is tracking public attitudes and behavior in Canada and other countries to assist organizations in their strategic and tactical planning. The research consists of weekly online polling of a random samples of Canadians and citizens from various countries. The latest data shows some key insights:

CANADA:

Ipsos' public attitude and behavioural online poll results from September 17, 2020 reported¹:

Personal Impact and National Threat¹

Threat perception indicators have remained stable over the past month across Canada

- **59%** Canadians believe COVID-19 will have a personal financial impact on them and their family, this has **improved** from 63% observed in the August 14 – 17 wave of data
 - **66%** of Ontarians worry about their personal financial impact, this has **remained stable** from 65% observed in the August 14 – 17 wave of data
- **45%** of Canadians perceive the virus as a threat to Canada, this has **remained stable** from 45% observed in the August 14 – 17 wave of data

DESTINATION ONTARIO

An Agency of the Government of Ontario

- **39%** of Canadians are worried about losing their job, this has **improved** from 44% observed in the August 14 – 17 wave of data
 - This perception is higher in Ontario with **47%** of Ontarians being worried about losing their job, this has **remained the same** observed in the August 14 – 17 wave of data
- **88%** of Canadians feel the coronavirus will lead to a recession, this has **remained the same** observed in the August 14 – 17 wave of data

Perceived Big Global Economic Impact¹

- **93%** of Canadians foresee an impact on the financial markets and global economy, this has **remained stable** from 94% observed in the August 14 – 17 wave of data
- **30%** of Canadians think their job or business is threatened by COVID-19, this has **remained stable** from 31% observed in the August 14 – 17 wave of data

TRAVEL OUTLOOK:

CANADIAN TRAVEL OUTLOOK:

Ipsos' public attitude and behavioral online poll results from September 17, 2020 reported¹:

- **78%** of Canadians are not comfortable taking a vacation this year, regardless of when the pandemic ends, this has **remained stable** from 77% observed in the August 14 – 17 wave of data
- Perceived risk of activities has remained stable
 - **20%** of Canadians now consider travelling within their province risky, this has **remained stable** from the August 14 – 17 wave of data
 - **46%** of Canadians now consider restaurants risky, this has **remained stable** from the August 14 – 17 wave of data
 - **30%** of Canadians shopping malls risky, this has **remained stable** from the August 14 – 17 wave of data
- Net intent to travel to other provinces remains negative and in line with data seen over the past two months, especially with Ontario and Quebec being the most impacted (currently the provinces worst-hit by the pandemic).
- Likelihood of travel within their own province has decreased in Ontario potentially due to the

DESTINATION ONTARIO

An Agency of the Government of Ontario

start of the school year signaling the summer is coming to an end

- **45%** of Ontarians are likely to avoid travel even within their own province, this has **significantly improved** from 53% observed in the August 14 – 17 wave of data

Destination Canada's resident sentiment survey study results from September 15 reported²:

- Ontario's level of safety towards travel to other destinations decreases the further away people think of travelling from their home
 - 74% of Ontarians feel safe when thinking about travelling to nearby communities
 - 62% of Ontarians feel safe when thinking of travelling within Ontario
 - 40% of Ontarians have mixed feelings of safety for out-of-province travel
 - 8% of Ontarians' perceived safety is much lower when thinking about travelling to the US and 9% to other international destinations

Destination Canada's sentiment toward tourism advertisement study results from September 15 reported²:

- Compared to other provinces, Ontario is the least receptive of seeing advertising promoting their communities
- Provincial receptivity score is based on net level of happiness to seeing their community being promoted to each target market is equal to total very happy and happy minus total very unhappy and unhappy
- Overall Ontario receptivity of promoting communities as a destination in other nearby communities in Ontario continues to be net positive of +14; therefore, promoting hyperlocal travel is well received
- Overall Ontario receptivity of promoting communities as a destination in other parts of Ontario has improved to net positive of +5; therefore, promoting pan Ontario travel is neutrally received
- Overall Ontario receptivity of promoting communities as a destination in other parts of Canada continues to be net negative at – 10; therefore, promoting to other provinces is not well received

DESTINATION ONTARIO

An Agency of the Government of Ontario

Leger Research's national pandemic tracker study results from September 11 – 13 reported³:

- Ontarians feel comfortable with activities with protective measures in place:
 - 49% dining in restaurants, **increased** from 42% reported in August 14 – 16 waves of data
 - 22% attending large gatherings such as sporting events, concerts or festivals, **increased** from 14% reported in August 14 – 16 wave of data
 - 17% going to bars, pubs, lounges, night clubs, **increased** from 14% reported in August 14 – 16 wave of data
 - 24% flying on an airplane, **increased** from 19% reported in August 14 – 16 wave of data
 - 17% travelling to the United States, **increased** from 10% reported in August 14 – 16 wave of data

Google Travel Intent Canada survey online poll results ending September 11, 2020 reported⁴:

- **15%** of Canadians are looking at booking a domestic trip in the next three months, **significantly decreased** from 24% reported in the previous August 14 report
- **8%** of Canadians are looking at booking a domestic trip in the next three to six months, **remained stable** from 7% reported in the previous August 14 report
- **20%** of Canadians are looking at booking a domestic trip after September 11, 2021, **remained stable** at 19% reported in the previous August 14 report
- **19%** of Canadians are interested in travelling within 20 miles of their home, **remained stable** from 20% reported in the previous August 14 report
- **5%** of Canadians are interested in a travel destination anywhere in their region, **remained stable** from 4% reported on August 14 report
- **38%** of Canadians are interested in a travel destination anywhere in Canada, **decreased** from 41% observed in the previous August 14 report
- **16%** of Canadians are interested a major city travel destination, **remained stable** from 15% reported in the previous August 14 report
- **20%** of Canadians are interested in a small-town travel destination, **increased** from 18% reported in the previous August 14 report
- **20%** of Canadians are interested in a rural travel location, **decreased** from 23% reported in the previous August 14 report

DESTINATION ONTARIO

An Agency of the Government of Ontario

- **12%** of Canadians are interested in a beach destination, **decreased** from 16% reported in the previous August 14 report

Canada Travel Related Recovery Signals⁵ (As of September 17, 2020):

Google's recovery signal dashboard based on search queries grouped into three categories: 1. dining (interested in/going to restaurants) searches, 2. travel activity (museums, wineries, camping, etc.) searches and 3. travel (flight, hotel/accommodations) searches reported:

- Overall Canadian travel search queries have reached 2019 levels
- Overall Ontario travel search queries have reached 2019 levels
- Overall travel search is down potentially due to the start of the school signaling the end of summer
 - Travel search interest within Canada is down 31%; however local attraction search queries are down 54% compared to the same period March 1 – September 17, 2019
 - Travel search interest within Ontario is down 26%; however local attraction search queries are down 60% compared to the same period March 1 – September 17, 2019

U.S. TRAVEL OUTLOOK:

Google's U.S. COVID-19 & Travel Intent survey online poll results ending September 14, 2020 reported⁶:

- **79%** of Americans will be very unlikely engage in any travel in the next 2 weeks, **decreased** at 81% reported in the previous August 17 report
- **66%** of Americans will be very unlikely to engage in any travel in the next 3 months, **remained stable** at 66% reported in the previous August 17 report
- **10%** of Americans will book travel only in North America the next 3 months, **remained stable** from 10% in the previous August 17 report
- **57%** of Americans will not book a flight under any circumstances in the next 3 months, **decreased** from 60% reported in the previous August 17 report
- **47%** of Americans will not book a hotel under any circumstances in the next 3 months, **decreased** from 49% in the previous August 17 report

DESTINATION ONTARIO

An Agency of the Government of Ontario

U.S. Travel Related Recovery Signals⁵ (As of September 17, 2020):

Google's recovery signal dashboard based on search queries grouped into three categories: 1. dining out searches, 2. travel activity searches and 3. travel (flight, hotel/accommodations) searches reported:

- Overall trend line is **stable activity** in U.S. searches pertaining to Canadian travel search down 61% same period March 1 – September 17, 2019 search level
- Overall trend line is **stable activity** in U.S. searches pertaining to Ontario travel search queries down 65% same period March 1 – September 17, 2019 search level

INTERNATIONAL TRAVEL OUTLOOK:

Google Travel Intent survey online poll results ending September 11, 2020 reported⁴:

United Kingdom's booking window perception for international trip⁴:

- **4%** of British people are booking in the next three months, **decreased** from 6% observed in the August 14 report
- **10%** of British people are booking in 9 months to a year, **decreased** at 12% observed in the August 14 report
- **18%** of British people are booking after September 11, 2021, **decreased** from 23% observed in the August 14 report

Germany's booking window perception for international trip⁴:

- **8%** of Germans are booking in the next three months, **remained stable** from 9% since August 14 report
- **7%** of Germans people are booking in 9 months to a year, **remained stable** from 6% since August 14 report
- **11%** of Germans people are booking after a year from September 11, 2021, **remained stable** from 10% since August 14 report

DESTINATION ONTARIO

An Agency of the Government of Ontario

France's booking window perception for international trip⁴:

- **4%** of French people are booking in the next three months, **remained stable** from 5% since August 14 report
- **6%** of French people are booking in 9 months to a year, **increased** from 4% since August 14 report
- **9%** of French people are booking after September 11, 2021, **remained stable** from 10% since August 14 report

Sources:

1. Ipsos Coronavirus – Canada Tracking #24 Report September 17, 2020: an online poll between September 11 – 14, 2020, among a random sample of N=1,450 adult Canadians (credibility interval +/-2.9%, 95% of the time), including an oversample to bring Ontario to N=801 (credibility interval +/-3.9%, 95% of the time)
2. Destination Canada Resident Sentiment Survey Report, September 15, 2020, N~1,800 adult Canadians and each minimum N=200 for each province
3. Leger National Weekly Pandemic Tracker Report, September 13, 2020, in field September 11 – 13, N=1,840 all respondents
4. Google Global Travel Intent Survey – online survey between April 10 – September 11, 2020 each N~1,000
5. Google Recovery Signals Dashboard, data updated until September 17, 2020
6. Google U.S. COVID-19 & Travel Intent Report, Wave 16 Results completed September 11 – 14, 2020, N~1,000