

Impact of COVID-19 on the Canadian Economy and Consumer Sentiment - as of August 24, 2021

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, public attitude and behavior studies.

EXECUTIVE SUMMARY AS OF AUGUST 24, 2021:

According to Destination Canada's Resident Sentiment Towards Visitors Survey Report, Updated August 24, 2021

- Ontarians' **overall positive sentiment** towards visitors from other parts of the province increased over the last month; therefore, promoting local/within Ontario travel when the time is right, would be the current best course of action:
 - 71% of Ontarians would welcome visitors from nearby communities
 - 67% of Ontarians would welcome visitors from other parts of Ontario
 - 59% of Ontarians would welcome visitors from other parts of Canada
 - 26% of Ontarians would welcome visitors from the U.S. and 24% from other international destinations

According to Destination Canada's Resident Sentiment Survey Report, Updated August 24, 2021

- Ontarians' perception of travel safety increased on most measures towards all domestic destinations over the last month, likely due to safety protocols still in effect
 - 87% of Ontarians feel safe when thinking about traveling to nearby communities
 - 80% of Ontarians feel safe when thinking of traveling within Ontario
 - 64% of Ontarians feel safe when thinking of traveling to other parts of Canada
 - 27% of Ontarians perceived safety as much lower when thinking about traveling to the U.S. and 25% to other international destinations

DESTINATION ONTARIO

*According to Destination Canada's Sentiment Toward Tourism Advertisement Survey Report,
Updated August 17, 2021*

- Even though the overall receptivity has gone down, Ontarians are still receptive to the promotion of their community to other nearby communities, and to the rest of Canada and Ontario. Ontarians are unreceptive to the promotion of their community to the U.S. and international markets
- Provincial receptivity score is based on the net level of happiness Ontarians experience when seeing their community promoted to each target market. Net happiness level is calculated as the total “very happy” and “happy” responses minus total “very unhappy” and “unhappy” responses
 - Ontarians’ overall receptivity of promoting their communities as a travel destination in other nearby communities in Ontario is net positive of +27; therefore, timely and relevant hyperlocal travel will be well received
 - Ontarians’ overall receptivity of promoting their communities as a travel destination in other parts of Ontario decreased from +28 in July 2021 to +22 in August 2021
 - Ontarians’ overall receptivity of promoting their communities as a travel destination in other parts of Canada decreased from +20 in July 2021 to +14 in August 2021

According to Google Travel Intent Survey Online Poll Results Ending August 13, 2021

- Canadian overall travel intent increased on most measures since the last month
 - 25% of Canadians are looking to book a domestic trip in the next three months
 - 16% of Canadians are looking to book a domestic trip after a year from August 13, 2022
 - 14% of Canadians are interested in traveling within 20 miles of their home
 - 25% of Canadians are interested in a major city travel destination
 - 17% of Canadians are interested in a small-town travel destination

According to Google's Recovery Signal Dashboard Based on Search Query Data, as of August 23, 2021

Overall travel search is down likely due to safety protocols still in effect

- Travel search interest within Canada is down 6% and search queries for local attraction are down 25%, compared to the same period March 1, 2019 – August 23, 2020
- Travel search interest within Ontario is down 12% and search queries for local attraction are down 43%, compared to the same period March 1, 2019 – August 23, 2020

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According to Google's Global Travel Intent Survey based on data as of August 13, 2021

- In the UK, Germany and France, less than 18% of the citizens polled in each country intended to book an international trip within the next year

ECONOMIC & TRAVEL OUTLOOK

COVID-19 has caused a significant negative impact leading to noticeable changes in public behaviour. Destination Canada is tracking public attitudes and behaviour in Canada to assist organizations in their strategic and tactical planning. The research also includes Google's monthly online polling of a random sample of Canadians and citizens from various countries. The latest data shows some key insights:

CANADIAN TRAVEL OUTLOOK

Destination Canada's Resident Sentiment Survey Study Results from August 24, 2021, reported¹:

- Ontarians' **overall positive sentiment** towards visitors from other parts of the province increased on most measures over the last month; therefore, promoting local/within Ontario travel when the time is right, would be the current best course of action:
 - 71% of Ontarians would welcome visitors from nearby communities
 - 67% of Ontarians would welcome visitors from other parts of Ontario
 - 59% of Ontarians would welcome visitors from other parts of Canada
 - 26% of Ontarians would welcome visitors from the U.S. and 24% from other international destinations

Destination Canada's Resident Sentiment Survey Study Results from August 24, 2021, reported¹:

- Ontarians' perception of travel safety increased on most measures towards all domestic destinations over the last month, likely due to safety protocols still in effect
 - 87% of Ontarians feel safe when thinking about traveling to nearby communities
 - 80% of Ontarians feel safe when thinking of traveling within Ontario
 - 64% of Ontarians feel safe when thinking of traveling to other parts of Canada
 - 27% of Ontarians perceived safety as much lower when thinking about traveling to the U.S. and 25% to other international destinations

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Destination Canada's Resident Sentiment Toward Tourism Advertising Study results from August 17, 2021, reported²:

- Even though the overall receptivity has gone down, Ontarians are still receptive to the promotion of their community to other nearby communities, and to the rest of Canada and Ontario. Ontarians are unreceptive to the promotion of their community to the U.S. and international markets
- Provincial receptivity score is based on the net level of happiness Ontarians experience when seeing their community promoted to each target market. Net happiness level is calculated as the total "very happy" and "happy" responses minus total "very unhappy" and "unhappy" responses
 - Ontarians' overall receptivity of promoting their communities as a travel destination in other nearby communities in Ontario is net positive of +27
 - Ontarians' overall receptivity of promoting their communities as a travel destination in other parts of Ontario decreased from +28 in July 2021 to +22 in August 2021
 - Ontarians' overall receptivity of promoting their communities as a travel destination in other parts of Canada decreased from +20 in July 2021 to +14 in August 2021

Leger Research's National Pandemic Tracker study results reported on August 17, 2021³:

- Ontarians' level of comfort with activities after protective measures are lifted:
 - **66%** dining in restaurants, **increased** from 44% reported on July 19
 - **36%** attending large gatherings such as sporting events, concerts or festivals, **decreased** from 63% reported on July 19
 - **31%** going to bars, pubs, lounges, night clubs, **increased** from 30% reported on July 19
 - **40%** flying on an airplane, **increased** from 36% reported on July 19

Google Travel Intent Canada Survey Online Poll Results ending August 13, 2021, reported⁴:

- **25%** of Canadians are looking to book a domestic trip in the next three months, **decreased** from 31% reported in the previous July 9 report
- **8%** of Canadians are looking to book a domestic trip in the next three to six months, **decreased** from 11% reported in the previous July 9 report
- **16%** of Canadians are looking to book a domestic trip after August 13, 2022, **increased**

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from 14% reported in the previous July 9 report

- **14%** of Canadians are interested in traveling within 20 miles of their home in the next three months, **increased** from 13% reported in the previous July 9 report
- **11%** of Canadians are interested in a travel destination anywhere in their region in the next three months, **increased** from 10% reported on July 9 report
- **42%** of Canadians are interested in a travel destination anywhere in Canada in the next three months, **decreased** from 46% observed in the previous July 9 report
- **25%** of Canadians are interested in a major city travel destination, **increased** from 21% reported in the previous July 9 report
- **17%** of Canadians are interested in a small-town travel destination, **increased** from 16% reported in the previous July 9 report
- **17%** of Canadians are interested in a rural travel location, **decreased** from 20% reported in the previous July 9 report
- **17%** of Canadians are interested in a beach destination, **increased** from 16% reported in the previous July 9 report

Canada Travel Related Recovery Signals, as of August 23, 2021⁵:

Google's Recovery Signal dashboard is based on search queries grouped into three categories:

1. Dining (interested in/going to restaurants) searches

2. Travel activity (museums, wineries, camping, etc.) searches

3. Travel (flight, hotel/accommodations) searches reported:

- Overall travel search is down likely due to safety protocols still in effect
 - Travel search interest within Canada is down 6% and search queries for local attraction are down 25%, compared to the same period March 1, 2019 – August 23, 2020
 - Travel search interest within Ontario is down 12% and search queries for local attraction are down 43%, compared to the same period March 1, 2019 – August 23, 2020

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U.S. TRAVEL OUTLOOK

Destination Analysts' U.S. Coronavirus Travel Index Report Key Findings results ending August 24, 2021, reported⁶:

- Concerns about travel activities as unsafe have greatly decreased since the start of the pandemic:
 - 76% of Americans are ready to travel, as compared to 14% who need more time to be ready to travel again
 - 49% of Americans do not want travelers visiting their communities at the moment
 - 59% of Americans are inclined to learn about new, exciting, travel experiences or destinations to visit
 - 50% of Americans believe that the coronavirus situation in the United States will worsen in the next month and 26% expect it to improve
 - 43% of Americans feel confident or very confident when traveling during their current trips
 - 67% Americans would be unlikely to travel outside the U.S. until the coronavirus situation is resolved
 - 58% of Americans would be unlikely to attend any conventions or conferences until the coronavirus situation is resolved
 - 33% of Americans have postponed their trips specifically due to the Delta variant

U.S. Travel Related Recovery Signals, as of August 24, 2021⁵:

Google's Recovery Signal Dashboard is based on search queries grouped into three categories:

1. Dining out searches
2. Travel activity searches
3. Travel (flight, hotel/accommodations) searches reported:
 - Overall, the trend line for travel activity is **stable** but below 2019/2020 pre-pandemic levels. U.S. searches pertaining to Canadian travel search queries are down 50% for the same period March 1, 2019 – August 24, 2020, search level
 - Overall, the trend line for travel activity is **stable** but below 2019/2020 pre-pandemic levels. U.S. searches pertaining to Ontario travel search queries are down 52% of the same period March 1, 2019 – August 24, 2020, search level

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Expedia Travel Recovery Trend Report ending August 17, 2021, reported⁷:

- 58% of Americans would be comfortable traveling by air in the next three months
 - 70% of Millennials and 63% of Gen Z Americans are more excited to fly as compared to other age groups
- 60% of vaccinated Americans are more comfortable with air travel as compared to the 54% of unvaccinated Americans
- 50% of the American survey respondents showed interest in taking a dream vacation, indicating an increase in interest as compared to before the pandemic

INTERNATIONAL TRAVEL OUTLOOK

Google Travel Intent Survey Online Poll Results ending August 13, 2021, reported⁴:

United Kingdom's international intent to travel plans⁴:

- **9%** of British residents are booking in the next three months, **remained stable** as reported in the previous July 9 report
- **10%** of British residents are booking in 9 months to a year, **increased** from 7% as reported in the previous July 9 report
- **17%** of British residents are booking after July 9, 2022, **decreased** from 20% observed in the July 9 report

Germany's international intent to travel plans⁴:

- **9%** of Germany's residents are booking in the next three months, **decreased from** 10% since the July 9 report
- **3%** of Germany's residents are booking in 9 months to a year, **remained stable** at 3% since the July 9 report
- **10%** of Germany's residents are booking after July 9, 2022, **increased** from 9% since the July 9 report

France's international intent to travel plans⁴:

- **5%** of France's residents are booking in the next three months, **decreased from** 7% since the July 9 report

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- **3%** of France's residents are booking in 9 months to a year, **remained stable** at 3% since the July 9 report
- **8%** of France's residents are booking after July 9, 2022, **remained stable** at 8% since the July 9 report

The Conference Board of Canada's Travel Markets Outlook to 2025 from August 19, 2021, reported⁸:

- Visitor numbers to Canada and tourism expenditures are expected to reach their pre-pandemic levels by 2023, however recovery will be uneven between provinces and cities
- In 2021, Canadian domestic visits are expected to increase by 20% over 2020 levels
- Domestic visits within Canada are expected to exceed pre-pandemic levels in 2023
- Visits from American travelers to Canada will fully recover to pre-pandemic levels by 2023
- Visits from Non-American International travelers to Canada will fully recover to pre-pandemic levels by 2024
- Canadian household disposable income grew by **10.4%** in 2020. Consumers are expected to spend their excess savings on services, including travel in 2021 and 2022
- **82.5%** of Canadian travelers plan on using their personal cars to reach their travel destinations
- Arrivals from France, Germany and United Kingdom to Canada are forecasted to return to their pre-pandemic levels by 2024

Sources:

1. Destination Canada Resident Sentiment Survey Report, August 24, 2021, N~1,800 adult Canadians, N= 610 for Ontario and each minimum N=200 for other provinces
2. Destination Canada Resident Sentiment Survey Report, August 17, 2021, N~1,800 adult Canadians, N= 606 for Ontario and each minimum N=200 for other provinces
3. Leger National Weekly Pandemic Tracker Report, August 17, 2021, N ~1,827 all respondents, N=610 for Ontario
4. Google Global Travel Intent Survey – online survey between April 10, 2020 – August 13, 2021, each N~1,000
5. Google Recovery Signals Dashboard, data updated until August 24, 2021
6. Destination Analysts' Coronavirus Travel Sentiment Index Report – Key Findings, August 24, 2021, data as of August 20, 2021
7. Expedia's Travel Recovery Trend Report- August 17, 2021
8. The Conference Board of Canada's Travel Markets Outlook to 2025 report- August 19, 2021