

IMPACT OF COVID-19 ON THE CANADIAN ECONOMY AND CONSUMER SENTIMENT - as of January 26, 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 and public attitude and behavior studies.

EXECUTIVE SUMMARY AS OF JANUARY 26, 2021:

According to Destination Canada's Sentiment Towards Visitors Survey Report, Updated January 19, 2021:

- Ontario's **overall sentiment** towards visitors from other parts of the province decreased over the last month
 - 34% of Ontarians would welcome visitors from nearby communities
 - 25% of Ontarians would welcome visitors from other parts of Ontario
 - 19% of Ontarians would welcome visitors from other parts of Canada
 - 7% of Ontarians' would welcome visitors from the US and 7% from other international destinations

According to Destination Canada's Resident Sentiment Survey Report, Updated January 26, 2021:

- Ontarians perception of travel safety decreases the further away their potential destination is from home
 - 67% of Ontarians feel safe when thinking about travelling to nearby communities
 - 53% of Ontarians feel safe when thinking of travelling within Ontario
 - 34% of Ontarians feel safe when thinking of traveling to other parts of Canada
 - 11% of Ontarians' perceived safety as much lower when thinking about travelling to the US and 14% to other international destinations

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An Agency of the Government of Ontario

According to Destination Canada's Sentiment Toward Tourism Advertisement Survey Report, Updated January 26, 2021:

- Ontario's overall receptivity of promoting nearby communities as a travel destination continues to be net neutral of +2; therefore, timely and relevant hyperlocal travel will be well received
- Ontario's overall receptivity of promoting communities as a destination in other parts of Ontario has improved to net negative of -12; suggesting caution in promoting pan Ontario travel
- Overall Ontario receptivity of promoting communities as a destination in other parts of Canada continues to be net negative at -15; suggesting caution in promoting to other provinces

According to Google Travel Intent survey online poll results ending January 8, 2021:

- Canadians overall travel intent has remained stable since the last month
 - **4%** of Canadians are looking at booking a domestic trip in the next three months
 - **21%** of Canadians are looking at booking a domestic trip after a year from January 8, 2022
 - **17%** of Canadians are interested in travelling within 20 miles of their home
 - **13%** of Canadians are interested a major city travel destination
 - **10%** of Canadians are interested in a small-town travel destination

According to Google's recovery signal dashboard based on search query data, as of January 26, 2021:

- Overall Canadian and Ontario travel search queries dropped below their 2019 level most likely due to the increase in COVID cases
- Overall travel search is down, likely due to increases in COVID cases
 - Travel search interest within Canada is down 24%; however local attraction search queries are down 41% compared to the same period March 1, 2019 – January 26, 2020
 - Travel search interest within Ontario is down 28%; however local attraction search queries are down 48% compared to the same period March 1, 2019 – January 26, 2020

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According to Google's Global Travel Intent survey based on data as of January 8, 2021:

- In the UK, Germany and France, less than 9% polled in each country regarding their booking window for an international trip, intended to book an international trip within the next year

MACRO-ECONOMIC OUTLOOK:

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

TRAVEL OUTLOOK:

CANADIAN TRAVEL OUTLOOK:

Destination Canada's sentiment survey study results from January 19 reported¹:

- Ontario's overall **sentiment towards visitors** from other parts of the province continues to **decrease**; therefore, promoting local travel would be the current best course of action when the time is right:
 - 34% of Ontarians would welcome visitors from nearby communities
 - 25% of Ontarians would welcome visitors from other parts of Ontario
 - 19% of Ontarians would welcome visitors from other parts of Canada
 - 7% of Ontarians' would welcome visitors from the US and 7% from other international destinations

Destination Canada's resident sentiment survey study results from January 26 reported²:

- Ontarians perception of travel safety decreases the further away their potential destination is from home
 - 67% of Ontarians feel safe when thinking about travelling to nearby communities

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- 53% of Ontarians feel safe when thinking of travelling within Ontario
- 34% of Ontarians feel safe when thinking of traveling to other parts of Canada
- 11% of Ontarians' perceived safety is much lower when thinking about travelling to the US and 14% to other international destinations

Destination Canada's resident sentiment toward tourism advertising study results from January 26, reported²:

- Ontarians are less receptive of promoting their community to the rest of Ontario and even less receptive to the rest of Canada. Ontarians are unreceptive of promoting their community to the US and international markets
- Provincial receptivity score is based on net level of happiness of seeing their community promoted to each target market is equal to total very happy and happy minus total very unhappy and unhappy
- Ontario's overall receptivity of promoting communities as a destination in other nearby communities in Ontario net neutral of +2; therefore, timely and relevant hyperlocal travel will be well received
- Ontario's overall receptivity of promoting communities as a destination in other parts of Ontario has worsened to net negative of -12; suggesting caution in promoting pan Ontario travel
- Ontario's overall receptivity of promoting communities as a destination in other parts of Canada continues to be net negative at -15; suggesting caution in promoting to other provinces

Leger Research's national pandemic tracker study results reported on January 26³:

- Ontarians' level of comfort with activities after protective measures are lifted:
 - 54% dining in restaurants, **increased** from 49% reported on December 8
 - 23% attending large gatherings such as sporting events, concerts or festivals, **significantly decreased** from 26% reported on December 8
 - 19% going to bars, pubs, lounges, night clubs, **decreased** from 21% reported on December 8
 - 29% flying on an airplane, **remained stable** from 30% reported on No December 8

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- 21% travelling to the United States, **remained stable** from 22% reported on December 8

Google Travel Intent Canada survey online poll results ending January 8 reported⁴:

- **4%** of Canadians are looking at booking a domestic trip in the next three months, **decreased** from 6% reported in the previous December 11 report
- **10%** of Canadians are looking at booking a domestic trip in the next three to six months, **increased** from 7% reported in the previous December 11 report
- **21%** of Canadians are looking at booking a domestic trip after January 8, 2022, **increased** from 19% reported in the previous December 11 report
- **17%** of Canadians are interested in travelling within 20 miles of their home in the next three months, **remained stable** at 18% reported in the previous December 11 report
- **5%** of Canadians are interested in a travel destination anywhere in their region in the next three months, **decreased** from 7% reported on December 11 report
- **26%** of Canadians are interested in a travel destination anywhere in Canada in the next three months, **remained stable** from 25% observed in the previous December 11 report
- **13%** of Canadians are interested a major city travel destination, **remained stable** from 12% reported in the previous December 11 report
- **10%** of Canadians are interested in a small-town travel destination, **decreased** from 12% reported in the previous December 11 report
- **18%** of Canadians are interested in a rural travel location, **remained stable** from 17% reported in the previous December 11 report
- **14%** of Canadians are interested in a beach destination, **decreased** from 18% reported in the previous December 11 report

Canada Travel Related Recovery Signals⁵ (as of January 26, 2021):

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

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- Overall Canadian and Ontario travel search queries dropped below their 2019 level
- Overall travel search is down likely due to increases in COVID cases
 - Travel search interest within Canada is down 24%; however local attraction search queries are down 41% compared to the same period March 1, 2019 – January 26, 2020
 - Travel search interest within Ontario is down 28%; however local attraction search queries are down 48% compared to the same period March 1, 2019 – January 26, 2020

U.S. TRAVEL OUTLOOK:

Destination Analysts' U.S. Coronavirus Travel Index results ending January 25, 2021 reported⁶:

- New coronavirus variants have heightened American anxieties about the pandemic to record highs:
 - 74% of Americans are concerned about contracting the virus, 80% are concerned about family or friends becoming sick with COVID.
 - 58% of Americans are concerned about how pandemic will impact their personal finances, and 87% are concerned about the impact to the U.S. economy.
- Conversely, Americans are more optimistic about the pandemic improving:
 - 35% of Americans believe the pandemic situation will improve in the next month, the highest this metric has been since June 2020, and up +13. % since March 2020.
 - 60% of Americans believe that vaccination will improve the pandemic situation in the next 6 months and make travel possible within that timeframe.
 - 66% of American travelers want to receive a vaccine, and 1/3rd aim to have taken it by March 2021.
- Americans are excited to return to travel in the near future:
 - 22% of travelers who had plans impacted by COVID-19 plan to make up for lost time by traveling more in 2021 (a +3.0% increase from the preceding week).
 - 27% of travelers researched travel ideas online, and 30.3% have talked about travel with friends or relatives.
 - Survey respondents currently rank their openness to travel inspiration at 6/10 on average, an increase from 5/10 at the start of the pandemic.
- American travelers find different motivations for traveling to urban or rural areas:

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- The main drivers of preference towards visiting cities were the food experiences (49% of respondents), shopping opportunities (40%), and the energy and excitement of urban areas (39%)
- The main drivers of preference towards rural travel were the peace and quiet of the area (60% of respondents), scenic beauty (56%) and to escape from crowds (59%).

U.S. Travel Related Recovery Signals⁵ (As of December 20, 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** but below 2019 **level** in U.S. searches pertaining to Canadian travel search down 61% same period March 1, 2019 – January 26, 2020 search level
- Overall trend line is **stable activity** but below 2019 in U.S. searches pertaining to Ontario travel search queries down 64% same period March 1, 2019 – January 26, 2020 search level

INTERNATIONAL TRAVEL OUTLOOK

Google Travel Intent survey online poll results ending January 8 reported⁴:

United Kingdom's booking window perception for international trip⁴:

- **2%** of British people are booking in the next three months, **decreased** from 4% observed in the December 11 report
- **9%** of British people are booking in 9 months to a year, **remained stable** at 9% observed in the December 11 report
- **19%** of British people are booking after January 8, 2022, **increased** from 17% observed in the December 11 report

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Germany's booking window perception for international trip⁴:

- **4%** of Germans are booking in the next three months, **remained stable** from 3% since December 11 report
- **6%** of Germans people are booking in 9 months to a year, **decreased** from 8% since December 11 report
- 8% of Germans people are booking after a year from January 8, 2022, **remained stable** at 8% since December 11 report

France's booking window perception for international trip⁴:

- **3%** of French people are booking in the next three months, **remained stable** at 3% since December 11 report
- **4%** of French people are booking in 9 months to a year, **remained stable** from 3% since December 11 report
- **7%** of French people are booking after December 11, 2021, **remained stable** at 7% since December 11 report

Sources:

1. Destination Canada Resident Sentiment Survey Report, January 19, 2021, N~1,800 adult Canadians and each minimum N=200 for each province
2. Destination Canada Resident Sentiment Survey Report, January 26, 2020, N~1,800 adult Canadians and each minimum N=200 for each province
3. Leger National Weekly Pandemic Tracker Report, January 26, 2021, N=1,815 all respondents
4. Google Global Travel Intent Survey – online survey between April 10, 2020 – January 8, 2021 each N~1,000
5. Google Recovery Signals Dashboard, data updated until January 26, 2021
6. Destination Analysts' Coronavirus Travel Sentiment Index Report, January 25, 2021, data as of January 25, 2021