

Impact Of COVID-19 on the Canadian Economy and Consumer Sentiment - as of May 31, 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 MAY 31, 2021:

According to Destination Canada's Sentiment Towards Visitors Survey Report, Updated May 18, 2021

- Ontario's **overall 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:
 - 54% of Ontarians would welcome visitors from nearby communities
 - 47% of Ontarians would welcome visitors from other parts of Ontario
 - 39% of Ontarians would welcome visitors from other parts of Canada
 - 24% of Ontarians would welcome visitors from the U.S. and 15% from other international destinations

According to Destination Canada's Resident Sentiment Survey Report, Updated May 25, 2021

- Ontarians' perception of travel safety increased towards all domestic destinations over the last month likely due to safety protocols still in effect
 - 73% of Ontarians feel safe when thinking about travelling to nearby communities
 - 65% of Ontarians feel safe when thinking of travelling within Ontario
 - 43% of Ontarians feel safe when thinking of traveling to other parts of Canada
 - 24% of Ontarians perceived safety as much lower when thinking about travelling to the U.S. and 20% to other international destinations

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*According to Destination Canada's Sentiment Toward Tourism Advertisement Survey Report,
Updated May 25, 2021*

- Ontarians are receptive to the promotion of their community to other nearby communities and the rest of Ontario. Ontarians are unreceptive of promoting their community to the rest of Canada, 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 +12; 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 improved from -2 in April 2021 to +5 in May 2021; suggesting timely and relevant intra-provincial travel is becoming more likely to be well received
 - Ontarians’ overall receptivity of promoting their communities as a travel destination in other parts of Canada continues to be a net negative at -5; suggesting caution in promoting to other provinces

According to Google Travel Intent Survey Online Poll Results Ending May 14, 2021

- Canadians overall travel intent increased since the last month
 - 15% of Canadians are looking to book a domestic trip in the next three months
 - 22% of Canadians are looking to book a domestic trip after a year from May 14, 2022
 - 16% of Canadians are interested in travelling within 20 miles of their home
 - 14% of Canadians are interested in a major city travel destination
 - 16% of Canadians are interested in a small-town travel destination

According to Google's Recovery Signal Dashboard Based on Search Query Data, As of May 31, 2021

- Overall Canadian and Ontario travel search queries were increasing since January 2021 and surpassed March 2020 levels (when the provincial lockdown was implemented) - but still not at the pre-pandemic 2019/2020 level

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- Overall travel search is down likely due to safety protocols still in effect
 - Travel search interest within Canada is down 16% and search queries for local attraction are down 52%, compared to the same period March 1, 2019 – May 31, 2020
 - Travel search interest within Ontario is down 22% and search queries for local attraction are down 59%, compared to the same period March 1, 2019 – May 31, 2020

According to Google's Global Travel Intent Survey based on data as of May 14, 2021

- In the UK, Germany and France, less than 9% 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 behavior 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 Sentiment Survey Study Results from May 18, 2021 reported¹:

- Ontario's overall 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:
 - 54% of Ontarians would welcome visitors from nearby communities
 - 47% of Ontarians would welcome visitors from other parts of Ontario
 - 39% of Ontarians would welcome visitors from other parts of Canada
 - 24% of Ontarians would welcome visitors from the U.S. and 15% from other international destinations

Destination Canada's Resident Sentiment Survey Study Results from May 25, 2021 reported²:

- Ontarian perception of travel safety increased towards all domestic destinations over the

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last month likely due to safety protocols still in effect

- 73% of Ontarians feel safe when thinking about travelling to nearby communities
- 65% of Ontarians feel safe when thinking of travelling within Ontario
- 43% of Ontarians feel safe when thinking of traveling to other parts of Canada
- 24% of Ontarians perceived safety as much lower when thinking about travelling to the U.S. and 20% to other international destinations

Destination Canada's Resident Sentiment Toward Tourism Advertising Study results from May 25, 2021 reported²:

- Ontarians are receptive to the promotion of their community to other nearby communities and the rest of Ontario. Ontarians are unreceptive of promoting their community to the rest of Canada, 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 +12; 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 improved from -2 in April 2021 to +5 in May 2021; suggesting timely and relevant intra-provincial travel is becoming more likely to be well received
 - Ontarians' overall receptivity of promoting their communities as a travel destination in other parts of Canada continues to be negative at -5; suggesting caution in promoting to other provinces

Leger Research's National Pandemic Tracker study results reported on May 18, 2021³:

- Ontarians' level of comfort with activities after protective measures are lifted:
 - **60%** dining in restaurants, **decreased** from 62% reported on April 27
 - **35%** attending large gatherings such as sporting events, concerts or festivals, **increased** from 31% reported on April 27

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- **28%** going to bars, pubs, lounges, night clubs, **increased** from 26% reported on April 27
- **41%** flying on an airplane, **increased** from 34% reported on April 27
- **41%** travelling to the United States, **increased** from 31% reported on April 27

Google Travel Intent Canada Survey Online Poll Results ending May 14, 2021 reported⁴:

- **15%** of Canadians are looking to book a domestic trip in the next three months, **increased** from 11% reported in the previous April 9 report
- **16%** of Canadians are looking to book a domestic trip in the next three to six months, **increased** from 15% reported in the previous April 9 report
- **22%** of Canadians are looking to book a domestic trip after April 9, 2022, **increased** from 19% reported in the previous April 9 report
- **16%** of Canadians are interested in travelling within 20 miles of their home in the next three months, **increased** from 13% reported in the previous April 9 report
- **7%** of Canadians are interested in a travel destination anywhere in their region in the next three months, **decreased** from 9% reported on April 9 report
- **32%** of Canadians are interested in a travel destination anywhere in Canada in the next three months, **increased** from 29% observed in the previous April 9 report
- **14%** of Canadians are interested in a major city travel destination, **increased** from 13% reported in the previous April 9 report
- **16%** of Canadians are interested in a small-town travel destination, **increased** from 15% reported in the previous April 9 report
- **19%** of Canadians are interested in a rural travel location, **increased** from 16% reported in the previous April 9 report
- **16%** of Canadians are interested in a beach destination, **decreased** from 18% reported in the previous April 9 report

Canada Travel Related Recovery Signals, as of May 31, 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

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

- Overall Canadian and Ontario travel search queries were increasing since January 2021 and surpassed March 2020 levels (when the provincial lockdown was implemented) - but still not at the pre-pandemic 2019/2020 level
- Overall travel search is down likely due to safety protocols still in effect
 - Travel search interest within Canada is down 16% and search queries for local attraction are down 52%, compared to the same period March 1, 2019 – May 31, 2020
 - Travel search interest within Ontario is down 22% and search queries for local attraction are down 59%, compared to the same period March 1, 2019 – May 31, 2020

U.S. TRAVEL OUTLOOK

Destination Analysts' U.S. Coronavirus Travel Index Report Key Findings results ending May 25, 2021 reported⁶:

- Concerns about travel activities as unsafe have greatly decreased since the start of the pandemic:
 - 39% of the overall population and 74% of Americans aged 65 years or older are fully vaccinated
 - 23% of Americans are planning on traveling over the Memorial Day holiday as compared to 6% last year
 - 56% of Americans plan on staying overnight in a hotel/motel during the Memorial Day holiday
 - On average, Americans are planning on traveling 534 miles during the Memorial Day holiday and spending 3.5 days away from home
 - 28% Americans plan on traveling via commercial airlines while 67% would travel in their private automobile on the Memorial Day holiday
 - 77% of Americans are ready to travel as compared to 23% who need more time to be ready to travel again
 - 65% of Americans believe that the coronavirus situation in the United States will improve in the next month
 - 50% of the Americans feel at least somewhat confident, 15% not very confident and

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4.2% not confident at all while traveling right now

- 44% of the American travelers will be ready to travel during Summer and Fall 2021
- 50% of Americans claim they would not feel guilty traveling right now

Google's U.S. COVID-19 & Travel Intent survey online poll results ending May 21, 2021 reported⁷:

- **68%** of Americans will be very unlikely to engage in any travel in the next 2 weeks, **improved** from 77% reported in the previous March 18 report
- **44%** of Americans will be very unlikely to engage in any travel in the next 3 months, **improved** from 54% reported in the previous March 18 report
- **12%** of Americans will book travel only in North America the next 3 months, **improved** from 11% in the previous March 18 report
- **37%** of Americans will not book a flight under any circumstances in the next 3 months, this has **improved** from 49% reported in the March 18 report
- **32%** of Americans will not book a hotel under any circumstances in the next 3 months, this has **improved** from 40% in the previous March 18 report
- 44% of Americans will most likely be influenced to book a flight with 25% discount rate
- 29% of Americans will most likely be influenced to book a flight with no cancellation fees
- 45% of Americans will most likely be influenced to book a hotel with 25% discount rate
- 23% of Americans will most likely be influenced to book a hotel with no cancellation fees

U.S. Travel Related Recovery Signals, as of May 31, 2021⁵:

Google's recovery signal dashboard 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 level in U.S. searches pertaining to Canadian travel search queries are down 57% for the same period March 1, 2019 – April 27, 2020 search level
 - Overall, the trend line for travel activity is **stable** but below 2019/2020 pre-pandemic level in U.S. searches pertaining to Ontario travel search queries are down 59% of the same period

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March 1, 2019 – April 27, 2020 search level

INTERNATIONAL TRAVEL OUTLOOK

Google Travel Intent survey online poll results ending May 14, 2021 reported⁴:

United Kingdom's international intent to travel plans⁴:

- **7%** of British people are booking in the next three months, **increased** from 3% observed in the April 9 report
- **9%** of British people are booking in 9 months to a year, **remained stable** at 9% observed in the April 9 report
- **23%** of British people are booking after May 14, 2022, **decreased** from 26% observed in the April 9 report

Germany's international intent to travel plans⁴:

- **8%** of German people are booking in the next three months, **increased** from 6% since the April 9 report
- **5%** of German people are booking in 9 months to a year, **increased** from 4% since the April 9 report
- **11%** of German people are booking after May 14, 2022, **remained stable** at 11% since the April 9 report

France's international intent to travel plans⁴:

- **6%** of French people are booking in the next three months, **increased** from 3% since the April 9 report
- **3%** of French people are booking in 9 months to a year, **remained stable** from 3% since the April 9 report
- **8%** of French people are booking after May 14, 2022, **decreased** from 9% since the April 9 report

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Sources:

1. Destination Canada Resident Sentiment Survey Report, May 18, 2021, N~1,800 adult Canadians, N= 605 for Ontario and each minimum N=200 for other provinces
2. Destination Canada Resident Sentiment Survey Report, May 25, 2021, N~1,800 adult Canadians, N= 637 for Ontario and each minimum N=200 for other provinces
3. Leger National Weekly Pandemic Tracker Report, May 18, 2021, N=1,816 all respondents, N=605 for Ontario
4. Google Global Travel Intent Survey – online survey between April 10, 2020 – May 14, 2021, each N~1,000
5. Google Recovery Signals Dashboard, data updated until May 31, 2021
6. Destination Analysts' Coronavirus Travel Sentiment Index Report – Key Findings, May 25, 2021, data as of May 22, 2021
7. Google U.S. COVID-19 & Travel Intent Report, Wave 24 Results completed May 17 – 25, 2021, N~1000