

Impact of COVID-19 on the Canadian Economy and Consumer Sentiment - as of July 27, 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 JULY 27, 2021:

According to Destination Canada's Resident Sentiment Towards Visitors Survey Report, Updated July 27, 2021

- Ontario's **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:
 - 70% of Ontarians would welcome visitors from nearby communities
 - 65% of Ontarians would welcome visitors from other parts of Ontario
 - 57% of Ontarians would welcome visitors from other parts of Canada
 - 25% of Ontarians would welcome visitors from the U.S. and 19% from other international destinations

According to Destination Canada's Resident Sentiment Survey Report, Updated July 27, 2021

- Ontarians' perception of travel safety increased towards all domestic destinations over the last month, likely due to safety protocols still in effect
 - 85% of Ontarians feel safe when thinking about travelling to nearby communities
 - 78% of Ontarians feel safe when thinking of travelling within Ontario
 - 65% of Ontarians feel safe when thinking of travelling to other parts of Canada
 - 27% of Ontarians perceived safety as much lower when thinking about travelling to the U.S. and 23% to other international destinations

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*According to Destination Canada's Sentiment Toward Tourism Advertisement Survey Report,
Updated July 20, 2021*

- Ontarians are 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 +35; 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 +16 in June 2021 to +28 in July 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 improved from +6 in June 2021 to +20 in July 2021

According to Google Travel Intent Survey Online Poll Results Ending July 9, 2021

- Canadian overall travel intent increased since the last month
 - 31% of Canadians are looking to book a domestic trip in the next three months
 - 14% of Canadians are looking to book a domestic trip after a year from July 9, 2022
 - 13% of Canadians are interested in travelling within 20 miles of their home
 - 21% 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 July 24, 2021

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

- Travel search interest within Canada is down 10% and search queries for local attraction are down 43%, compared to the same period March 1, 2019 – July 24, 2020
- Travel search interest within Ontario is down 18% and search queries for local attraction are down 50%, compared to the same period March 1, 2019 – July 24, 2020

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According to Google's Global Travel Intent Survey based on data as of July 9, 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 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 July 27, 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:
 - 70% of Ontarians would welcome visitors from nearby communities
 - 65% of Ontarians would welcome visitors from other parts of Ontario
 - 57% of Ontarians would welcome visitors from other parts of Canada
 - 25% of Ontarians would welcome visitors from the U.S. and 19% from other international destinations

Destination Canada's Resident Sentiment Survey Study Results from July 27, 2021, reported¹:

- Ontarian perception of travel safety increased towards all domestic destinations over the last month likely due to safety protocols still in effect
 - 85% of Ontarians feel safe when thinking about travelling to nearby communities
 - 78% of Ontarians feel safe when thinking of travelling within Ontario
 - 65% of Ontarians feel safe when thinking of travelling to other parts of Canada
 - 27% of Ontarians perceived safety as much lower when thinking about travelling to the U.S. and 23% to other international destinations

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Destination Canada's Resident Sentiment Toward Tourism Advertising Study results from July 20, 2021, reported²:

- Ontarians are 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 +35; 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 +16 in June 2021 to +28 in July 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 improved from +6 in June 2021 to +20 in July 2021

Leger Research's National Pandemic Tracker study results reported on July 19, 2021³:

- Ontarians' level of comfort with activities after protective measures are lifted:
 - **44%** dining in restaurants, **decreased** from 56% reported on June 22
 - **63%** attending large gatherings such as sporting events, concerts or festivals, **increased** from 31% reported on June 22
 - **30%** going to bars, pubs, lounges, night clubs, **increased** from 27% reported on June 22
 - **36%** flying on an airplane, **remained stable** at 36% as reported on June 22

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Google Travel Intent Canada Survey Online Poll Results ending July 9, 2021, reported⁴:

- **31%** of Canadians are looking to book a domestic trip in the next three months, **increased** from 26% reported in the previous June 11 report
- **11%** of Canadians are looking to book a domestic trip in the next three to six months, **decreased** from 12% reported in the previous June 11 report
- **14%** of Canadians are looking to book a domestic trip after June 11, 2022, **remained stable** as reported in the previous June 11 report
- **13%** of Canadians are interested in travelling within 20 miles of their home in the next three months, **remained stable** as reported in the previous June 11 report
- **10%** of Canadians are interested in a travel destination anywhere in their region in the next three months, **decreased** from 13% reported on June 11 report
- **46%** of Canadians are interested in a travel destination anywhere in Canada in the next three months, **increased** from 38% observed in the previous June 11 report
- **21%** of Canadians are interested in a major city travel destination, **increased** from 17% reported in the previous June 11 report
- **16%** of Canadians are interested in a small-town travel destination, **decreased** from 21% reported in the previous June 11 report
- **20%** of Canadians are interested in a rural travel location, **remained stable** as reported in the previous June 11 report
- **16%** of Canadians are interested in a beach destination, **increased** from 14% reported in the previous June 11 report

Canada Travel Related Recovery Signals, as of July 24, 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 10% and search queries for local attraction are down 43%, compared to the same period March 1, 2019 – July 24, 2020

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- Travel search interest within Ontario is down 18% and search queries for local attraction are down 50%, compared to the same period March 1, 2019 – July 24, 2020

U.S. TRAVEL OUTLOOK

Destination Analysts' U.S. Coronavirus Travel Index Report Key Findings results ending July 27, 2021, reported⁶:

- Concerns about travel activities as unsafe have greatly decreased since the start of the pandemic:
 - 80% of Americans are ready to travel, as compared to 20% who need more time to be ready to travel again
 - 66% of Americans are excited for leisure travel in 2021
 - 40% of Americans do not want travelers visiting their communities at the moment
 - 64% of Americans are inclined to learn about new, exciting, travel experiences or destinations to visit
 - 42% of Americans believe that the coronavirus situation in the United States will worsen in the next month and 32% expect it to improve
 - 49% of Americans feel confident or very confident when travelling during their current trips
 - 62% Americans would be unlikely to travel outside the US until the coronavirus situation is resolved
 - 54% of Americans would be unlikely to attend any conventions or conferences until the coronavirus situation is resolved
 - 25% of Americans have postponed their trips specifically due to the Delta variant

U.S. Travel Related Recovery Signals, as of July 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 54% for the same

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period March 1, 2019 – July 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 55% of the same period March 1, 2019 – July 24, 2020, search level

INTERNATIONAL TRAVEL OUTLOOK

Google Travel Intent Survey Online Poll Results ending July 9, 2021, reported⁴:

United Kingdom's international intent to travel plans⁴:

- **9%** of British residents are booking in the next three months, **increased** from 4%, as reported in the previous June 11 report
- **7%** of British residents are booking in 9 months to a year, **remained stable** as reported in the previous June 11 report
- **20%** of British residents are booking after July 9, 2022, **decreased** from 23% observed in the June 11 report

France's international intent to travel plans⁴:

- **7%** of France's residents are booking in the next three months, **decreased from 8%** since the June 11 report
- **3%** of France's residents are booking in 9 months to a year, **remained stable** at 3% since the June 11 report
- **8%** of France's residents are booking after July 9, 2022, **remained stable** at 8% since the June 11 report

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Sources:

1. Destination Canada Resident Sentiment Survey Report, July 27, 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, July 20, 2021, N~1,800 adult Canadians, N= 817 for Ontario and each minimum N=200 for other provinces
3. Leger National Weekly Pandemic Tracker Report, July 19, 2021, N ~1,507 all respondents, N=604 for Ontario
4. Google Global Travel Intent Survey – online survey between April 10, 2020 – July 9, 2021, each N~1,000
5. Google Recovery Signals Dashboard, data updated until July 24, 2021
6. Destination Analysts' Coronavirus Travel Sentiment Index Report – Key Findings, July 27, 2021, data as of July 23, 2021