

Impact of COVID-19 on the Canadian Economy and Consumer Sentiment - as of June 29, 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 JUNE 29, 2021:

According to Destination Canada's Sentiment Towards Visitors Survey Report, Updated June 15, 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:
 - 66% of Ontarians would welcome visitors from nearby communities
 - 57% of Ontarians would welcome visitors from other parts of Ontario
 - 48% 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 June 22, 2021

- Ontarians' perception of travel safety increased for all domestic destinations over the last month, likely due to safety protocols still in effect
 - 79% of Ontarians feel safe when thinking about travelling to nearby communities
 - 67% of Ontarians feel safe when thinking of travelling within Ontario
 - 50% of Ontarians feel safe when thinking of traveling to other parts of Canada
 - 27% of Ontarians perceived safety as much lower when thinking about travelling to the U.S. and 24% to other international destinations

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*According to Destination Canada's Sentiment Toward Tourism Advertisement Survey Report,
Updated June 22, 2021*

- Ontarians are receptive to the promotion of their community to other nearby communities, and the rest of Ontario. Ontarians are unreceptive to the promotion of 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 +23; 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 +5 in May 2021 to +16 in June 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 –5 in May 2021 to +6 in June 2021

According to Google Travel Intent Survey Online Poll Results Ending June 11, 2021

- Canadian overall travel intent increased since the last month
 - 26% 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 June 11, 2022
 - 13% of Canadians are interested in travelling within 20 miles of their home
 - 17% of Canadians are interested in a major city travel destination
 - 21% of Canadians are interested in a small-town travel destination

According to Google's Recovery Signal Dashboard Based on Search Query Data, As of June 28, 2021

- For the first time since March 2020, search queries have reached the 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 14% and search queries for local attraction are down 49%, compared to the same period March 1, 2019 – June 28, 2020
 - Travel search interest within Ontario is down 21% and search queries for local attraction are down 56%, compared to the same period March 1, 2019 – June 28, 2020

According to Google's Global Travel Intent Survey based on data as of June 11, 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 Sentiment Survey Study Results from June 15, 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:
 - 66% of Ontarians would welcome visitors from nearby communities
 - 57% of Ontarians would welcome visitors from other parts of Ontario
 - 48% of Ontarians would welcome visitors from other parts of Canada
 - 25% of Ontarians would welcome visitors from the U.S. and 16% from other international destinations

Destination Canada's Resident Sentiment Survey Study Results from June 22, 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

- 79% of Ontarians feel safe when thinking about travelling to nearby communities
- 67% of Ontarians feel safe when thinking of travelling within Ontario
- 50% of Ontarians feel safe when thinking of traveling to other parts of Canada
- 27% of Ontarians perceived safety as much lower when thinking about travelling to the U.S. and 24% to other international destinations

Destination Canada's Resident Sentiment Toward Tourism Advertising Study Results from June 22, 2021 reported²:

- Ontarians are receptive to the promotion of their community to other nearby communities, and the rest of Ontario. Ontarians are starting to be receptive to the promotion of their community to rest of Canada but are unreceptive of promoting their community to the US 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 +23; 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 +5 in May 2021 to +16 in June 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 -5 in May 2021 to +6 in June 2021.

Leger Research's National Pandemic Tracker study reported on June 22, 2021³:

- Ontarians' level of comfort with activities after protective measures are lifted:
 - **56%** dining in restaurants, **decreased** from 60% reported on May 18
 - **31%** attending large gatherings such as sporting events, concerts or festivals, **decreased** from 35% reported on May 18

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- **27%** going to bars, pubs, lounges, night clubs, **decreased** from 28% reported on May 18
- **36%** flying on an airplane, **decreased** from 41% reported on May 18
- **35%** travelling to the United States, **decreased** from 41% reported on May 18

Google Travel Intent Canada Survey Online Poll Results ending June 11, 2021 reported⁴:

- **26%** of Canadians are looking to book a domestic trip in the next three months, **increased** from 15% reported in the previous May 14 report
- **12%** of Canadians are looking to book a domestic trip in the next three to six months, **decreased** from 16% reported in the previous May 14 report
- **14%** of Canadians are looking to book a domestic trip after June 11, 2022, **decreased** from 22% reported in the previous May 14 report
- **13%** of Canadians are interested in travelling within 20 miles of their home in the next three months, **decreased** from 16% reported in the previous May 14 report
- **13%** of Canadians are interested in a travel destination anywhere in their region in the next three months, **increased** from 7% reported on May 14 report
- **38%** of Canadians are interested in a travel destination anywhere in Canada in the next three months, **increased** from 32% observed in the previous May 14 report
- **17%** of Canadians are interested in a major city travel destination, **increased** from 14% reported in the previous May 14 report
- **21%** of Canadians are interested in a small-town travel destination, **increased** from 16% reported in the previous May 14 report
- **20%** of Canadians are interested in a rural travel location, **increased** from 19% reported in the previous May 14 report
- **14%** of Canadians are interested in a beach destination, **decreased** from 16% reported in the previous May 14 report

Canada Travel Related Recovery Signals, as of June 28, 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:

- For the first time since March 2020, search queries have reached the 2019/2020 level.
- Overall travel search is down likely due to safety protocols still in effect
 - Travel search interest within Canada is down 14% and search queries for local attraction are down 49%, compared to the same period March 1, 2019 – June 28, 2020
 - Travel search interest within Ontario is down 21% and search queries for local attraction are down 56%, compared to the same period March 1, 2019 – June 28, 2020

U.S. TRAVEL OUTLOOK

Destination Analysts' U.S. Coronavirus Travel Index Report Key Findings results ending June 29, 2021 reported⁶:

- Concerns about travel activities as unsafe have greatly decreased since the start of the pandemic:
 - 68% of Americans have personally received a COVID-19 vaccine
 - 81% of Americans are ready to travel, as compared to 19% who need more time to be ready to travel again
 - 72% of Americans are excited for leisure travel in 2021
 - 36% of the American travelers will be ready to travel during Summer and Fall 2021
 - 71% of Americans are inclined to learn about new, exciting, travel experiences or destinations to visit
 - 52% of Americans believe that the coronavirus situation in the United States will improve in the next month and 16% expect it to worsen
 - 48% of Americans feel confident or very confident while traveling during their current trips
 - 55% Americans would be unlikely to travel outside the U.S. until the coronavirus situation is resolved
 - 51% of Americans would unlikely attend any conventions or conferences until the coronavirus situation is resolved
 - 58% Americans would feel happy if they saw an advertisement promoting their community as a tourism destination

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U.S. Travel Related Recovery Signals, as of June 28, 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 55% for the same period March 1, 2019 – June 28, 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 58% for the same period March 1, 2019 – June 28, 2020 search level

INTERNATIONAL TRAVEL OUTLOOK

Google Travel Intent Survey Online Poll Results ending June 11, 2021 reported⁴:

United Kingdom's international intent to travel plans⁴:

- **4%** of British residents are booking in the next three months, **decreased** from 7% observed in the May 14 report
- **7%** of British residents are booking in 9 months to a year, **decreased** from at 9% observed in the May 14 report
- **23%** of British residents are booking after June 11, 2022, **remained stable** at 23% observed in the May 14 report

Germany's international intent to travel plans⁴:

- **10%** of German residents are booking in the next three months, **increased** from 8% since the May 14 report
- **4%** of German residents are booking in 9 months to a year, **deceased** from 5% since the May 14 report
- **7%** of German residents are booking after May 14, 2022, **decreased** from 11% since the May 14 report

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France's international intent to travel plans⁴:

- **8%** of French residents are booking in the next three months, **increased** from 6% since the May 14 report
- **3%** of French residents are booking in 9 months to a year, **remained stable** at 3% since the May 14 report
- **8%** of French residents are booking after June 11, 2022, **remained stable** at 8% since the May 14 report

Oxford Economics Global Highlights & Risks results from June 21, 2021 reported⁷:

Global Travel and Tourism Outlook:

- All domestic visitor arrivals are set to reach 88% of the pre-pandemic levels in 2021 on average and achieve 100% of pre-pandemic levels by 2022
- International guest arrivals are to remain at 59% of the pre-pandemic levels in 2021
- By mid 2021, many North American and European countries are expected to reach a 70% immunization threshold

Expedia Travel Recovery Trend Report from Q1, 2021 reported⁸:

- Around 55% of American married couples and city dwellers are more likely than other groups to travel as vaccines become widely available
- The vacation accommodation rental demand increased quarter-over-quarter in 2021, and the global average length of stay for vacation rentals jumped 30%
- Vacation rental travelers are 75% more likely than other groups to book stays of at least 7 nights at vacation homes this summer
- Even though the international travel search demands are beginning to return, travelers are more to likely continue prioritizing domestic travel over international travel in 2021
- In Q1 2021, beach and city destinations were among the top booked destinations around the world
- 62% of global travelers took or would be willing to take a road trip during the pandemic. Along with the vacation rental market, road trips are popular among domestic travelers.
- 4 in 5 travelers make accommodation decisions based on implemented pandemic prevention measures

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Sources:

1. Destination Canada Resident Sentiment Survey Report, June 15, 2021, N~1,800 adult Canadians, N= 604 for Ontario and each minimum N=200 for other provinces
2. Destination Canada Resident Sentiment Survey Report, June 22, 2021, N~1,800 adult Canadians, N= 604 for Ontario and each minimum N=200 for other provinces
3. Leger National Weekly Pandemic Tracker Report, June 22, 2021, N=1,842 all respondents, N=604 for Ontario
4. Google Global Travel Intent Survey – online survey between April 10, 2020 – June 11, 2021, each N~1,000
5. Google Recovery Signals Dashboard, data updated until June 28, 2021
6. Destination Analysts' Coronavirus Travel Sentiment Index Report – Key Findings, June 29, 2021, data as of June 25, 2021
7. Oxford Economics Global Highlights & Risks results, June 21, 2021
8. Expedia Travel Recovery Trend Report, Q1, 2021