



# CTC Research Strategy 2007 – 2011 Overview

Neil McInnis – Executive Director- Research

[www.canada.travel](http://www.canada.travel)

Canada   
keep exploring

# CTC Background

- A federal Crown Corporation since 2001.
  - Created as a Special Operating Agency in 1995
  - Formerly a division of Industry Canada
- Headquarters office located in Vancouver
- Global organization with offices in 9 countries: United States, United Kingdom, France, Germany, Mexico, China, Japan, South Korea and Australia
- 160 employees (60% Vancouver, 40% Global offices)

# Legislated Mandate

- Sustain a vibrant and profitable Canadian tourism industry;
- Market Canada as a desirable tourist destination;
- Support a cooperative relationship between the private sector and the governments of Canada, the provinces and the territories with respect to Canadian tourism; and
- Provide information about Canadian tourism to the private sector and to the governments of Canada, the provinces and the territories.

# Vision and Mission

- **Vision:** *Compel the world to explore Canada*
  - The CTC achieves this through marketing initiatives in collaboration with partners under a common brand
- **Mission:** *Harness Canada's collective voice to grow export revenues*

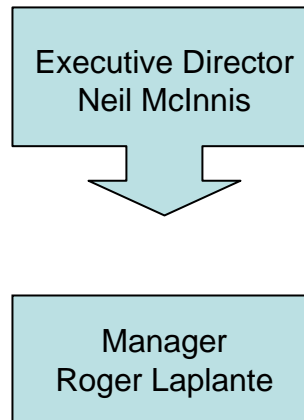
# CTC Strategic Priorities

- **Strategy: *Promoting Experiences***
- The 2007 – 2011 Strategic Plan identifies the following seven priorities for the CTC:
  1. Develop one-to-one relationships with customers;
  2. Align market allocations for maximum return on investment;
  3. Differentiate Canada;
  4. Leverage partner investment;
  5. Leverage media exposure afforded by Vancouver 2010;
  6. Create demand for increased air access; and
  7. Organizational excellence.

# Research - Core Function

- To provide timely and relevant business intelligence and data to support CTC's strategic business, marketing and investment decisions.

# Organizational Chart



Executive Assistant  
Padminee Chundunsing

Senior Research Analyst  
Eugene Thomlinson

Research Analyst  
Murielle Ballantyne

Research Analyst  
Pennie Poon

Research Analyst  
Michel Dubreuil

Research Analyst  
Becky Bazzard (term)

# Key Opportunity

- To establish the best market information and intelligence system possible.

# Key Challenge

| Rank                       | 1950 World Share  | 1970 World Share   | 1990 World Share  | 2005 World Share   |
|----------------------------|---|--|---|--|
| 1<br>2<br>3<br>4<br>5      | USA<br>Canada<br>Italy<br>France<br>Switzerland<br>71%        | Italy<br>Canada<br>France<br>Spain<br>USA<br>43%             | France<br>USA<br>Spain<br>Italy<br>Hungary<br>38%               | France<br>Spain<br>USA<br>China<br>Italy<br>32.7%            |
| 6<br>7<br>8<br>9<br>10     | Ireland<br>Austria<br>Spain<br>Germany<br>UK<br>17%           | Austria<br>Germany<br>Switzerland<br>Yugoslavia<br>UK<br>22% | Austria<br>UK<br>Mexico<br>Germany<br>Canada<br>19%             | UK<br>Mexico<br>Germany<br>Turkey<br>Austria<br>14.1%        |
| 11<br>12<br>13<br>14<br>15 | Norway<br>Argentina<br>Mexico<br>Netherlands<br>Denmark<br>9% | Hungary<br>Czech<br>Belgium<br>Bulgaria<br>Romania<br>10%    | Switzerland<br>Greece<br>Portugal<br>Malaysia<br>Croatia<br>10% | Canada<br>Malaysia<br>Poland<br>Hong Kong<br>Hungary<br>9.3% |
|                            | Others<br>3%  | Others<br>25%  | Others<br>33%   | Others<br>43.9%  |
| <b>Total</b>               | 25 million  | 166 million  | 703 million   | 808 million  |

# 2006 Global trends and industry performance

- Total tourism revenue up 7 percent to 67.1 billion, although international tourism demand down 2.3 percent to \$17.1 billion.
- Performance down in half of core international markets, most notably in the U.S. leisure travel market – still Canada's largest international market.
- Travel surged in Canada's secondary growth markets, including China, South Korea and Mexico. U.S. MC&IT and France market performance also remained solid.

# Key Objectives

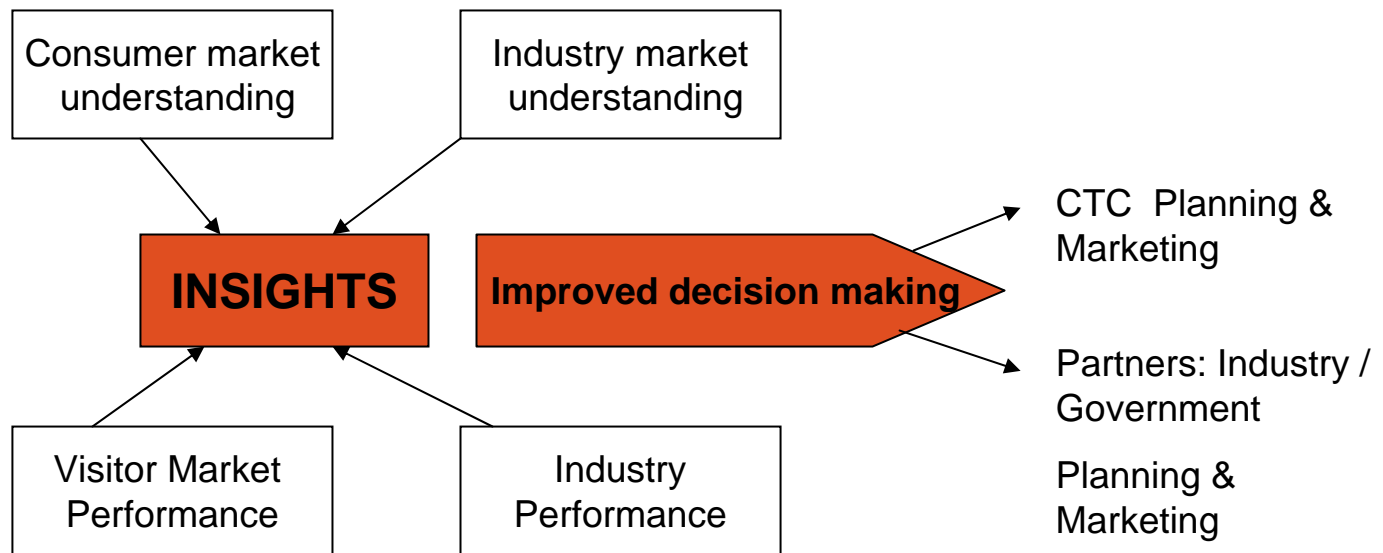
- Expand consumer based intelligence;
- Monitor, assess and analyze global market conditions;
- Measure, monitor and evaluate the importance and impact of tourism to the Canadian economy;
- Measures and track Canada's competitive position and the export performance of the CTC's Tier One markets;
- Broaden the base of partnership in the research program;
- Communicate timely, accurate and relevant business intelligence to decision makers;

# Approach

## Business Intelligence System - research and intelligence gathering

Research &  
Intelligence  
Gathering

Tracking  
Performance



# Approach

1. Performance Tracking / Evaluation
2. Current & Ongoing Business Intelligence
3. Forward Looking Business Intelligence
4. Research & Development Program
5. Supplemental Research Activities

# Key Initiatives for 2007

## Performance Tracking / Evaluation

### 1. Performance Tracking / Evaluation

To sustain the ongoing operational statistical data collection which establishes the: the size and scope of the tourism industry; and establishes the importance of tourism in the Canadian economy.

# Key Initiatives for 2007

## Performance Tracking / Evaluation

### Statistics Canada's Core Surveys

- International Travel Survey (ITS)
- Travel Survey of Residents of Canada (TSRC)

### Tourism Satellite Account (TSA)

- International Travel Account (ITA)
- Government Revenue Attributable to Tourism (GRATS)
- National Tourism Indicators (NTI)

# Key Initiatives for 2007

## Current and ongoing business intelligence

### 2. Current and Ongoing Tourism Business Intelligence

To ensure that business and market intelligence is as current as possible to ensure the CTC's competitive positioning in its core markets.

# Key Initiatives for 2007

## Current and ongoing business intelligence

- Competitive Analysis - undertake primary consumer and/or travel trade research in CTC core program markets on a rotational basis.
  - 2007: UK, France, Germany and Japan;
  - 2008: U.S. Leisure and MC & IT;
  - 2009: Asia/Pacific;
  - 2010: Europe/Latin America;
  - 2011: U.S. Leisure and MC & IT.
- Initiate the development of segmentation profiles - leveraging data from CRM, EQ, TAMS, US data, and consumer data from completed consumer analysis in Tier One markets.

# Key Initiatives for 2007

## Current and ongoing business intelligence

- Expand the European Tourism Watch program to all Tier One markets.
  - Track Canada's competitive position relative to the general vacation experiences sought by travellers in these markets;
  - Identify and quantify the perceptions that tourists in these markets have of Canada as a travel and vacation destination (Canada's Brand performance);
  - Monitor and understand changes in the perceptions of Canada versus competing destinations;
  - Better understand consumer travel behaviour & values;
  - Identify barriers to visiting Canada;
  - Track travel intentions in Canada's key markets.

# Key Initiatives for 2007

## Current and ongoing business intelligence

- Global Ad Tracking & Conversion Study: in conjunction with the Planning and Evaluation team, implement a global ad tracking and conversion study in CTC core markets;
- Tourism Intelligence Bulletin: bi-monthly review and situation analysis of the Canadian tourism industry.
- Efficiencies are expected by implementing a common approach to the Global Tourism Watch and Global Ad Tracking and Conversion Studies.

# Key Initiatives for 2007

## Forward looking business intelligence

### 3. Forward looking business intelligence

To provide forward looking market & business intelligence to support effective business decisions.

# Key Initiatives for 2007

## Forward looking business intelligence

- CTC Short Term Market Outlook: quarterly short term market outlook - how business in the tourism sector is shaping for the short term in CTC's core markets;
- Canadian/US Travel Intentions: quarterly Canadian and U.S. travel intentions;
- Performance & Evaluation Tools: Update the Market Portfolio Analysis (MPA) bi-annually and the Market Investment Model (MIM) annually;
- CTC International Forecasts: Develop a new approach to generate medium / long term forecasts for CTC's core international markets;

# Key Initiatives for 2007

## Research and development

### 4. Research and development (R&D)

To ensure that the CTC and Industry are prepared to capitalize on new growth market opportunities.

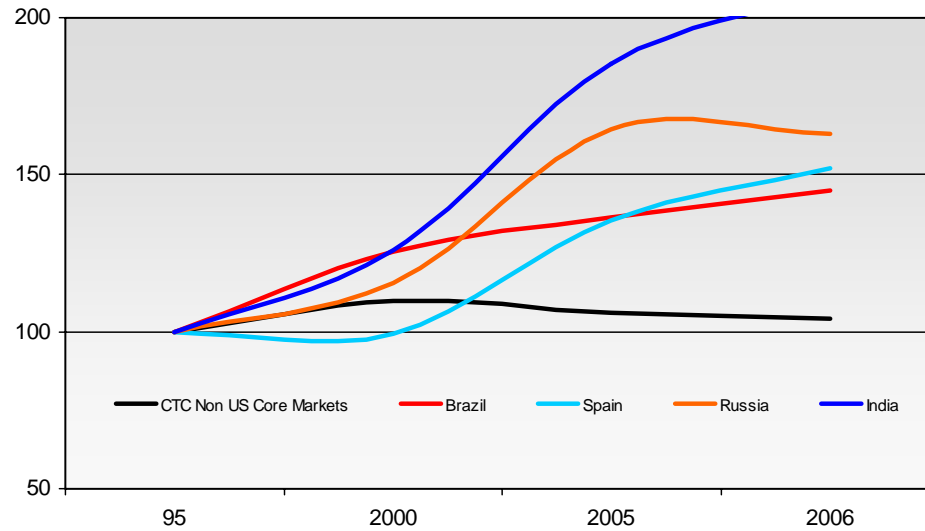
# Key Initiatives for 2007

## Research and development

- Approximately \$1.2 million per year budgeted.
- Primary focus on emerging markets
  - Framework developed to guide the analysis and entry into emerging markets
  - Focus on Tier 3 countries
    - Emerging markets can have the greatest potential for rapid growth and greater returns
    - CTC Market Portfolio Analysis (MPA) assisting in identifying markets with best potential

# Key Initiatives for 2007

## Research and development



- India research just completed
- Desk research has been initiated for Brazil, Spain, and Russia.

# Key Initiatives for 2007

## Research and development

- Refinement and expansion of in-house tool box:
  - Refinement:
    - The Market Portfolio Analysis Index (MPA)
    - The Market Investment Model (MIM)
  - Expansion:
    - Return on Investment Model (ROI) Model
    - Analysis of Marketing Effectiveness (AME) Model

# Key Initiatives for 2007

## Supplemental research activities

### 5. Supplemental research activities

To respond specifically to fundamental changes or issues impacting Canada's tourism competitiveness.

# Key Initiatives for 2007

## Supplemental research activities

- U.S. Market Intelligence:
  - Data mining of DK Shifflet data set generated with CTC's U.S. study as well as a closer look to DKS Performance Monitor results;
  - Additional analysis to better understand who the U.S. leisure customer to Canada is within the layers of the border, mid-haul & southern states;
- Explorer Quotient (EQ): is an engaging, innovative methodology matching consumers with relevant tourism product based on the consumers' individual social and travel values.
  - Engage travellers one-to-one and create ongoing relationships through an online tool.
  - Refine and implement a series of questions to segment travellers so that messages and product offerings can be tailored to them.

# Key Initiatives for 2007

## Supplemental research activities

- WHTI - Phase 2: Additional research is required to understand the impact on travel patterns at the sub-levels of border states, medium-haul states and southern states.
- Canada's Product Deficit – Perception or Reality?
  - In collaboration with CTC's PIE unit, determine the nature & extension of this perception;
    - Examine existing research on Canada's products and primary competitive destinations;
    - Provide recommendations to address the issue.

# Key Initiatives for 2007

## Communication - Objective

- Objective:

Communicate timely, accurate and relevant business intelligence to decision makers within the CTC as well as industry partners and stakeholders.

# Key Initiatives for 2007

## Communication - Goals

- Key Goals:
  - Formalize an effective research communication channel that utilizes all relevant distribution methods to share research amongst key stakeholders (online, industry network, partnerships etc.)
  - Package and market existing and new research products in a usable way to make sure we are meeting the needs of all research stakeholders.
  - Strengthen the working relationship between CTC Research and other departments in order to leverage internal capabilities and resources as well as align research to meet the strategic corporate goals.

# Key Initiatives for 2007

## Communication - Goals

- Key Goals( cont.):
  - Focus on delivering relevant and timely business intelligence to SME's to help them in their decision making process.
  - Build a research network both online and offline to facilitate the sharing and flow of research information between tourism partners.

# Key Initiatives for 2007

## Communication

- Action Plan
  - Review and Analysis
    - Internal, survey
  - Product
    - re-package, new, current, relevant, concise
  - Distribution
    - CRM –mailing list research updates
    - research web portal
    - network of industry partners.

**Questions / Comments**

**Thank you**

# Update on 2006 Activities

## Consumer and Travel Trade Research

| 2006   | Partners | Underway | Completed |
|--|----------|----------|-----------|
| Consumer & Travel Trade Study – China          | X        |          | Feb. 06   |
| Consumer Study in the IIS                      |          |          | Feb. 06   |
| Consumer & Travel Trade Study – South Korea    | X        | X        | Dec. 06   |
| Consumer Study – Australia                     | X        | X        | Feb. 07   |
| Consumer & Travel Trade Study – Mexico         | X        | X        | Mar. 07   |
| Consumer & Travel Trade Study – India          | X        | X        | Feb. 07   |
| European Tourism Watch – UK, France & Germany  |          | X        | Dec. 06   |
| Travel Activities and Motivations Study (TAMS) | X        | X        | On-going  |

# Update on 2006 Activities

## Niche Product and Performance Tracking Research

| 2006  | Partners | Underway | Completed |
|---|----------|----------|-----------|
| Canadian Destination Ski Consortium Survey  | X        | X        | Dec 06    |
| U.S. Gav Lesbian Tourism                    | X        | X        | Dec 06    |
| Tourism Satellite Account Update            |          | X        | Nov 07    |
| Government Revenue Attributable to Tourism  |          | X        | Nov 07    |
| International Travel Survey                 | X        | X        | On-going  |
| Travel Survey of Residents of Canada (TSRC) | X        | X        | On-going  |

# ANNEX Strategic Issues Facing Tourism

- Over the past 20 years, tourism has been the fastest growing industrial sector in the world.
- Tourism environment has become more global and more competitive.
- Canada has lost market share
  - Since 2002, international visitation to Canada has decreased
  - Mainly due to a decrease in U.S. visitors

# Global Historical Trends in Tourism Market Share

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| Total                      | 25 million  | 166 million  | 703 million   | 808 million  |



# Strategic Issues Continued

- Security and increased international travel restrictions
  - Post-911, post-SARS, post-July 2006 in U.K.
- Western Hemisphere Travel Initiative (WHTI)
  - Forecasted impact on Canadian tourism industry (2005 – 2010):
    - Loss of over 14 million in-bound trips from the U.S.
    - Loss of \$3.6 billion in U.S. receipts