

# IMPACT OF COVID-19 ON THE CANADIAN ECONOMY AND CONSUMER SENTIMENT - as of November 27, 2020

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 NOVEMBER 27, 2020

*According to Destination Canada's Sentiment Towards Visitors Survey Report, Updated November 10, 2020*

- Ontario's **overall sentiment** towards visitors from other parts of the province has **stabilized** over the last month
  - 46% of Ontarians would welcome visitors from nearby communities
  - 38% of Ontarians would welcome visitors from other parts of Ontario
  - 30% of Ontarians would welcome visitors from other parts of Canada
  - 8% of Ontarians' would welcome visitors from the US and 7% from other international destinations

*According to Destination Canada's Resident Sentiment Survey Report, Updated November 17, 2020*

- Ontario's perception of safety towards travel to other destinations decreases the further away people think of travelling from their home
  - 63% of Ontarians feel safe when thinking about travelling to nearby communities
  - 48% of Ontarians feel safe when thinking of travelling within Ontario
  - 34% of Ontarians feel safe when thinking of traveling to other parts of Canada
  - 9% of Ontarians' perceived safety is much lower when thinking about travelling to the US and 9% to other international destinations

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*According to Destination Canada's Sentiment Toward Tourism Advertisement Survey Report, Updated November 17, 2020*

- Overall Ontario receptivity of promoting communities as a destination in other nearby communities in Ontario continues to be net neutral of -3; therefore, promoting hyperlocal travel is well received
- Overall Ontario 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 - 21; suggesting caution in promoting to other provinces

*According to Leger Research's national pandemic tracker study results from November 20-22, 2020 reported*

- *With the exception of residents within lockdown zones, Ontarians' overall level of comfort with activities outside the home has increased over the last month, most likely as a result of overall satisfaction with safety protocols in place*

*According to Google Travel Intent survey online poll results ending November 12, 2020*

- Canadians overall travel intent has decreased over the last month
  - **10%** of Canadians are looking at booking a domestic trip in the next three months
  - **18%** of Canadians are looking at booking a domestic trip after a year from November 13, 2021
  - **13%** of Canadians are interested a major city travel destination
  - **14%** of Canadians are interested in a small-town travel destination

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*According to Google's recovery signal dashboard based on search query data, as of November 27, 2020*

- Overall Canadian travel search queries dropped below the 2019 level most likely due to the recent increase in COVID cases
- Overall travel search is down potentially due to the recent increase in COVID casesOverall travel search is down potentially due to the recent increase in COVID cases
  - Travel search interest within Canada is down 22%; however local attraction search queries are down 54.6% compared to the same period March 1 – November 27, 2019
  - Travel search interest within Ontario is down 26.5%; however local attraction search queries are down 59% compared to the same period March 1 – November 27, 2019

*According to Google's US Travel Intent survey based on data as of November 16, 2020*

- The US overall saw a drop-in travel intention to travel over the next two weeks likely due to the increase in COVID cases
  - 79% of Americans will be very unlikely engage in any travel in the next 2 weeks
- Overall US travel intention in the next 3 months are low and remained stable over the past three months
  - 70% of Americans will be very unlikely to engage in any travel in the next 3 months
- Overall US travels are influenced by discounts and no cancellation fees to encourage booking a trip in the next three months
  - 35% of Americans will most likely be influenced to book a flight with 25% discount rate
  - 34% of Americans will most likely be influenced to book a flight with no cancellation fees
  - 33% of Americans will most likely be influenced to book a hotel with 25% discount rate
  - 21% of Americans will most likely be influenced to book a hotel with no cancellation fees

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*According to Google's Global Travel Intent survey based on data as of November 13, 2020*

- In the UK, Germany and France, less than 11% polled in each country regarding booking window for an international trip, intend to book an international trip within the next year

## MACRO-ECONOMIC OUTLOOK:

COVID-19 has seen a significant negative economic impact causing noticeable changes in public behavior. Market research firm Ipsos is tracking public attitudes and behavior in Canada and other countries to assist organizations in their strategic and tactical planning. The research consists of weekly online polling of a random samples of Canadians and citizens from various countries. The latest data shows some key insights:

## CANADIAN TRAVEL OUTLOOK:

Destination Canada's sentiment toward tourism advertisement study results from November 10 reported<sup>1</sup>:

- Ontario's overall sentiment towards visitors from other parts of the province has decreased significantly; therefore, promoting local travel would be the current best course of action:
  - 46% of Ontarians would welcome visitors from nearby communities
  - 38% of Ontarians would welcome visitors from other parts of Ontario
  - 30% of Ontarians would welcome visitors from other parts of Canada
  - 8% of Ontarians' would welcome visitors from the US and 7% from other international destinations

Destination Canada's resident sentiment survey study results from November 17 reported<sup>2</sup>:

- Ontario's level of safety towards travel to other destinations decreases the further away people think of travelling from their home
  - 63% of Ontarians feel safe when thinking about travelling to nearby communities
  - 48% of Ontarians feel safe when thinking of travelling within Ontario
  - 34% of Ontarians feel safe when thinking of traveling to other parts of Canada
  - 9% of Ontarians' perceived safety is much lower when thinking about travelling to the US and 9% to other international destinations

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Destination Canada's resident sentiment survey study results from November 17 reported<sup>2</sup>:

- 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 to seeing their community being promoted to each target market is equal to total very happy and happy minus total very unhappy and unhappy
- Overall Ontario receptivity of promoting communities as a destination in other nearby communities in Ontario net neutral of -3; therefore, promoting hyperlocal travel will be well received
- Overall Ontario 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 -21; suggesting caution in promoting to other provinces

Leger Research's national pandemic tracker study results from November 20 – 22 reported<sup>3</sup>:

- Ontarians' level of comfort with activities with protective measures are in lifted:
  - 51% dining in restaurants, **increased** from 41% reported in October 9 – 11 waves of data
  - 23% attending large gatherings such as sporting events, concerts or festivals, **significantly increased** from 14% reported in October 9 – 11 wave of data
  - 20% going to bars, pubs, lounges, night clubs, **increased** from 15% reported in October 9 – 11 wave of data
  - 28% flying on an airplane, **increased** from 25% reported in October 9 – 11 wave of data
  - 19% travelling to the United States, **increased** from 15% reported in October 9 – 11 wave of data

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Google Travel Intent Canada survey online poll results ending November 13, 2020 reported<sup>4</sup>:

- **9%** of Canadians are looking at booking a domestic trip in the next three months, **remained stable** from 10% reported in the previous October 9 report
- **7%** of Canadians are looking at booking a domestic trip in the next three to six months, **remained stable** from 7% reported in the previous October 9 report
- **18%** of Canadians are looking at booking a domestic trip after November 13, 2021, **decreased** at 20% reported in the previous October 9 report
- **18%** of Canadians are interested in travelling within 20 miles of their home in the next three months, **remained stable** from 19% reported in the previous October 9 report
- **6%** of Canadians are interested in a travel destination anywhere in their region in the next three months, **remained stable** from 6% reported on October 9 report
- **31%** of Canadians are interested in a travel destination anywhere in Canada in the next three months, **remained stable** from 32% observed in the previous October 9 report
- **13%** of Canadians are interested a major city travel destination, **decreased** from 16% reported in the previous October 9 report
- **14%** of Canadians are interested in a small-town travel destination, **decreased** from 16% reported in the previous October 9 report
- **19%** of Canadians are interested in a rural travel location, **decreased** from 21% reported in the previous October 9 report
- **18%** of Canadians are interested in a beach destination, **increased** from 14% reported in the previous October 9 report

Canada Travel Related Recovery Signals<sup>5</sup> (as of November 27, 2020):

Google's recovery signal dashboard 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:

- Overall Canadian travel search queries dropped below the 2019 level most likely due to the recent increase in COVID cases
- Overall Ontario travel search queries are below 2019 levels
- Overall travel search is down potentially due to the recent increase in COVID cases

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- Travel search interest within Canada is down 22%; however local attraction search queries are down 54.6% compared to the same period March 1 – November 27, 2019
- Travel search interest within Ontario is down 26.5%; however local attraction search queries are down 59% compared to the same period March 1 – November 27, 2019

Ontario Travel Analytics Center results ending November 21 reported<sup>6</sup>:

Google's Travel Analytics Center beta dashboard is based on search queries for destination-based accommodations

- Strong year-over-year growth (November 21, 2019-November 21, 2020) in overall demand for Ontario ski destinations based on top province-city hotel directionalities for Ontario
  - 15% year-over-year growth for Blue Mountain ski destinations
  - 38% year-over-year growth for Huntsville ski destinations

## **U.S. TRAVEL OUTLOOK:**

Destination Analysts' U.S. Coronavirus Travel Index results ending November 22, 2020 reported<sup>7</sup>:

- Majority of American travelers are less likely to travel in the next three months
  - 61.9% of American travelers are less likely to travel in the next three months
  - 52% of American travelers would feel guilty travelling
  - 6 in 10 American travelers feel they would not be able to fully enjoy the trip
- Large majority of American travelers continue to at dream and make tentative plans for 2021
  - 82% have tentative travel plans
  - 17% plan to take a trip next summer in June 2021
  - Midwest and Northeast regions are the least likely regions to be receptive of travel marketing messages
- Overall Americans are not ready to travel; therefore, less receptive to receiving marketing messages
  - Midwest and Northeast regions are the least likely regions to be receptive of travel marketing messages

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Google's U.S. COVID-19 & Travel Intent survey online poll results ending November 16, 2020 reported<sup>8</sup>:

- 79% of Americans will be very unlikely engage in any travel in the next 2 weeks, this has worsened from 82% reported in the previous October 12 report
- 70% of Americans will be very unlikely to engage in any travel in the next 3 months, worsened from 67% reported in the previous October 12 report
- 7% of Americans will book travel only in North America the next 3 months, decreased from 9% in the previous October 12 report
- 59% of Americans will not book a flight under any circumstances in the next 3 months, worsened from 57% reported in the October 12 report
- 47% of Americans will not book a hotel under any circumstances in the next 3 months, remained stable from 48% in the previous October 12 report
- 35% of Americans will most likely be influenced to book a flight with 25% discount rate
- 34% of Americans will most likely be influenced to book a flight with no cancellation fees
- 33% of Americans will most likely be influenced to book a hotel with 25% discount rate
- 21% of Americans will most likely be influenced to book a hotel with no cancellation fees

U.S. Travel Related Recovery Signals<sup>5</sup> (As of November 27, 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 60% same period March 1 – November 27, 2019 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 – November 27, 2019 search level



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## INTERNATIONAL TRAVEL OUTLOOK

Google Travel Intent survey online poll results ending November 13, 2020 reported<sup>4</sup>

United Kingdom's booking window perception for international trip<sup>4</sup>:

- **8%** of British people are booking in the next three months, **increased** from 2% observed in the October 9 report
- **11%** of British people are booking in 9 months to a year, **increased** at 8% observed in the October 9 report
- 9% of British people are booking after November 13, 2021, **decreased** significantly from 17% observed in the October 9 report

Germany's booking window perception for international trip<sup>4</sup>:

- **6%** of Germans are booking in the next three months, **remained stable** from 5% since October 9 report
- **7%** of Germans people are booking in 9 months to a year, **remained stable** from 7% since October 9 report
- **7%** of Germans people are booking after a year from November 13, 2021, **increased** from 9% since October 9 report

France's booking window perception for international trip<sup>4</sup>:

- **6%** of French people are booking in the next three months, **increased** from 4% since October 9 report
- **7%** of French people are booking in 9 months to a year, **increased** from 5% since October 9 report
- **6%** of French people are booking after November 13, 2021, **increased** from 8% since October 9 report

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## Sources:

1. Destination Canada Resident Sentiment Survey Report, November 10, 2020, N~1,800 adult Canadians and each minimum N=200 for each province
2. Destination Canada Resident Sentiment Survey Report, November 17, 2020, N~1,800 adult Canadians and each minimum N=200 for each province
3. Leger National Weekly Pandemic Tracker Report, November 24, 2020, in field November 20 – 22, N=1,840 all respondents
4. Google Global Travel Intent Survey – online survey between April 10 – November 13, 2020 each N~1,000
5. Google Recovery Signals Dashboard, data updated until November 21, 2020
6. Google Travel Analytics Center - Beta , data as of November 27, 2020
7. Destination Analysts' Coronavirus Travel Sentiment Index Report, November 23, 2020, data as of November 22, 2022
8. Google U.S. COVID-19 & Travel Intent Report, Wave 19 Results completed November 13 – 16, 2020, N~1,00