

# IMPACT OF COVID-19 ON THE CANADIAN ECONOMY AND CONSUMER SENTIMENT - as of February 23, 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 FEBRUARY 23, 2021:

*According to Destination Canada's Sentiment Towards Visitors Survey Report, Updated February 16, 2021*

- Ontario's **overall sentiment** towards visitors from other parts of the province improved over the last month
  - 38% of Ontarians would welcome visitors from nearby communities
  - 31% of Ontarians would welcome visitors from other parts of Ontario
  - 25% of Ontarians would welcome visitors from other parts of Canada
  - 11% of Ontarians' would welcome visitors from the US and 11% from other international destinations

*According to Destination Canada's Resident Sentiment Survey Report, Updated February 23, 2021*

- Ontarians perception of travel safety increased towards all domestic destinations over the last month
  - 71% of Ontarians feel safe when thinking about travelling to nearby communities
  - 55% of Ontarians feel safe when thinking of travelling within Ontario
  - 38% of Ontarians feel safe when thinking of traveling to other parts of Canada
  - 13% of Ontarians' perceived safety as much lower when thinking about travelling to the US and 14% to other international destinations

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*According to Destination Canada's Sentiment Toward Tourism Advertisement Survey Report, Updated February 23, 2021*

- Ontario's overall receptivity of promoting nearby communities as a travel destination increased to be net positive of +12; therefore, timely and relevant hyperlocal travel will be well received
- Ontario's overall receptivity of promoting communities as a travel destination in other parts of Ontario has improved to net neutral of +3; suggesting caution in promoting pan Ontario travel
- Overall Ontario receptivity of promoting communities as a travel destination in other parts of Canada continues to be net negative at -5; suggesting caution in promoting to other provinces

*According to Google Travel Intent survey online poll results ending February 12, 2021*

- Canadians overall travel intent has slightly increased since the last month
  - 6% of Canadians are looking at booking a domestic trip in the next three months
  - 23% of Canadians are looking at booking a domestic trip after a year from February 12, 2022
  - 19% of Canadians are interested in travelling within 20 miles of their home
  - 13% of Canadians are interested a major city travel destination
  - 15% of Canadians are interested in a small-town travel destination

*According to Google's recovery signal dashboard based on search query data, as of February 23, 2021*

- Overall Canadian and Ontario travel search queries dropped below their 2019 level most likely due to the increase in COVID cases
- Overall travel search is down, likely due to high levels of COVID cases
  - Travel search interest within Canada is down 24%; however local attraction search queries are down 41% compared to the same period March 1, 2019 – February 23, 2020
  - Travel search interest within Ontario is down 29%; however local attraction search queries are down 49% compared to the same period March 1, 2019 – February 23, 2020

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*According to Google's Global Travel Intent survey based on data as of February 12, 2021*

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

## MACRO-ECONOMIC 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 samples of Canadians and citizens from various countries. The latest data shows some key insights:

## TRAVEL OUTLOOK:

### **CANADIAN TRAVEL OUTLOOK:**

Destination Canada's sentiment survey study results from February 16 reported<sup>1</sup>:

- Ontario's overall **sentiment towards visitors** from other parts of the province increased over the last month; therefore, promoting local travel would be the current best course of action when the time is right:
  - 38% of Ontarians would welcome visitors from nearby communities
  - 31% of Ontarians would welcome visitors from other parts of Ontario
  - 25% of Ontarians would welcome visitors from other parts of Canada
  - 11% of Ontarians' would welcome visitors from the US and 11% from other international destinations

Destination Canada's resident sentiment survey study results from February 23 reported<sup>2</sup>:

- Ontarians perception of travel safety increased towards all domestic destinations over the last month
  - 71% of Ontarians feel safe when thinking about travelling to nearby communities

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- 55% of Ontarians feel safe when thinking of travelling within Ontario
- 38% of Ontarians feel safe when thinking of traveling to other parts of Canada
- 13% of Ontarians' perceived safety as much lower when thinking about travelling to the US and 14% to other international destinations

Destination Canada's resident sentiment toward tourism advertising study results from February 23, 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 of seeing their community promoted to each target market is equal to total very happy and happy minus total very unhappy and unhappy
  - Ontario's overall receptivity of promoting communities as a travel destination in other nearby communities in Ontario net neutral of +12; therefore, timely and relevant hyperlocal travel will be well received
  - Ontario's overall receptivity of promoting communities as a travel destination in other parts of Ontario has improved to net neutral of +3; suggesting caution in promoting pan Ontario travel
  - Ontario's overall receptivity of promoting communities as a travel destination in other parts of Canada continues to be net negative at -5; suggesting caution in promoting to other provinces

Leger Research's national pandemic tracker study results reported on February 23<sup>3</sup>:

- Ontarians' level of comfort with activities after protective measures are lifted:
  - 56% dining in restaurants, **increased** from 54% reported on January 26
  - 27% attending large gatherings such as sporting events, concerts or festivals, **increased** from 23% reported on January 26
  - 25% going to bars, pubs, lounges, night clubs, **increased** from 19% reported on January 26
  - 33% flying on an airplane, **increased** from 29% reported on No January 26

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- 24% travelling to the United States, **increased** from 21% reported on January 26

Google Travel Intent Canada survey online poll results ending February 12 reported<sup>4</sup>:

- **6%** of Canadians are looking at booking a domestic trip in the next three months, **increased** from 4% reported in the previous January 8 report
- 11% of Canadians are looking at booking a domestic trip in the next three to six months, **remained stable** from 10% reported in the previous January 8 report
- 23% of Canadians are looking at booking a domestic trip after February 12, 2022, **increased** from 21% reported in the previous January 8 report
- 19% of Canadians are interested in travelling within 20 miles of their home in the next three months, increased from 17% reported in the previous January 8 report
- 7% of Canadians are interested in a travel destination anywhere in their region in the next three months, increased from 5% reported on January 8 report
- 23% of Canadians are interested in a travel destination anywhere in Canada in the next three months, decreased from 26% observed in the previous January 8 report
- 13% of Canadians are interested in a major city travel destination, **remained stable** at 13% reported in the previous January 8 report
- 15% of Canadians are interested in a small-town travel destination, **increased** from 10% reported in the previous January 8 report
- 18% of Canadians are interested in a rural travel location, **remained stable** at 18% reported in the previous January 8 report
- 15% of Canadians are interested in a beach destination, **remained stable** from 14% reported in the previous January 8 report

Canada Travel Related Recovery Signals<sup>5</sup> (as of February 23, 2021):

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

- Overall Canadian and Ontario travel search queries dropped below their 2019 level

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- Overall travel search is down likely due to high levels of COVID cases
  - Travel search interest within Canada is down 24%; however local attraction search queries are down 41% compared to the same period March 1, 2019 – February 23, 2020
  - Travel search interest within Ontario is down 29%; however local attraction search queries are down 49% compared to the same period March 1, 2019 – February 23, 2020

## U.S. TRAVEL OUTLOOK:

Destination Analysts' U.S. Coronavirus Travel Index results ending February 23, 2021 reported<sup>6</sup>:

- 60% of survey respondents currently feel at least somewhat ready to travel, an almost **+10% increase** since December 2020
  - 16% of respondents feel currently ready to travel with no hesitation
  - 28% of respondents feel currently ready to travel, but with some hesitation
- Optimism about the pandemic improving in America have reached record highs since March 2020
  - 44% of Americans believe the pandemic situation will improve in the next month, the highest this metric has been since March 2020, and **up +5%** since the previous week.
  - 18% of Americans believe the pandemic situation will worsen in the next month, the lowest this metric has been since March 2020, and **down -5%** since the previous week.
- Openness to travel inspiration through learning of new destinations and experiences was indicated by 56% of survey respondents, a **+39% increase** since November 2020.
- Of a diverse selection of 23 travel activities, the average percentage of respondents who rated each as being unsafe dropped to 46%, a **-12% decrease** in perceived lack of safety since January 2021.
  - The percentage of respondents who indicated taking a cruise as at least somewhat unsafe has fallen to 65%, a **-22% decrease** since March 2020.
  - The percentage of respondents who indicated taking a road trip as at least somewhat unsafe has fallen to 18%, a **-29% decrease** since March 2020.
- When asked to summarize their current feelings about travel in one word, most respondents indicated “Excited”, as opposed to March 2020 - May 2020 where they indicated “Scared”.

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- 43% of survey respondents indicated that price cuts from travel providers (e.g. airfare, hotel stays) has made them more interested in traveling within the next 3 months, an **+8% increase** since November 2020.
- 42% of survey respondents would feel happy or very happy seeing their community portrayed as a safe travel destination in an advertisement, an **increase of +7%** January 2021
- The expected time horizon for taking leisure trips has shifted earlier
  - Survey respondents indicated higher rates of planned leisure travel in the coming Spring, and lower rates of expected travel in the coming Summer; when compared to being asked for their preferences in January 2021
- On average, survey respondents expect to make 2.7 leisure trips in 2021, almost half the number of actual trips taken in 2019
  - This expectation has **decreased** from an average of 3.0 leisure trips in 2021, when compared to survey results from 2021
- Perception of vaccines making travel safer in the next 6 months are 58%, **up +7%** from when the vaccines were first FDA approved in December 2020
- 83% of survey respondents who recently visited an outdoor attraction felt safe or very safe during the experience
- The top 3 most desired safety practices at outdoor attractions (such as concerts, amusement parks, sporting events, zoos, etc.) were many hand sanitizing stations, cleaning during open hours, and required masks for staff and patrons

Google's U.S. COVID-19 & Travel Intent survey online poll results ending February 16, 2021 reported<sup>7</sup>:

- 83% of Americans will be very unlikely engage in any travel in the next 2 weeks, **remained stable** from 82% reported in the previous December 15 report
- 63% of Americans will be very unlikely to engage in any travel in the next 3 months, **decreased** from 71% reported in the previous December 15 report
- 10% of Americans will book travel only in North America the next 3 months, **increased** from 8% in the previous December 15 report
- 54% of Americans will not book a flight under any circumstances in the next 3 months, this has **worsened** from 63% reported in the December 15 report
- 47% of Americans will not book a hotel under any circumstances in the next 3 months, this

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has **worsened** from 52% in the previous December 15 report

- 29% of Americans will most likely be influenced to book a flight with 25% discount rate
- 38% of Americans will most likely be influenced to book a flight with no cancellation fees
- 36% of Americans will most likely be influenced to book a hotel with 25% discount rate
- 22% 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 February 23, 2021):

*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, the trend line for travel activity is **stable** but below 2019 level in U.S. searches pertaining to Canadian travel search down 62% same period March 1, 2019 – February 23, 2020 search level
- Overall, the trend line for travel activity is **stable** but below 2019 in U.S. searches pertaining to Ontario travel search queries down 64% same period March 1, 2019 – February 23, 2020 search level

## INTERNATIONAL TRAVEL OUTLOOK

Google Travel Intent survey online poll results ending February 12 reported<sup>4</sup>:

United Kingdom's international intent to travel plans<sup>4</sup>:

- **2%** of British people are booking in the next three months, **remained stable** at 2% observed in the January 8 report
- **11%** of British people are booking in 9 months to a year, **increased** from 9% observed in the January 8 report
- **22%** of British people are booking after February 12, 2022, **increased** from 19% observed in the January 8 report



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Germany's international intent to travel plans<sup>4</sup>:

- **4%** of German are booking in the next three months, **remained stable** from 3% since January 8 report
- **5%** of German people are booking in 9 months to a year, **remained stable** from 6% since January 8 report
- **12%** of German people are booking after a year from February 12, 2022, **increased** from 8% since January 8 report

France's international intent to travel plans<sup>4</sup>:

- **3%** of French people are booking in the next three months, **remained stable** at 3% since January 8 report
- **3%** of French people are booking in 9 months to a year, **remained stable** from 4% since January 8 report
- **7%** of French people are booking after December 11, 2021, **remained stable** at 7% since January 8 report

Sources:

1. Destination Canada Resident Sentiment Survey Report, February 16, 2021, N~1,800 adult Canadians, N=607 for Ontario and each minimum N=200 for other provinces
2. Destination Canada Resident Sentiment Survey Report, February 23, 2020, N~1,800 adult Canadians, N=605 for Ontario and each minimum N=200 for other provinces
3. Leger National Weekly Pandemic Tracker Report, February 23, 2021, N=1,815 all respondents, N=605 for Ontario
4. Google Global Travel Intent Survey – online survey between April 10, 2020 – February 12, 2021 each N~1,000
5. Google Recovery Signals Dashboard, data updated until February 23, 2021
6. Destination Analysts' Coronavirus Travel Sentiment Index Report, February 23, 2021, data as of February 23, 2021
7. Google U.S. COVID-19 & Travel Intent Report, Wave 21 Results completed February 12 – 16, 2021, N~930