

# IMPACT OF COVID-19 ON THE CANADIAN ECONOMY AND CONSUMER SENTIMENT - *as of May 21<sup>st</sup>, 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 behaviour studies.

## EXECUTIVE SUMMARY FROM MAY 21, 2020:

*According to the weekly Ipsos Canada Tracking Report #11, Updated: May 21, 2020*

- **45%** of Canadians are worried about losing their job. This has slightly increased from 41% at the previous wave of data (May 8 – 11) but overall remained the same since the April 24-28 wave of data
- Likelihood of travel within their own province has improved within Ontario:
  - **30%** of Ontarians are likely to avoid travel even within their own province - this has continued to improve over the past 3 weeks since the April 24-28 wave of data, with percentage of those avoiding travel decreasing.

*According to Google Travel Intent survey online poll results ending May 15, 2020*

- **15%** of Canadians are looking at booking a domestic trip in the next three months
- **19%** of Canadians are looking at booking a domestic trip after a year from May 15, 2020
- **15%** of Canadians are interested a major city travel destination
- **17%** of Canadians are interested in a small-town travel destination

*According to Google's recovery signal dashboard based on search query data, as of May 12, 2020*

- Overall, travel related search queries remain relatively flat, but there has been some increased week over week activity in Canadian searches pertaining to flight and accommodations in Canada

*According to Ipsos US Coronavirus tracking report (Global report), Updated May 21, 2020*

- **74%** of Americans will not make travel plans until the situation is back to normal in the U.S.
  - **19%** of Americans are comfortable travelling by air to another country (an increase

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- from the previous week)
- **43%** of Americans are comfortable researching a leisure trip component for summer travel, increase from previous week

*According to Longwoods International U.S. Travel Sentiment Study as of May 13, 2020*

- **12%** of Americans will travel by car for a vacation more than 200 miles, this data is not including to see friends/relatives in the next 6 months

*According to Google's Global Travel Intent survey based on data as of May 18, 2020*

- In the UK, Germany and France, less than 9% polled regarding booking window for an international trip, are looking to book now for a trip within the next year.

## FORECASTED OUTCOMES

### **Estimated Impact of International to Travel in Canada<sup>2</sup>: (As of May 2, 2020)**

As of May 2, 2020, based on data from payment cards, Statistics Canada, cancellations of previously planned trips, new bookings and forward-looking scheduled air capacity, Destination Canada projected Canada's lost tourism export revenue from January to June compared to 2019, on a market by market bases, is outlined below.

- Mexico: \$217.6M
- United Kingdom: \$304.2M
- France: \$147.4M
- Germany: \$106.3M
- India: \$92.1M
- China: \$532M
- South Korea: \$109.9M
- Japan: \$106.4M
- Australia: \$198.4M

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## MACRO-ECONOMIC OUTLOOK:

COVID-19 has seen a significant negative economic impact causing noticeable changes in public behaviour. Market research firm Ipsos is tracking public attitudes and behaviour 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:

### **CANADA:**

Ipsos' public attitude and behavioural online poll results from May 21, 2020 reported<sup>3</sup>:

#### **Personal Impact and National Threat<sup>3</sup>**

*After the recent improvement, threat perception indicators have remained stable or worsened back to earlier levels*

- **67%** Canadians believe COVID-19 will have a personal financial impact on them and their family, this is down from **77%** observed during the April 3 – 6 wave of data and has improved from 70% over the past 3 weeks (compared to April 24-28 wave of data)
  - **70%** of Ontarians worry about their personal financial impact and this has improved from 76% over the past 3 weeks (compared to April 24-28 wave of data)
- **52%** of Canadians perceive the virus as a threat to Canada, this has consistently improved over the past 3 weeks from **59%** (April 24-28 wave of data)
- **45%** of Canadians are worried about losing their job. This has remained the same from the April 24-28 wave of data
  - This perception is higher in Ontario with **50%** of Ontarians being worried about losing their job, this has remained stable over the past 3 weeks (compared to April 24-28 wave of data)
- **86%** of Canadians continue to feel the coronavirus will lead to a recession, this has improved from 93% over the past 3 weeks (compared to April 24-28 wave of data)
- **80%** Canadians are continuing to buy local, and show preference to Made in Canada products, this has increased from 77% over the past 3 weeks (compared to April 24-28 wave of data)

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## Perceived Big Global Economic Impact<sup>3</sup>

- **91%** of Canadians foresee an impact on the financial markets and global economy, this has improved from 96% over the past 3 weeks (compared to April 24-28 wave of data)
- **37%** of Canadians think their job or business is threatened by COVID-19, this has improved from 41% over the past 3 weeks (compared to April 24-28 wave of data)

## The Virus is Seen as a Long Way from Being Contained<sup>3</sup>

- Nearly **72%** of Canadians agree that they won't feel safe till a vaccine is developed – this has remained stable (previous waves of data since April 24 – 28)

## UNITED STATES:

Ipsos' public attitude and behavioural online poll results from May 21, 2020 reported<sup>4</sup>:

### More Worried about Personal Finance than Own Health<sup>1</sup>

- **40%** of Americans believe the virus is a threat to their job, an improvement from 47% over the past 3 weeks (compared to April 24-28 wave of data)
- **62%** of Americans will still feel nervous about leaving home, even after the restrictions are lifted, this is an improvement from 74% over the past 3 weeks (compared to April 24-28 wave of data)

## TRAVEL OUTLOOK:

### CANADIAN TRAVEL OUTLOOK:

Ipsos' public attitude and behavioural online poll results from May 21, 2020 reported<sup>3</sup>:

- **73%** of Canadians are not comfortable taking a vacation this year, this has worsened from 66% over the past 3 weeks (compared to April 24-28 wave of data)
- More than eight in ten Canadians are avoiding public places like malls, restaurants and coffee shops
- Net intent to travel to other provinces remains negative and in line with data seen over the past two months, especially with Ontario and Quebec being the most impacted (currently the provinces worst-hit by the pandemic).
- Likelihood of travel within their own province improved within Ontario
  - **30%** of Ontarians are likely to avoid travel even within their own province, this has

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- improved from 44% over the past 3 weeks (compared to April 24-28 wave of data)
- Majority of Canadians say the pandemic has made them less supportive of tourism (i.e. visitors travelling to their community):
  - **46%** of Canadians are currently not supportive of intra-provincial tourists, this has improved from 50% over the past 3 weeks (compared to April 24-28 wave of data)
  - **73%** of Canadians are not supportive of International tourists, this has improved from 79% over the past 3 weeks (compared to April 24-28 wave of data)

Destination Canada's resident sentiment survey study results from May 18 reported<sup>5</sup>:

- **35%** of Ontarians would welcome visitors from other parts of Ontario, increased from 28% reported on May 11 report
- **27%** of Ontarians would welcome visitors from other parts of Canada, increased from 23% reported on May 11 report
- Majority of Ontarians are less welcoming of visitors travelling to their community from outside of Canada
  - 11% of Ontarians would welcome visitors from the U.S. to visit their community, increased from 8% reported % reported on May 11 report
  - 9% of Ontarians would welcome visitors from other countries, excluding U.S. to visit their community, increased from 7% reported on May 11 report

Leger Research's national pandemic tracker study results from May 15-17 reported<sup>6</sup>:

- Ontarians feel comfortable with activities with protective measures in place:
  - 58% going to farmers' markets
  - 42% shopping at the mall
  - 34% dining in restaurants
  - 17% attending large gatherings such as sporting events, concerts or festivals
  - 16% going to bars, pubs, lounges, night clubs
  - 18% flying on an airplane
  - 19% travelling to the United States

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Google Travel Intent Canada survey online poll results ending May 15, 2020 reported<sup>7</sup>:

- **15%** of Canadians are looking at booking a domestic trip in the next three months, this has improved from 12% over the past 2 weeks (compared to May 1 wave of data)
- **9%** of Canadians are looking at booking a domestic trip in three to six months, this has decreased from 14% over the past 2 weeks (compared to May 1 wave of data)
- **7%** of Canadians are looking at booking a domestic trip in six to nine months, this has remained stable over the past 2 weeks (compared to May 1 wave of data)
- **13%** of Canadians are looking at booking a domestic trip in nine months to a year, this has remained stable over the past 2 weeks (compared to May 1 wave of data)
- **19%** of Canadians are looking at booking a domestic trip after a year from May 15, 2020, this has remained stable over the past 2 weeks (compared to May 1 wave of data)
- **12%** of Canadians are interested in travelling within 20 miles of their home, remains stable from previous week ending May 8
- **8%** of Canadians are interested in a travel destination anywhere in their region, remains stable from previous week ending May 8
- **35%** of Canadians are interested in a travel destination anywhere in Canada, remains stable from previous week ending May 8
- **15%** of Canadians are interested a major city travel destination, decreased by 3 percentage points from previous week ending May 8
- **17%** of Canadians are interested in a small-town travel destination, increased by 3 percentage point from previous week ending May 8
- **19%** of Canadians are interested in a rural travel location, decreased by 2 percentage point from previous week ending May 8
- **15%** of Canadians are interested in a beach destination, increased by 2 percentage point from previous week ending May 8

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Canada Travel Related Recovery Signals<sup>8</sup> (As of May 18, 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:

- **18.6 %** increase over the week of May 5 - 11, 2020 in Canadian searches pertaining to travel, specifically flight and accommodations queries related to Canada, this has increased Week over Week for 2 weeks in a row
- **20.9%** increase over the week of May 5 - 11, 2020 in Ontarian searches pertaining to travel, specifically flight and accommodations queries related to Ontario, this has increased Week over Week for 2 weeks in a row
- **70.8%** increase over the week of May 5 - 11, 2020 in Canadian searches pertaining to travel activities such as winery and museum queries related to Canada, this has increased Week over Week for 2 weeks in a row
- **180.3%** increase over the week of May 5 - 11, 2020 in Ontarian searches pertaining to outdoor activity queries related to Ontario, this has increased Week over Week for 2 weeks in a row

## U.S. TRAVEL OUTLOOK:

Ipsos U.S. public attitude and behavioural online poll results from May 17, 2020 reported<sup>4</sup>:

- **74%** of Americans will not make travel plans until the situation is back to normal in the U.S, this has worsened from 69% over the past 3 weeks (compared to April 24-28 wave of data)
  - **19%** of Americans are comfortable travelling by air to another country, increased from 16% week of May 7-11
  - **43%** of Americans are comfortable researching a leisure trip component for summer travel, increased from 31% week of May 7-11
  - **39%** of Americans are comfortable booking a leisure trip for later in the year such as fall

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Google Travel Intent U.S. survey online poll results ending May 18, 2020 reported<sup>7</sup>:

- **3%** of Americans are looking at booking an international trip in the next three months, this has remained stable for the past 3 weeks (Compared to April 24 – 27 wave of data)
- **15%** of Americans will book an international trip a year from May 15, 2020, this has decreased from 19% over the past 3 weeks (Compared to April 24 – 27 wave of data)
- **5%** of Americans are interested in a travel destination anywhere in the world, this has decreased from 12% over the past 3 weeks (Compared to April 24-27 wave of data)
- **44%** of Americans will not travel anywhere within the next 3 months, remains stable from previous week ending May 8
- **8%** of Americans are interested a major city travel destination, this has decreased from 15% over the past 3 weeks (compared to April 24 – 27 wave of data)
- **11%** of Americans are interested in a small-town travel destination, this has decreased from 15% over the past 3 weeks (compared to April 24 – 27 wave of data)
- **19%** of Americans are interested in a rural travel location, this has decreased from 26% over the past 3 weeks (compared to April 24 – 27 wave of data)

Google's U.S. COVID-19 & Travel Intent survey online poll results ending May 18, 2020 reported<sup>9</sup>:

- **83%** of Americans will be very unlikely engage in any travel in the next 2 weeks and 63% in the next 3 months, remains stable from previous results since May 3
- **11%** of Americans will book travel only in North America the next 3 months
- **54%** of Americans will not book a flight under any circumstances in the next 3 months
- **49%** of Americans will not book a hotel under any circumstances in the next 3 months

U.S. Travel Related Recovery Signals<sup>8</sup> (As of May 18, 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:

- **10.6%** increase over the week of May 5 - 11, 2020 in American searches pertaining to travel, specifically flight and accommodations queries related to Canada, this has increased Week over Week for 2 weeks in a row

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- **9.7%** increase over the week of May 5 - 11, 2020 in American searches pertaining to travel, specifically flight and accommodations queries related to Ontario, this has increased Week over Week for 2 weeks in a row

U.S. Travel Sentiment Study (as of May 13, 2020):

Longwoods International's U.S. national research reported<sup>10</sup>:

- **12%** of Americans will travel by car for a vacation within 200 miles, this data is not including to see friends/relatives in the next 6 months
- **12%** of Americans will travel by car for a vacation more than 200 miles, this data is not including to see friends/relatives in the next 6 months
- **1%** of Americans will take an international trip to Canada or Mexico in the next 6 months

## INTERNATIONAL TRAVEL OUTLOOK:

Google Travel Intent survey online poll results ending May 18, 2020 reported<sup>7</sup>:

United Kingdom's booking window perception for international trip<sup>7</sup>:

- **6%** of British people are booking in the next three months, remained stable over the past 3 weeks (Compared to April 24 – 27 wave of data)
- **9%** of British people are booking in 9 months to a year, this has remained stable over the past 3 weeks (Compared to April 24 – 27 wave of data)
- **23%** of British people are booking after a year from May 15, 2020, this has increased from 17% over the past 3 weeks (Compared to April 24 – 27 wave of data)

Germany's booking window perception for international trip<sup>7</sup>:

- **9%** of Germans are booking in the next three months, this has increased from 7% over the past 3 weeks (Compared to April 24 – 27 wave of data)
- **5%** of Germans people are booking in 9 months to a year, remained stable over the past 3 weeks (Compared to April 24 – 27 wave of data)
- **13%** of Germans people are booking after a year from May 11, 2020, remained stable over the past 3 weeks (Compared to April 24 – 27 wave of data)

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France's booking window perception for international trip<sup>7</sup>:

- **5%** of French people are booking in the next three months, remained stable over the past 3 weeks (Compared to April 24 – 27 wave of data)
- **4%** of French people are booking in 9 months to a year, remained stable over the past 3 weeks (Compared to April 24 – 27 wave of data)
- **12%** of French people are booking after a year from May 11, 2020, this has increased from 10% over the past 3 weeks (Compared to April 24 – 27 wave of data)

## Sources:

1. Destination Canada COVID-19 Impact and Recovery Report: US, Updated: May 5, 2020
2. Destination Canada COVID-19 Impact and Recovery Report: International Summary, Updated: May 5, 2020
3. Ipsos Coronavirus – Canada Tracking #11 Report, May 21, 2020: an online poll between May 15-19, 2020, among a random sample of N=1,450 adult Canadians (credibility interval +/-2.9%, 95% of the time), including an oversample to bring Ontario to N=800 (credibility interval +/-4.0%, 95% of the time)
4. Ipsos Coronavirus Global Report, data from May 14 - 17, 2020, online survey sample of N=1,000 in each country
5. Destination Canada Resident Sentiment Survey Report, May 19, 2020, N~1,800 adult Canadians and each minimum N=200 for each province
6. Leger National Weekly Pandemic Tracker Report, May 19, 2020, in field May 15-17, N=1526 Canadians and N=1,004 Americans
7. Google Global Travel Intent Survey – online survey between April 10 - May 15, 2020 each N~1,000
8. Google Recovery Signals Dashboard, data updated until May 18, 2020
9. Google U.S. COVID-19 & Travel Intent Report, Wave 10 Results completed May 15-18, 2020, N~1,000
10. Longwoods International Travel Sentiment Study, Wave 10 Report, May 21, 2020, in field May 13 and N=1,000