

## Canada

### **Market Summary**

*Whilst the Canadian economy continues to show improvement in all key economic indicators, Canadian consumers remain wary. This could be linked to Canada's high dependence on US economic performance, which is still weak. However, competitive airfares continue to drive outbound travel demand and operators are optimistic that business for Australia will continue to show improvement in the final quarter of 2009. Australian industry should be encouraged by the commitment being shown by Air Canada and AC Vacations to the Australian market.*

### **1. Market News**

- Canadian Finance Minister Jim Flaherty is optimistic Canada's economy will pick up the pace into next year. The domestic economy will show more strength into 2010. The Minister's outlook comes as economists, who generally agree that the climb will be sluggish in the coming months, grapple with just how quickly the economy will regain its posture. *Source: The Canadian Press, 1 December 2009.*
- As reported by X-rates.com, as at 1 December 2009 the Canadian dollar exchange rate was at CAD\$ 0.97 to AUD\$ 1. Gold reached a new high and has given some of the commodity currencies a slight advantage including Canada. The Canadian dollar has inched up on gaining against the US dollar to reach C\$1.0452 to the U.S. dollar on the 1 December 2009. *Source: reported by reuters.com*

### **2. Consumer Insights**

- Consumer confidence fell in November for the second consecutive month, according to the latest report from the Canadian Conference Board. Consumers generally were more pessimistic in November than in October about their financial situation. *Source: reported by reuters.com, 26 November 2009.*
- The change in media spending patterns among Canada's marketing and advertising industries continues. There have been increases in the use of mobile, e-mail and online media at the expense of traditional media such as print, radio and television. The recession has created new spending patterns using minimal media dollars; a belief that customer relationships can be built online; continued interest from marketers in digital solutions and the rapid development of digital technologies. *Source: Ipsos News Center, 11 November 2009*

- Based on an Ipsos Reid poll, although tough economic times are causing Canadians to search for bigger travel bargains, most (64 per cent) are still planning a vacation within the next year.
- According to statistics from the Cruise Lines International Association (CLIA), a growing number of these Canadians are choosing vacations at sea. Canadians are looking for travel deals that deliver more 'bang for their buck'. Rock-bottom pricing, incentives and all-inclusive deals being offered by the world's major cruise lines are resonating Canadians. The 2009 CLIA Cruise Market Overview shows the number of Canadians taking cruises grew by 5.18 per cent to 710,607 passengers in 2008. *Source: [www.travelpress.com](http://www.travelpress.com), 27 October 2009*

### 3. Trade Update

- Air Canada's (AC) new President has unshackled Air Canada and its associated companies in a drive to build new business through 2010 – and this includes a target for Air Canada Vacations (ACV) to increase bookings for AC customers from 20,000 to 100,000. Australia will be launched next April in a brochure dedicated to South America, South East Asia and Australia, with 38 of 100+ pages of product being dedicated to Australia. They have contracted AOT to handle ground and will also sign a contract with Virgin Blue to handle domestic air off Air Canada and New Zealand flights. This is a significant plus for Australia from the Canadian market. ACV's website receives 300,000 unique visitors a month. They also have direct access to AeroPlan, AC's frequent flyer program.
- Air Canada Vacations has appointed Philippe Blain to the position of Director, Product Development. Blain will be responsible for developing Air Canada Vacations' international product offering to Europe, Asia, South America and the South Pacific. Blain was the owner of Kiwi Travel International Agency and also the founder of Boomerang Tours, which specialised in the South Pacific market. ACV will launch Australia in April 2010 and is working with AOT for its inbound buying.
- Boomerang Tours is highlighting a 16-day tour in Australia in which agents can earn 14 per cent commission on bookings made by 15 January 2010. *Source: [www.travelpress.com](http://www.travelpress.com).*
- Goway Travel has launched a special offer for travellers bound for Australia this year. Goway is offering vacations to Australia for \$CAD 1,899 (savings of up to \$CAD800) including airfares with Qantas from North America, three free flights in Australia and 12 nights accommodation. The new "Australia on Sale" campaign allows travellers to design their own itinerary, selecting four night's accommodation in three Australian cities - Sydney, Melbourne, Adelaide, Brisbane, Cairns, Alice Springs - and then customise their trip by adding tours, transfers, or experiences. Travel must be booked by 15 December. (<http://www.goway.com/aus>) *Source: [www.travelpress.com](http://www.travelpress.com), 21 October 2009.*
- Global is making Australia and New Zealand more affordable for Canadians. The travel company is offering travellers \$CAD 600 and \$CAD 800 off per couple on two of its escorted tours when booking an air-inclusive itinerary by 1 December. The 31-day Great Adventure Down Under includes Tasmania; Australia's Sunshine Coast, the Barrier Reef, the Outback and Sydney. *Source: [www.travelpress.com](http://www.travelpress.com), 21 October 2009.*
- Merit Travel Ventures Inc. reported that it has acquired Travel CUTS. Merit has finalised an agreement between Travel CUTS and its shareholders, under which

Merit will acquire Travel CUTS and all of its subsidiary brands -- including The Adventure Travel Company, Voyages Campus, Odyssey Travel, Innovative Group Travel and most of their respective programs and branch office networks. The deal took effect on 26 October 2009. Source: [www.travelpress.com](http://www.travelpress.com), 29 October 2009.

- The British Columbia Automobile Association (BCAA) has slashed its retail travel services, moving from brick and mortar at 27 locations to either 'click' or 'call'. The graduated closures are to be fully completed by 15 January 2010. Continued annual declining of profits combined with the trend towards more online bookings is being cited for the closures. While retail travel is affected, BCAA locations will continue to market insurance (including travel medical insurance) and other automotive related services. Travel bookings at retail centres will end with bookings in future available only via the BCAA Internet site or through the Burnaby customer call centre. Source: [www.travelweek.ca](http://www.travelweek.ca), October 2009.
- As at 28 November 2009, there were 1,024 Aussie Specialist agents, students and wholesalers, of which 61 per cent are fully qualified agents.

#### 4. Airline News

- Air Canada has been voted "Best Airline in Canada and in North America" by readers of the prestigious *Global Traveler* magazine. The award was based on responses from more than 25,000 readers who are premium travellers averaging 12 round-trip flights annually, with 96 per cent in first or business class. Source: *The Montreal Gazette*

#### 5. Competitor News

- Canada has held onto the number two spot of the world's most respected country brand for the second year in a row. The ranking comes from the fifth annual country brand index (CBI) by FutureBrand of New York. After launching the new tourism brand "Canada: Keep Exploring" five years ago, Canada leapfrogged from twelfth place in 2006 to sixth place in 2007 and jumped again to achieve second place for the first time in 2008. Canada also ranked first in the categories of *Country you would most like to live in; Families; Resort and lodging options*, and *Political Freedom, Safety*. Australia came third whilst USA took the top spot. Source: [www.travelpress.com](http://www.travelpress.com), 16 November 2009
- Canada continues to heavily promote domestic travel, with ski and winter destination packages encouraging Canadians to stay at home this winter.
- Hawaii and Japan continue with heavy consumer promotions in-market, with Hawaii also focusing on trade with heavy discounts / incentives for consultants.
- Japan Airlines now offers direct flights to Japan from Calgary – promoting Visit Japan year 2010.

## 6. Key Campaigns and Activities in Market

October and November campaigns and activities				
START DATE	END DATE	DESCRIPTION	TARGET AUDIENCE	PARTNERS
October 2009	November 2009	<i>Merit Travel:</i> Fall campaign with an Australia focus and tactical offers via brochure / direct mail / e-blasts / web content. This product will be aligned with the Food and Wine passion point for Canada.	First Time Canadian Experience Seekers	Merit Travel, Tourism Queensland, Tourism NSW, SATC
November 2009		<i>Merit Travel:</i> Statement insert on Australia going to 60,000 CIBC Aventura card members with an average household income \$CAD120,000. Packages developed by Boomerang aligned with the Food and Wine passion point.	CIBC card members	Merit Travel, CIBC (Canadian bank).
September 2009	June 2010	<p><i>Youth Campaign CANADA</i> Major leisure campaign. Focused on digital activities, including Facebook. Major marketing activity to commence in early 2010.</p> <p><i>Dine Alone Records Partnership:</i> Dine Alone Records have signed two Aussie bands, <i>The Living End</i> and <i>Children Collide</i>, and have offered Tourism Australia the opportunity to leverage off the Canadian release of their CD, tour and media trip in the next six months. In addition, Dine Alone Records' top selling Canadian band – <i>Alexisonfire</i> - are touring Australia next February. Tourism Australia will leverage this opportunity with a contest trip and public relations activity.</p>	Youth / Canadian Experience Seekers	<p>Dine Alone Records, Goway, Tourism Queensland, Tourism Victoria and Tourism NT</p> <p>Adventure Tours and ATA partners</p>

Upcoming campaigns and activities				
START DATE	END DATE	PROJECT/EVENT	TARGET AUDIENCE	PARTNERS
February 2010		<i>Merit Travel:</i> Insert on Australia going to 60,000 CIBC Aventura card members with an average household income CAD\$120,000. Packages being developed by Boomerang. Split direct mail – Journey Beyond Familiar.	First Time Canadian Experience Seekers	Merit Travel, CIBC (Canadian bank).
01 January 2010	30 January 2010	<i>Flight Centre:</i> Massive 'Australia on Sale' campaign across 150+ retail stores nationwide. Flight Centre has agreed to provide 150 fully qualified Aussie Specialists to take Australia bookings.	Retail Agents – National	Flight Centre, Qantas
5 January 2010	30 June 2010	<i>Australia Now (It's Time For Australia) Canada</i> Includes digital, print and television - focus on Nature and Adventure and Food and Wine Experiences.	First Time Experience Seekers – Canadians with household income higher than \$CAD150K and who are predisposed to travel to Australia in the next 12 months.	Goway Travel, Tourism NSW, Tourism Tasmania and SATC.