



Global Tourism Opportunities Research Study

February 2009

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Background

Background

- Tourism is experiencing change around the world as the competition for tourist dollars intensifies. Ontario has to plan for and address competitive forces from emerging markets, economic factors, and the develop of new tourism products that will continue to influence tourism trends and behaviours moving forward.
- In addition to the threat of emerging markets, Ontario faces a number of other factors that have notable impacts on tourism in the province; some of the more prevalent factors include:
 - The strength of the Canadian dollar;
 - A slowing U.S. economy;
 - Escalating energy prices;
 - Confusion over new border documentation and passport requirements;
 - Increased border security measures;
 - Perceived tiredness of Ontario's tourism product, as some studies indicate; and
 - A rapid decline of visitors coming from the U.S.

Ontario's response

"In recent years, the tourism industry landscape has changed dramatically and it is facing significant challenges, which is why we have launched Ontario's first Tourism Competitiveness Study. The goal of the study is to help ensure the province can compete with the rest of the world for tourism activity and take advantage of new opportunities before us."

- The Honourable Peter Fonseca, Minister of Tourism

"There is no room for complacency – competition for tourists is fierce. Tourism is vital to the overall mix of the Ontario economy and at the moment, tourism in Ontario needs reinventing."

- Greg Sorbara, MPP & Chair, Ontario Tourism Competitiveness Study

Global opportunities research scope

The intent of this report is to draw relevant findings from the key topic areas listed below, and identify potential implications to Ontario in the global tourism market.

Topic area	Scope
1 Global trends and drivers	<ul style="list-style-type: none">• Identification and review of current global trends, their drivers, and changes occurring within the industry.• Discussion of the potential impact of global trends and drivers on Ontario, with attention given to the province's relative competitiveness.
2 Success measures	<ul style="list-style-type: none">• Identification of key tourism measurements that are used globally by industry and government to measure success and competitiveness of the tourism sector.• Provide direction for Ontario with respect to data sources and costs for further analysis.
3 Niche products	<ul style="list-style-type: none">• Conduct an assessment of current trends and innovations in niche tourism product development globally.• Discussion of potential tourism niche developments that may appeal to the province's traditional and emerging markets and the relevance or insights for the Ontario market.
4 Emerging markets	<ul style="list-style-type: none">• Review of Brazil, China, Croatia, the Czech Republic, Egypt, India, Mexico, Russia, South Korea, and the United Arab Emirates (UAE) via:<ul style="list-style-type: none">(1) An assessment of key data and country competitiveness;(2) Determination of what these countries are doing to drive tourism; and(3) An overview of potential outbound tourists from these markets.• Insight on Ontario's current competitive position and a review of attracting potential tourists from these markets.

Research methodology

- Secondary research was conducted to identify trends currently seen and expected in the global tourism industry, success measures, niche products, and emerging markets.
- Primary interviews were conducted to complement secondary research by providing insight on the applicability of initial findings to Ontario.
- Status updates and discussions on draft research findings were held with OTCS team members for initial input and guidance.
- Deloitte analysis further added to knowledge obtained from primary and secondary sources.

Executive summary

Executive summary: global trends

Key observations

- Global tourism is a US\$733 billion market, with expected annual growth of 4.1% into 2020.
- The Asia-Pacific region will lead growth, thereby capturing market share from other destinations.
- Disposable incomes are increasing worldwide and are fuelling travel growth. However, this growth is being partly offset by the current economic slowdown (namely in the US).
- Increasingly accessible air travel is driving visits to long-haul destinations. Airport infrastructure and destination access are paramount for successful regional tourism growth.
- The global traveler is more concerned with brand and experience-based travel. Destinations are adopting promotional strategies in this regard.
- The aging global population is more affluent and more willing to travel than ever before. Travelers over 55 years of age represent an increasingly important tourism demographic.
- An employee turnover rate of 50% characterizes the tourism industry, making it an ongoing challenge to find and retain a competent and well-trained workforce.

Insights for Ontario

- The addressable global tourism market is growing; Ontario's future marketing considerations should seek to include new viable tourist source markets.
- Emerging market growth at the expense of the market share of traditional destinations suggests the need for Ontario to compete more intensely for international tourists, especially in light of the current US economic slowdown. Increasing competition also suggests the need for world class product and a more distinct experience-based offering.
- With increasing affinity for long-haul travel, there is potential for Ontario to attract visitors from distant locations, thereby increasing international arrivals and receipts.
- Ontario's outbound travel is growing much faster than inbound travel. As a result of this trend, Ontario's tourism deficit is growing.
- Attracting the older tourist demographic should prove to be more critical than ever before.
- The forecasted labour shortage will place increasing demands on all stakeholders across Ontario's tourism sector.

Executive summary: success measures

Key observations

- Tourism operators use both industry-specific and more general business performance metrics to measure success.
- Common industry-specific metrics include tourist arrivals, receipts, spend, and length of stay.
- Business performance metrics can help to gauge the health of the industry.
- The Location Quotient, National Quality Institute's Framework for Success, and the Adventure Travel Development Index are new and innovative measures of tourism performance.
- The World Economic Forum's (WEF) competitiveness and air transport infrastructure scores appear to be correlated with higher tourism arrivals and receipts.

Insights for Ontario

- Ontario currently uses metrics for reporting purposes, but could consider using current and new metrics for goal-setting.
- New performance metrics such as customer satisfaction and loyalty have been suggested. Such measures would require new means of information gathering and evaluation.
- A broad range of metrics have been identified and are available to the province. Adoption should be driven by specific goals and objectives across the sector.

Executive summary: niche products

Key observations

- The consumer need for experienced-based travel suggests ongoing growth in niche products. For instance, substantial growth is expected in medical tourism in coming years, with India leading the way. Environmental and other special interest tourism will also experience strong global growth.
- Efforts have been made to creatively repackage or remarket offerings, as well as develop innovative new products.
- Examples of niche products include:
 - Charity tourism;
 - Medical tourism;
 - Adventure tourism;
 - Ecotourism;
 - Golf tourism; and
 - Culinary tourism.

Insights for Ontario

- The growth and increasing competition across niche products suggests the need for Ontario to be selective in its product development and promotion strategy.
- Many have suggested that Ontario has the strongest potential to develop and promote niche products leveraging the province's natural environment. Much of Ontario's current product is considered dated and uncompetitive. Other opportunities have been identified across festival, golf, and culinary tourism.
- Successful promotion will prove paramount for any niche product development.

Executive summary: emerging markets

Key observations

- Emerging markets will realize greater inbound and outbound growth compared to established tourism destinations.
- Emerging markets are investing significantly in tourism infrastructure and new product development. Such investments are fuelling competition among destinations.
- Highest-growth markets for inbound and outbound tourists are China and India. China is expected to become the number one destination for international visitors.
- Tourists from many emerging markets are interested in visiting Canada in the near future, and travel to Canada from China, India, Mexico, and South Korea is expected to grow.
- The tourism markets in Russia and Brazil have significant room for growth, as they currently offer underdeveloped tourism products and infrastructure.
- Overseas tourists typically do not have high levels of awareness or strong perceptions of Canada.

Insights for Ontario

- Attaining approved destination status (ADS) with China is critically important for Ontario.
- Ontario should benefit by emphasizing its natural environment to these high-population nations.
- It has been suggested that new product development and investment are strongly needed to effectively compete with emerging markets.
- Increasing awareness, while developing a strong destination brand backed by a competitive product offering, will prove to be critical to attracting travelers from emerging markets.
- Destination access and transportation infrastructure are vital and must be in place if emerging market growth is to be captured.

The Canadian and Ontario tourism markets

Ontario leads the Canadian tourism marketplace, receiving 42.5% of travel dollars⁷

Canada

- **Spending:** International tourism receipts totaled C\$13.0 billion in 2007.¹
- **Employment:** Canada's tourism industry employs 653,400 people, increasing 2.8% from 2006 to 2007.¹
- **Tourist makeup:** Domestic tourism contributes 77.1% of total receipts, while international visits totaled 22.9%.¹ International visits (including the U.S.A.) have decreased 1.7% since 2006.¹
- **Core source markets:** Trips from the U.S.A., Japan, South Korea and France decreased in 2007 from 2006 (by 0.7-14.7%), while those from Mexico, the UK, China and Australia increased significantly (by 5.9-16.8%).¹
- **Return trips:** Canada experienced a 14.8% increase in repeat trips from incoming visitors year-to-date (YTD) 2008 over the same time period in 2007 (January to May).²
- **Purpose of visit:** Of overseas tourists in 2007, 42% traveled to Canada for leisure, 33% to visit friends and relatives (VFR), 14% for business, and 11% for other reasons.¹
- **Occupancy:** Canadian hotels are achieving 63.6% occupancy YTD 2008.
- **Seasonality:** Summer accounts for 40% of tourist arrivals, followed by 26% in spring, 19% in fall, and 15% in winter.¹
- **Demographics:** 58% of international travelers are 45 years of age or above.¹
- **Pricing:** The Tourism Price Index (TPI) increased 2.1% in 2007, similar to inflation.⁴
- **Governance:** National parks, airports, and border access are controlled and managed federally.
- **Tourism bodies:** Canadian Tourism Commission, Tourism Industry Association of Canada.

Ontario

- **Spending:** Receipts from international tourists reached C\$6.4 billion in 2006, contributing 49.2% of Canada's receipts.⁷
- **Employment:** 194,400 Ontarians are employed directly in tourism, representing 29.8% of Canada's tourism employment.⁵
- **Tourist makeup:** Ontario has slightly higher reliance on domestic tourists, which account for 80% of the province's travelers, the other 20% arriving from other countries.⁵ Of Canada's international overnight tourists, 48% visit Ontario.¹
- **Core source markets:** Trips from the US, UK, France, Germany, Japan, and China decreased overall in 2007 (by 0.8-18.7%), while those from Mexico, Australia, and South Korea increased (by 2.7-15.6%).¹ Ontario has experienced decreased numbers of tourists in more core source markets than Canada.
- **Return trips:** Total repeat visitors to Ontario increased by 12.9% YTD 2008, roughly 1.9% less than Canada.²
- **Purpose of visit:** 39% of overseas tourists visit Ontario for leisure, 37% to visit friends and relatives (VFR), 18% for business, and 6% for other reasons.⁷ Ontario caters to a higher proportion of VFR and business travelers than Canada.
- **Occupancy:** Ontario hotels are seeing average occupancy of 59.2% YTD 2008, lagging Canada as a whole by 4.4%.⁶
- **Seasonality:** Similar to Canada, 40% of Ontario's tourists arrive in summer, 28% in spring, 20% in the fall, and 13% in the winter.⁷
- **Demographics:** Visitors aged 45 and above comprise 50% of Ontario's travel market, slightly less than Canada overall.⁷
- **Pricing:** The Tourism Price Index (TPI) increased 0.9% in 2007, less than half that seen in the country overall.⁴
- **Governance:** Provincial parks, provincial highways, and marketing budgets fall under provincial legislation.
- **Tourism bodies:** Ontario Ministry of Tourism, OTMPC, municipal destination marketing organizations (DMOs).

Although both Canada and Ontario are seeing increasing numbers of repeat visitors, Ontario is experiencing an overall decline in visitors across more source markets than Canada itself.

Sources: (1) CTC Tourism Snapshot; (2) Statistics Canada International Travel: Advance Information (May 2008); (3) Smith Travel Research: Top 28 North American Cities Hotel Data; (4) Ontario Tourism Outlook (2008-2012); (5) Ontario Tourism Competitiveness Study; (6) Current Performance Indicators for Ontario's Tourism Industry; (7) Ministry of Tourism: Ontario's Overseas Travel Markets; (8) Ministry of Tourism primary information

Ontario's growth in outbound tourists is outpacing that of inbound arrivals

Market characteristics & the Ontario traveler

Industry size: C\$22.8B¹

2008-2017 annual growth: 1-2%²

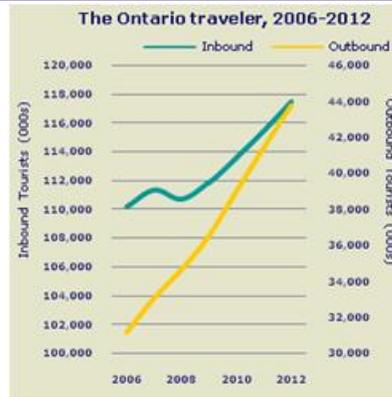
International arrivals: 111,400,000²

Employment: 194,000¹

Popular destinations: Niagara region, Toronto

Popular outbound destinations: US, UK, France, Mexico

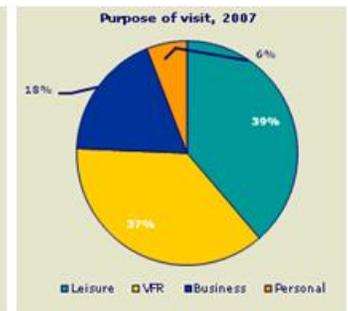
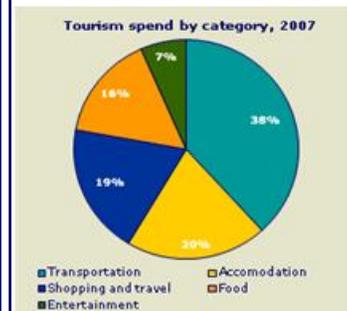
- Growth in inbound travel is projected to increase between 1-2% per year through to 2012.²
- Ontarians are increasingly traveling abroad, with 3.3 million leaving Ontario for overseas destinations.²
 - Spending on overseas travel totaled \$4.53 billion in 2006.²
 - Travel spending overseas is growing at a faster pace than domestic spending.²
- Ontario outbound travel is expected to grow by 5-7% annually through to 2012, which is comparatively lower than Canada's YTD growth rate of 15%.^{2,3}
- Ontario hotels have average occupancy rates of 57.1%, a level similar to that seen in Eastern Canada, and significantly lower than the 70% seen in 1996.⁴
- Canada ranks as the third most vacation-deprived nation: average vacation time decreased from 21 days in 2005 to 19 days in 2006.⁵ Additionally, 24% of Canadians fail to use all of their vacation days (with 10% not using any at all).⁵
 - Shorter vacation times, or fewer days taken, suggests that Ontarians may favour staying in-province and enjoy long weekend getaways.
- Canadian travelers are more educated than Canadian non-travelers, with 29% of Canadian travelers having a university degree.⁶
- Disposable income in Ontario is expected to increase between 2.0-2.5% per year, roughly 0.5% ahead of consumer inflation, suggesting no major changes in purchasing patterns are expected between 2008-2012.²
- Primary research indicates that Ontario's investment spending and infrastructure development are perceived to be significantly lower than other tourism jurisdictions.



Source: Ontario Tourism Outlook (2008-2012)

Attracting tourists

- Overseas tourists accounted for only 2%, or 2.2 million, of Ontario's visitors in 2006, growing at a rate of 0.1%.⁷
 - Overnight overseas visitors generated \$1,204 per visit, vs. \$440 per US tourist or \$226 for an Ontarian.⁷
 - Daily international visitor spend is \$281.⁷
- Mexico may represent an increasingly important inbound market for Ontario as visits have increased 15% YTD in 2008 for Canada overall.⁵
- Asian visitors tended to stay the longest in Ontario, with an average visit of 14 days in 2006 (vs. 11 overall).⁷
- The average age of Ontario's visitor is 41.3 years old, with 32% of visitors 55 or above.⁸
- Compared to 2004, trips to Canada from India to posted the largest growth rate (+75.4%), followed by Spain (+64.7%). Despite the relatively small percentage of travel these markets account for, they represent large populations with substantial room for growth.⁴
- American travelers view Canada as 'safe' and 'boring,' suggesting that Canada, including Ontario, needs new and exciting offerings.⁹



Source: Ministry of Tourism: Ontario's Overseas Travel Markets

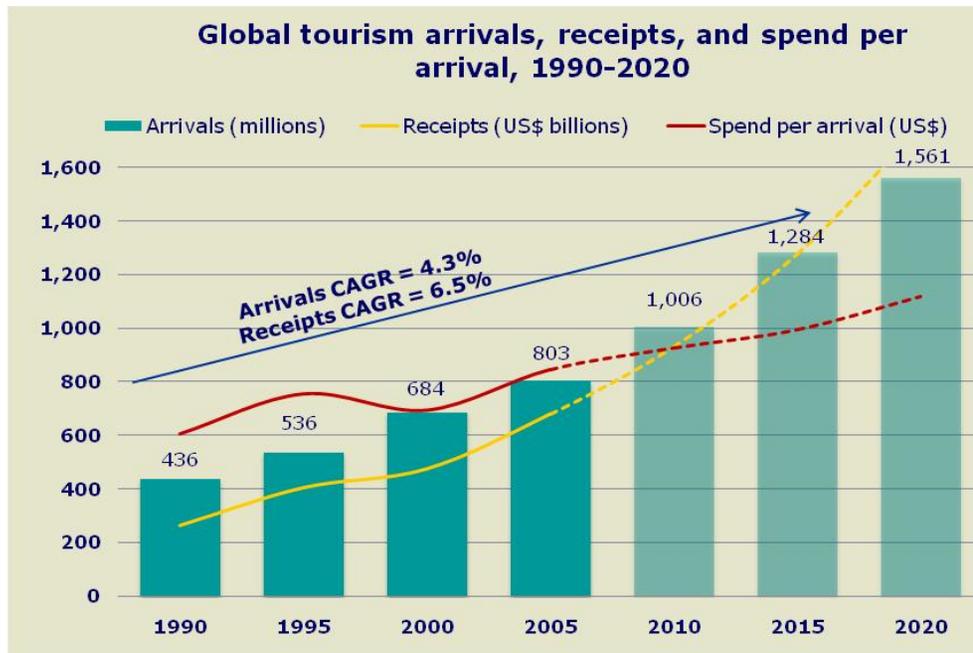
Industry experts indicate that Ontario may benefit from increased investment to align with competitive levels of other jurisdictions, which would then require ongoing servicing to maintain momentum.

Sources: (1) Ontario Tourism Competitiveness Study; (2) Ontario Tourism Outlook (2008-2012); (3) Statistics Canada International Travel: Advance Information (May 2008); (4) CTC Tourism Snapshot; (5) CBC: "Canadians are vacation deprived"; (6) Travel Activities and Motivations of Canadian Residents; (7) Ministry of Tourism: Ontario's Overseas Travel Markets; (8) Ontario Regional Tourism Profile 2006; (9) Deloitte: Destination Canada; (10) Primary research

Key research topics

▶ Global trends

Global tourism is forecasted to generate \$13 trillion between 2007 and 2017



Source: WTO Tourism Highlights 2008, Deloitte analysis

Note: Future receipts growth rate assumed constant at 6.5%

Top tourism spenders, 2006
Spending by industry and government on tourism development

	Total (US\$ billion)	Per capita (US\$)
1 Germany	74.8	908
2 United States	72.0	241
3 United Kingdom	63.1	1037
4 France	32.2	529
5 Japan	26.9	211
6 China	24.3	19
7 Italy	32.1	397
8 Canada	20.5	621
9 Russia	18.8	132
10 Korea	18.2	373

Source: WTO Tourism Highlights 2007

- Total international arrivals amounted to 846 million tourists in 2006, an increase of 5.5% over 2005. This increase was due in large part to increased air accessibility and growing disposable income among travelers.¹
- International tourism receipts totaled \$733 billion, a year-over-year growth of 4.3% from 2005 to 2006.¹
 - Receipts and arrivals are forecasted to see annual growth of 4.5% and 6.5% from 2005 to 2020, respectively, slightly higher than the arrivals growth in the past (4.2%).¹ This growth in receipts will generate \$13 trillion between 2007-2017.^{1,2}
- In 2006, 75 countries earned in excess of US \$1 billion in international tourism receipts.¹
 - The top 10 tourism earners in 2006 accounted for half of world receipts, while their combined share for arrivals was 47%; these countries have above-average revenue per tourist.¹

The future global tourism industry will be characterized by new source markets, more travelers, and increasing consumer expenditures.

Sources: (1) WTO Tourism Highlights 2007; (2) Ontario Tourism Competitiveness Study

China will lead global tourism industry growth, rivaling the United States in size by 2018

Economies to watch

On an absolute scale

Countries expected to generate the largest volume of total (domestic and international) travel and tourism demand* in 2008

Travel and tourism demand, 2008

		US\$ billions	% of GDP
1	USA	1,747.5	10.2
2	China	592.0	12.2
3	Japan	514.3	10.1
4	Germany	505.7	10.0
5	France	418.8	10.9
6	UK	403.7	9.1
7	Spain	338.2	18.2
8	Italy	302.9	10.2
9	Canada	231.4	11.0
10	Mexico	157.6	14.3
	Ontario**	22.8	4.1

On an employment scale

Countries expected to generate the largest amount (in absolute terms) of travel and tourism economy employment

Travel and tourism economy employment, 2008 ('000 jobs)

1	China	74,498
2	India	30,491
3	USA	14,933
4	Japan	6,833
5	Mexico	6,633
6	Indonesia	5,936
7	Brazil	5,500
8	Vietnam	4,891
9	Russia	4,126
10	Thailand	3,911
	Ontario	194

On a relative scale

Countries expected to grow their total (domestic and international) travel and tourism demand most rapidly between 2008 and 2018.

Travel and tourism demand, 2008-2018 (% annualized real growth)

1	India	9.4
2	China	8.9
3	Libya	8.1
4	Vietnam	8.1
5	Montenegro	7.4
6	Romania	7.1
7	Macau	7.1
8	Namibia	6.9
9	Croatia	6.9
10	Czech Republic	6.8
	Ontario	1-2%

* Demand encompasses all components of travel and tourism consumption, investment, government spending, and exports.

** Total tourism spending.

Sources: WTTC Progress and Priorities 2008/09; Ontario Tourism Competitiveness Study; Ontario Tourism Outlook (2008-2012); WEF Travel and Tourism Competitiveness Report 2008, Tourism Quick Facts

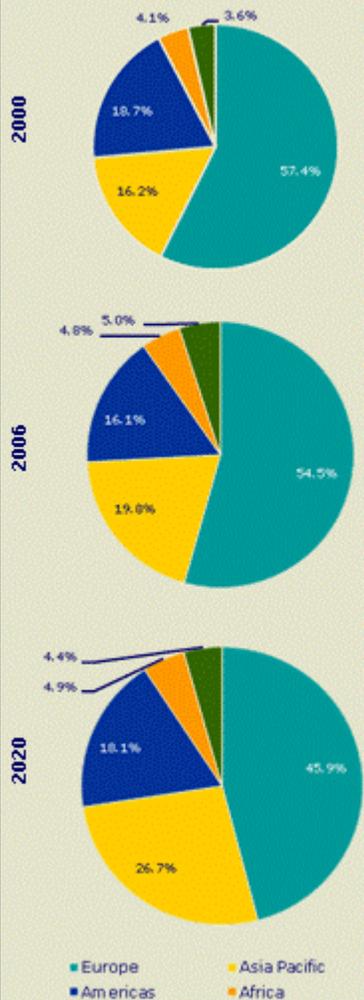
- China ranks as one of the top two nations across absolute tourism volume, employment levels, and expected growth.
 - Although its travel and tourism demand is roughly one-third the size that of the United States, it has great potential for improvement when the total population versus percentage that currently travels are considered.
 - Experts project that by 2018, China will increase its absolute value by a factor of four, lagging the US by roughly \$500 billion.¹
- Eastern European countries as destinations are expected to grow the most rapidly between 2008-2018, with Montenegro, Romania, Croatia, and the Czech Republic expected to realize between 6.8-7.4% annual growth in that time period.¹

Growth in both emerging and traditional global tourism markets is outpacing the 1-2% growth currently seen in Ontario.

Sources: (1) WTTC Progress and Priorities 2008/09; (2) WEF Travel and Tourism Competitiveness Report 2008

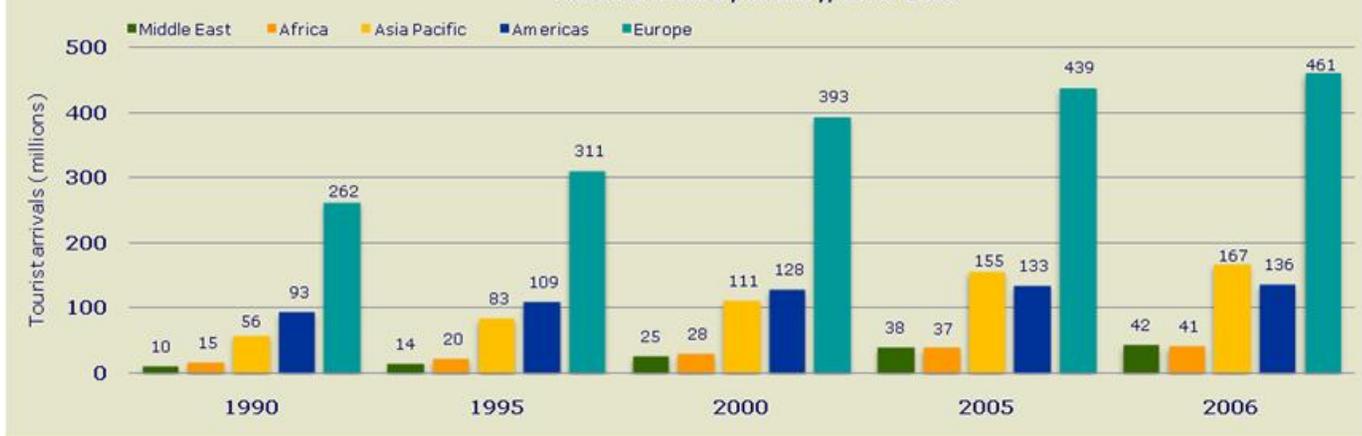
Traditional European destinations are losing market share to emerging markets

Marketshare by arrivals, 2000-2020



Source: WTO Tourism Highlights 2007

Tourist arrivals by country, 1990-2006



Source: WTO Tourism Highlights 2007

Key insights

- Asia Pacific's share of the global tourism market increased by 22% between 2000 and 2006, and is expected to grow an additional 35% by 2020.¹
 - India and China drive much of this growth, and are expected to capture 15% of the global air passenger growth forecasted by 2010, which translates to 105 of the 700 million additional passengers.²
 - These increases are largely caused by the increasing traveler preference to visit exotic locations, and substantial investment in these regions (i.e., infrastructure for Olympics, Commonwealth Games, etc.).³
- Africa performed strongest in 2006, with 9% growth over 2005.¹
- Due to heavy tourism infrastructure investment and increased air access, this emerging market growth has been at the expense of traditional travel destinations.
 - Stagnation in Canada and Mexico resulted in the Americas losing some market share between 2000 and 2006, and Europe is forecasted to lose further ground in its global share (8.6% by 2020).
- Primary research highlights that competition among destinations is intensifying, and there are now over 200 countries offering a viable tourism product.^{4,5}

Mature destinations are losing ground to those that are investing heavily in product, infrastructure, and marketing.

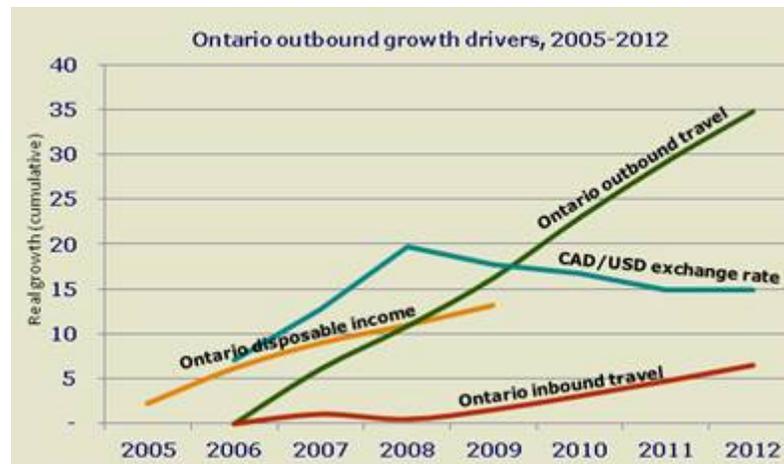
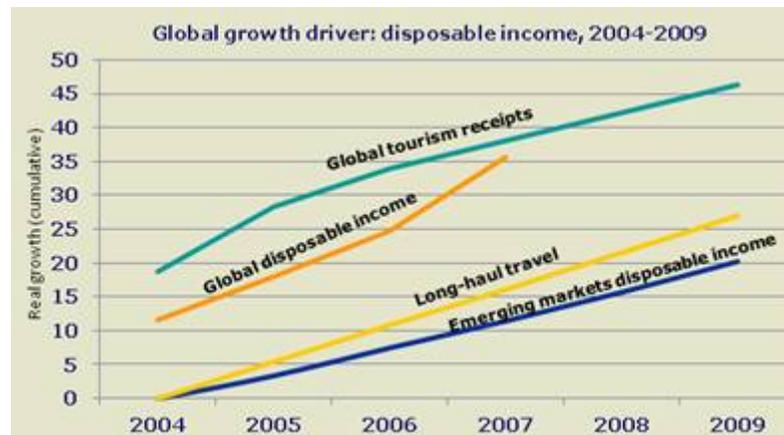
Sources: (1) WTO Tourism Highlights 2007; (2) Deloitte: Hospitality 2010; (3) Scotia Economics Industry Trends; (4) Primary interviews; (5) Scottish Tourism: The Next Decade - A Tourism Framework for Change; (6) Primary research

Rising incomes and infrastructure development are driving global tourism growth

External factors may have an impact on tourism demand by affecting the ability to travel and the motivation to do so. Consumer behaviour is not a reaction on a single factor but on the whole set of influencing external factors. In addition it is driven by internal factors. Thus, the impact of a change in a single external factor is limited.

- "New Demand Factors in Tourism," Martin Lohmann, for the European Tourism Forum

- **Increasing disposable incomes:** Worldwide disposable income increases are driving strong growth in long-haul travel and overall global tourism receipts.
- **Technology:** Direct access to the travel channel has increased destination awareness and transparency, according to primary research.
 - Online travel bookings accounted for 40% of total reservations in 2006, and is expected to represent 56% by 2010.
 - The Internet is used to book products as well as search for events and activities after arrival.
 - "Democratization" of information via post-trip communication and sharing exposes quality is increasing.
- **Increased air access,** due to the proliferation of low cost airlines with expanded routes and fewer restrictions, is encouraging leisure travelers to consider increasingly exotic destinations.
 - Long-haul travel will grow at a rate of 5.4% per year between 1995-2020, with the ratio between intraregional and long-haul travel shifting from 82:18 in 1995 to 76:24 in 2020.³
- **Increased competition:** With viable destinations in over 200 countries and increased availability of information, consumers are more flexible and able to find interchangeable products, making destination loyalty difficult.^{5,6}
- **Global relocation:** Immigration, both permanent and temporary, will stimulate travel for the purpose of visiting friends or relatives, which has increased 3% globally since 2004.³ Primary research indicates that immigration patterns and VFR travel are the first steps to international tourism growth.
- **Heavy investment** will characterize the next 10 years:
 - Worldwide tourism investment in 2008 will reach \$1,353 billion, growing to \$3,145 billion in 2018.⁷



Note: Forecast data unavailable for global disposable income past 2007, or Ontario disposable income past 2009.

Sources: EIU Country Monitor Reports; WTO Tourism Highlights 2007; Ontario Tourism Outlook 2008-2012

Heavy investment inflows, coupled with a growing traveler desire to experience new and exciting destinations, have intensified global tourism's competitive landscape.

Sources: (1) EIU 2008 Country Monitor Reports; (2) Ontario Tourism Outlook 2008-2012; (3) WTO Tourism Highlights 2007; (4) Wi Online Travel Market; (5) Scottish Tourism: The Next Decade - A Tourism Framework for Change; (6) ETC: Tourism Trends for Europe; (7) WTTC 2008 Travel and Tourism Research: United Arab Emirates; (8) Primary research

Tourist characteristics continue to evolve, prompting the industry to change along with its customers

Tourist Characteristics	1995 - 2001	2001 - 2008	2008 - 2015
	<p>PRODUCTS</p> <ul style="list-style-type: none"> • Only 2-3% of tourists participating in transformational tourism (in the forms of eco, adventure, or other types of interactive tourism).¹ • Preference for package holidays. <p>DESTINATIONS AND TRAVEL METHOD</p> <ul style="list-style-type: none"> • Preference for traditional travel markets, such as Europe and North America. • Access to the travel channel through agents. • Airlines thought to be for the affluent. <p>THE INDIVIDUAL</p> <ul style="list-style-type: none"> • Average age of worldwide population younger than in future generations. • Limited travel by seniors, especially activity-based travel. • Average spend per tourist arrival of US\$685.² 	<p>PRODUCTS</p> <ul style="list-style-type: none"> • Participation of 15-20% in transformational tourism activities.¹ • Growth in medical tourism, facilitated by increased air travel. • Consumers more brand-wise and want experience-based travel. • Increasing demand for independent holidays. • Growth in residential tourism. • Emerging tendency to take shorter trips, and combine business with leisure stays. <p>DESTINATIONS AND TRAVEL METHOD</p> <ul style="list-style-type: none"> • Shifting tastes to more exotic locations, such as unexplored Asian markets. • Researching and booking travel online. • Growing concern with safety and security, in travel method and destination. • Shift from purely external destination determinants to internal ones (self-development, etc.). <p>THE INDIVIDUAL</p> <ul style="list-style-type: none"> • Higher disposable incomes (growth of 9% per year), especially in emerging markets.³ • Average spend per tourist arrival of US\$814.² • The global population is aging, with those aged 55 and above holding the majority of society's wealth. 	<p>PRODUCTS</p> <ul style="list-style-type: none"> • Environmental consciousness for travel methods and tourism products. • Experiential tourism demanded in the forms of educational travel, event, and 'safe danger' tourism product. • Combined products growing in importance,; for example, health and wellness combined with spiritual tourism. • Demand for financial, environmental, and corporate social responsibility. <p>DESTINATIONS AND TRAVEL METHOD</p> <ul style="list-style-type: none"> • Higher likelihood to partake in long-haul travel. • Increasing tendency to travel by air. • Strong brand becomes more important than location when selecting a destination. • Environmental consciousness for travel methods. • Beaches as destinations to grow in popularity. • Online travel research and purchases to continue to grow, especially in discounted travel sites. <p>THE INDIVIDUAL</p> <ul style="list-style-type: none"> • Continuing concern regarding terrorism and natural disasters; flexible travel arrangements will be key decision factors. • Average spend per tourist arrival of US\$833.² • Tendency to not take full amount of allotted vacation time from work. • Worldwide aging populations.
	<p>Travelers are progressively becoming more sophisticated, environmentally conscious, and interested in experience-based tourism.</p>		

Sources: (1) Primary research; (2) WTO Tourism Highlights 2007; (3) EIU 2008 Country Monitor Reports; (4) Scotia Economics Industry Trends; (5) People and Planet: Global Tourism; (6) 4 Hoteliers: "Travelers Predict '08 Trends"; (7) International Journal of Contemporary Hospitality Management (vol. 20, no.3); (8) Deloitte: Hospitality 2010; (9) Deloitte: Making it Happen; (10) Deloitte: Destination Canada; (11) Transparency and Vigilance; (12) ETC: Tourism Trends for Europe; (13) NTA Travel: "Tourism Realities for a New Demographic Ballgame"; (14) Martin Lohmann: "New Demand Factors in Tourism"

Economic circumstances and evolving demographics are driving changes in tourist behaviour and demand

Global trends

The Tourist

• Purpose of visit:

- Leisure travel motivates 51% of tourism, stable since 2004.¹
- VFR, health, and religious purposes drove 27% of tourist movement in 2007, up from 24% in 2004.¹
- Business and professional travel has motivated 16% of international trips since 2004.¹ Business travel demand has been fueled by growth in international trade flows, foreign direct investment, and cross-border merger and acquisition activity in recent years.
- As business travel often turns into leisure, both segments are affected by fluctuations in business travel.

• Demographic changes:

- The youth market accounts for 20% of global tourism, and will seek more active tourism products in the form of adventure tourism.³
- Due to the effects of aging and decreasing numbers of children per family, 65% of world growth through to 2050 will be in populations aged 45 and above.³
- Aging populations are demanding more health and wellness tourism products; however, rising retirement age levels will partially slow the growth of travel by seniors.

The Economy and Industry

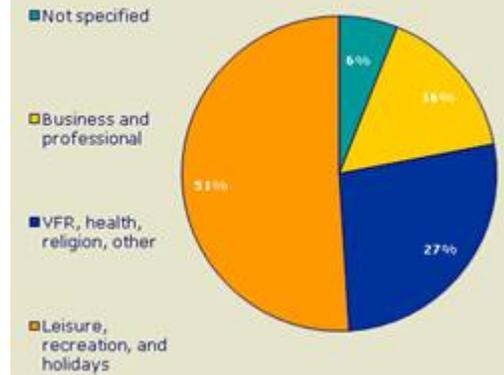
• General economy:

- The current slowdown in the global economy, and especially that of the US, is likely to cause conservative corporate and personal spending.
- Business travel is more cyclically sensitive than leisure, with firms quick to cut back discretionary expenditures as earnings growth slows.
- Rising fuel and food costs will counter some of the upside potential of the global traveler's increasing discretionary purchasing power.

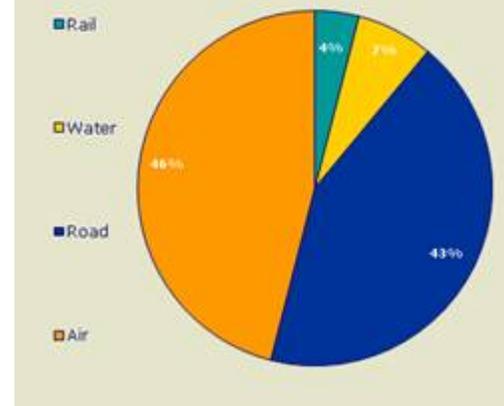
• Exchange rates: Travel is driven where relative value is higher, as primary research indicates that travelers are well aware of currency changes and seek to take advantage of them.

- **Labour issues:** Industry employee turnover of 50% and a worldwide aging population imply that labour supply and retention issues must be addressed via investment to ensure service delivery is competitive.⁴
- **Marketing approach:** Sustainable tourism and strong destination brands will be key success drivers.
- A 'one size fits all' marketing approach will no longer work; operations, sales and marketing, and service delivery must be adapted to the needs of today's generational segments.

The global traveler: purpose of visit, 2006



The global traveler: means of transportation, 2006



Source: WTO Tourism Highlights 2007

Shifting tourist demographics combined with economic and industry challenges, are changing the global tourism landscape.

Sources: (1) WTO Tourism Highlights 2007; (2) ETC: Tourism Trends for Europe; (3) NTA Travel: "Tourism Realities for a New Demographic Ballgame"; (4) Deloitte: Hospitality 2010; (5) Scotia Economics Industry Trends; (6) 4 Hoteliers: "Travelers Predict '08 Trends"

The aging population represents an affluent demographic with a greater propensity to travel

Who are they?

- 'Type A' personalities that expect to be catered to, listened to, and see life as a game that must be won at all costs.
- Believers in continuous self improvement, seeking luxury and the service that is expected with it.
- Affluent: those over age 55 hold 65% of household wealth.¹
- Bold and ready to see the world: 77% consider their own travel experiences more adventurous than those of their parents.¹

What do they want?

- Travel and leisure activities for those aged 55 and above represent the next threshold, with spending approaching \$200 billion.¹
- Preference for age-neutral and inclusive travel offerings geared for healthy lifestyles, exercise, luxury, and image.
- Eco and adventure tourism are growing more rapidly than other products due to this segment's demand.
- Growing interest in leisure activities like golf and gardening and the rise of retirement cities will be in high demand in the coming decades.

Attracting the older tourist demographic should prove to be more critical than ever before.

Source: (1) Deloitte: Hospitality 2010; NTA Travel: "Tourism Realities for a New Demographic Ballgame"; Martin Lohmann: "New Demand Factors in Tourism"; Primary research

Considerations for Ontario based on changes in the global marketplace

Growth and increasing competition

- Global tourism is a US\$733 billion market.
- Ontario is expected to lag behind global growth both in terms of tourist arrivals and receipts.
- Competition has intensified due to the number of viable destinations increasing, and significant investment flowing into new markets.

Tourist preferences

- The global tourist is more concerned with experience- and event-based travel.
- Access to travel services/products through technology has increased in usage and significance.
- Sustainable destinations (those that will attract tourists over the long-term) and strong tourism brands represent key success factors.

The aging population

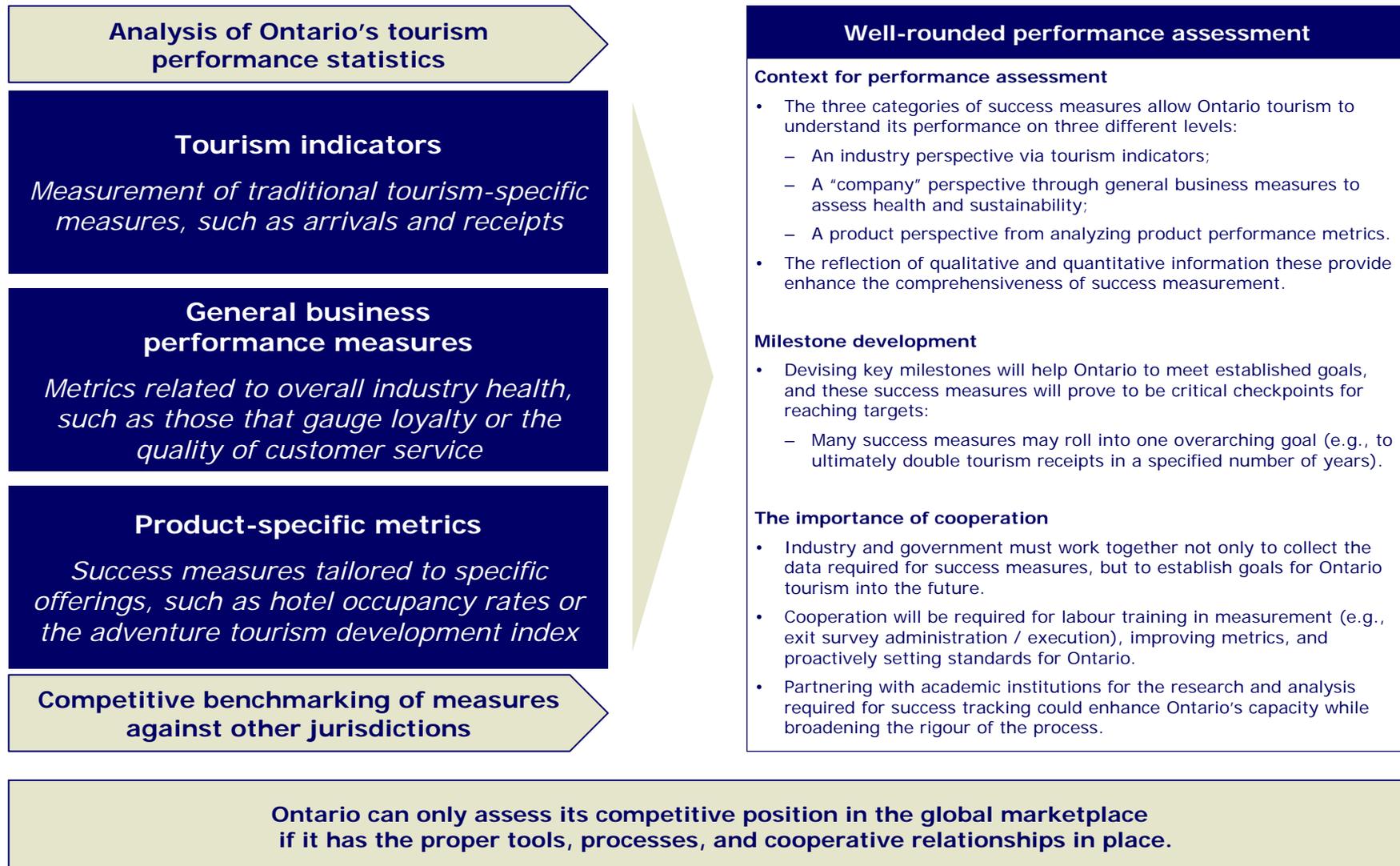
- An aging global population, including those aged 55 and above, have the highest disposable income of any demographic is increasingly interested in travel.
- These tourists represent opportunities for Ontario to offer high-quality products and services.

Key research topics

▶ Success measures

Success measures

Key performance indicators are essential for the tourism industry to measure its success, whether as a whole or individual operators. The diagram below illustrates various components that Ontario could consider when developing its toolkit of success measures.



Industry-related metrics dually function as reporting tools and goal-setting guidelines

	Description	Relevance to Ontario / Illustrations	Examples in action
Tourist arrivals	The annual number, or year-over-year growth, of visitors that arrive to a destination, whether from within the jurisdiction or outside. Can be used retroactively for reporting purposes or as an action-oriented goal-setting metric.	Ontario could set targets for number of tourists arriving per year.	Egypt is aiming to double its tourist arrivals to 20 million by 2015. ¹
Flights per day	The number of aircraft arriving to a destination from a particular market each day.	Ontario could gauge the effectiveness of its infrastructure as well as demand from particular source markets.	There is one Brazilian aircraft landing in Canada per day. ¹²
Tourism receipts	The amount of money generated in a jurisdiction by tourists, or the year-over-year growth as a relative measure.	Ontario could set a goal for desired receipts overall or from particular market segments.	The Czech Republic is expected to increase tourism receipts 20% by 2012. ²
Tourism receipts per arrival / tourist spend	A per-capita measure of the amount of tourism revenue received as compared to the number of tourist arrivals.	Ontario could assess how profitably it caters to tourists, and alter its product and pricing strategies to increase visitor spending.	Mexico is aiming to increase its visitor spend by attracting higher-spending tourists and extending stays.
Length of stay	Consensus among primary research indicates that tourist stay length is indicative of the destination's attractiveness and breadth of products.	Ontario could use this metric to identify where new tourism product should be, or aim to increase certain market stays.	Asian visitors tend to stay 14 days in Ontario. ³
Government spending on tourism (% of GDP)	The amount of money a jurisdiction's government spends annually on travel and tourism.	Ontario could compare itself to other jurisdictions to determine if it is investing appropriately in tourism.	Jamaica's government spends 16.8% of its total budget on travel and tourism. ⁴
Tourism employment	The number of jobs in an industry generated by tourism spending on the goods and/or services produced by that industry. A higher proportion of human resources employed in the tourism sector indicates the economy's higher dependency on the industry.	By comparing to other regions, Ontario could assess the strength of its workforce and adjust its service level accordingly.	Tourism Tasmania aimed to achieve a minimum of 23,000 jobs for Tasmanians in 2007 related to travel and tourism. ¹
Occupancy rates	The percentage of an available resource that is in use. Typically used in hotels, but could be used as a utilization metric for other tourism offerings, such as excursions, convention centre or medical clinic occupancy, golf course bookings, etc.	Ontario could base its promotions or assistance programs on target occupancy rates for specific sectors.	Ontario's hotel occupancy rate is roughly 57%. ¹¹
Growth in number of hotels	The percentage increase in hotel rooms available, year over year.	Ontario could measure or set a goal for infrastructure improvements via hotel room growth.	Growth in Brazil's hotel industry resulted in occupancy rates falling from 80% to 50-60%. ⁶
Premier-ranked destinations (PRD) criteria	Evaluates product, performance, and sustainability in terms of current state and desired state, in order to draft an implementation plan to eliminate the gap.	Ontario could adapt this strategy to assess its key products and determine which are competitive and where others can improve.	Ontario's Durham region, dissatisfied with its overnight visitor numbers revealed in the PRD assessment, decided to develop overnight packages. ⁷

Sources: (1) EIU: Egypt Travel and Tourism Profile; (2) EIU: Czech Republic Travel and Tourism Forecast; (3) Ministry of Tourism: Ontario's Overseas Travel Markets; (4) WEF Travel and Tourism Competitiveness Report 2008; (5) Tourism Tasmania Strategic Business Plan; (6) EIU: Brazil Travel and Tourism Profile; (7) A Strategy to Develop the Tourism Industry in Durham Region; (8) Statistics Canada: National Tourism Indicators (NTI); (9) New Zealand Ministry of Tourism: Performance Indicators Toolkit; (10) Excellence in the Canadian Tourism Industry, (11) CTC Tourism Snapshot; (12) Primary research

General business health metrics supplement industry-specific measures to evaluate performance

Success measures for business performance gives tourism industry operators and government an additional assessment mechanism.

- Most destination organizations are currently focused on activity measures, rather than on effectiveness and efficiency measures.
 - An activity measure provides information about what has already been completed, such as qualitative goals to improve tourism products.
 - An effectiveness measure quantifies the results and outcomes of an activity, which can then be compared with benchmarks, past results, or targets.
 - An efficiency measure describes the relationship between performance and resources, which are valuable in terms of cost management, such as employee productivity measured by number of bookings per travel agent.
- Jurisdictions should choose metrics that are aligned with their overall strategy, market driven, actionable, consistent with other initiatives and overall objectives, and have periodic checkpoints.
 - Ontario must determine its most pressing objective and select actionable metrics that align with overall strategy.

Sample Metrics				
	Description	Type of measure	Relevance to Ontario / Illustrations	Examples in action
Elimination of problems	In businesses where the elimination of problems is viewed as a value driver, reduction targets are set to reduce such occurrences.	Effectiveness	Ontario could set targets to deliver seamless service or products to tourists.	Ritz Carlton identified 970 potential instances for a problem to arise during guest interaction and sought to mitigate all. ¹
Customer satisfaction	To ensure positive word of mouth advertising and loyalty benefits, tourism product providers will aim to receive satisfactory feedback from its tourists.	Activity	Ontario could aim to have customer satisfaction at a target level, and base product, infrastructure, and marketing improvements on fulfilling this goal.	Paired with eliminating problem instances, Ritz Carlton measured its success via customer satisfaction: 75% of overnight guests reported extreme satisfaction, 99% reported they were satisfied, and 75% of customers would not use a competitor regardless of the offer. ¹ Kangaroo Island in Australia has a Visitor Exit Survey that it uses to solicit feedback on its initiatives.
Loyalty	Primary research suggests that jurisdictions should evaluate performance in light of returning tourists.	Activity	Ontario could set a goal for the number of returning visitors per year, or to increase the number of repeat trips for certain segments.	Kangaroo Island's Visitor Exit Survey measures the number of repeat visitors

Tourism operators use business performance metrics that gauge general operational health in order to construct a well-rounded assessment.

Sources: (1) Industry Canada: "Using Market Research and Marketing Measurement for Successful Tourism Destination Marketing"; (2) Statistics Canada: "Excellence in the Canadian Tourism Industry"; (3) Kangaroo Island Tourism Optimization Management Model; (4) Primary research

Specific metrics have been developed to assess the competitiveness of tourism offerings

The location quotient

- The location quotient (LQ) is a measure of concentration used to gauge the economic impact of travel and tourism in sub-regions of a larger jurisdiction (e.g., state vs. country).
- To determine the LQ, a tourism metric such as number of workers or number of establishments is calculated as a percentage of the total sub-region (e.g., tourism businesses as a percentage of total establishments in a state). This number is then divided by the percentage value for the overall jurisdiction.
- A score above 1.00 indicates that the industry is more concentrated in a specific region than the overall jurisdiction.
- For example, in Kansas, where the metric was developed, Thomas County had an LQ score in the accommodation and food services Industry of 1.76 when measured by number of workers.
- Ontario can apply the LQ to gauge its concentration of tourism businesses within Canada across a number of products offerings (e.g., hotels, ski resorts, etc.)

Source: Kansas State University News: K-State Economists Measure Tourism in Kansas Counties

NQI's Framework for Success

- The Tourism Industry Association of Canada partnered with Dawn Ringrose to evaluate Canada's tourism industry using the National Quality Institute's (NQI) Framework for Success.
- Tourism organizations were rated against the framework criteria: leadership, planning, customers, people, processes, suppliers and partners, and given rankings of Nothing Being Done, Good Start, Doing Well, High Performance, World Class.
- Of businesses using the Framework for Success, management reports 60% decrease in employee turnover, 215% in cost savings, 90% increase in customer satisfaction, 33% increase in employee satisfaction, 82% reduction in cycle time, and 57% decrease in injuries.
- Key Ontario tourism personnel can learn the Framework and apply it to the six criteria to determine its strengths and weaknesses.

Source: Excellence in the Canadian Tourism Industry

Adventure tourism development index (ATDI)

- The ATDI, developed by George Washington University, is a comparative measure of adventure travel market competitiveness for countries worldwide.
- The index allows consumers to define adventure travel, and then assesses a country's resources in trips involving at least two of: physical activity, interaction with nature, and cultural learning or exchange.
- When launched later in the year, the ATDI will provide a standard for evaluating adventure travel markets globally.
- Emphasis will be placed on identifying potential growth areas that will benefit communities and encourage preservation of the environment and surrounding culture. This communicates a global message about what is valuable, encouraging countries to pursue sustainable tourism.
- The ATDI includes numerical rankings and qualitative assessments of 'feature destinations'.
 - *Numerical rankings:* Countries are ranked according to their Adventure Tourism Development score, which, like the WTO's competitiveness score, is comprised of ten pillars gauged to measure adventure tourism competitiveness. The rankings are sourced from hard data and survey data.
 - *Qualitative assessments of "Featured Adventure Destinations":* Analyses are conducted according to the same criteria used in the numerical rankings, while adding value in the form of commentary on a country's specific attributes, including recommendations for future product development and marketing.
- When released, Ontario can adapt the ATDI pillars to its own tourism landscape to determine its product strengths and guide future product development and marketing.

Source: George Washington University: Adventure Tourism Development Index

Tourism jurisdictions can adapt various competitiveness measures to gauge performance within a market, in specific product offerings, or as it pertains to general business health.

A look at competitiveness from the World Economic Forum (WEF)

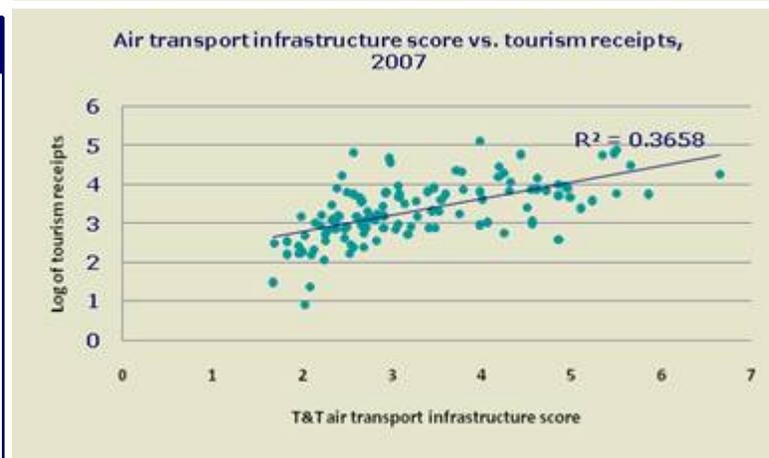
- The WEF measures national tourism competitiveness based on 14 pillars.*
- The overall travel and tourism competitiveness index (TTCI) scores appear to correlate with tourism arrivals and receipts.
- A strong correlation appears to exist with air transport infrastructure and overall tourism receipts.
 - Primary research indicates that connectivity between airports and tourist activities is key; Toronto's Pearson airport may be more attractive with a link to the downtown.
- Some anomalies exist in that select pillars do not exhibit any relationship with tourism arrivals or receipts; thus, care should be taken in extending any broad relationships.
 - For example, safety and security scores have a slight negative correlation with growth in tourism arrivals; this is indicative of the emerging tendency for travelers to visit non-traditional destinations that may be perceived as unsafe.
 - When considering using the WEF conventions for performance measurement, pillars could be tailored to better reflect tourism issues versus social issues.
- Ontario can aim to boost its overall arrivals and receipts by selectively setting goals related to pillars or their components.

*NOTE: See appendix D for list of pillars.

TTCI rankings, 2008

Rank	Country	Score
1	Switzerland	5.63
2	Austria	5.43
3	Germany	5.41
4	Australia	5.34
5	Spain	5.30
6	United Kingdom	5.28
7	United States	5.28
8	Sweden	5.27
9	Canada	5.26
10	France	5.23

Source: WEF Travel and Tourism Competitiveness Report 2008



Source: WEF Travel and Tourism Competitiveness Report 2008

A higher TTCI score correlates with higher tourist arrivals and receipts, suggesting that jurisdictions address the 14 areas contained in the rankings to improve overall performance.

Additional resources can help the Ministry better gauge competitive success measures

See Appendix C for additional information.

	Abstract	Cost
Euromonitor <i>The World Market for Tourism Flows Inbound</i>	Euromonitor International's The World Market for Tourism Flows Inbound report offers a comprehensive guide to the market at an international level. It looks at travel accommodation, transportation, car rental, tourist attractions and retail travel. It identifies the leading companies and offers strategic analysis of key factors influencing the market, including background information on disposable income, annual leave and holiday taking habits.	US\$10,150
Business Monitor International <i>Country Tourism Reports for 26 Global Markets</i>	<p>Business Monitor International's Tourism Reports provide industry professionals and strategists, corporate analysts, associations, government departments and regulatory bodies with independent forecasts and competitive intelligence on the tourism industry.</p> <p>Countries include: China, Hong Kong, India, Indonesia, Malaysia, Singapore, Sri Lanka, Thailand, Vietnam, Baltics, Bulgaria, Croatia, Czech Republic, Greece, Hungary, Poland, Romania, Russia, Slovenia, Egypt, Morocco, South Africa, Turkey, UAE, The Caribbean, and Mexico.</p>	US\$875 each (up to 40% discount for multiple report orders)
IPK International <i>Travel Market Reports & Traveler Data</i>	Outbound and Inbound Travel Market Reports give a complete overview of the international travel volume and travel behavior of the respective source markets and / or destinations. Traveler Profiles contain a sociodemographic target group profile of the outbound travelers per source market respectively of the visitors to a destination.	€6,000 - 20,000
European Travel Commission <i>Handbook on Tourism Market Segmentation</i>	This manual is divided into four sections: the first sets out the theory and rationale for segmentation. Other areas look at the current methods and practices, detailing some of the main methodologies; at practical steps to introducing or developing further segmentation-based marketing activities, and finally at best practices in the area of tourism market segmentation, including the analyses of a number of case studies.	€45
National Quality Institute <i>Framework for Excellence Training Course</i>	This course provides participants with a clear understanding of the scope and intent of the National Quality Institute's Framework for Excellence. It outlines a practical method for implementation, and introduces an approach to assessing your organization against the Framework for Excellence Criteria.	C\$1145
World Tourism Organization <i>International Conference Measuring Tourism Economic Contribution at Sub-national Levels: October 29-31, 2008</i>	The Conference aims to at sub-national levels, which in turn can multiply the benefits of establishing links among tourist destinations. The event will identify the necessary economic and social information and the appropriate economic analytic tools in the perspective of a more efficient destination management prove the increasing relevance of measuring the economic contribution of tourism	[information not available]
Smith Travel Research <i>Global Trends Reports</i>	STR Global Trend Reports allow you to access the world's largest database of hotel performance figures. A Trend report displays monthly performance data including occupancy, average daily rate, revenue per available room, supply, demand, and revenue. Customize your report by selecting any non-North American market, segment, or property set. Contact STR's U.S. or U.K. offices to order.	US\$500

Metrics can be selected to align with the Study's objectives and themes

	The Industry	The Market	The People	The Product	The Story	The Tools
Tourist arrivals	√	√		√		
Flights per day		√		√		√
Tourism receipts	√	√		√		
Tourism receipts per arrival / tourist spend	√	√				
Length of stay		√				
Government spending on tourism (% of GDP)	√					√
Tourism employment	√		√			√
Occupancy rates	√			√		
Growth in number of hotels	√					
Premier-ranked destinations (PRD) criteria	√			√		
Elimination of problems	√			√		
Customer satisfaction		√	√	√		
Loyalty		√		√	√	
Location quotient (LO)	√			√		
NQI's Framework for Success	√					√
Adventure tourism development index (ATDI)				√		
Travel and tourism competitiveness index (TTCI)	√	√				√

Considerations for implementing success measures

To effectively measure its success in relation to other jurisdictions or past performance, there are considerations that Ontario should be aware of, and should decide which indicators are best to pursue given their expected difficulty, costs, and time required.

	What needs to be in place	Implementation*				Considerations
		Priority	Difficulty	Time	Cost	
Tourism indicators	<ul style="list-style-type: none"> Data already available to / collected by MTOUR could be used. Existing resource capabilities exist within the Ministry; however, tracking and analysis could be expanded to include additional indicators or increase the frequency of those collected. Exploration of new forms of analysis to support strategies and changes through OTCS report results may aid MTOUR. 					<ul style="list-style-type: none"> Collection of basic tourism indicators is essential for MTOUR to assess its current performance in relation to other jurisdictions collecting similar standardized metrics. Such basic measures are essential for more rigorous metric to be meaningful (e.g., as inputs or background information).
General business performance measures	<ul style="list-style-type: none"> Additional resource capacity to facilitate alternative business performance measurement such as satisfaction / exit surveys <ul style="list-style-type: none"> Course content could drive new project creation to execute learnings, which may require investment and staffing. MTOUR staff member would likely need to partner with other companies to facilitate the incorporation, collection, and analysis of business metrics (i.e., private sector). 					<ul style="list-style-type: none"> General business performance measures would logically supplement tourism indicators that MTOUR currently collects. Many other jurisdictions are currently measuring this type of performance; Ontario could benchmark its tourism industry against metrics reported by other such areas. Making resources available to the private sector would empower it to take more initiative in tourism development.
Product-specific metrics	<ul style="list-style-type: none"> Most data required is currently available (e.g., concentration of businesses for location quotient). Measurement and analysis of data will require resource allocation from MTOUR, through allocation of existing resources or addition of incremental resources. 					<ul style="list-style-type: none"> Assessment of performance of specific regions and products may be a lower priority relative to provincial performance measurements. MTOUR may want to consider partnering with an educational institution to develop metrics tailored specifically for Ontario's needs, as was the background for the LQ and ATDI.

Priority	Difficulty	Time	Cost
Low	Low	Immediate	Consistent with current level
Moderate	Moderate	Moderate	Moderate increase
High	High	Lengthy	Substantial

Ontario would benefit from expanding its current collection of tourism indicators and introducing general business and product-specific performance measures.

*Note: Implementation considerations estimates were based on primary research, discussion and meetings with Ministry staff and Deloitte analysis.

Considerations regarding implementation

Priority

- Prioritization and increasing the depth of analysis conducted on tourism metrics currently collected will be critical. Purchasing data from other jurisdictions will support Ontario's evaluation of its existing tourism environment relative to other regions.
- General business performance metrics should be used to supplement tourism indicators but not replace them.
- Product- and region-specific performance metrics may be a lower priority for MTOUR as they pertain to smaller economic units and are more niche applications; additionally, products and regions can use tourism and general business indicators to assess their performance and would benefit from development of these measures as well.

Difficulty

- MTOUR may face difficulty in gaining acceptance for increasing the scope of performance measures used in the province, especially with the consideration of potential costs.
- Implementation of general business performance measures may require tailoring to specific products (e.g., hotels vs. airlines) and standardized materials may have to be developed and made available by MTOUR to encourage private adoption initiatives.
- Implementing product- and region-specific performance measures tend to require analysis of data readily available, with relatively low time and resource requirements; however, MTOUR should consider how often these should be conducted or with which resources (MTOUR vs. private sector).

Time

- Creation, preparation, and implementation of tools for general business performance measures (e.g., exit surveys) could take several months and potentially years based on existing capabilities of collection and measurement.
- New forms or extended analysis of tourism indicators should be prioritized based on desired outcomes.
- Product-specific measures have pre-existing analytical methods and should require relatively low time requirements compared to other considerations.

Cost

- MTOUR may want to consider purchasing data from other jurisdictions or reporting bodies (costs range from \$100 to over \$10,000) to supplement its own tourism indicators.
- Developing product-specific metrics in partnership with an educational institution which are tailored to Ontario could require moderate investment.
- Costs of tools for general business performance measurement may prove fairly high (e.g., research, creation, and execution of frequent visitor surveys).

Role of Government

- Public-private partnerships may prove beneficial in the implementation of success measures; government development with private-sector acceptance and adoption could result in more participants in the data collection and analysis processes.
- Cost-sharing initiatives may be feasible to purchase data from other jurisdictions, if possible. For example, a Canadian hotel chain and MTOUR may mutually benefit from accessing such data from another country.
- Administration of quality training and general business performance assessment tools could be executed on a larger scale in the private sector to better manage the collection and implementation of new success measures. Government support of such practices could include the creation of guidelines, structure, along with financial support to ensure programs are mutually beneficial.

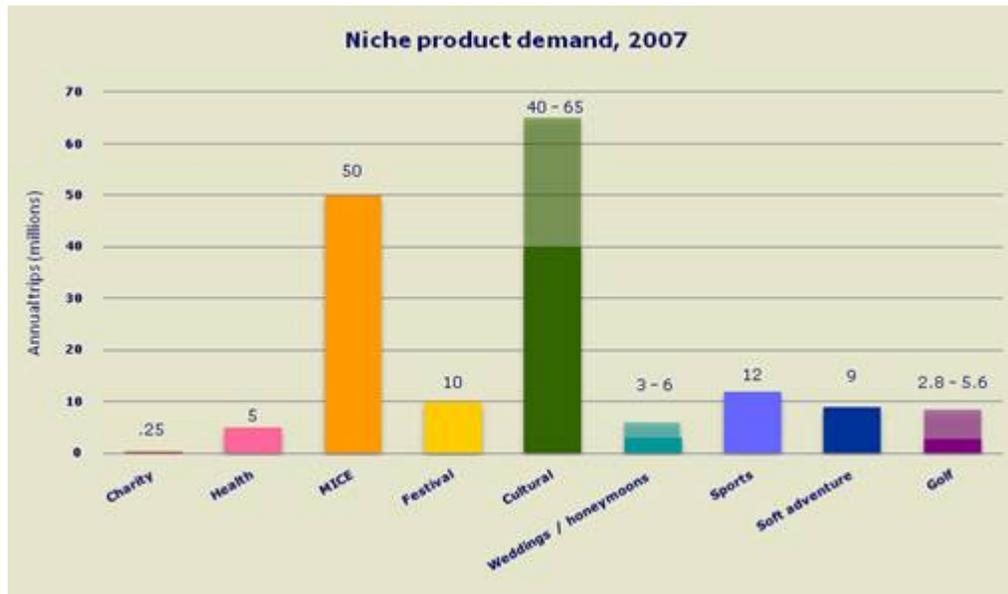
Key research topics

- ▶ Niche products

Niche products represent a diverse and innovative segment of the global tourism industry

Niche tourism can be defined as special interest, culture, and / or activity-based tourism involving small numbers of tourists in authentic settings.

- Niche tourism can be contrasted with mass tourism, which involves large numbers of people in staged settings.
- A niche product is characterized by focus, and meets a previously overlooked or neglected need; in tourism, this can be the desire for visitors to experience a new destination or a new activity.
- Consumer themes driving niche products include environmental consciousness, social responsibility, and the desire for experience and event-based tourism.
- Niche products that have developed as a response include ecotourism, volun-tourism (or charity tourism), sports tourism, and festival tourism.



Sources: Canadian Tourism Commission: "Finding your (new) niche"; Caribbean Tourism Organization

Tourism niches: fads and trends?

- **Girlfriend getaways:** Women traveling with an all-female group. Ontario offers spa destinations to cater to this market.
- **"Mancations":** All-male vacations; similar to girlfriend getaways.
- **Adventure travel:** Popular activities include camping, hiking, backpacking, and bird or animal watching.
- **Culinary travel:** Travel with the intention of experiencing food and drink.
- **Gay, lesbian, bisexual and transgender market:** This group seeks travel destinations that are politically liberal and support civil rights.
- **Destination weddings:** Travel with the intention of marrying and honeymooning in the same destination.
- **"Babymoon" vacations:** Romantic getaways with the intention of relaxing before a baby is born.

Insights for Ontario

- Ontario has numerous golf courses that could host mancations.
- The expansive provincial parks and green space in Ontario can accommodate adventure travelers.
- The Niagara region attracts visitors with its wineries, but Ontario does not have strong culinary offerings elsewhere in the province.
- Toronto's Pride Parade and political support of same-sex marriages can be leveraged for tourism inflows.
- Niagara Falls has been Ontario's main market actively seeking wedding tourists.
- Ontario has many weekend getaway locations (cottage country, the Muskoka and Collingwood areas, Niagara region, etc.) that could be remarketed for babymooning purposes.

Sources: Industry Canada: Evaluating Canada's Performance with the U.S. Outbound Travel Market; US Census Bureau; Primary research

Ontario is well suited to cater to the needs of many emerging niche tourism markets.

Sources: Canadian Tourism Commission: "Finding your (new) niche"; 4 Hoteliers: "Travelers Predict '08 Trends"; Deloitte: Hospitality 2010; Marina Novelli: "Niche Tourism"

Niche innovations have been successful by addressing specific audiences and product demand

“Venture off the beaten track: innovative niche ideas in practice” Canadian Tourism Commission

- After analyzing consumer behaviour and changes in luxury travel, some tour operators have come up with stylish, unique concepts, such as 4-wheel-driving your way through Chile with breakfast in front of a geyser or traveling through India like a Maharaja.
- Some tourism operators are exploring more unusual leisure activities:
 - Driving around a track at the wheel of a Formula 1 racing car,
 - Taking part in a modeling shoot or riding in a hot air balloon, and
 - The French company MagicDay packages its products as original gift ideas.

Case studies of niche tourism offerings

Adventure tourism in India	Aiming to develop its market in 2007, the Indian Ministry of Tourism worked with the Institute of Skiing and Mountaineering to offer waterskiing courses to tourists, and provided financial assistance to key areas for the purchase of water sports equipment such as kayaks, water scooters, etc.
Babymooning in California	Woodside Hotels and Resorts, a luxury operator in California, developed the babymoon after hearing a group of expectant mothers reminiscing about vacations. This niche product is targeted for couples needing a relaxing weekend away before the “babymoon.” This product is aimed at couples who want a trip or weekend away to help them relax and reconnect before baby arrives. Socio-demographic data prove the relevance of this new niche: couples are waiting longer before starting a family and, because they usually have two incomes, are fairly prosperous and used to spending money on themselves.
G.A.P. Adventures’ charity tourism in Tibet	G.A.P. Adventures will be taking doctors to Tibet to perform 300 sight-restoring surgeries and screen thousands of patients for ophthalmic conditions.
Medical tourism in India and Malaysia	To encourage tourist visits for medical procedures, India and Malaysia have introduced new visa regulations which extend the maximum allowable stay to 90 days in India and 6 months in Malaysia. These changes facilitate consultation, treatment, and recuperation time.
Cultural tourism in Kyoto, Japan	To promote cultural and historical tourism, Kyoto, Japan provides free public transit and museum access to anyone wearing traditional Japanese dress.
Soft adventure tourism in Vancouver	The Capilano Suspension Bridge in North Vancouver introduced Treetops Adventure, the first attraction of its kind in North America. It consists of a series of elevated suspension bridges through the rainforest, and after nine months of operations, the attraction saw a 40% attendance increase.
Nature tourism in Alaska	When tourism authorities at Fairbanks, Alaska decided to capitalize on the Northern Lights, they negotiated with the Japanese government to attract Japan Airlines flights to the city’s airport.

Sources: Canadian Tourism Commission: “Finding your (new) niche”; Deloitte: Medical Tourism; Caribbean Tourism Organization; India Ministry of Tourism Annual Report 2007-08; Travel Industry Today: “Looking Good: G.A.P. helps treat blindness in Tibet”; Excellence in the Canadian Tourism Industry

The Ontario market appears to be well suited for MICE and festival tourism

	Description	Examples	Global market size (annual basis)	Forecast
Charity tourism	Trips taken to destinations for the purpose of assisting host communities by providing services that help in everyday life or aid to disaster areas. Often taken by 'gap year' students, especially from North America, Western Europe, New Zealand, and Australia.	Habitat for Humanity housing construction in African villages, Doctors without Borders.	250,000 trips involve participation in charity tourism ¹	Growth led by gap year travelers and post-career travelers / baby boomers.
Health and wellness tourism	Any trip taken with the purpose of improving one's health or well-being. Greatest potential with 50-65 year-old age group, specifically women.	Spa visits, medical treatments, or beauty procedures such as plastic surgery at low-cost Mexican clinics.	approximately 5 million trips centre around health and wellness ¹	Expected to exhibit substantial growth rates for many years to come.
Medical tourism	Traveling to seek specialized or economical medical care, wellbeing, and recuperation. Popular destinations include Mexico, India, Brazil, and Gulf States.	Dental and cosmetic surgery in Mexico at 25-35% of U.S. cost. ²	US\$60 billion of global tourism receipts are from medical tourism ¹	Market expected to grow to \$100 billion by 2010 (66% growth). ²
Meetings, incentives, conferences, and exhibitions (MICE)	Business travel for meetings, incentives, conventions, and exhibitions (MICE). Tourists often middle-aged males. Russia, India, and China are likely to drive growth.	Malaysia's Meet and Experience campaign.	US\$30 billion or 50 million trips are accounted for by MICE tourism ¹	Continued moderate growth, but dependent upon prevailing economic circumstances.
Festival tourism	Travel for the main purpose of attending cultural and / or music festivals. Perceived as one of the most authentic ways in being immersed in local culture. Brazil, UK, US, Germany, and Spain are competing destinations.	Germany's Oktoberfest, Brazil's Rio Carnival, Chinese New Year.	10 million people travel annually to watch or participate in festivals ¹	Interest in international cultural events is increasing.

Sources: (1) Caribbean Tourism Organization; (2) Deloitte: Medical Tourism; (3) Primary research

Primary research indicates that Ontario has strong potential for MICE, cultural, and festival tourism offerings.

Ontario's soft adventure and cultural tourism products are perceived as competitive

	Description	Examples	Global market size (annual basis)	Forecast
Cultural tourism	Tourism including cultural activities, experiences, and interaction with local people. Typical tourists include baby boomers and empty nesters. Popular markets include European, Asian and South American destinations. Daily expenditure of cultural tourists (US\$90) is higher than visitors on touring, beach, city, or rural holidays (US\$54-67). ¹	Visiting monuments, sites, or museums, such as the Louvre in Paris, Aztec ruins in Mexico, or pyramids in Egypt.	160 million or 20% of trips incorporate some form of cultural, historical, or heritage activity ² 40-65 million or 5-8% of trips are specifically for cultural purposes ²	Continued growth led by those aged 55 and above. Cultural tourism motivations are shifting slowing towards a more general interest in culture.
Weddings and honeymoons	International trips taken to get married or celebrate a wedding. The average age of these travelers is increasing due to later marriages and more second marriages.	Caribbean beach weddings incorporated into resort vacations.	3-6 million trips per annum are taken for weddings and honeymoons ²	Expected to be 12% per year until 2012, vs. 10% from 2002-2007. ²
Ecotourism	Responsible travel to natural areas that conserves the environment and improves the welfare of local people.	Walking tours through rainforest or natural terrain.	[information not available]	Expected growth of approximately 6% per year. ¹
Sports tourism	International trips specifically taken to watch sporting events.	Germany's FIFA World Cup, Beijing 2008 Olympics	12 million trips are made each year for the main purpose of watching a sporting event ²	Annual growth of 6% expected from 2007-2012. ²
Soft adventure tourism	Tourism which requires little or no experience and is low risk. Typical adventurers are in their 40s, affluent and well-educated. US, Canada, and Mexico are competing destinations.	Hiking tours of Bhutan landscapes, snorkeling in the Great Barrier Reef.	1% or 9 million international tourist arrivals seek soft adventure activities ²	Annual growth of 10% over next decade, led by 40-60 year olds. ²
Golf tourism	Trips undertaken for the primary purpose of playing golf.	Playing on golf courses that have hosted PGA tours.	US\$17 billion or 2.8-5.6 million tourists comprise the global market ²	Growth in the long term will be notable, especially in the aging population.

Sources: (1) The International Ecotourism Society: "Ecotourism Fact Sheet"; (2) Caribbean Tourism Organization; (3) Primary research

"Ontario's biggest challenge is to take its strengths in natural and cultural assets and tell the story better."

Ontario has the potential to be competitive across many niche product offerings

Secondary research, supplemented by insight from subject matter experts suggests varying current success and potential across various niche product offerings.

	Current state	Potential	Rationale
Charity tourism			Emerging markets and third world countries will receive greater profile and interest.
Health and wellness tourism			Mixed success driven by growth in Spas and other wellness product.
Medical tourism			Considered an underdeveloped offering due to a lack of packaging and promotion. Stringent government regulation will impact competitiveness and responsiveness.
MICE			Toronto serves as a strong North American and international hub, but ground transportation infrastructure is considered a current deterrent.
Festival tourism			Strong product offering and potential, but currently limited to summer season.
Cultural tourism			Product considered competitive, but a lack of new product exists.
Weddings and honeymoons			Traditional product, Perception of Niagara Falls and resort weddings.
Ecotourism			Emerging markets and more exotic locals are considered more competitive and with greater potential. Potential exists to leverage natural environment assets – namely fresh water lakes.
Sports tourism			Infrastructure considered a deterrent.
Soft adventure tourism			Considered a high-potential area namely because of natural environment assets.
Golf tourism			Current offering considered somewhat competitive, but a significant lack of overnight accommodation (i.e., resorts) will negatively impact growth potential. Ontario's climate also serves as a challenge.
Culinary tourism			Select regions – namely Niagara – considered competitive with growth potential.

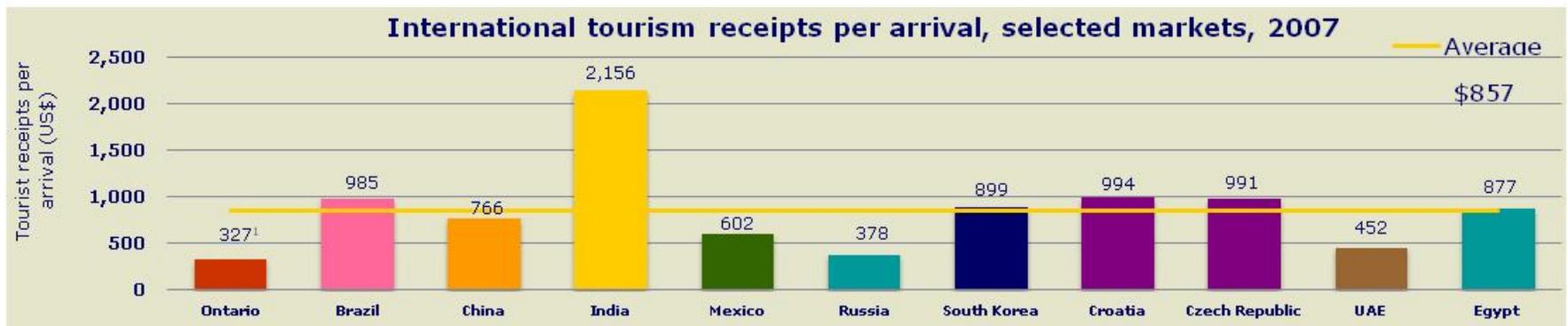
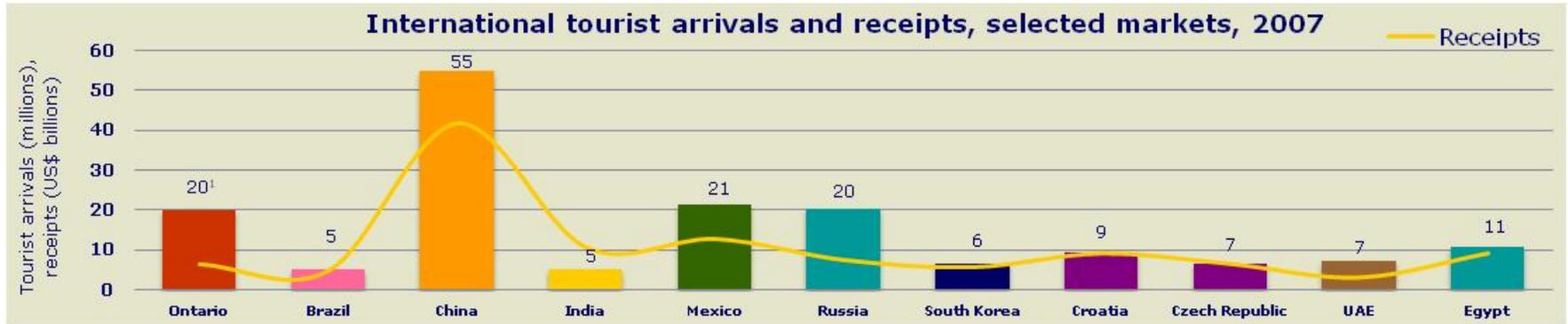
competitive offering
 moderately competitive offering
 uncompetitive offering
 n/a

An expansion of product offerings supported and improved packaging could help Ontario reach its potential in certain niche markets.

Key research topics

▶ Emerging markets

Of the select group of countries examined, China leads international tourist arrivals and receipts



Sources: WTO Tourism Highlights 2008, Ontario Tourism Outlook 2008-2012 (1) 2006 actuals grossed up by 2% to reflect forecasted growth for 2006-2007 period

Key insights

- International tourism in emerging markets has grown twice as fast as in industrialized countries over the last decade, as at an average rate of 6-8%.¹
- China has highest volume of visitors as well as total tourism receipts among the countries examined.
- India appears to be most productive with its tourist arrivals, as the country almost doubles the average revenue dollars per tourist (when compared to selected emerging markets and Ontario).
- Ontario is comparable to Mexico and Russia in terms of international visitor arrivals, and Czech Republic and Brazil in terms of receipts.
- Ontario's spend per international tourist arrival is significantly lower than the average of the selected tourism jurisdictions.
- Russia has historically been uncompetitive with tourist spend, but tourism receipts per arrival are expected to escalate almost 50% by 2012.²
 - This growth will theoretically be fueled by infrastructure improvement and modernization investments, as well as strengthened marketing initiatives.
- Primary research suggests that in order for Ontario to grow its tourism business, it must market itself to a new customer, namely those from emerging markets.

Sources: (1) WTO: "Emerging Market Tourism - The Coming Economic Boom"; (2) EIU: Travel and Tourism Profiles and Forecasts; (3) Primary research

Brazil's underdeveloped tourism market presents many opportunities for growth

Market data and key metrics

Industry size: US\$25.3B¹

GDP %: 2.6%¹

Market share: 1.1%²

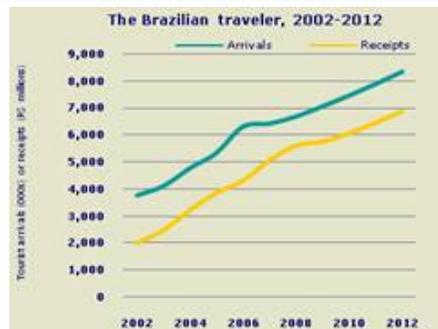
2008-2017 annual growth:
3.2%¹

International arrivals:
6,645,000²

Employment: 2.6% of labour force¹

WEF T&T rank: 49 / 130¹

Popular destinations: Rio de Janeiro, Sao Paulo

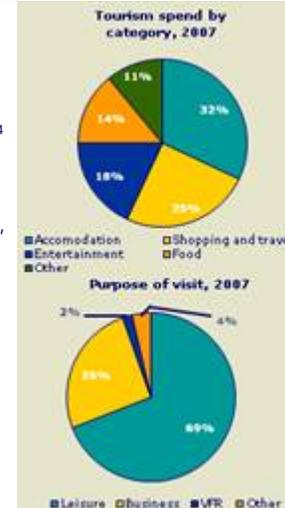


Source: EIU: Brazil Travel and Tourism Profile; EIU: Brazil Travel and Tourism Forecast

- Tourism activities in Brazil are growing at double the rate of the world's average, and three times as much as national GDP YTD 2008.³
- Tourism is the country's third largest export, and Brazil ranks 30th in the list of countries visited by tourists.⁴
- Considering population size, global market share is low.
 - The industry remains relatively underdeveloped, despite recent investment.
 - A shortage of air connections has constrained tourism growth.
 - Brazil must address the problems associated with street crime and a growing sex tourism market.
- Brazil's tourism industry is currently characterized by the absence of an evaluation process for industry policies.
- Macroeconomic stability, the availability of cheaper credit at longer maturities, and proactive government policies have boosted investment in recent years.
 - Since 2003, the tourism industry has been expanding rapidly, facilitated partially by air travel expansions; Brazil has the largest aviation industry in Latin America.
- Tourism activities traditionally have been carried out by the private sector; however a new Ministry of Tourism (established in 2003) reflects the high priority current government places on tourism development.
- Currently there is a joint effort between the Inter-American Development Bank and Banco do Nordeste (Latin America's largest development bank) to promote sustainable tourism.

Attracting tourists

- Largest tourist spend category is accommodations at 32% of expenditures, followed by shopping and travel at 25%, then entertainment at 18%.⁴
- Travel for leisure motivates over two thirds of visitors, with business purposes accounting for 25% of arrivals.⁴
- Adventure, sex, and ecotourism offerings are the most popular products.
- Competitive strengths in natural and cultural resources, such as the Amazon.
- Brazil is deemed as the most price-competitive nation by the WTTC.
- Competitively weak with regards to labour availability, ground transport infrastructure, and safety and security.
- Despite the downturn in the number of tourists traveling to Brazil, investment in new hotels has boomed over the past several years, leading to oversupply in many areas.
 - Occupancy rates hover around 50-60%, vs. more than 80% in the 1990s.⁴
- International marketing is being improved via dedicated tourist offices in the US and Europe and a National Tourism Plan.
- ADS agreement with China has boosted Chinese tourist numbers.



Source: Tourism and Sustainability in Brazil

Drivers of supply and opportunity

- The Brazilian Real's appreciation has increased consumer spending power, making the cost of travel relatively less expensive.
- The number of Brazilians traveling abroad almost doubled between 2001-2006, with the outbound travel market expected to grow by another 45%, reaching 7M by 2011, resulting in US\$8.7 billion of spending.²
- Primary research highlighted the current pent-up demand from Brazil to Canada; however, it may be waning as there is only one Canada-bound Brazilian aircraft arrival per day.⁵
- Brazil's middle class is growing as disposable incomes increase.
 - Growing disposable incomes in emerging markets are usually accompanied by an increasing tendency to travel abroad.

Sources: (1) WEF Travel and Tourism Competitiveness Report 2008; (2) EIU: Brazil Travel and Tourism Profile; (3) EIU: Brazil Travel and Tourism Forecast; (4) Tourism and Sustainability in Brazil; (5) Primary research; (6) Research and Markets

China is forecasted to be the world's biggest destination for international tourists by 2020

Market data and key metrics

Industry size: US\$77.6B¹

GDP %: 2.5%¹

2008-2017 annual growth: 9.1%¹

International arrivals: 52,888,000²

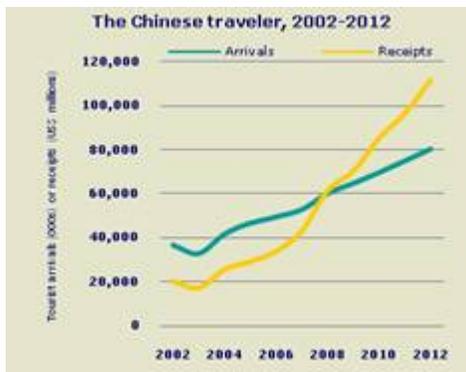
Employment: 2.1% of labour force¹

WEF T&T rank: 62 / 130¹

Popular destinations: Beijing, Shanghai

Popular outbound destinations: Hong Kong, Macau, Vietnam

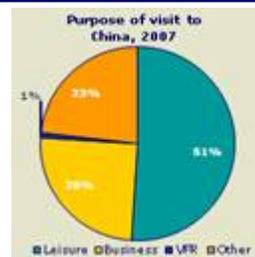
- Currently the fourth-largest international tourist destination in the world.²
- The WTO has forecast that by 2020 China will be the world's biggest destination for international tourists and the fourth biggest source of international tourists.²
- State involvement in the travel industry is extensive.
- Overseas investment makes up 25% of the nation's total capital in the tourism sector (covering hotels, travel agencies, and construction).³
- Overseas investment will play an important role in further expanding China's tourism industry, improving the tourism industry system, upgrading the industry quality and promoting the industry to upgrade.



Source: EIU: China Travel and Tourism Profile; EIU: China Travel and Tourism Forecast

Attracting tourists

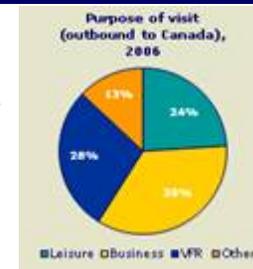
- The 2008 Olympics and 2010 International Expo, along with high-profile infrastructure projects such as sea-crossing bridges, will raise the country's international profile in the long term.
- Most tourists (51%) travel to China for leisure, while 25% arrive on business; a very small portion of travel is to visit friends and relatives.⁵
- Adventure tourism products exist in Tibet and Xinjiang.
- Competitive in pricing and natural and cultural resources.
- Weak tourism infrastructure and safety and security.
- Continuous improvements in international connectivity and domestic infrastructure have boosted tourist numbers.
 - Budget hotels are increasing, with occupancy rates at 90%, and better hotel quality is evident country-wide.²



Source: Chinese Bureau of Statistics: Tourist Arrivals by Sex, Age and Purpose

Drivers of supply and opportunity

- Chinese travelers look for destinations that are clean, safe, friendly, scenic and inexpensive, where visas are fairly easy to obtain.
- China is the world's fastest-growing outbound tourist market, with a growing number of tourists holding full passports.
 - Canada does not yet have ADS, restricting Ontario from marketing tourism in China.
 - Of Canada's four key ADS markets (Beijing, Shanghai, Guangzhou, and Shenzhen), 73% of international travelers are interested in visiting in the next five years, suggesting that there is pent-up demand in the marketplace that should be realized soon after the market opens up.⁶
 - According to primary research, attaining ADS is critically important to Ontario.
- Three 'Golden Weeks' allow Chinese citizens more time off to travel, and there is opportunity to attract these tourists because of:
 - A rapid rise in urban Chinese incomes;
 - The strengthening yuan and Chinese economy; and
 - Acceleration of international flight scheduling.
- Canada is the 16th most popular outbound destination for Chinese tourists, and travelers often span the country.⁷
 - Chinese see Canada as having rich scenery and nature, conveying peace and relaxation, while delivering good value at a reasonable price.
- As the most popular Canadian destination, visits to Ontario numbered 55,000 in 2007, and 183,500 expected in the next two years.^{7,13}
 - Ontario must compete with the US, Australia, Europe, and New Zealand.
 - The majority of visitors (65%) were male and/or traveling alone (72%), suggesting the importance of business travel and visiting friends or relatives.⁷



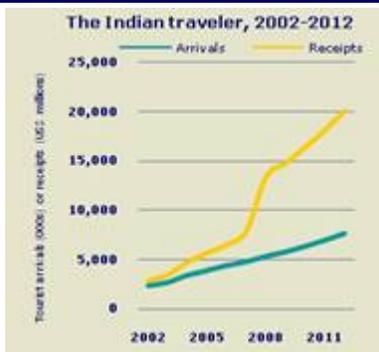
Source: Tourism BC: China Profile

Sources: (1) WEF Travel and Tourism Competitiveness Report 2008; (2) EIU: China Travel and Tourism Profile; (3) Xinhua News Agency: "Overseas capital steps flowing into China's tourism industry"; (4) EIU: China Travel and Tourism Forecast; (5) Chinese Bureau of Statistics: Tourist Arrivals by Sex, Age and Purpose; (6) Consumer and Travel Trade Research in China; (7) Tourism BC: China Profile; (8) WTO Tourism Highlights 2007; (9) TIAC: The Report on Canada's Tourism Competitiveness; (10) Scotia Economics Industry Trends; (11) CTC Tourism Snapshot (2007); (12) Primary research; (13) Analysis

India represents a major inbound market for Canada; 1.5 million Indians are interested in visiting Canada in the next two years⁵

Market data and key metrics

Industry size: US\$18.1B¹
GDP %: 2%¹
Market share: 0.9%²
2008-2017 annual growth: 6.8%¹
International arrivals: 4,840,000²
Employment: 5.5% of labour force¹
WEF T&T rank: 65 / 130¹
Popular destinations: Andhra Pradesh, Uttar Pradesh, Tamil Nadu



Source: EIU: India Travel and Tourism Profile; EIU: India Travel and Tourism Forecast

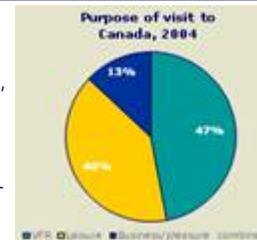
- The WTTC ranks India third in tourism growth between 2007-2017.³
- The government is deeply involved in tourism and sends a unified international message.
 - Global marketing campaign “Incredible India” is rapidly raising India’s international profile as a tourism destination.
- Receipts per tourist arrival have increased considerably in recent years, ranking India first among the emerging markets examined.
 - In 2007, \$1633 was generated per arrival in 2007, with the number expected to rise to \$2,600 by 2012.³
- Geopolitical, security, regulatory, and infrastructure problems hinder India’s inbound tourism; however the government prioritizes dismantling these obstacles, including altering taxes to be more conducive to tourism investment.
 - As such, there has been an infusion of new foreign venture and private equity capital.
- Slight slowdown in tourism industry, reflective of inflation, rising airfares, high hotel room rates, and slowdown in the US economy.
- To develop the accommodations sector, which is characterized by a shortage of rooms and a growing market for budget hotels, the Central Government now offers a grant for the construction of budget and Heritage hotels.
- Tourism is highly seasonal, but is being smoothed out with year-round business travel.

Attracting tourists

- India offers an enormous array of architectural, cultural, historical, and religious sites, with future strategies to promote rural, MICE, medical and adventure tourism product offerings.
- As New Delhi will host the 2010 Commonwealth Games, India can expect to welcome many sports tourists.
- India has become a global leader in medical tourism, with 170,000 foreigners arriving annually for treatments, with potential to increase this to 1 million visitors per year.⁴
- Competitive strengths include price levels and natural and cultural resources.
 - India provides good value for travelers, ranking second internationally in price competitiveness after Brazil.
 - As 80% of tourists arrive via air, intensifying competition and greater supply in air travel has boosted India’s attractiveness (Air India will be expected to purchase 500 aircraft in 2010, vs. 190 in 2007).²
- The threat of terrorism attacks in the country has taken its toll on the attractiveness of India as a tourist destination.

Drivers of supply and opportunity

- Indians are actively considering new destinations, and are receptive to advertising and other information sources.
- India’s outbound travel market grew 64% over 2001-2006, with Canadian visits increasing by 62% over this period.⁵
- Canada has a small market share of outbound Indian tourists (1.4%) but has a very strong VFR connection according to primary research, as 47% of tourists came for this reason.⁵
 - Many of these tourists seek hotel accommodations.
 - Most business travel to Canada is combined with leisure, and this segment is expected to grow rapidly.
 - Status seeking travelers are excited to experience a new and fresh destination, and see Canada as undiscovered.
 - Travel alone or in relatively large groups, spending roughly \$6,500 per trip.⁵
 - 1.5 million Indians are very interested in traveling to Canada in the next two years, much higher than the current 150,000 arrivals.⁵
- Contrary to common belief, Canadian visas are relatively easy to obtain.
- Consumer and industry are largely unaware of Canada’s tourism product, thus Canada must focus on building awareness and interest among specific segments.



Source: OTMPC: India Market Profile

Sources: (1) WEF Travel and Tourism Competitiveness Report 2008; (2) EIU: India Travel and Tourism Profile; (3) EIU: India Travel and Tourism Forecast; (4) SINET: Indian Medical/Health Tourism Service Sector Network Report; (5) OTMPC: India Market Profile; (6) WTO Tourism Highlights 2007; (7) Primary research

Mexico intends to diversify its tourism offerings to increase industry profitability

Market data and key metrics

Industry size: US\$18.1B¹

GDP %: 4.9%¹

2008-2017 annual growth:
3.8%¹

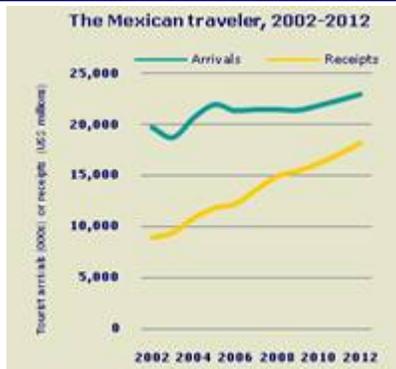
International arrivals:
21,431,000²

Employment: 15.1% of labour
force¹

WEF T&T rank: 55 / 130¹

Popular destinations: Mexico
City, Cancun, Cozumel,
Acapulco

**Popular outbound
destinations:** US, Europe
(Spain), Canada



Source: EIU: Mexico Travel and Tourism Profile; EIU: Mexico Travel and Tourism Forecast

- Mexico is one of the top 10 tourist destinations, and the most popular in Latin America.²
- Tourists spend is relatively low, and the Mexican government is attempting to diversify tourism away from beaches so as to attract higher-spending tourists and extending stays.
- Moderate growth in both arrivals and receipts is expected through to 2012.³
- Domestic tourism is significant, enabled by lower-cost air travel and rising incomes.
- Promotion initiatives include the Tourism Corridors project to establish a tourism police force, plans to increase non-seasonal tourism, expansion of conference tourism by exempting conventions from value-added tax, and supporting resort developments through a South American development bank.
- Investment in tourism infrastructure rose nearly 10% in 2007 to US\$3.4 billion.³
 - Many investors seized the opportunity to upgrade infrastructure after Hurricane Wilma damaged much of Cancun and Cozumel, resulting in improved facilities and expanded tourist areas in these regions.

Attracting tourists

- Significant investment in hotels, ecotourism, and golf courses.
 - The number of hotel rooms grew 33% over the two year period from 2004-2006.²
- Competitive strengths include human resources, prioritization of travel and tourism, and natural and cultural resources.
- Competitively weak in ground and technology infrastructure and safety and security.
- Growing trend of purchasing second homes in parts of Mexico, mainly by Americans.
- Growth in arrivals from Europe and Latin America driven by the strong Euro and stable peso, and US dollar weakness encourages Americans to holiday close to home.
- Mexico is poised to seize opportunities in the outbound Chinese tourism market as an approved destination, targeting five million arrivals within 10 years.³

Drivers of supply and opportunity

- Rising real incomes have expanded the large, affluent segment of Mexicans that travel internationally.
 - As the third most popular destination, 18% of this group has traveled to Canada in the last three years, reporting high satisfaction and good value.⁴
 - Spend per travel party is roughly CAD\$6,000; however, per-night spending per person is the second lowest of all core Canadian travel markets at CAD\$73 (this may be reflective of the average traveler age as under 24).⁴
 - Toronto-bound travelers have increased 50% since 2004, reaching 75,000 in 2006, representing a subtle shift away from US travel because of tighter border restrictions.⁵
- Retail shopping is an important destination consideration for outbound Mexicans; Ontario's retail shopping offerings are not as strong as competing travel markets, suggesting that other interest areas should be used to attract this group.
- Learning or exploring something new, engaging in family activities, and adventuring are the most popular travel activities. Ontario has potential to cater to this market with its nature and adventure tourism products.
- Canada competes directly with Europe (Spain, France, and Italy) to attract the same segment of Mexican visitors.
 - Canada has a strong product offering and image, but low awareness.
 - Canada needs to develop a persuasive story and strong image to differentiate itself, which will help Ontario attract more travelers from Mexico.
- Due to close ties with the U.S. economic cycle, Mexico's economy may experience a slowdown in coming years, which may inhibit outbound travel.

Increased US border security may be encouraging Mexican travelers to visit Ontario.

Sources: (1) WEF Travel and Tourism Competitiveness Report 2008; (2) EIU: Mexico Travel and Tourism Profile; (3) EIU: Mexico Travel and Tourism Forecast; (4) OTMPC: Quantitative Study of Mexican Outbound Travelers; (5) Toronto Star: "Toronto a hot spot for Mexican tourists"; (6) WTO Tourism Highlights 2007; (7) CTC Tourism Snapshot (2007); (8) Primary research

Russia has an emerging middle class with substantial disposable income growth

Market data and key metrics

Industry size: US\$13.6B¹

GDP %: 1.1%¹

2008-2017 annual growth: 5.6%¹

International arrivals: 22,844,000²

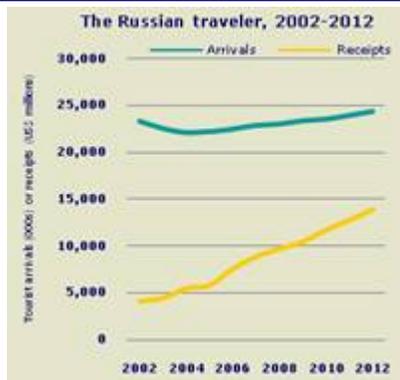
Employment: 5.7% of labour force¹

WEF T&T rank: 64 / 130¹

Popular destinations: Moscow, St. Petersburg, the Golden Ring

Popular outbound destinations: Turkey, Egypt

- Overall tourism receipts have doubled in the last five years; however, spend per tourist is still relatively low.²
- Tourism has only begun to develop commercially in the past 15 years, and has become one of the top 10 most visited countries in the world.²
 - However, visitor arrivals have stagnated as Russia loses tourists to destinations in Southeast Asia and Eastern Europe that have relaxed visa requirements.
- Government has created a number of special tourism economic zones to mobilize investment and attract domestic and foreign visitors.
 - Companies operating in such zones receive favourable tax treatment as well as other benefits.
 - Investment in road and rail infrastructure increasing, with plans for 640,000km of new roads to be built in the near future.²
- Current challenge to develop an attractive and cohesive Russian brand and deploy sustainable marketing resources overseas.
 - Russia is aiming to counter tourists' negative perceptions by positioning the country as a high quality, welcoming, and safe destination.
- Investment in tourism infrastructure development and modernization will be the backbone of future market growth.



Source: EIU: Russia Travel and Tourism Profile; EIU: Russia Travel and Tourism Forecast

Attracting tourists^{1,5}

- Competitive strengths include health and hygiene, natural resources, and cultural resources.
- Competitively weak safety and security, environmental sustainability, and regulations relating to tourism.
- Russia is losing tourists to other destinations because package tours are expensive, there is a lack of affordable and suitable hotels, and visas can be difficult to obtain.
 - Average room rate in Moscow US\$403 in March 2008, versus US\$136 in 2001.⁴
 - Russia does not participate in Europe's Open Skies Agreement, preventing budget airlines from servicing the country.
 - Additionally, tourism and transportation infrastructures are underdeveloped.
- Russia spends only a fraction on tourism promotion of that of other comparable countries.
- Niche offerings are themed around adventure travel and wellness tourism.
 - Products include visits to volcanic landscapes, hot springs, and Golden Mountains.
 - Planned products include hotel construction and water tourism centre / mineral spa.

Drivers of supply and opportunity

- Russia has an emerging middle class with substantial disposable income growth, which is expected to continue into the future.
- A growing number of affluent Russians are choosing to travel abroad.
 - From 2006 to 2007, outbound tourists increased by 14%.⁴
- Russians are the eighth largest overseas tourism spenders, according to Euromonitor data.⁴
- The average Russian consumer spends less than 10% of total food expenditure away from home, suggesting that food and beverage-related offerings may not be as profitable for this group of tourists.⁴
- Russians have typically preferred medium-haul travel, as popular outbound destinations include Turkey and Egypt, which suggests that long-haul markets will have to expend more resources to attract Russian travelers.

Primary research confirms that Russia has the potential to be viable market for Ontario; however, some outbound travel may be restricted by difficulties in obtaining a visa.

Sources: (1) WEF Travel and Tourism Competitiveness Report 2008; (2) EIU: Russia Travel and Tourism Profile; (3) EIU: Russia Travel and Tourism Forecast; (4) Deloitte: Executive Report (Summer/Autumn 2008), (5) Primary research

Inbound visitors from South Korea are expected to grow by 8.5% for each of the next two years

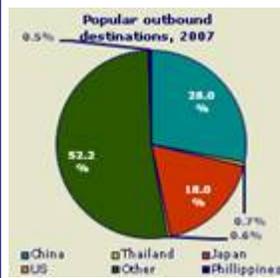
Market data and key metrics

Industry size: US\$15.0B¹
GDP %: 1.5%¹
Market share: 0.7%²
2008-2017 annual growth: 3.4%¹
International arrivals: 6,402,000²
Employment: 7.4% of labour force¹
WEF T&T rank: 31 / 130¹

Popular destinations: Seoul, Jeju

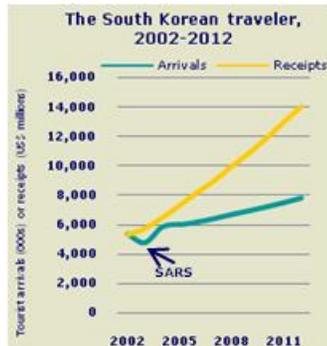
Popular outbound destinations: China, Japan, Thailand, US, Philippines

- South Korea's receipts per visitor arrival is substantially higher than average at \$1,460 in 2007, and is expected to reach \$1,803 by 2012.³
- The Presidential Transition Committee aims to make South Korea one of the top 10 countries for tourism by 2012 by boosting competitiveness, aiming to turn the country into a business, transport, and tourism hub for northeast Asia.⁴



Source: EIU: South Korea Travel and Tourism Profile

- The government is not directly involved with the major operators in the travel business, having privatized its major airline.
- Government efforts to raise industry competitiveness include shortening tourism complex establishment periods, providing support to hotels and travel agencies, and lessening the tax burden on tourism businesses.
 - Expected visitors to jump from 6.4 million to 10 million as a result.⁵
 - Recent investment initiatives include a Universal Studios theme park.



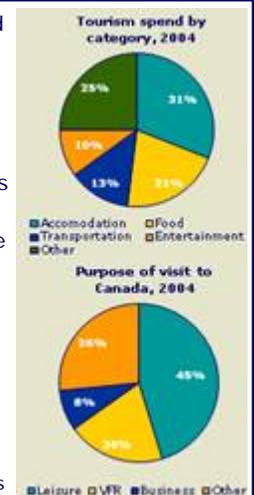
Source: EIU: South Korea Travel and Tourism Profile, EIU: South Korea Travel and Tourism Forecast

Attracting tourists

- The Korean National Tourism Organization aims to attract 10 million foreign visitors by 2010 with the campaign "Korea, Sparkling."³
 - To contribute to this goal, the country is set to hold the 2012 World Expo and 2010-2017 Formula One Grand Prix events.
- The majority of South Korea's inbound travelers are from proximate markets, with Chinese tourists driving most of the recent growth.
- Health industry actively seeking to transform South Korea's medical tourism market into a high-growth sector.
- Competitive strengths include human resources, communications and ground transport infrastructure, and cultural resources
 - The addition of Jeju, the largest island and popular tourist destination, to UN's World Heritage List is helping to raise South Korea's international profile.

Drivers of supply and opportunity

- Strong economic growth and rising wealth has resulted in outbound travel growth of 10% for each of the past 10 years.²
 - However, most travelers stay within Asia, with the exception of some venturing to the US, indicating a willingness to travel internationally and interest in North America.
- The average length of stay in Canada is 22.6 nights; however, spend per night of \$66 ranks South Korea as the lowest of Canada's core markets.⁶
- South Koreans have the second highest proportion of Canada's core markets of travelers in the winter.
- In 2006, 60,000 South Korean tourists, or 31.9% of total Canadian arrivals, visited Ontario.⁷
 - Shopping, sightseeing, and visiting parks were key activities.
 - Growth in tourists to Ontario is expected to be approximately 8.5% per year, with roughly 1,270,000 tourists very interested in visiting the province in the next two years.^{7,8}
 - Primary research suggests that flights from South Korea are currently at capacity, and before Ontario can benefit from marketing, it must first address its air connectivity issues.
- Fundamental barriers of outbound travel to Canada are expensive flights, lack of product, and / or lack of product knowledge.
- Despite being a very advanced country in terms of connectivity, South Koreans infrequently use the web for travel planning information, suggesting that Ontario should select other advertising media for any target marketing.



Source: Tourism BC: South Korea Market Profile

Sources: (1) WEF Travel and Tourism Competitiveness Report 2008; (2) EIU: South Korea Travel and Tourism Profile; (3) EIU: South Korea Travel and Tourism Forecast; (4) Korea Takes Aim at Top 10 Tourist Destination; (5) Gov't to Boost Support for Tourism Industry; (6) CTC Tourism Snapshot (2007); (7) Tourism BC: South Korea Market Profile, (8) Tourism BC: South Korea Tourism and Trade

The Czech Republic and Croatia have strong infrastructure to facilitate tourism

Czech Republic

Industry size: US\$3.4B¹

GDP %: 2%¹

2008-2017 annual growth: 3.3%¹

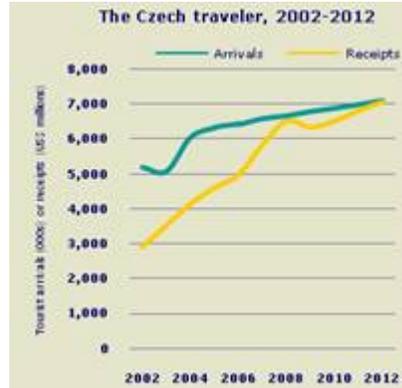
International arrivals: 6,435,000²

Employment: 11.7% of labour force¹

WEF T&T rank: 30 / 130¹

Popular destinations: Prague, Cesky Krumlov

- Czech Republic has doubled its tourism receipts between 2002 and 2008, which are expected to grow another 20% by 2012.³
- Competitive strengths in ground transport infrastructure, cultural resources, and health and hygiene.
 - The country has 12 historical sites listed with UNESCO; however Prague is the main attraction with its rich cultural heritage.²
 - The Czech Republic has the best road networks in the region, with 92.2% of foreign arrivals entering via this means, 3.1% by rail, and 4.7% via air.²
- Competitively weak with regards to natural resources, affinity for travel and tourism, and air transport infrastructure.
- Tourism infrastructure has received significant investment in the past decade, much of which has gone to Prague, which has developed its MICE tourism in the form of conference centres.
 - Increasing numbers of Czechs are traveling abroad for longer periods of time and spending more: outbound trips grew by 7% in 2006.⁴
 - Rapid income increases teamed with an appreciating currency and lower-cost airfares from a more competitive air travel market, are lowering costs for outbound tourists.



Source: EIU: Czech Republic Travel and Tourism Profile, EIU: Czech Republic Travel and Tourism Profile

Croatia

Industry size: US\$4.0B¹

GDP %: 12.1%¹

2008-2017 annual growth: 8.6%¹

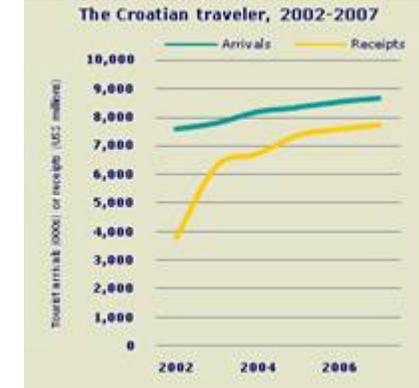
International arrivals: 8,659,000¹

Employment: 21.6% of labour force¹

WEF T&T rank: 34 / 130¹

Popular destinations: Istria, Rijeka, Dalmatia

- Growing importance of travel and tourism: capital investment is expected to double by 2018.⁵
- Competitive strengths in tourism infrastructure and affinity for travel and tourism.
- Weak price competitiveness, air infrastructure, and natural resources according to the WEF.
- Emerging adventure travel market: numerous islands and unspoiled countryside are suited for cycling, hiking, and water sports. Croatia also hosts an annual extreme sports festival.
- Pending membership into the EU will facilitate more interregional travel among EU citizens and tourists visiting other bloc nations.



Source: Euromonitor GMID

The WTTC indicates that Eastern European nations are expected to exhibit high growth in the coming 10 years.⁷

Sources: (1) WEF Travel and Tourism Competitiveness Report 2008; (2) EIU: Czech Republic Travel and Tourism Profile; (3) EIU: Czech Republic Travel and Tourism Profile; (4) IPK Global Travel Trends 2006; (5) WTTC 2008 Travel and Tourism Research: Croatia; (6) World Travel Guide: Croatia Travel Guide; (7) WTTC Progress and Priorities 2008/09

Rapid economic growth in the Middle East is enabling tourism development through investment programs

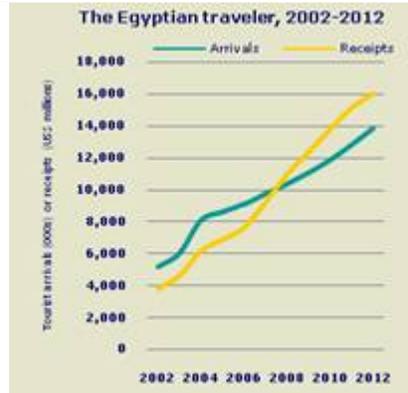
The Middle East

- Demand for travel and tourism in the Middle East is expected to increase by 5.2% in 2008, fuelling growth of its GDP by 7.0%.¹
- Rapid economic growth from high oil and commodity prices is enabling tourism investment programs to be implemented on a large scale. As such, tourism is now recognized as an engine of further economic development.
- As an example, the emirate of Dubai has a tourism industry which now accounts for more than 30% of its growing GDP, and the government plans to achieve economic growth of 11% a year by 2015 and to triple Dubai's GDP to US\$112 billion.¹

Egypt

Industry size: US\$9.76B²
GDP %: 8.7%²
2008-2017 annual growth: 3.7%²
International arrivals: 9,749,000³
Employment: 13.7% of labour force²
WEF T&T rank: 66 / 130²
Popular destinations: Cairo, Alexandria

- Tourism receipts per arrival are expected to increase significantly by 2012 to US\$16 billion.⁴
- The government has made tourism a key priority, with the goal of attracting 20 million foreign tourists by 2015.⁴
 - Key mechanism to achieve goal is a program to encourage US\$1.4 billion in private investment between 2006-2011.⁴
- Egypt has been resilient to tourism attacks, and longer-term growth seems assured, according to the EIU.³
- Traditional tourism markets centred around cultural and historical attractions are close to saturation, so non-traditional sectors have greater growth potential, such as diving, safaris, and spa and beach tourism.

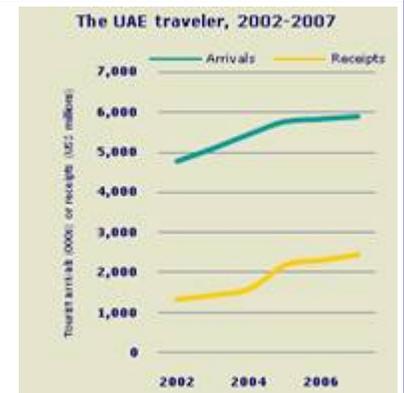


Source: EIU: Egypt Travel and Tourism Profile; EIU: Egypt Travel and Tourism Forecast

The United Arab Emirates (UAE)

Industry size: US\$14.13B²
GDP %: 6.4%²
2008-2017 annual growth: 4.3%²
International arrivals: 5,880,000⁵
Employment: 17.5% of labour force²
WEF T&T rank: 40 / 130²
Popular destinations: Dubai, Abu-Dhabi

- Competitive strengths include air transport infrastructure, availability of labour, and safety and security.
- Competitively weak with regards to natural resources, cultural resources, and environmental sustainability.
- Capital investment in tourism represents 46.5% of total regional investment, up 12.3% from 2007.⁶
- Investment in tourism is expected to increase by 24% 2016.⁶
- UAE's government stresses the importance of achieving synergies between tourism and cultural initiatives.
- Expected government expenditure in travel and tourism to grow annually by 6.2% through to 2018, as the region aims to have the widest possible tourism product portfolio.⁶



Source: Euromonitor GMID

Sources: (1) WTTC Progress and Priorities 2008/09; (2) WEF Travel and Tourism Competitiveness Report 2008; (3) EIU: Egypt Travel and Tourism Profile; (4) EIU: Egypt Travel and Tourism Forecast; (5) Euromonitor GMID (6) WTTC 2008 Travel and Tourism Research: United Arab Emirates; (7) The National: Tourism should be about culture, not just dollars; (8) Tourism profile of Dubai to shift by 2010

Brazil, China, India, and Mexico represent growth markets interested in Canadian tourism offerings

Country	Competitive insight	Opportunities for Ontario
Brazil	<p>The tourism industry is underdeveloped, but is in the process of using investment dollars to increase Brazil's air transport network and build tourism infrastructure.</p> <p>Tourism activities are growing at twice the global average, and there is potential for the country to expand its market share beyond the current low level.</p>	<p>Outbound travel market expected to grow by 45% by 2011; Ontario may aim to capture some of this growth.</p> <p>As the most price-competitive market, Brazil's strategies can lend to Ontario in learning how to improve its value offering.</p>
China	<p>The tourism industry has received substantial foreign investment, and is improving its international profile by hosting international events.</p>	<p>Potential to be one of the world's largest tourist source markets, with many interested in visiting Ontario; Ontario must ensure marketing initiatives are effective once Canada achieves approved destination status from the Chinese government.</p>
India	<p>One of the fastest growing markets, with high receipts per tourist arrival. Seasonal travel is smoothed out with business tourism.</p>	<p>Ontario can learn from India's business tourism offerings to smooth out its own seasonal travel to complement the province's own initiatives, as well as learn from India's strategies to earn more revenue per tourist arrival.</p> <p>Ontario receives most of Canada's visitors from India. However, since it is a distant destination and thus a relatively expensive product to sell, Ontario must build awareness and interest among Indians, perhaps by taking advantage of the strong visiting friends and relatives connection to increase tourist numbers.</p>
Mexico	<p>Tourism is a high priority industry for country's economy, and many promotion initiatives are in place to increase tourist spend. Like Ontario, domestic travelers constitute a significant portion of tourist arrivals.</p>	<p>Mexicans enjoy visiting Canada; however, spend per tourist arrival is quite low. OTMPC has recommended Ontario position itself against the US as a premium destination.</p>

Ontario can improve its tourism offering by adapting competitive strategies employed in other markets

Country	Competitive insight	Opportunities for Ontario
Russia	<p>Investment in infrastructure is key to future tourism growth, which is being facilitated with government incentives.</p> <p>The industry is current challenged with developing an attractive and cohesive Russian brand, overcoming negative tourist perceptions.</p>	<p>Like Russia, Ontario also needs to develop a cohesive and attractive brand; the province should keep abreast to upcoming Russian strategies to adapt domestically.</p> <p>As incomes increase, Russians are traveling abroad at an increasing rate, and are one of the highest tourism spenders. Ontario can target these high-revenue-potential travelers; .</p>
South Korea	<p>Government involvement in the industry establishes high growth goals and executes through public investment and financial incentives. Tourist arrivals targeted at 10 million by 2012, representing growth of over 50% from 2007.</p>	<p>Strong economic growth and rising wealth has resulted in increasing outbound travel numbers. South Koreans are very connected, suggesting that Ontario use technology as a communications and advertising medium.</p> <p>South Koreans also visit Canada in the winter, lending Ontario incentive to promote seasonal destinations to this audience.</p> <p>Currently, flights are at capacity bringing South Koreans to Canada, suggesting that expansion may be necessary before targeted marketing efforts.</p>
Eastern Europe represented by Croatia and the Czech Republic	<p>Strong ground and tourism infrastructure is facilitating effective product access. Croatia and the Czech Republic have increased tourism receipts significantly in recent years.</p>	<p>Outbound destinations are becoming more accessible due to improved air travel and rising disposable incomes.</p> <p>Czechs are traveling abroad for longer periods of time and spending more, suggesting that this may be a profitable market for Ontario to target.</p>
Middle East represented by Egypt and the UAE	<p>Egyptian and UAE governments have made tourism a priority, with Egypt aiming to double its international arrivals by 2015, and UAE increasing government expenditure in the industry by over 6% annually.</p>	<p>Ontario can learn from Egypt how to revitalize its tourism industry, and adapt investment-attraction strategies from UAE.</p>

Appendices

Appendix A: Glossary of terms

ADS: Approved destination status

ATDI: Adventure tourism development index

Average room rate: Revenue divided by the number of rooms sold

DMO: Destination marketing organization

LQ: Location quotient

MOT: Ontario Ministry of Tourism

MICE: Meetings, incentives, conferences, and exhibitions

NOI: National Quality Institute

OTMPC: Ontario Tourism Marketing Partnership Corporation

OTCS/The Study: Ontario Tourism Competitiveness Study

PRD: Premier-ranked destinations

RevPAR: Revenue per available room (calculated as total room revenue divided by the number of available rooms)

T&T: Travel and tourism

TTCI: Travel and Tourism Competitiveness Index

UAE: United Arab Emirates

VFR: Visiting friends and relatives

WEF: World Economic Forum

WTO: World Tourism Organization

WTTC: World Travel and Tourism Commission

YTD: Year-to-date

Appendix B: Research sources

Primary Research

- Deloitte
- OTMPC
- George Brown College
- TIAC
- Tourism Toronto

Secondary Research

Global trends and drivers

- 4 Hoteliers: "Travelers Predict '08 Trends"
- CBC: "Canadians are vacation deprived"
- Current Performance Indicators for Ontario's Tourism Industry
- CTC Tourism Snapshot
- Deloitte: Destination Canada
- Deloitte: Hospitality 2010
- Deloitte: Making it Happen
- Deloitte: Transparency and Vigilance
- EIU 2008 Country Monitor Reports
- ETC: Tourism Trends for Europe
- International Journal of Contemporary Hospitality Management (vol.20, no.3)
- Martin Lohmann: "New Demand Factors in Tourism"
- Ministry of Tourism: "Ontario's Overseas Travel Markets"
- NTA Travel: "Tourism Realities for a New Demographic Ballgame"
- Ontario Regional Tourism Profile 2006
- Ontario Tourism Competitiveness Study
- Ontario Tourism Outlook (2008-2012)
- People and Planet: Global Tourism
- Scotia Economics Industry Trends
- Smith Travel Research: Top 28 North American Cities Hotel Data
- Statistics Canada International Travel: Advance Information (May 2008)
- Tourism Concern UK
- Tourism Quick Facts
- Travel Activities and Motivations of Canadian Residents
- WTO Tourism Highlights 2007
- WTTC 2008 Travel and Tourism Research: United Arab Emirates Primary Research
- WTTC Progress and Priorities 2008/09

Success Measures

- A Strategy to Develop the Tourism Industry in Durham Region
- EIU: Brazil Travel and Tourism Profile
- EIU: Czech Republic Travel and Tourism Forecast
- Excellence in the Canadian Tourism Industry
- George Washington University: Adventure Tourism Development Index
- Industry Canada: "Using Market Research and Marketing Measurement for Successful Tourism Destination Marketing"
- Kangaroo Island Tourism Optimization Management Model
- New Zealand Ministry of Tourism: Performance Indicators Toolkit
- Statistics Canada: "Excellence in the Canadian Tourism Industry"
- Statistics Canada: National Tourism Indicators (NTI)
- Tourism Tasmania Strategic Business Plan
- WEF Travel and Tourism Competitiveness Report 2008

Niche products

- 4 Hoteliers: "Travelers Predict '08 Trends"
- Canadian Tourism Commission: "Finding your (new) niche"
- Caribbean Tourism Organization
- Deloitte: Hospitality 2010
- Deloitte: Medical Tourism
- Excellence in Canadian Tourism Industry
- India Ministry of Tourism Annual Report 2007-08
- Marina Novelli: "Niche Tourism"
- The International Ecotourism Society: "Ecotourism Fact Sheet"
- Travel Industry Today: "Looking Good: G.A.P. helps treat blindness in Tibet"

Emerging markets

- Chinese Bureau of Statistics: Tourist Arrivals by Sex, Age, and Purpose
- Consumer and Travel Trade Research in China
- CTC Tourism Snapshot (2007)
- Deloitte: Executive Report (Summer/Autumn 2008)
- EIU: Brazil Travel and Tourism Forecast
- EIU: Brazil Travel and Tourism Profile
- EIU: China Travel and Tourism Forecast
- EIU: China Travel and Tourism Profile
- EIU: Czech Republic Travel and Tourism Profile
- EIU: India Travel and Tourism Forecast

- EIU: India Travel and Tourism Profile
- EIU: Mexico Travel and Tourism Forecast
- EIU: Mexico Travel and Tourism Profile
- EIU: Russia Travel and Tourism Forecast
- EIU: Russia Travel and Tourism Profile
- EIU: South Korea Travel and Tourism Forecast
- EIU: South Korea Travel and Tourism Profile
- EIU: Travel and Tourism Profiles and Forecasts
- Gov't to Boost Support for Tourism Industry
- IPK Global Travel Trends 2006
- Korea Takes Aim at Top 10 Tourist Destination
- OTMPC: India Market Profile
- OTMPC: Quantitative Study of Mexican Outbound Travelers
- Research and Markets
- Scotia Economics Industry Trends
- SINET: Indian Medical/Health Tourism Service Sector Network Report
- TIAC: The Report on Canada's Tourism Competitiveness
- Toronto Star: "Toronto a hot spot for Mexican tourists"
- Tourism and Sustainability in Brazil
- Tourism BC: China Profile
- Tourism BC: South Korea Market Profile
- WEF Travel and Tourism Competitiveness Report 2008
- World Travel Guide: Croatia Travel Guide
- WTO Tourism Highlights 2007
- WTO: "Emerging Market Tourism – The Coming Economic Boom"
- WTTC 2008 Travel and Tourism Research: Croatia
- WTTC Progress and Priorities 2008/09
- Xinhua News Agency: "Overseas capital steps flowing into China's tourism industry"

Appendix C: Further performance measures research suggested

	Location
Euromonitor <i>The World Market for Tourism Flows Inbound</i>	http://www.euromonitor.com/The_World_Market_for_Tourism_Flows_Inbound
Business Monitor International <i>Country Tourism Reports for 26 Global Markets</i>	http://www.businessmonitor.com/tourism/
IPK International <i>Travel Market Reports & Traveler Data</i>	http://www.ipkinternational.com/en/business-sectors/world-european-travel-monitor-data/travel-reports-products/
European Travel Commission <i>Handbook on Tourism Market Segmentation</i>	http://www.etc-corporate.org/modules.php?name=Content&pa=showpage&pid=221
National Quality Institute <i>Framework for Excellence Training Course</i>	http://www.nqi.ca/courses/course_details.aspx?ID=3
World Tourism Organization <i>International Conference Measuring Tourism Economic Contribution at Sub-national Levels: October 29-31, 2008</i>	http://http://www.iafet.com/inicio.asp?idioma=ing
Smith Travel Research <i>Global Trends Reports</i>	http://www.smithtravelresearch.com/SmithTravelResearch/products/BrowseAllCustom.aspx

Appendix D: TTCI pillars

1. Policy rules and regulations
2. Environmental sustainability
3. Safety and security
4. Health and hygiene
5. Prioritization of Travel & Tourism
6. Air transport infrastructure
7. Ground transport infrastructure
8. Tourism infrastructure
9. ICT infrastructure
10. Price competitiveness in the T&T industry
11. Human resources
12. Affinity for Travel & Tourism
13. Natural resources
14. Cultural resources

Source: WEF Travel and Tourism Competitiveness Report 2008

Deloitte.

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