

# IMPACT OF COVID-19 ON THE CANADIAN ECONOMY AND CONSUMER SENTIMENT - as of July 16, 2020

To better understand the impact of COVID-19 on the economy, the consumer mindset and to inform marketing recovery strategies, Destination Ontario has accessed various economic and public attitude and behaviour studies.

## EXECUTIVE SUMMARY AS OF JULY 16, 2020

*According to the weekly Ipsos Canada Tracking Report #19, Updated: July 16, 2020)*

- **42%** of Canadians are worried about losing their job, this has remained stable from 40% observed in the June 12 – 15 wave of data
  - This perception is higher in Ontario with **46%** of Ontarians being worried about losing their job, this has remained stable from 45% observed in the June 12 – 15 wave of data
- Likelihood of travel within their own province has remained stable in Ontario
  - **35%** of Ontarians are likely to avoid travel even within their own province, this has remained the same at 35% observed in the June 12 – 15 wave of data

*According to Destination Ontario's Resident Sentiment Survey Report, Updated July 14, 2020*

- Ontario sentiment remains unchanged across all levels towards visitors outside of their community
- Compared to other provinces, Ontario is the least welcoming of visitors from other communities near them and from other parts of Ontario

*According to Destination Ontario's Sentiment Toward Tourism Advertisement Survey Report, Updated July 14, 2020*

- Compared to other provinces, Ontario is the least receptive of seeing advertising promoting their communities

# DESTINATION ONTARIO

An Agency of the Government of Ontario

- Ontarians overall are **very unhappy** (net level of happiness of **-19**) to see advertisements promoting their community as a place for visitors to come when it is safe, **decreased** from **-4** reported in June 16 report
  - Both rural and urban Ontario residents saw a **significant decrease** level of happiness at net level of **-30** and **-16**, respectively, to see tourism advertisements about their community compared to **-4** for both reported in June 16 report

*According to Leger Research's national pandemic tracker study results from July 10 – 12, 2020 reported*

- Ontarians overall **remained comfortable** with outdoor activities that allowed for better physical distancing and with protective measures in place
- Ontarians overall saw a **significant decrease** in feeling comfortable flying on an airplane or travelling to the United States compared to previous June 16 report

*According to Google Travel Intent survey online poll results ending July 10, 2020*

- **28%** of Canadians are looking at booking a domestic trip in the next three months
- **19%** of Canadians are looking at booking a domestic trip after a year from July 10, 2021
- **16%** of Canadians are interested a major city travel destination
- **14%** of Canadians are interested in a small-town travel destination

*According to Google's recovery signal dashboard based on search query data, as of July 11, 2020*

- Overall, travel related search queries remain strong in Canadian searches pertaining to flight and accommodations in Canada
  - Consistent strong growth in domestic demand for vacation rentals at +121% in the last 30 days year-over-year
  - Domestic travel search for hotels returning to pre-COVID levels

*According to Google's Global Travel Intent survey based on data as of July 10, 2020*

- In the UK, Germany and France, less than 12% polled in each country regarding booking window for an international trip, intend to book an international trip within the next year

# DESTINATION ONTARIO

An Agency of the Government of Ontario

## FORECASTED OUTCOMES

### **Estimated Impact of International to Travel in Canada<sup>1</sup>: (As of June 23, 2020)**

As of June 23, 2020, based on data from payment cards, Statistics Canada, cancellations of previously planned trips, new bookings and forward-looking scheduled air capacity, Destination Canada projected:

- Ontario's lost tourism export revenue from January to September compared to 2019 is \$3,998.6M
- Destination Canada projected Canada's lost tourism export revenue from January to September compared to 2019, on a market by market bases, is outlined below.
  - U.S.: \$7,450.2M
  - Mexico: \$425.1M
  - United Kingdom: \$867.0M
  - France: \$526.7M
  - Germany: \$380.0M
  - India: \$228.4M
  - China: \$1,157.7M
  - South Korea: \$224.2M
  - Japan: \$301.9M
  - Australia: \$455.8M

## MACRO-ECONOMIC OUTLOOK:

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

### **CANADA:**

Ipsos' public attitude and behavioural online poll results from June 16, 2020 reported<sup>2</sup>:

### **Personal Impact and National Threat<sup>2</sup>**

*Threat perception indicators have remained stable over the past month across Canada*

- **63%** Canadians believe COVID-19 will have a personal financial impact on them and their family, this has remained stable from 64% observed in the June 12 – 15 wave of data
  - **66%** of Ontarians worry about their personal financial impact, this has remained

# DESTINATION ONTARIO

An Agency of the Government of Ontario

stable from 65% observed in the June 12 – 15 wave of data

- **44%** of Canadians perceive the virus as a threat to Canada, this has remained stable from 43% observed in the June 12 – 15 wave of data
- **42%** of Canadians are worried about losing their job, this has **remained stable** from 40% observed in the June 12 – 15 wave of data
  - This perception is higher in Ontario with 46% of Ontarians being worried about losing their job, this has **remained stable** from 45% observed in the June 12 – 15 wave of data
- **89%** of Canadians feel the coronavirus will lead to a recession, this has worsened from 86% observed in the June 12 – 15 wave of data

## Perceived Big Global Economic Impact<sup>2</sup>

- **93%** of Canadians foresee an impact on the financial markets and global economy, this has **remained stable** from 92% observed in the June 12 – 15 wave of data
- **30%** of Canadians think their job or business is threatened by COVID-19, this has **remained stable** from 31% observed in the June 12 – 15 wave of data

## The Virus is Seen as a Long Way from Being Contained<sup>2</sup>

- **71%** of Canadians agree that they won't feel safe till a vaccine is developed, this has **worsened** from 68% observed in the June 12 – 15 wave of data

## TRAVEL OUTLOOK:

### CANADIAN TRAVEL OUTLOOK:

Ipsos' public attitude and behavioural online poll results from July 14, 2020 reported<sup>2</sup>:

- **78%** of Canadians are not comfortable taking a vacation this year, regardless of when the pandemic ends, this has worsened from 74% observed in the June 12 – 15 wave of data
- **Perceived risk of activities has improved**
  - **20%** of Canadians now consider travelling within their province risky, this has improved from 30% observed in the June 12 – 15 wave of data

# DESTINATION ONTARIO

An Agency of the Government of Ontario

- **46%** of Canadians now consider restaurants risky, this has worsened from 40% observed in the June 12 – 15 wave of data
- **30%** of Canadians shopping malls risky, this has improved from 40% observed in the June 12 – 15 wave of data
- Net intent to travel to other provinces remains negative and in line with data seen over the past two months, especially with Ontario and Quebec being the most impacted (currently the provinces worst-hit by the pandemic)
- Likelihood of travel within their own province has remained stable in Ontario
  - **35%** of Ontarians are likely to avoid travel even within their own province, this has remained the same at 35% observed in the June 12 – 15 wave of data
- While Canadians say the pandemic has made them less supportive of tourism, this number has improved for intra-provincial tourism (i.e. visitors travelling to their community):
  - **34%** of Canadians are currently not supportive of intra-provincial tourists, this has remained stable, 36% observed in the June 12 – 15 wave of data
  - **81%** of Canadians are currently not supportive of US tourists, this has worsened from 71% observed in the June 12 – 15 wave of data
  - **78%** of Canadians are not supportive of International tourists, this has worsened from 71% observed in the June 12 - 15 wave of data

Destination Canada's resident sentiment survey study results from July 14 reported<sup>3</sup>:

- Ontario sentiment remains unchanged across all levels. Compared to other provinces, Ontario is the least welcoming of visitors from other communities near them and from other parts of Ontario
- **41%** of Ontarians would welcome visitors from other parts of Ontario, **increased** from 38% reported in June 16 report
- **35%** of Ontarians would welcome visitors from other parts of Canada, **increased** from 32% reported in June 16 report
- Majority of Ontarians are less welcoming of visitors travelling to their community from outside of Canada
- **7%** of Ontarians would welcome visitors from the U.S. to visit their community, **decreased** from 10% reported in June 16 report

# DESTINATION ONTARIO

An Agency of the Government of Ontario

- **9%** of Ontarians would welcome visitors from other countries, **remained steady** from 10% reported in June 16 report
- Compared to other provinces, Ontario is the least receptive of seeing advertising promoting their communities
- Ontarians overall are **very unhappy** (net level of happiness of **-19**) to see advertisements promoting their community as a place for visitors to come when it is safe, **decreased** from **-4** reported in June 16 report
  - Both rural and urban Ontario residents saw a **significant decrease** level of happiness at net level of **-30** and **-16**, respectively, to see tourism advertisements about their community compared to **-4** for both reported in June 16 report

Leger Research's national pandemic tracker study results from July 10 – 12 reported<sup>4</sup>:

- Ontarians feel comfortable with activities with protective measures in place:
  - 81% going to farmers' markets, **remained the same** at 81% reported in June 19 – 21 wave of data
  - 62% shopping at the mall, **remained the same** at 62% reported in June 19 – 21 wave of data
  - 38% dining in restaurants, **significantly decreased** from 47% reported in June 19 – 21 wave of data
  - 17% attending large gatherings such as sporting events, concerts or festivals, **decreased** from 22% reported in June 19 – 21 of data
  - 13% going to bars, pubs, lounges, night clubs, **significantly decreased** from 23% reported in June 19 – 21 wave of data
  - 18% flying on an airplane, **significantly decreased** from 26% reported in June 19 – 21 wave of data
  - 11% travelling to the United States, **significantly decreased** from 20% reported in June 19 – 21 wave of data

Google Travel Intent Canada survey online poll results ending July 10, 2020 reported<sup>5</sup>:

# DESTINATION ONTARIO

An Agency of the Government of Ontario

- **28%** of Canadians are looking at booking a domestic trip in the next three months, this is continued **improvement** from 24% observed in the previous June 12 report
- **8%** of Canadians are looking at booking a domestic trip in three to six months, **decreased** from 11% observed in the previous June 12 report
- **6%** of Canadians are looking at booking a domestic trip in six to nine months, **remained stable** at 6% observed in the previous June 12 report
- **11%** of Canadians are looking at booking a domestic trip in nine months to a year, this has **remained stable** from 10% reported on June 12 report
- **19%** of Canadians are looking at booking a domestic trip after July 10, 2021, **increased** from 16% observed in the previous June 12 report
- **17%** of Canadians are interested in travelling within 20 miles of their home, this is an **increased** from 15% observed in the previous June 12 report
- **5%** of Canadians are interested in a travel destination anywhere in their region, **remained stable** at 5% reported on June 12 report
- **43%** of Canadians are interested in a travel destination anywhere in Canada, this has **remained stable** from 42% observed in the previous June 12 report
- **16%** of Canadians are interested a major city travel destination, **remained stable** from 15% observed in the previous June 12 report
- **14%** of Canadians are interested in a small-town travel destination, **remained stable** from 15% observed since June 12 report
- **28%** of Canadians are interested in a rural travel location, this is a **continued increase** from 23% observed in the previous June 12 report
- **11%** of Canadians are interested in a beach destination, this has **decreased** from 15% observed in the previous June 12 report

Canada Travel Related Recovery Signals<sup>6</sup> (As of July 11, 2020):

Google's recovery signal dashboard based on search queries grouped into three categories: 1. dining (interested in/going to restaurants) searches, 2. travel activity (museums, wineries, camping, etc.) searches and 3. travel (flight, hotel/accommodations) searches reported:

- Overall, travel related search queries remain strong in Canadian searches pertaining to flight and accommodations in Canada
  - Consistent strong growth in domestic demand for vacation rentals at +121% in the

# DESTINATION ONTARIO

An Agency of the Government of Ontario

- last 30 days year-over-year
  - Domestic travel search for hotels returning to pre-COVID levels
- Overall Canadian travel search queries have reached 2019 levels
- Overall Ontario travel search queries have reached 2019 levels
- Overall trend line is **continuous uptick** in Canadian searches pertaining to travel activities such as winery and museum queries related to Canada
- Overall trend line is **continued uptick** in Ontario searches pertaining to travel activities such as winery and museum queries related to Ontario

## U.S. TRAVEL OUTLOOK:

Google's U.S. COVID-19 & Travel Intent survey online poll results ending July 13, 2020 reported<sup>7</sup>:

- **81%** of Americans will be very unlikely engage in any travel in the next 2 weeks, **worsened** from 79% in the previous June 15 report
- **66%** of Americans will be very unlikely to engage in any travel in the next 3 months, **worsened** from 62% in the previous June 15 report
- **7%** of Americans will book travel only in North America the next 3 months, **decreased** from 10% in the previous June 15 report
- **60%** of Americans will not book a flight under any circumstances in the next 3 months, **worsened** from 58% in the previous June 15 report
- **48%** of Americans will not book a hotel under any circumstances in the next 3 months, **remained stable** at 48% in the previous June 15 report

U.S. Travel Related Recovery Signals<sup>6</sup> (As of July 11, 2020):

Google's recovery signal dashboard based on search queries grouped into three categories: 1. dining out searches, 2. travel activity searches and 3. travel (flight, hotel/accommodations) searches reported:

- Overall trend line is **slight decline** in U.S. searches pertaining to Canadian travel search queries since June 21, 2020
- Overall trend line is **stable activity** in U.S. searches pertaining to Ontario travel search queries

## INTERNATIONAL TRAVEL OUTLOOK:

# DESTINATION ONTARIO

An Agency of the Government of Ontario

Google Travel Intent survey online poll results ending July 12, 2020 reported<sup>5</sup>:

United Kingdom's booking window perception for international trip<sup>5</sup>:

- **8%** of British people are booking in the next three months, this has **increased** from 6% observed in the June 12 report
- **12%** of British people are booking in 9 months to a year, this has **increased** from 10% observed in the June 12 report
- **19%** of British people are booking after July 12, 2021, this has **decreased** from 22% since June 12 report

Germany's booking window perception for international trip<sup>5</sup>:

- **12%** of Germans are booking in the next three months, **increased** from 9% since June 12 report
- **5%** of Germans people are booking in 9 months to a year, **remained stable** from 5% since June 12 report
- **13%** of Germans people are booking after a year from June 12, 2021, **remained stable** from 12% since June 12 report

France's booking window perception for international trip<sup>5</sup>:

- **5%** of French people are booking in the next three months, **decreased** from 7% since June 12 report
- **4%** of French people are booking in 9 months to a year, **remained stable** from 4% since June 12 report
- **11%** of French people are booking after July 12, 2021, **remained stable** from 11% since June 12 report

# DESTINATION ONTARIO

An Agency of the Government of Ontario

## Sources:

1. Destination Canada COVID-19 Impact and Recovery Report: International Summary, Updated: June 23, 2020
2. Ipsos Coronavirus – Canada Tracking #19 Report July 17, 2020: an online poll between July 10 – 13, 2020, among a random sample of N=1,450 adult Canadians (credibility interval +/-2.9%, 95% of the time), including an oversample to bring Ontario to N=800 (credibility interval +/-4.0%, 95% of the time)
3. Destination Canada Resident Sentiment Survey Report, July 14, 2020, N~1,800 adult Canadians and each minimum N=200 for each province
4. Leger National Weekly Pandemic Tracker Report, July 14, 2020, in field July 10 – 12, N=1,830 all respondents
5. Google Global Travel Intent Survey – online survey between April 10 – July 10, 2020 each N~1,000
6. Google Recovery Signals Dashboard, data updated until July 11, 2020
7. Google U.S. COVID-19 & Travel Intent Report, Wave 15 Results completed July 10 – 13, 2020, N~1,000