Travel and Tourism During COVID-19
Consumer Research

February 2021
Introduction

We are in the midst of a deadly pandemic which, for nearly a year, has brought travel and tourism to mostly a standstill. The Coronavirus pandemic is a health crisis which has no real comparison in modern history. It is not confined to any particular place or time; as long as the virus is somewhere, it is everywhere.

COVID-19 has impacted every facet of life and has hit the tourism sector particularly hard. Travel has helped spread the virus, and efforts to control its spread include measures by all levels of government which restrict travel, ranging from total bans of non-essential travel to strict testing and quarantines for those who do travel. These measures will continue to impact the re-start and recovery of the tourism sector for the foreseeable future.

The quickly changing nature of the pandemic, including the emergence of even more contagious virus mutations, has been creating a high level of uncertainty; and while it is obvious by now that many things are different as we live with COVID-19, many long-term effects of the pandemic – in terms of people’s health, economic recovery, consumer behaviour or travel infrastructure – are much more uncertain at this stage.

All of us are faced with a unique moment in our lives; and consumers and potential travellers are changing to adapt to the new reality. Crises are often a catalyst for change, accelerating changes that were already happening as well as steering life in some new directions. There is no doubt that consumers’ re-setting their priorities and values will greatly impact travel decisions and likely result in an elevated sense of appreciation of future travel opportunities and the realization that travel is a gift, not a given. For travellers and travel providers alike, it will not be business as usual.

This report summarizes current consumer and travel research to analyze consumer attitudes during COVID-19 and resulting consumer behaviour and trends as well as their impact on travel and tourism. However, due to the unpredictability of the pandemic, looking into the future is challenging and any conclusions are only reflective of what we know today.
What Does the Future Hold?

“We are in uncertain times, so let’s be cautious about making predictions, especially since people’s own assumptions about their future behaviors may not always be accurate.”

(EY: Future Consumer Index)
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   • Level of comfort with certain activities

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The Consumer Mindset

Canadians who are afraid of contracting the Coronavirus (Leger Feb 1)
- Canadians who feel the worst of the COVID-19 crisis ... (Leger Feb 1)
  - is yet to come: 21%
  - is behind us: 13%

Canadians who rate their mental health as good (Leger Feb 1)
- Canadians who think life in Canada goes back to normal ...
  - Spring or summer 2021: 7%
  - Fall 2021 or later: 72%

Canadians who are pessimistic that Canada will get COVID-19 under control by the summer of 2021 (IPSOS Jan 2021)
- Canadians who are pessimistic their family will be in a better position post-COVID than it was prior to COVID (IPSOS Dec 31)
  - pessimistic: 39%

*Angus Reid Feb 3; **Narrative Research Q4 2020 *
The Consumer Mindset

Global citizens who rank COVID-19 as one of the most worrying issues (IPSOS Jan 2021)

British who think the worst of the COVID-19 situation is still to come (BVA Jan 2021)

Americans who feel the pandemic situation in the U.S. will get worse in the next month (Destination Analysts Jan 17)

Global citizens who think it is unlikely that life will get back to normal after the effects of the COVID-19 pandemic (IPSOS Nov 2020)

Global citizens who agree that the COVID-19 outbreak has been contained and will soon be over (IPSOS Nov 2020)

British who anticipate life will return to something close to normal by end of 2021 (BVA Jan 2021)
The Consumer Mindset

Satisfaction with measures put in place to fight COVID-19 - % satisfied (Leger Feb 1)

- Federal response (all Canadians) 54%
- Federal response (Atlantic Canadians) 76%
- Provincial response (all Canadians) 58%
- Provincial response (Atlantic Canadians) 85%
- Provincial response (Ontario) 53%
- Provincial response (Quebec) 80%
- Provincial response (Alberta) 26%

Canadians who feel that restrictions in their community go too far (Angus Reid Feb 3) 28%
The Consumer Mindset

Canadians who think that the government should ban international travel until there are several consecutive days of reduced numbers of COVID-19 cases (Leger Feb 1)

87%

Canadians who agree with the new safety measures* for travellers coming/returning to Canada (Leger Feb 1)

86%

Canadians who would prohibit all international travel: no flights, other transport in or out of Canada (Angus Reid Jan 14)

65%

Global citizens who agree that their country should close their borders and not allow anyone in or out until COVID-19 is proven to be contained (IPSOS Nov 2020)

67%

* suspended flights to sun destinations, mandatory stay at designated hotel announced January 29 by federal government
• While part of many locals’ lives, there are many activities that are also essential components of travellers’ trip experiences, such as dining in restaurants or attending large gatherings.

• When it comes to travel-related activities, Canadians currently feel somewhat more comfortable than they did in the Spring of 2020, however, with the exceptions of dining in restaurants, comfort levels with many of these activities are still generally very low, with only one in five to one in three Canadians feeling comfortable to fly internationally or domestically, going to bars and pubs or attending large gatherings.

• While Ontarians and those age 55 or older are generally the least comfortable with these activities, younger Canadians age 18-34 feel the most comfortable.

• Travelling itself, especially internationally, is also not an activity with which many Canadians would feel comfortable right now.

The Consumer Mindset

Canadians who would feel comfortable doing once protective COVID-19 measures are lifted (Leger Feb 2)

- Dining in restaurants: 63%
- Flying on an airplane: 33%
- Attending large gatherings: 30%
- Going to bars, lounges, pubs: 24%
- Travelling to the United States: 28%

Canadians who would be comfortable travelling internationally in 2021 (IPSOS Jan 16): 30%

Canadians who are likely to use ...

- International air travel: 21%
- Domestic air travel: 20%
- Ferry: 18%
Shifts in Consumer Values and Behaviour

**New and accelerated consumer priorities**

- **Health / wellness, balanced life**
- **Virtual before physical**
- **Value of personal space**
- **Desire for community and localism**
- **New era of frugality**
- **Desire for equality and equity**
- **Prioritizing meaningful experiences over material products**
- **Environmental protection, commitment to sustainability**

- The pandemic has led consumers to a new understanding of themselves and their priorities, making it inevitable for their values and behaviour to experience significant changes.
- The pandemic has emphasized the importance of health and balanced lifestyles, while staying at home has made consumers savvier in the digital world, with the digital lifestyle expected to stay.
- As the pandemic has shrunk people’s worlds, they have become more dependent on their closest family, neighbours and communities while the exposure of social inequities and environmental damage has increased the desire to rebuild a more equitable, greener and sustainable world.
- The trend towards experiences over products has taken hold more than ever as consumers seek emotional rewards beyond traditional material ownership.
- The heavy economic toll will likely result in long-term financial restraint and a change in spending habits and priorities.
• With most Canadians’ mindsets solidly grounded in realism when it comes to COVID-19 and the measures taken to fight it, it is not surprising that their expectations for travel in the short-term and in the post-COVID world are impacted by their pandemic experiences.

• While a majority of Canadians feel that travel itself, especially international travel, is still off limits in 2021, being able to do so is one of the top things which Canadians are excited about the most once COVID restrictions are relaxed.

• The desire to travel or taking a vacation again after the pandemic is only topped by the desire to do regular things without stress, experiencing physical contact and seeing family and friends.

• With the currently heavy restrictions placed on crossing global borders and a generally high level of discomfort with travelling internationally, Canadians will be much more likely to travel abroad rather than at home in Canada after the pandemic.

Expectations for 2021 / Post-COVID

Canadians who think the Canada-US Border will re-open for regular travel in 2021 (Leger Jan 4)

Canadians who think they will take a vacation outside Canada in 2021 (Leger Jan 4)

Canadians who think they will attend a live concert or sporting event in 2021 (Leger Jan 4)

Canadians who are most excited about seeing friends and family again once the COVID-19 restrictions are relaxed (Leger Jan 4)

Canadians who are most excited about taking a vacation again once the COVID-19 restrictions are relaxed (Leger Jan 4)

Canadians who look forward the most to ... after COVID (Angus Reid Dec 22)

... travelling internationally

... travelling around Canada
Will They Travel?

There are signs of pent-up travel demand ...

Global travellers who had to cancel a planned trip due to COVID-19 (Expedia Oct 2020) - 60%

Global travellers who feel positive about taking a trip in the next 12 months (Expedia Oct 2020) - 50%

Canadian out of province travellers who are likely to take a domestic out-of-province trip in 2021 (DC Nov 2020) - 40%

American travellers planning to change upcoming travel plans due to COVID-19 (Longwoods Jan 26) - 68%

NL residents who would plan to travel in-province if COVID-19 travel restrictions were lifted tomorrow (TCAR Dec 2020) - 63%

Americans who have travel plans in the next 6 months (Longwoods Jan 26) - 63%

Canadians who miss travel and can’t wait to get out and travel again (DC Nov 2020) - 61%
Will They Travel?

... But there are also signs of uncertainty and discomfort when it comes to travelling

Canadians who will consider a destination’s Coronavirus infection rate when booking future travel (CBoC Oct 2020)

80%

Canadians who feel safe travelling now (DC Nov 2020)

16%

Canadians who are not comfortable to travel to other parts of Canada until there is a vaccine (DC Nov 2020)

21%

Canadians who feel uncertain about taking a trip in the next 12 months (Expedia Oct 2020)

70%

Canadians who are pessimistic that they’ll be able to travel internationally in 2021 if they want to (IPSOS Jan 2021)

69%

Canadians who are discouraged by health risks from travelling in Canada (DC Nov 2020)

47%

Canadian in-province travellers who are likely to take an in-province trip in 2021 (DC Nov 2020)

28%

• The extent to which pent-up demand for travel will translate into actual bookings, and when people will actually travel, is heavily dependent on governments’ ongoing responses to the pandemic, with COVID case loads at destinations and at home also being considered when making future travel plans

• There is still a high level of discomfort and uncertainty with travel, with only 16% of Canadians feeling that it is safe to travel now

• As well, nearly half of Canadians are discouraged from travelling at home by the current health risks and don’t feel confident at all that they could travel internationally in 2021 even if they wanted to

• Furthermore, one fifth of Canadians would not feel comfortable to travel within Canada until there is a vaccine and only one in three are likely to travel in their own province
Will They Travel?

... But there are also signs of uncertainty and discomfort when it comes to travelling

American travellers who feel travel and leisure activities are unsafe at the moment (Destination Analysts Jan 17)

49%

Americans who feel that COVID-19 will impact their decision to travel in the next 6 months (Longwoods Jan 26)

67%

American travellers who are interested in trips that include visits to foreign countries in 2021 (Destination Analysts Jan 17)

40%

Americans who are changing or canceling plans for travel (IPSOS Jan 20)

53%

British who feel uncertain about taking a trip in the next 12 months (Expedia Oct 2020)

67%

British who won’t book an overseas holiday until they, their family or a significant proportion of the population has been vaccinated (BVA Feb 2021)

63%
Travel Outlook 2021

Short/mid-term travel outlook subdued

Canadians who do not intend to take an overnight trip between November and April (CBoC Oct 2020)

Canadian domestic travellers who are not planning to travel in 2021 (DC Nov 2020)

Canadians who plan to travel within Canada less than last year for their vacation in 2021 (DC Nov 2020)

Canadians who plan to stay home more than last year for their vacation in 2021 (DC Nov 2020)

Canadians who feel comfortable travelling ... by Summer 2021 (DC Nov 2020)

... in own province

... to other parts of Canada

NL residents who would travel again in-province in 2021 based on their 2020 in-province trip experience (TCAR Nov 2020)

- With the COVID-19 pandemic worse now than in March 2020 when it began to impact travel, 2021 will be another challenging year for tourism; with many jurisdictions not easing their travel restrictions and non-essential travel discouraged, there are few signs of near-term relief for travel and tourism
- Travel is likely to stay local and domestic in the short / mid term, with operators potentially benefiting from increased domestic demand that would have otherwise been outbound
- While Canadians’ travel attitudes tend to lean towards travelling less at home in 2021 than in 2020, there is greater potential for in-province trips, with more Canadians feeling comfortable to travel in their own province than to other parts of Canada
- In-province travel will, in part, likely be supported by Canadians’ desire to visit destinations that they know well or have already visited rather than going to those they have never visited before
Can They Afford to Travel?

- Generally, pleasure travel is dependent on available discretionary household funds which have been impacted to varying degrees by the COVID-19 pandemic.
- Even if consumers want to travel and feel comfortable to do so, their financial ability to afford travel will have a great impact on tourism’s recovery.
- The economic damage caused by the COVID-19 pandemic is significant across all markets and most age groups, and with the number of economic factors such as consumer confidence, job security, debt levels and disposable income driving travel decisions, the effect of these factors on future travel will only be magnified.
- It is uncertain at this stage which way the scales will tip...
It’s the Economy ...

Global citizens who are concerned about their ability to pay their bills (IPSOS Dec 2020)

Global citizens who experienced increased anxiety around job security due to the COVID-19 pandemic (IPSOS Dec 2020)

Canadians who agree they are worried about the effect of COVID-19 on their savings and retirement plans (IPSOS Jan 14)

Canadians who are concerned about their current level of debt (IPSOS Jan 18)

Canadians who feel they are financially worse off now than a year ago (CBoC Oct 2020)

Canadians who have taken on more debt as a direct result of the pandemic (IPSOS Jan 18)

NL residents who experienced a dramatic/big impact of the pandemic on their household finances (TCAR Nov 2020)

Americans who accumulated more debt due to the current pandemic (Harris Poll Jan 25)
Considering the economic impact of COVID-19 on consumers, the central question for tourism’s recovery will not only revolve around who is comfortable to travel but, more importantly, around who will have the financial means to travel and spend money at destinations.

There is evidence across the globe that travel potential will be curbed to some extent by financial considerations for the next six to 12 months.

Indications of increased travel costs, including potentially costly quarantines and testing requirements, combined with the consumer trend towards increased frugality, available travel budgets will play an increasingly important role in travel decisions.

With one third of Canadians indicating that they are discouraged from domestic travel due to costs, as well as Canadians more likely to spend less on vacations than before COVID-19, meeting budget conscious travellers’ needs will be essential for tourism’s recovery.

It’s the Economy …

Americans who feel that the economy will impact their decision to travel in the next 6 months (Longwoods Jan 26)

Germans who are not travelling in the next 12 months due to financial considerations (Phocuswright Oct 2020)

British who are not travelling in the next 12 months due to financial considerations (Phocuswright Oct 2020)

Americans who are most concerned about their financial situation affecting their future travel plans (MMGY Global Dec 2020)

Canadians who are discouraged from travelling within Canada due to costs (DC Nov 2020)

Canadians who will spend … than they did on vacation pre-COVID-19 (DC Nov 2020)

NL residents who will not take an in-province overnight pleasure trip this winter due to financial reasons (TCAR Nov 2020)
“When it comes to resuming activities as before, it’s about your risk tolerance. There’s no magic formula.”

(Harvard global health professor Ashish Jha, cnbc.com: *When will we start traveling again?*)
From a psychological perspective, the toll of COVID-19 on people’s mental state appears quite significant, resulting in new values, priorities and behaviours.

These shifts impact significantly on how consumers feel about travel, how they will travel in the future as well as what they expect to get out of their travel experiences.

How destinations stack up in terms of guaranteeing health and safety, the opportunity to enjoy wide open spaces and the ability to avoid crowds will guide future travel decisions to a great extent.

As consumers are looking for more meaningful travel and “make trips count”, authentic experiences will be more important than ever.

In line with consumers’ desire to support local and to address inequality, it will also matter to future travellers that their travel activities benefit local people and communities, help protect nature and wildlife and boost environmental sustainability.

**What Will Matter to Travellers?**

*Top consumer considerations for destination decisions*

- **Expectation of impeccable hygiene**
- **Control of personal space**
- **Wide outdoor spaces**
- **Authenticity**
- **Local and domestic**
- **Humble smaller brands practicing local culture, sustainability and following a keen sense of community care**
Building Traveller Confidence

**Following pandemic protocols**
- Enforcing use of masks
- Vigorous cleaning / disinfecting
- Reduced capacity
- Contactless interactions
- Communication of health measures

**Flexibility**
- Full cancellation / easy refunds
- Rebooking options
- Trip protection coverage
- Pre-departure COVID tests
- Travel insurance offers

**Financial security**
- Travel budget / cost
- Easy refunds
- Deals / discounts
- Status perks

**Less populated destinations**
- Smaller / rural communities
- Crowd-less experiences
- Remote / less visited places
- Wide outdoor spaces

**Widely available vaccine**
- Integration into harmonized approach to safe travel and boost confidence
- Control and reduce the spread of COVID-19
- Mandatory for travel purposes?

- The COVID-19 pandemic and its role in the spread of the virus has brought deep changes to how people perceive and feel about travel, suggesting that there will likely be a lag between when travel restrictions are lifted and when they will feel comfortable travelling again.

- While easing restrictions and containing the spread of the virus are important considerations for travel decisions, building traveller confidence is essential to re-start tourism and can be controlled to a great degree by tourism businesses.

- Promoting and following proper COVID-19 hygiene protocols, including mask enforcement, is a leading factor in influencing travel decisions.

- As economic effects of the pandemic filter into travel decisions, consumers are looking for deals that fit their budget and seek liberal and flexible cancellation, refund and postponement options.

- A widely available and effective vaccine is paramount to boosting traveller confidence.

- Following pandemic protocols:
  - Enforcing use of masks
  - Vigorous cleaning / disinfecting
  - Reduced capacity
  - Contactless interactions
  - Communication of health measures

- Flexibility:
  - Full cancellation / easy refunds
  - Rebooking options
  - Trip protection coverage
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- Financial security:
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- Less populated destinations:
  - Smaller / rural communities
  - Crowd-less experiences
  - Remote / less visited places
  - Wide outdoor spaces

- Widely available vaccine:
  - Integration into harmonized approach to safe travel and boost confidence
  - Control and reduce the spread of COVID-19
  - Mandatory for travel purposes?
• For more than half of Canadians (56%), the COVID-19 vaccine is the only thing that will really end the pandemic for them or their households* and over three quarters are optimistic that it will be effective in containing the spread

• With the start of the vaccine rollout across the globe, willingness to take the vaccine is on the rise in most countries

• Although there are concerns about taking the vaccine (effectiveness, side effects, don’t believe they need it), vaccine hesitancy has decreased due to improved knowledge and early success

• While most people (44% globally**, 60% of Canadians*) are eager to take the vaccine immediately when it becomes available to them, this demand has created challenges for a timely distribution, making people feel that their wait to be vaccinated is too long but they do have realistic expectations that it will take several months before they can get it

*Angus Reid Jan 29; **IPSOS Jan 2021

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COVID-19 Vaccine Attitudes

| Canadians who intend to get vaccinated (Leger Feb 1) | 70% |
| Americans who intend to get vaccinated (Leger Feb 1) | 56% |
| Canadians who will take the first vaccine once it becomes available (Leger Feb 1) | 43% |
| Canadians who will wait for other vaccines (Leger Feb 1) | 32% |
| Canadians who feel comfortable receiving the COVID-19 vaccine (feel more confident than anxious) Angus Reid Jan 11 | 71% |
| Canadians who are optimistic that the vaccine will be effective at limiting the spread of COVID-19 (IPSOS Jan 2021) | 79% |
| Canadians who expect health and safety measures to remain in place after a vaccine becomes widely available (Leger Feb 1) | 68% |
| Canadians who feel their wait to be vaccinated is too long (Angus Reid Jan 11) | 52% |
• Positive attitudes towards the COVID-19 vaccine bode well for the future of travel
• A successful vaccine roll-out has been touted by many as the key to re-engage consumers with travel and research suggests that the COVID-19 vaccine appears to be the ultimate confidence builder when it comes to travelling again
• A majority of Canadians as well as potential travellers across the globe feel more comfortable travelling with a vaccine while a large share will not travel to any destination until there is a vaccine
• Interestingly, the desire to travel again also positively impacts the willingness to get the vaccine
• With the rollout of the COVID-19 vaccine promising better times for travel, it is unlikely, however, that border closures, testing and quarantine requirements, physical distancing, hygiene protocols and other policies which many see as obstacles to travel will be undone immediately

British who would feel more comfortable travelling for leisure within the next 12 months if a vaccine became available (Phocuswright Oct 2020)

Germans who would feel more comfortable travelling for leisure within the next 12 months if a vaccine became available (Phocuswright Oct 2020)

Global travellers who would be comfortable travelling if a vaccine is widely available (Expedia Oct 2020)

Canadians who will not travel outside Canada until there is a vaccine (CBoC Oct 2020)

American travellers who say the vaccine will have an impact on their travel plans (Longwoods Jan 26)

Americans who say that travel has a major or minor impact on their decision to get vaccinated (The Points Guy Feb 3)
COVID-19 Vaccine ...

... a magic bullet with serious challenges

- Sluggish roll-out in many regions
- Efficacy, long-term protection effects not yet proven
- Uncertainty whether vaccinated people can carry and transmit the virus
- No coordinated / common global approach to recognizing and sharing of vaccination information
- Vaccine hesitancy
- Mandatory requirement for travel purposes?
- Uneven global availability, “Vaccine Nationalism”

"Vaccine nationalism [...] is ultimately short-sighted and self-defeating. We will not end the pandemic anywhere until we end it everywhere."

Tedros Adhanom Ghebreyesus, Threat of vaccine nationalism reinforces global need for better pandemic planning, cbc.ca
For many businesses and communities, a tourism re-start and recovery cannot come soon enough to bring the economic benefits back to Canada as well as to the provinces and regions.

In many ways, the pandemic has been an eye-opener not only in Canada but across the globe, about how dependent we are on the benefits of tourism and how important it is to be able to enjoy unrestricted mobility.

Due to the deadly dangers of COVID-19, it must be acknowledged that re-starting tourism is impossible without the endorsement of our residents – the risk of travel bringing the virus to our communities is very real.

We need to respect how residents feel about welcoming visitors to their communities and ensure that tourism has a ‘social licence to operate’ and the support it needs from our communities.

This is another balancing act and at this stage, the scales are not yet tipping in favour of unlimited tourism …
• In general, Canadians have positive perceptions of tourism, having a strong sense of the economic benefits it holds especially for Canada overall while also recognizing it – to a somewhat lesser extent – as an economic driver in their communities and regions

• A vast majority of Canadians also believe that tourism creates growth opportunities for businesses and a significant amount of jobs while supporting a greater diversity of restaurants, attractions, events and other amenities and contributing positively to the quality of life in Canada

• As is the case with many other consumer values and perceptions, the COVID-19 pandemic has also taken its toll on how Canadians perceive tourism right now: while a third of Canadians always had a positive view of tourism in their region and have not changed it, just as many Canadians feel more negative about it since the beginning of the pandemic

Source: Tourism HR / Leger Jan 2021 (data collection October 2020)
Attitudes Towards Tourism

How important is the tourism industry to Newfoundland and Labrador’s economy?

• Much like Canadians overall, NL residents recognize and appreciate the importance of tourism, with 97% rating the sector as very or somewhat important to the province’s economy
• This sentiment has not changed compared to 2019 and August 2020

78%
Very important

19%
Somewhat important

Source: MQO Atlantic Matters Q4 (December) 2020
NL residents continue to feel cautious about visitors to their communities due to the COVID-19 pandemic.

About three quarters of residents are still feeling relatively comfortable with visitors to their community from the province.

However, fewer than half of residents would feel welcoming towards visitors from St. Pierre et Miquelon.

Only 35% would welcome other Atlantic Canadians but just one quarter would want to see other Canadians in their communities.

NL residents continue to feel very strongly that tourists from the US and other countries should not visit, with fewer than 1 in 5 feeling welcoming towards these visitors in December 2020.

Will Visitors be Welcome?

I would welcome visitors travelling to my community from...

- Other communities near me: 76% strongly agree/agree
- Other parts of my province: 73% strongly agree/agree
- St. Pierre et Miquelon: 46% strongly agree/agree
- Other Atlantic Canadian provinces: 35% strongly agree/agree
- Other parts of Canada: 24% strongly agree/agree
- The United States: 15% strongly agree/agree
- Other countries (outside of the US): 18% strongly agree/agree

Source: MQO Atlantic Matters Q4 (December) 2020
Residents’ sentiment towards visitors significantly declined in December compared to August levels, even when it comes to visitors from their own province.

Residents have also been cooling off to visitors from the Maritimes with the news of increased COVID-19 cases in the region and the Atlantic bubble being put on hold at the end of November.

When it comes to visitors from other parts of Canada, residents’ sentiment has not changed at all during the year.

Residents clearly feel not very welcoming towards visitors from other countries, including the US, although sentiment significantly improved in December compared to August.

Given the COVID-19 cases around the world, the increased level of welcoming towards international visitors seems at odds with the decline in the welcoming level residents feel towards Canadian visitors.

### Will Visitors be Welcome?

I would welcome visitors travelling to my community from ...

<table>
<thead>
<tr>
<th>% Strongly agree/Agree</th>
<th>4 May</th>
<th>29 May</th>
<th>18 June</th>
<th>19 Aug</th>
<th>14 Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>... other communities near me</td>
<td>53%</td>
<td>67%</td>
<td>74%</td>
<td><strong>90%</strong></td>
<td>76%</td>
</tr>
<tr>
<td>... other parts of my province</td>
<td>51%</td>
<td>63%</td>
<td>74%</td>
<td><strong>89%</strong></td>
<td>73%</td>
</tr>
<tr>
<td>... St. Pierre et Miquelon</td>
<td>Not asked</td>
<td></td>
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<tr>
<td></td>
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</tr>
<tr>
<td>... other Atlantic Canadian provinces</td>
<td>Not asked</td>
<td>33%</td>
<td>42%</td>
<td><strong>64%</strong></td>
<td><strong>35%</strong></td>
</tr>
<tr>
<td>... other parts of Canada</td>
<td>25%</td>
<td>24%</td>
<td>25%</td>
<td>26%</td>
<td>24%</td>
</tr>
<tr>
<td>... the United States</td>
<td>16%</td>
<td>18%</td>
<td>16%</td>
<td><strong>8%</strong></td>
<td>15%</td>
</tr>
<tr>
<td>... other countries (outside of US)</td>
<td>16%</td>
<td>19%</td>
<td>16%</td>
<td>12%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Source: MQO Atlantic Matters Q2 2020 / TCII May 2020 / TCII June 2020 / MQO Atlantic Matters Q3 2020 / Atlantic Matters Q4 2020
The significant changes COVID-19 has brought to consumer values, priorities and behaviours have left their mark on travel and tourism, creating new trends across the entire travel ecosystem.

As consumers view travel through a new lens, there is an increased level of conscientiousness about how they travel and how everyone benefits from it.

While some trends might only continue for the short or mid-term, it has become clear that in many respects, consumers and destinations do not want to go back to “the old days.”

In particular, seeking authentic and sustainable experiences as well as changes to trip length, types of destinations, travel planning and the increased use of technology throughout the visitor journey are more likely to become long-term or permanent.

As consumers seek more balanced lifestyles, so too, they are seeking a more balanced way to travel.

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### Major Travel Trends

- **Domestic, smaller, rural, less crowded, safe destinations**
- **Wellness, nature, camping, family and friends**
- **Off-peak travel, longer stays, fewer destinations per trip**
- **Reduced travel budgets**
- **Meaningful, authentic, sustainable trips, “Travel with a purpose”, giving back**
- ** Longer planning cycles, shorter booking windows**
- **Need for continuously updated information, increased role of travel agents**
- **Increased use of technology throughout the visitor journey**

- **International, long haul travel**
- **Large cruises**
- **Business travel, meetings and conventions**
- **Baby Boomers?**
- **Mass tourism, lining up with crowds for landmark attractions**
- **Personal interaction with travel providers (e.g. hotels, airlines)**
As the impact of the COVID-19 pandemic creates new consumer trends and accelerates others, businesses are challenged more than ever with the speed of the changes that are happening.

While a commitment to customer health and safety is only leveling the playing field, tourism businesses’ ability to adapt quickly, innovate and show flexibility to meet customer needs is essential to capitalize on new opportunities and to differentiate from the competition.

Societal challenges (inequality, racism, environmental damage) have been amplified by the pandemic and travel providers who can demonstrate that they are committed to addressing these issues through deeds rather than words will likely be favoured by consumers.

Understanding travellers’ reshaped sense of value is key to adapting offers to deliver memorable experiences at every stage of the visitor journey – delivering ‘value for money’ has never been more important than it is now.

Impact on Travel Providers

*It’s not going to be “business as usual”*

- Commitment to health, hygiene and safety
- New business models, flexibility and adaptability
- Innovation to generate new revenue streams
- Vastly increased role of digital, virtual, touchless
- Re-invent loyalty programs
- Memorable experiences through multiple methods
- Commitment to social responsibility, sustainability
- Value for money!
The majority of NL residents can generally be considered travellers, with 58% having taken at least one trip over the past three years, and 22% of residents having taken 4 or more trips.

There are signs of pent-up travel demand, with over half of residents missing travelling, however, residents are significantly more likely to spend less on vacation now than they did before the pandemic.

Residents would also be more likely to visit destinations they know well (60%) rather than visit new ones (38%).

While only 13% of residents would feel safe travelling now, almost two thirds indicate that they would be ready to travel in the province by the Summer which bodes well for travel potential.

Considering the share of residents waiting for a vaccine to travel, provincial tourism businesses might also benefit from residents’ travelling in-province who might otherwise go on out of province trips.

### Resident Travel Attitudes

| NL residents who miss travel and can’t wait to get out and travel again | 54% |
| NL residents who would visit destinations that they know well or have visited before | 60% |
| NL residents who would spend … than they did on vacation pre-COVID-19 | 38% (less) | 14% (more) |
| NL residents who would feel safe travelling now | 13% |
| NL residents who would feel comfortable travelling in province by Summer 2021 | 61% |
| NL residents who would not be interested in travelling to … until there is a vaccine | 30% (other parts of Canada) | 53% (the US) |

Source: Destination Canada Nov 2020
Resident in-province travellers are interested in a variety of activities and places while on a trip, with natural attractions and hiking/walking in nature topping the list.

In line with other research findings, there is also a high level of interest in local food and drink, with nature parks and live shows rounding out the top 5 interests.

Interestingly, live shows is also the top activity around which residents would plan a trip, with NL being the only province where this is the case.

To a lesser extent, residents are interested in food/drink festivals as well as breweries and wineries while camping is among the top outdoor activities.

When travelling in the province, residents are looking for destinations that they deem a safe place to visit, where they have an opportunity to relax and unwind or where they can visit with friends and family.

### Resident Travel Interests

#### Top 5 Vacation Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural attractions</td>
<td>56%</td>
</tr>
<tr>
<td>Hiking or walking in nature</td>
<td>55%</td>
</tr>
<tr>
<td>Trying local food and drink</td>
<td>51%</td>
</tr>
<tr>
<td>Nature parks</td>
<td>46%</td>
</tr>
<tr>
<td>Live shows</td>
<td>42%</td>
</tr>
</tbody>
</table>

#### Top 5 Anchor Activities

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Live shows</td>
<td>19%</td>
</tr>
<tr>
<td>Natural attractions</td>
<td>19%</td>
</tr>
<tr>
<td>Hiking or walking in nature</td>
<td>17%</td>
</tr>
<tr>
<td>Historic or heritage sites</td>
<td>16%</td>
</tr>
<tr>
<td>Camping</td>
<td>15%</td>
</tr>
</tbody>
</table>

Source: Destination Canada Nov 2020
• Although residents tend to spend their vacation time by staying home a little more this year than last year (42%), 30% are inclined to actually travel more in-province than last year, and more than half (54%) would travel in-province about the same as last year

• Just over two in five residents are likely to take a trip at home this year, with residents more likely to take a shorter trip of 1-3 nights (37%) rather than a longer trip of 4 or more nights (21%)

• In 2021, most residents are unlikely to travel for business purposes or conferences while they are most likely to travel to visit friends and relatives (38%) or for leisure/pleasure (36%)

• At 53%, residents are most likely to consider visiting the Western region which is valued for its beautiful outdoor scenery and as a great place to see wildlife in its natural habitat

• The Central region (48%) and St. John’s area (37%) round out the top 3 in-province destinations

Outlook for Resident Travel at Home

NL residents likely to take an in-province trip (any length) in 2021
NL residents planning to spend their vacation time travelling in-province more this year than last year
NL residents who would be likely to travel to visit friends and relatives
Top in-province travel destination considered by NL residents – Western region

41% 30% 38% 53%

Source: Destination Canada Nov 2020
Many travellers consider leisure travel as an important part of their lifestyle and never stopped dreaming about going places during the pandemic.

NL remains a highly desired tourist destination, with 43% of Canadian out of province travellers dreaming about visiting or returning to this province at some point – the highest share of any province/territory in the country.

While 13% of Canadian out of province travellers are seriously considering a visit in 2021, 11% are actively planning a trip.

Furthermore, 50% of Canadians who had previously visited the province would recommend NL to a friend, family member or colleague, resulting in a net promoter score* of +31, the highest for any province/territory in country (shared with BC).

NL is perceived as a safe destination with unique experiences, beautiful outdoor scenery, friendly and welcoming people that travellers would be proud of to have visited.

<table>
<thead>
<tr>
<th>Attitudes Towards Travel in NL</th>
<th>Canadian out of province travellers considering visiting NL in 2021</th>
<th>Canadian out of province travellers actively planning a trip to NL</th>
<th>Net Promoter Score* by out of province travellers who have visited NL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source: Destination Canada Nov 2020</td>
<td>43%</td>
<td>13%</td>
<td>+31</td>
</tr>
</tbody>
</table>

*Net Promoter Score: a customer satisfaction score that assesses to what extent customers would recommend a company, product, service or destination. A score >0 is considered good, >20 favourable.
Outlook for Newfoundland and Labrador

Province is likely to face a number of challenges with non-resident visitation

**Air access**
Re-build air capacity; airline and airport survival; connectivity, cost of tickets, demand

**Pandemic impacts on current target market**
Older visitors are most vulnerable to COVID; who will be able financially to travel; deep impacts of pandemic on NL’s primary target markets of Ontario, Alberta

**Cost of a trip to NL / Affordability**
Re-prioritizing and reduced discretionary spending due to economic impact of pandemic; will likely see travel budget cuts; cost will impact destination decisions; potential high cost of travel to province

**Bucket list destination**
Will bucket list trips become more popular due to shifting consumer priorities and values or will they be delayed until destinations can be enjoyed without the impact of health, hygiene and safety measures?

**Balanced growth of visitors**
Demand for remote, crowd-less destinations; need for dispersal of visitors across communities and seasons

**Increased competition for visitors by destinations**
Destinations competing for travellers as they re-start tourism; increased competition for domestic travellers; requires adequate funding for tourism marketing to stand out in a highly competitive environment

**Sustainability of tourism sector with fewer non-resident visitors**
Access challenges, travel costs, reduced capacity likely to impact visitor numbers; lower visitor numbers will be an added challenge to a short season to generate revenues; may take years to reach pre-COVID-19 visitor levels

**Ability to invest in and maintain infrastructure, activities, experiences**
Decreased revenues and spending due to reduced visitor numbers will pose a challenge to finding resources to fund tourism investments at both private and public levels
Outlook for Newfoundland and Labrador

We do have and are already known for what travellers are looking for in a destination

Wide (& wild) outdoor spaces

Abundance of nature

Abundance of outdoor activities and experiences

No crowds and a small, friendly and welcoming population

Many smaller-scale local tourism businesses promoting our culture, history and people

Safe destination

We have been promoting our wide open spaces, nature and culture for the past decade and the province is already well-known for these assets which are also major travel motivators