Explorers' Edge

Product Development Research Report – **USA**

December 5, 2017

KURATION™

Overview

- RTO 12/Explorer's Edge is planning to evolve its marketing strategy to focus on International Markets in 2018, and more specifically, to focus on the USA
- Fundamental to this strategy is quantifying the appeal of EE's core product offering in four key USA markets – NYC, Boston, DC and Chicago – and identifying viable target audiences within these markets for the product
- As a prelude to this research, 30 "key tourism activities" (KTAs) were identified as forming the core product offering in the region
- Armed with this list of activities, KURATION was engaged to oversee a research study to answer these 5 questions:
    1. What is the relative appeal of Ontario as a vacation destination?
    2. Which of the EE's KTAs are the most compelling and likely to attract visitors?
    3. How many individuals are there in the key markets who are interested in these activities?
    4. How can we group these tourism activities into logical "product bundles"?
    5. What do the people who are most interested in these bundles look like?

Methodology

- Working with Environics, a market research firm with extensive experience conducting research into Canadian tourism in offshore markets (the firm developed Destination Canada's seminal Explorer Quotient framework), a survey was deployed into the NYC, Boston, DC and Chicago markets. The survey consisted of 4 key sections which focused on:
  - Quantifying participation levels in the KTAs and their appeal in motivating the selection of tourism destination
  - Understanding how tourism purchase decisions are made
  - Measuring attitudes with respect to international travel (uses the EQ battery of 20 questions, see Appendix for EQ definition)
  - Demographics
- The survey was in market in November, 2017
- Sample size is 1,750:
  - Boston - 210
  - NYC - 874
  - DC - 266
  - Chicago - 400

Key Tourism Activities (KTAs)

- While not an exhaustive list of the activities on offer in EE, these were selected as they best represent the region's strongest and most established product:

ATVing/Snowmobiling

Being lakeside (beach, relaxing on the dock, swimming)

Bike touring (leisure)

Camping

Cross-country skiing

Day cruises

Downhill Skiing/Snowboarding

Enjoying local cuisine (restaurants, farmers markets)

Fishing

Golfing

Guided nature tours and wildlife viewing

Hiking in nature

Ice Skating

Learning about Indigenous culture

Motorboating/personal watercraft/waterskiing

Motorcycling

Mountain biking

Padding (canoeing, kayaking, paddleboarding)

Road biking

RVing

Snowshoeing

Taking brewery tours

Taking winery tours

Tobogganing

Visiting local arts and crafts shops/galleries

Visiting local museums

Visiting spas

Visiting Yoga retreats

Watching live theatre/music

Wildlife viewing

Question 1

What is the relative appeal of Ontario as a vacation destination?

How We Answered the Question

All 1,750 respondents were asked to answer three questions about each of the 30 KTAs:

How likely would you be to consider taking a future vacation trip to Canada in the next 24 months?

Which region(s) of Canada would consider visiting in the next 24 months?

Why would you consider Ontario?

Likelihood to Consider Canada

HOW LIKELY WOULD YOU BE TO CONSIDER TAKING A FUTURE VACATION TRIP TO CANADA IN THE NEXT 24 MONTHS?	Total	Gender		Age			
		Male	Female	25-34 MILLENNIALS	35-50 GEN X	51-69 BOOMERS	70+ PRE-BOOMERS
Total	1750	873	873	331	531	667	221
TOP 2 BOX	1183	612	569	264	378	424	117
	68%	**70%**	**65%**	**80%**	**71%**	**64%**	**53%**
Very likely	455	253	201	126	153	143	33
	26%	29%	23%	38%	29%	21%	15%
Somewhat likely	728	359	368	138	225	281	84
	42%	41%	42%	42%	42%	42%	38%
Not very likely	398	185	212	47	111	165	75
	23%	21%	24%	14%	21%	25%	34%
Not at all likely	169	76	92	20	42	78	29
	10%	9%	11%	6%	8%	12%	13%
BOTTOM 2 BOX	567	261	304	67	153	243	104
	32%	30%	35%	20%	29%	36%	47%

Likelihood to Consider Ontario

WHICH REGION(S) OF CANADA WOULD CONSIDER VISITING IN THE NEXT 24 MONTHS?	Total	Gender		Age			
		Male	Female	25-34 MILLENNIALS	35-50 GEN X	51-69 BOOMERS	70+ PRE-BOOMERS
Total	1183	612	569	264	378	424	117
British Columbia	444	252	191	110	147	142	45
	38%	41%	34%	42%	39%	33%	38%
Alberta	176	105	71	49	57	52	18
	15%	17%	12%	19%	15%	12%	15%
Saskatchewan	92	55	37	36	29	19	8
	8%	9%	7%	14%	8%	4%	7%
Manitoba	83	50	33	30	36	12	5
	7%	8%	6%	11%	10%	3%	4%
Ontario	623	318	304	138	219	218	48
	53%	**52%**	**53%**	**52%**	**58%**	**51%**	**41%**
Quebec	633	315	316	129	204	236	64
	54%	51%	56%	49%	54%	56%	55%
New Brunswick	140	73	67	40	41	46	13
	12%	12%	12%	15%	11%	11%	11%
Prince Edward Island	226	92	134	40	76	85	25
	19%	15%	24%	15%	20%	20%	21%
Nova Scotia	329	147	182	57	95	135	42
	28%	24%	32%	22%	25%	32%	36%
Newfoundland Labrador	108	50	58	22	33	36	17
	9%	8%	10%	8%	9%	8%	15%
Northern territories	87	33	54	28	34	22	3
	7%	5%	9%	11%	9%	5%	3%

Why Consider Ontario?

WHY WOULD YOU CONSIDER ONTARIO?	Total	Gender		Age			
		Male	Female	25-34 MILLENNIALS	35-50 GEN X	51-69 BOOMERS	70+ PRE-BOOMERS
Total	623	318	304	138	219	218	48
For specific attractions such as Niagara Falls	367	160	206	86	117	134	30
	59%	50%	68%	62%	53%	61%	63%
For its urban centres	284	161	122	66	111	82	25
	46%	51%	40%	48%	51%	38%	52%
For its natural landscapes/Canadian wilderness getaway	329	158	171	77	136	98	18
	53%	**50%**	**56%**	**56%**	**62%**	**45%**	**38%**
For a unique Canadian experience	218	101	117	53	73	77	15
	35%	32%	38%	38%	33%	35%	31%
For the dining experience	197	91	106	36	72	72	17
	32%	29%	35%	26%	33%	33%	35%
To attend festivals and events	164	68	95	37	61	59	7
	26%	21%	31%	27%	28%	27%	15%
To discover its provincial parks	110	53	57	28	46	31	5
	18%	17%	19%	20%	21%	14%	10%
To visit family/friends	26	13	13	6	8	9	3
	4%	4%	4%	4%	4%	4%	6%
Other	23	11	12	3	3	12	5
	4%	3%	4%	2%	1%	6%	10%

Insight

68% of respondents would consider visiting Canada in the next 24 months.

Of those, 53% would choose Ontario.

This represents 36% of the total sample (68% x 53%).

And 53% of those say they would choose Ontario for its natural landscapes or for a Canadian wilderness getaway.

Given there are 40 million people in these 4 US markets, this suggests a massive opportunity for EE.

Question 2

Which of the EE's KTAs are the most compelling and likely to attract visitors?

How We Answered the Question

All 1,750 respondents were asked to answer three questions about each of the 30 KTAs:

How interested are you in each of the activities?

For each activity, is it one that you typically do while on vacation?

Does the availability of each of the activities that you typically do while on vacation influence or motivate your destination decision?

For each activity we computed a “Motivation Index” which represents the likelihood of the KTA to drive consideration of the region relative to the level of interest in the KTA.

KTAs with high interest and Motivation Indices are the most likely to drive consideration of the region.

How interested are you in each of the following activities?

(Top 2 boxes - Very/Somewhat, PCT of total sample, in alpha order)

Activity	Total	Gender		Age			
		Male	Female	25-34 MILLENNIALS	35-50 GEN X	51-69 BOOMERS	70+ PRE-BOOMERS
ATVing/Snowmobiling	35%	40%	32%	59%	48%	22%	12%
Being lakeside (beach, relaxing on the dock, swimming)	87%	84%	89%	87%	88%	88%	78%
Bike touring (leisure)	48%	52%	45%	67%	56%	41%	21%
Camping	42%	45%	39%	64%	54%	31%	14%
Cross-country skiing	25%	28%	22%	46%	29%	16%	7%
Day cruises	80%	76%	84%	78%	79%	82%	77%
Downhill Skiing/Snowboarding	30%	35%	26%	53%	43%	17%	9%
Enjoying local cuisine (restaurants, farmers markets)	94%	92%	96%	91%	92%	96%	95%
Fishing	40%	48%	33%	51%	50%	32%	26%
Golfing	29%	38%	20%	40%	32%	22%	24%
Guided nature tours and wildlife viewing	73%	72%	75%	77%	74%	73%	67%
Hiking in nature	67%	69%	64%	80%	72%	62%	47%
Ice Skating	33%	32%	34%	60%	43%	19%	11%
Learning about Indigenous culture	71%	68%	74%	77%	70%	69%	68%
Motorboating/personal watercraft/waterskiing	46%	48%	44%	63%	56%	36%	25%
Motorcycling	24%	31%	17%	46%	31%	14%	5%
Mountain biking	32%	39%	25%	55%	45%	18%	8%
Padding (canoeing, kayaking, paddleboarding)	51%	53%	50%	72%	60%	43%	24%
Road biking	34%	41%	26%	56%	39%	25%	14%
RVing	36%	37%	36%	51%	47%	28%	14%
Snowshoeing	26%	28%	25%	48%	32%	16%	9%
Taking brewery tours	64%	69%	59%	71%	68%	61%	52%
Taking winery tours	71%	68%	74%	74%	71%	69%	69%
Tobogganing	28%	30%	26%	40%	38%	19%	13%
Visiting local arts and crafts shops/galleries	78%	70%	87%	79%	76%	80%	79%
Visiting local museums	84%	81%	88%	86%	81%	86%	85%
Visiting spas	58%	46%	69%	73%	62%	54%	34%
Visiting Yoga retreats	30%	22%	39%	51%	33%	25%	11%
Watching live theatre/music	84%	79%	89%	87%	85%	83%	82%

For each activity listed below, is it an activity that you typically do while on vacation?

(Top 3 boxes – Always/Sometimes/Occasionally, PCT of total sample, in alpha order)

Activity	Total	Gender		Age			
		Male	Female	25-34 MILLENNIALS	35-50 GEN X	51-69 BOOMERS	70+ PRE-BOOMERS
ATVing/Snowmobiling	12%	15%	8%	27%	16%	4%	2%
Being lakeside (beach, relaxing on the dock, swimming)	68%	64%	73%	73%	71%	68%	56%
Bike touring (leisure)	17%	21%	13%	31%	20%	11%	10%
Camping	21%	25%	18%	37%	27%	14%	5%
Cross-country skiing	8%	11%	5%	21%	10%	3%	1%
Day cruises	41%	39%	44%	38%	40%	44%	42%
Downhill Skiing/Snowboarding	13%	17%	10%	27%	19%	5%	3%
Enjoying local cuisine (restaurants, farmers markets)	83%	79%	86%	77%	81%	84%	90%
Fishing	21%	27%	14%	31%	25%	13%	16%
Golfing	17%	23%	10%	26%	18%	12%	14%
Guided nature tours and wildlife viewing	37%	36%	37%	43%	37%	33%	36%
Hiking in nature	41%	43%	40%	53%	44%	37%	31%
Ice Skating	11%	13%	9%	24%	16%	4%	3%
Learning about Indigenous culture	46%	44%	48%	52%	44%	44%	50%
Motorboating/personal watercraft/waterskiing	18%	21%	15%	29%	21%	13%	10%
Motorcycling	10%	14%	6%	24%	13%	4%	2%
Mountain biking	13%	18%	8%	27%	18%	5%	3%
Padding (canoeing, kayaking, paddleboarding)	19%	21%	16%	35%	22%	12%	5%
Road biking	13%	18%	9%	28%	17%	6%	5%
RVing	11%	13%	9%	22%	14%	7%	2%
Snowshoeing	8%	11%	6%	21%	11%	2%	0%
Taking brewery tours	34%	38%	31%	44%	37%	31%	24%
Taking winery tours	41%	41%	41%	44%	40%	40%	42%
Tobogganing	9%	12%	6%	18%	12%	3%	1%
Visiting local arts and crafts shops/galleries	64%	56%	71%	62%	59%	67%	68%
Visiting local museums	66%	63%	68%	65%	62%	68%	70%
Visiting spas	33%	28%	38%	46%	36%	29%	18%
Visiting Yoga retreats	13%	11%	15%	28%	14%	8%	5%
Watching live theatre/music	60%	56%	65%	63%	59%	60%	61%
Wildlife viewing	44%	47%	41%	47%	46%	41%	44%

Does the availability of each of the following activities that you typically do while on vacation influence or motivate your destination decision?

(Top 3 boxes – Always/Sometimes/Occasionally, PCT of total sample, in alpha order)

Activity	Total	Gender		Age			
		Male	Female	25-34 MILLENNIALS	35-50 GEN X	51-69 BOOMERS	70+ PRE-BOOMERS
ATVing/Snowmobiling	18%	23%	13%	36%	24%	8%	5%
Being lakeside (beach, relaxing on the dock,	79%	77%	82%	81%	81%	80%	71%
Bike touring (leisure)	28%	33%	23%	44%	32%	22%	14%
Camping	31%	35%	26%	47%	39%	23%	8%
Cross-country skiing	14%	17%	11%	30%	16%	8%	4%
Day cruises	57%	55%	58%	58%	53%	58%	60%
Downhill Skiing/Snowboarding	21%	27%	16%	39%	30%	11%	6%
Enjoying local cuisine (restaurants, farmers	84%	80%	87%	82%	81%	87%	86%
Fishing	29%	37%	20%	38%	35%	22%	19%
Golfing	22%	30%	15%	32%	24%	17%	21%
Guided nature tours and wildlife viewing	53%	55%	52%	58%	52%	52%	52%
Hiking in nature	53%	55%	50%	68%	54%	48%	40%
Ice Skating	17%	20%	14%	36%	23%	7%	5%
Learning about Indigenous culture	57%	56%	58%	63%	56%	55%	59%
Motorboating/personal watercraft/waterskiing	27%	31%	24%	40%	33%	20%	18%
Motorcycling	14%	19%	8%	30%	18%	6%	2%
Mountain biking	19%	26%	12%	36%	27%	10%	4%
Padding (canoeing, kayaking, paddleboarding)	29%	31%	26%	48%	35%	20%	11%
Road biking	21%	27%	15%	39%	24%	14%	10%
RVing	18%	21%	14%	31%	24%	10%	5%
Snowshoeing	13%	15%	10%	31%	15%	6%	2%
Taking brewery tours	45%	51%	39%	54%	47%	41%	35%
Taking winery tours	53%	53%	52%	57%	50%	52%	54%
Tobogganing	13%	16%	10%	26%	17%	6%	5%
Visiting local arts and crafts shops/galleries	67%	60%	75%	70%	61%	69%	72%
Visiting local museums	73%	70%	75%	74%	68%	75%	76%
Visiting spas	43%	35%	51%	56%	44%	41%	26%
Visiting Yoga retreats	19%	15%	22%	34%	21%	13%	7%
Watching live theatre/music	70%	66%	75%	75%	66%	70%	73%
Wildlife viewing	59%	63%	55%	63%	58%	57%	62%

Summary Table – Ranked by Interest in Activity
(PCT of total sample)

Activity	Interested in activity	Do on vacation	Motivates Decision	Interest/Motivation Index
Enjoying local cuisine (restaurants, farmers markets)	94%	83%	84%	90
Being lakeside (beach, relaxing on the dock, swimming)	87%	68%	79%	92
Visiting local museums	84%	66%	73%	86
Watching live theatre/music	84%	60%	70%	83
Day cruises	80%	41%	57%	71
Visiting local arts and crafts shops/galleries	78%	64%	67%	86
Wildlife viewing	77%	44%	59%	76
Guided nature tours and wildlife viewing	73%	37%	53%	73
Taking winery tours	71%	41%	53%	74
Learning about Indigenous culture	71%	46%	57%	81
Hiking in nature	67%	41%	53%	79
Taking brewery tours	64%	34%	45%	70
Visiting spas	58%	33%	43%	75
Padding (canoeing, kayaking, paddleboarding)	51%	19%	29%	56
Bike touring (leisure)	48%	17%	28%	59
Motorboating/personal watercraft/waterskiing	46%	18%	27%	59
Camping	42%	21%	31%	73
Fishing	40%	21%	29%	71
RVing	36%	11%	18%	49
ATVing/Snowmobiling	35%	12%	18%	50
Road biking	34%	13%	21%	63
Ice Skating	33%	11%	17%	52
Mountain biking	32%	13%	19%	60
Downhill Skiing/Snowboarding	30%	13%	21%	70
Visiting Yoga retreats	30%	13%	19%	61
Golfing	29%	17%	22%	77
Tobogganing	28%	9%	13%	45
Snowshoeing	26%	8%	13%	49
Cross-country skiing	25%	8%	14%	57
Motorcycling	24%	10%	14%	57

Insight

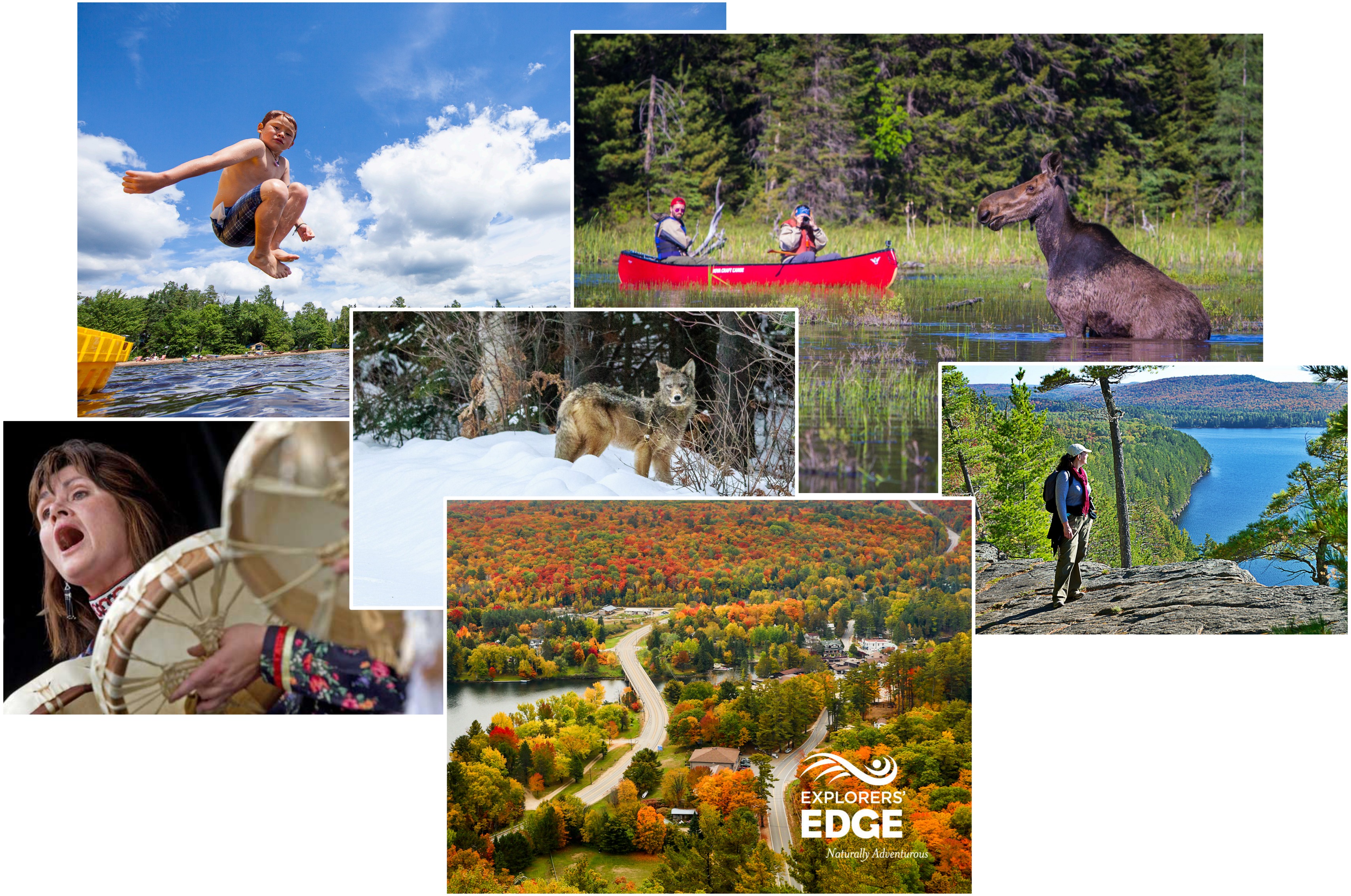
Of the 14 KTAs which show the broadest appeal (interest leval greater than 50% for the total population sample), 6 can be described as “outdoor activities”.

These KTAs also have relatively strong Motivation Indices, meaning they influence the decision to consider a vacation destination.

Together these 6 activities define a “Quintessentially Canadian Wilderness Experience”, and align perfectly with the EE brand.

Together these activities serve as relevant and differentiating proof points for the brand proposition in the USA market.

Quintessentially Canadian Wilderness Experience



Question 3:

How many individuals are there in the four markets who are interested in these Key Tourism Activities?

How We Answered the Question

As we saw in Question 1, 36% of the total population are interested in visiting Ontario over the next 24 months (68% x 53%).

Roughly 67% of people in the four US markets are over age 25.

These percentages were applied to the total population in each region to develop a rough estimate of the total number of people in each market interested each KTA.

Estimated Number of Individuals Over 25, Interested in KTA & Likely to Visit Ontario in Next 24 months

Activity	Interested in activity	NY	Chicago	DC	Boston	Total
Population (2016 Estimate)		**20,153,634**	**9,512,999**	**6,131,977**	**4,794,447**	**40,593,057**
Enjoying local cuisine (restaurants, farmers markets)	94%	4,557,785	2,151,384	1,386,759	1,084,274	9,180,202
Being lakeside (beach, relaxing on the dock, swimming)	87%	4,212,962	1,988,619	1,281,843	1,002,242	8,485,666
Visiting local museums	84%	4,093,386	1,932,177	1,245,460	973,796	8,244,819
Watching live theatre/music	84%	4,090,605	1,930,864	1,244,614	973,134	8,239,218
Day cruises	80%	3,890,385	1,836,355	1,183,695	925,503	7,835,938
Visiting local arts and crafts shops/galleries	78%	3,815,303	1,800,915	1,160,850	907,641	7,684,709
Wildlife viewing	77%	3,770,810	1,779,913	1,147,313	897,056	7,595,091
Guided nature tours and wildlife viewing	73%	3,570,590	1,685,404	1,086,393	849,425	7,191,812
Taking winery tours	71%	3,445,452	1,626,336	1,048,319	819,656	6,939,762
Learning about Indigenous culture	71%	3,439,890	1,623,711	1,046,627	818,332	6,928,560
Hiking in nature	67%	3,239,670	1,529,202	985,707	770,701	6,525,281
Taking brewery tours	64%	3,111,752	1,468,822	946,787	740,270	6,267,630
Visiting spas	58%	2,803,080	1,323,121	852,870	666,838	5,645,908
Padding (canoeing, kayaking, paddleboarding)	51%	2,502,750	1,181,358	761,491	595,391	5,040,990
Bike touring (leisure)	48%	2,341,461	1,105,226	712,417	557,022	4,716,126
Motorboating/personal watercraft/waterskiing	46%	2,230,228	1,052,721	678,573	530,560	4,492,082
Camping	42%	2,043,912	964,776	621,884	486,236	4,116,808
Fishing	40%	1,957,706	924,084	595,655	465,728	3,943,174
RVing	36%	1,760,267	830,888	535,582	418,759	3,545,496
ATVing/Snowmobiling	35%	1,726,897	815,137	525,429	410,820	3,478,283
Road biking	34%	1,637,911	773,133	498,353	389,651	3,299,048
Ice Skating	33%	1,624,006	766,570	494,123	386,343	3,271,042
Mountain biking	32%	1,548,924	731,129	471,278	368,481	3,119,812
Downhill Skiing/Snowboarding	30%	1,482,184	699,626	450,972	352,604	2,985,386
Visiting Yoga retreats	30%	1,482,184	699,626	450,972	352,604	2,985,386
Golfing	29%	1,415,444	668,124	430,665	336,727	2,850,960
Tobogganing	28%	1,368,170	645,809	416,282	325,481	2,755,741
Snowshoeing	26%	1,276,402	602,493	388,360	303,650	2,570,905
Cross-country skiing	25%	1,204,101	568,364	366,362	286,449	2,425,276
Motorcycling	24%	1,170,731	552,613	356,208	278,511	2,358,063

Insight

Based on the number of people interested in the KTAs across the four regions. there is clearly massive opportunity for EE.

Using Facebook's Ad Manager, we can precisely target our content to Facebook users interested in the KTAs and in Canada.

Given the size of the audiences for the KTAs, in order for our marketing to have impact we must be careful to limit reach so as to achieve sufficient frequency

Question 4

How can we group these KTAs into “bundles” that would appeal to relatively homogenous market segments?

How We Answered the Question

A sophisticated statistical technique called “Factor Analysis” was used to answer this question.

Factor analysis takes a mass of data and shrinks it to a smaller data set that is more manageable and understandable. It identifies complex interrelationships among survey questions and groups them into unified constructs, or “factors”. Factoring is like a segmentation except for questions (and not people).

Factoring combines questions that are similarly answered – both positive and negative.

We then assigned proposed names to the factors.

Factor Definition

			Factor Loads						
			1	2	3	4	5	6	7
fac1	Winter Sports	Snowshoeing	.73						
		Cross-country skiing	.72		.34				
		Ice Skating	.71						
		Downhill Skiing/Snowboarding	.68	.33					
		Tobogganing	.67	.39					
fac2	Fair Season Sports	Fishing		.80					
		Motorboating/personal watercraft/waterskiing	.36	.69					
		ATVing/Snowmobiling	.52	.61					
		Motorcycling	.34	.59					
		Camping		.58	.35				
		Golfing		.51					
		Padding (canoeing, kayaking, paddleboarding)	.44	.44	.36				
fac3	Biking	Bike touring (leisure)			.81				
		Road biking	.30	.32	.78				
		Mountain biking	.37	.34	.71				
fac4	Culture	Visiting local arts and crafts shops/galleries				.74			
		Watching live theatre/music				.66			
		Visiting local museums				.63	.39		
		Visiting spas	.32			.58		.36	
		Enjoying local cuisine (restaurants, farmers markets)				.51			.35
		Visiting Yoga retreats	.55			.49			
fac5	Nature	Wildlife viewing					.79		
		Guided nature tours and wildlife viewing					.74		
		Hiking in nature	.41				.66		
		Learning about Indigenous culture				.50	.51		
fac6	Relaxing	Being lakeside (beach, relaxing on the dock, swimming)						.62	
		RVing	.49					.52	
		Day cruises				.41		.48	
fac7	Winery & Brewery tours	Taking brewery tours							.80
		Taking winery tours				.32			.79

Factors Crosstab - Against Key Tourism Activities

(This chart shows relative interest in all 30 KTAs by factor)

Activity	Factor						
	Winter Sports	Fair Season Sports	Biking	Culture	Nature	Relaxing	Wine / Brew tours
Snowshoeing	1983	330	354	165	86	31	48
Cross-country skiing	2027	271	439	159	90	59	45
Ice Skating	1416	299	231	211	76	109	43
Downhill Skiing/Snowboarding	979	324	270	123	87	78	104
Tobogganing	2459	457	203	187	87	149	87
Fishing	191	1557	205	77	124	326	86
Motorboating/personal watercraft/waterskiing	305	871	178	97	85	423	90
ATVing/Snowmobiling	594	725	193	158	63	315	34
Motorcycling	411	866	295	110	48	245	58
Camping	270	503	262	98	165	285	43
Golfing	182	432	220	53	58	91	191
Padding (canoeing, kayaking, paddleboarding)	376	398	255	112	187	172	108
Bike touring (leisure)	314	228	999	205	170	82	79
Road biking	427	460	1960	153	149	86	71
Mountain biking	469	391	1314	122	109	78	60
Visiting local arts and crafts shops/galleries	149	114	118	347	145	103	77
Watching live theatre/music	131	121	110	255	86	124	112
Visiting local museums	137	103	148	272	183	67	90
Visiting spas	206	167	141	371	45	206	74
Enjoying local cuisine (restaurants, farmers markets)	112	124	111	157	112	123	140
Visiting Yoga retreats	685	207	298	460	32	96	46
Wildlife viewing	159	171	157	124	378	140	91
Guided nature tours and wildlife viewing	190	178	165	161	376	132	90
Hiking in nature	219	180	260	113	394	113	93
Learning about Indigenous culture	193	154	147	280	222	93	89
Being lakeside (beach, relaxing on the dock, swimming)	130	156	122	138	111	201	127
RVing	305	515	144	133	107	575	25
Day cruises	156	184	126	198	130	223	108
Taking brewery tours	182	204	165	109	94	138	430
Taking winery tours	146	144	127	184	89	119	325

Insight

The factors are, in hindsight, intuitive but this analysis provides empirical support and confirms the direction EE has already taken with early product initiatives like "Ride the Edge".

People who score high on the Winter Sports, Fair Season Sports and Biking factors are highly interested in virtually every KTA EE offers.

This is not true of the Nature, Relaxing and Winery/Brewery Tour factors – our language must adjusted to reflect this when addressing these segments.

Question 5

What do these people who are most interested in these factors look like?

How We Answered the Question

Factors describe a cluster of questions - not a cluster of people. Every single survey respondent has a position in a factor.

A respondent can be ranked high, low, or somewhere in the middle but all are in every factor. Factors are not mutually exclusive as a segmentation is with closed silos. A respondent could be high in one, or high in all factors. Or low or middling on all seven.

So to use the factor analysis to define market targets, we then profiled the respondents who MOST tightly grouped around them using the following variables:

Demographics

Psychographics (using the EQ battery of 20 questions)

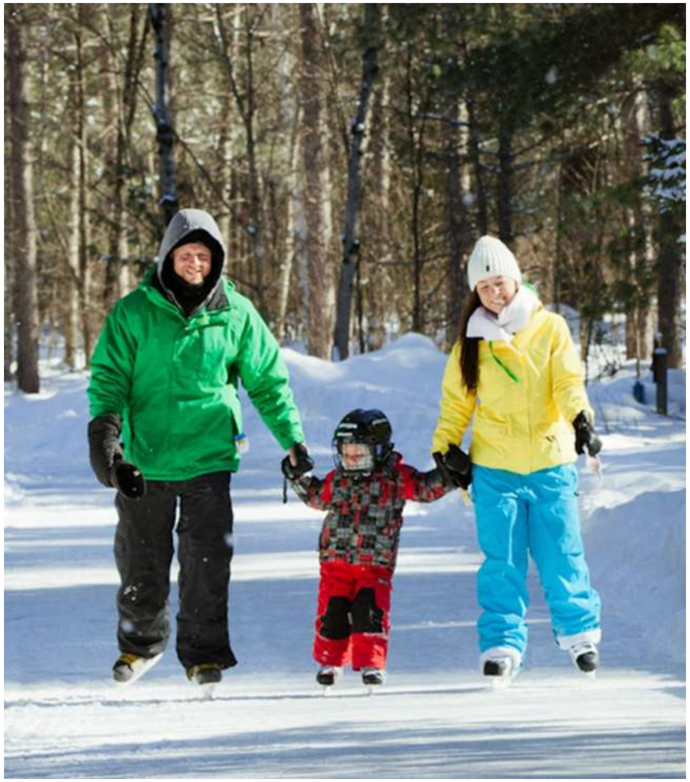
Travel destination "purchase behaviour"

Travel intentions

These effectively formed target segments for the 7 factors.

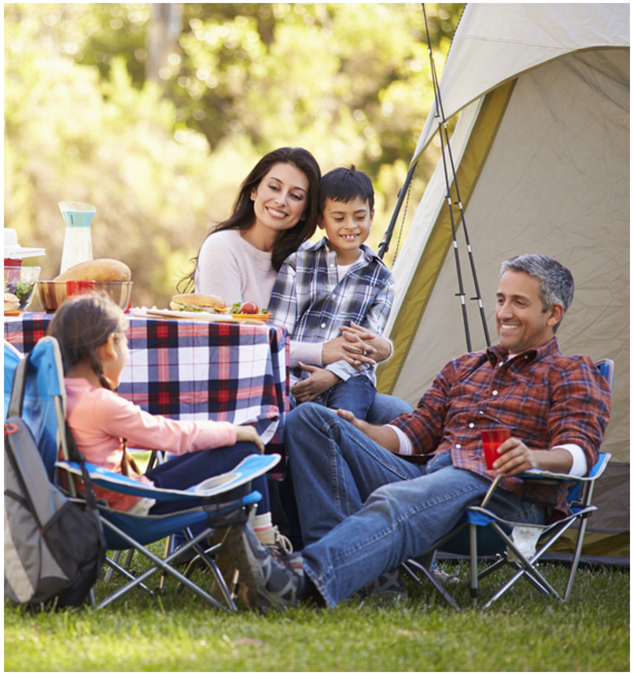
Winter Sports

- Younger & smaller families, highly educated, employed, with low to moderate income. Per capita, there are more of them in Boston (though the greatest number of them is found in NYC)
- They over-index on the "Free Spirit" and "Cultural Explorer" EQ segments
- They like to plan ahead and are very interested in purchasing packages. They are heavier uses of online resources like blogs to plan travel. They are very likely to travel outside of the US in the next 24 months and to visit Canada
- Over-index on the "Fair Season Sports", "Biking" and "Culture" product factors



Fair Season Sports

- Skews heavily male, under 50, has 4 or more people in the house (they have multiple kids) and less likely to be university educated
- They over-index on the "Free Spirit" and "Rejuvenator" EQ segments
- They plan ahead, are interested in packages and very likely to travel to Canada
- Logically, these people also way over-index on the Nature factor



Biking

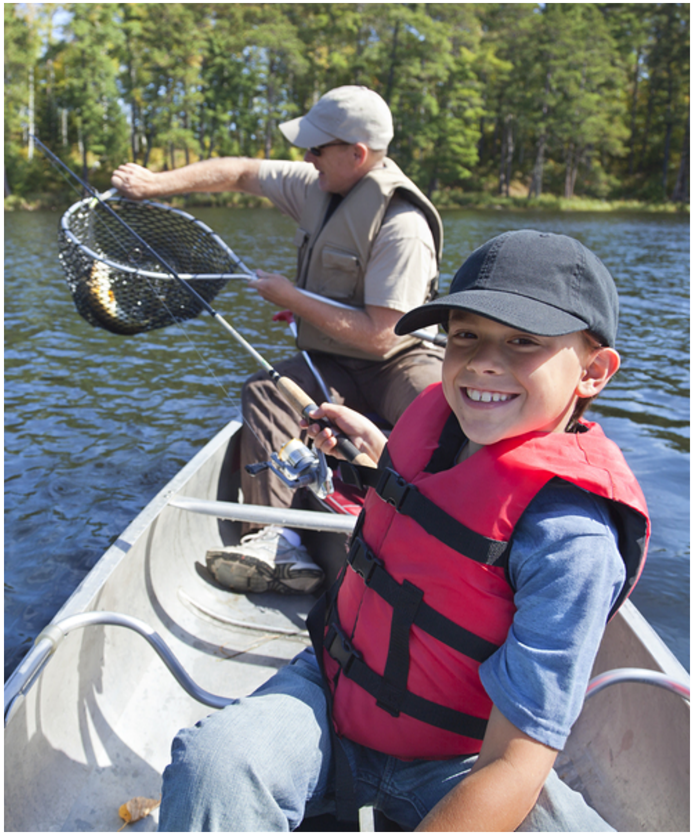
- Skews male and younger, yet is married with 3 or more people in the house (multiple kids). Moderate income
- They over-index on the "Free Spirit" and "Cultural Explorer" EQ segments
- They plan ahead, are interested in packages, use digital to plan and very likely to travel to Canada
- These are very active people, and are also found in the "Winter Sports" and "Fair Season Sports" factors.

Nature

- Well-educated, over 50, very affluent, empty nesters.
- They over-index on the "No Hassle Traveler", and "Personal History" EQ segments.
- They plan ahead, use online media are interested in packages and very likely to travel to Canada
- Also found in the "Biking" factor, though their interest tends to bike touring (low impact)

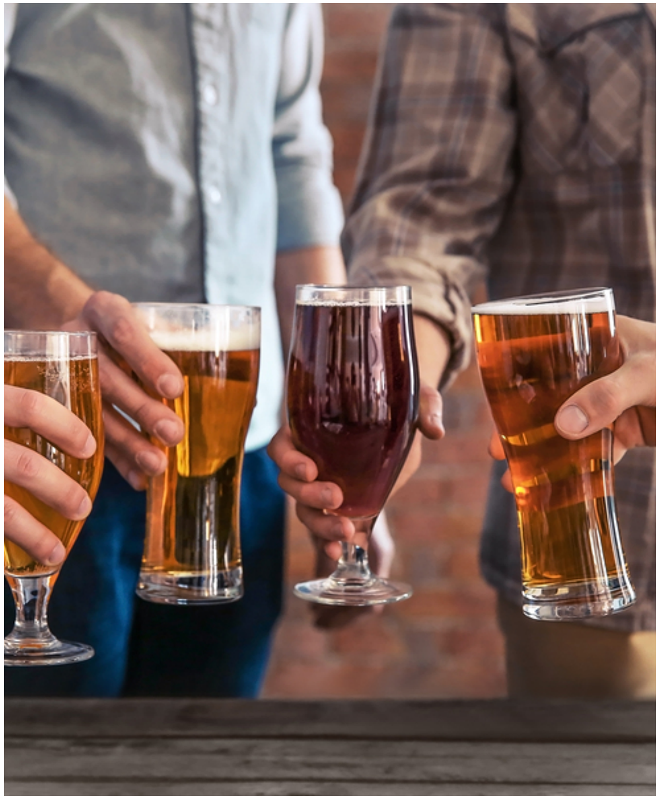
Relaxing

- Usually 35-50 years old and the least educated of the segments (over-indexes on high school only). Smaller families, typically with just one children. Most likely to be unemployed and lower income
- They over-index on the "Free Spirit" and "Rejuvenator" EQ
- They are not planners and have limited interest in packages. Only somewhat likely to travel to Canada, likely due to economic considerations
- Also found in the "Fair Season Sports" factor, and show interest in some activities in the Culture factor



Winery/Brewery Tours

- Over 50 years old , skews male, high income, retired
- They over-index on the "Cultural History", "Cultural Explorer" and "Authentic Experiencer" EQ segments
- Not surprisingly, they also overindex on enjoying local cuisine and relaxing dockside
- They are not planners and have limited interest in packages. Least likely to travel to Canada



Culture

- Skews female and single, over 50, moderate income, living alone
- They over-index on the "No Hassle Traveler", "Cultural Explorer" and "Free Spirit" EQ segments.
- They plan daily itineraries, use tour operators, are interested in packages and likely to travel to Canada
- Also found in the "Winter Sports" and "Biking" factors. Not surprisingly, they also index high on activities like Day Cruises and Guided toours

Destination Canada's Explorer Quotient provides tourism businesses with valuable insights into why and how different people like to travel.

EQ looks at individuals' personal beliefs, social values and views of the world to learn exactly why different types of travelers seek out entirely different travel experiences (see Appendix for EQ segment definitions).

These are measured using a battery of 20 standard questions. We included this battery in this survey and used the response data to help define the factors and the traveler who most closely group around them.

The response data provides direction for shaping the product packages as well as for the development of highly targeted content.

Factors Crosstab - Against EQ Questions

Statement	Activity Bundle						
	Winter Sports	Fair Season Sports	Biking	Culture	Nature	Relaxing	Wine / Brew tours
I like to be able to impress my friends with all of the 5 star hotels and resorts I have been to.	174	143	152	113	43	100	61
I just want to relax and not have to deal with any worries or obligations.	102	102	99	103	91	103	98
The part that makes me most uncomfortable about travelling is having to adjust to unfamiliar locations, foods, people, languages and a different way of doing things.	117	112	102	80	71	95	76
I have everything I need at home; there's no reason to spend money to travel.	143	135	117	78	48	83	48
I like to be able to take my time at a historic site or in a museum and not feel rushed.	104	99	103	107	108	97	101
I avoid taking uncomfortable rides such as packed local buses. If it means missing something we wanted to visit, so be it.	100	105	97	91	81	102	84
I find it enriching to be exposed to others engaging in their customs, routines and rituals in their own environment – to me, that is the authentic travel experience.	106	103	107	109	107	100	105
I live for travel.	128	118	115	115	97	111	100
I feel safer if a tour operator has organized the hotel, the restaurants to eat at and the sites to visit.	116	113	100	111	91	113	79
I am much more indulgent and carefree while on vacation than I am at home.	110	110	105	104	100	111	105
I'm more interested in understanding how my ancestors lived than in experiencing the culture as it exists now.	137	124	111	102	85	100	78
I want to get away from it all.	105	107	101	102	94	110	101
I prefer to visit places where I will be awe-struck by the sheer beauty of nature, the land, mountains, seas and wildlife.	108	106	105	101	109	105	99
You can't find real culture here at home; you have to travel abroad to find it.	144	128	128	88	75	78	69
I like to experience local foods, local locations, to see local architecture.	102	102	102	104	102	101	104
I feel more comfortable travelling with other people or a guide.	113	109	104	112	90	107	93
I don't need to see all the recommended tourist sites to feel as if I've really visited a place; in fact the best way to know a place is just to walk around and do ever things liking eating, shopping, socializing and relaxing, just as the locals would	100	108	100	96	98	101	101
A family vacation is an important time to make family memories.	103	104	101	103	101	105	102
Wherever I go, I have to have the very best there is to offer: the best hotels, the best restaurants, the best shopping and the best service.	133	127	116	111	64	111	87
I want to come back from vacation feeling relaxed and refreshed.	100	102	101	102	98	103	101

Insight

The 7 factors, and their associated market segments, have obvious implications for EE's international marketing strategy:

Packages & experiences should be designed around the factors

Navigation for the product section of the region's new website should be built around these factors

Content (and any product-related advertising) should be created around the factors

Content (and any product-related advertising) should speak directly to the market segments defined by the 7 factors

Appendices

EQ Segment Descriptions

Enthusiastic Indulgers	Learners	Familiarity Seekers	Escapists
Free Spirits	**Cultural Explorers**	**Virtual Travellers**	**Rejuvenators**
Young, experimentalist committed travellers looking for thrill and frills. They seek some structure when they travel to engage in worry-free hedonistic activities.	Avid Open-minded and socially-engaged travellers who immerse themselves in all aspects of the travel experience. They seek spontaneous and authentic experiences on their own terms.	Highly reluctant travellers who travel only when they must and typicaly to visit family or friends. Travelling is more of a chore for them. Fearful of change and complexity in their lives, they like to manitain control when they travel.	Busy, family- oriented people seeking relaxing escape. They enjoy sharing travel with others (family, friends) and prefer it to be a time for understated indulgence and relaxation, away from their responsibilties at home.
Social Samplers	**Authentic Experiencers**	**No Hassle Travellers**	**Escape Artists**
Well Educated, older, open-minded and often feamle travellers who prefer to focus on the 'must see' attractions. They are very active planners and have an affinity for travelling in groups.	Older, highly educated, they relish experiencing all their travel destination has to offer in a researved non-exorbitant way. They are drawn to history. They prefer to travel independentaly.	Average travellers leading busy lives, understaed and cautious in spending money. Seeking to escape everyday responsibities. Favour nature and worry-free vacations.	Travellers who seek to take a break from the real world, and completely disconnect from work. They have a strong dislike for travelling in groups, instead preferring to do things that are unique and spontaneous while on vacation.
	Personal History Explorers	**Gentle Explorers**	
	A more culturally diverse group, they prefer to connect with their roots. Looking for ease and comfort, they like to be taken care of. They are social and prefer being with others in groups when they travel.	Apprehensive travellers who prefer the tried and true over discovering new cultures. Prefer creature comforts and seek out luxurious hedonistic settings. Travel is an opportunity to be more indulgent than at home.	
	Cultural History Buffs	**Group Tourists**	
	Highly educated, often single, they like to travel alone or with one another. Life-long learners, they seek the quiet discovery of the cultural and historical aspects of their destinations.	Older, risk-averse travellers who are motivated to see the main sights at a destination. They prefer to travel in the comfort and security of groups. Winter activties are highly appealing.	

Factor Descriptions - Detail

Factors Crosstab - Against Factors

Activity Group	Factor						
	Winter Sports	Fair Season Sports	Biking	Culture	Nature	Relaxing	Wine / Brew tours
Winter Sports	-	154	124	214	64	70	62
Fair Season Sports	154	-	145	53	113	501	109
Biking	124	145	-	115	203	61	107
Culture	214	53	115	-	55	85	65
Nature	64	113	203	55	-	91	92
Relaxing	70	501	61	85	91	-	67
Wine/Brew tours	62	109	107	65	92	67	-

Factors Crosstab - Against EQ Segments

Activity Group	Explorer Quotient								
	No Hassle Traveller	Free Spirit	Cultural History Buff	Gentle Explorer	Virtual Traveller	Cultural Explorer	Authentic Experiencer	Rejuvenator	Personal History Explorer
Winter Sports	65	225	50	87	27	130	78	21	95
Fair Season Sports	89	186	56	73	67	125	55	138	114
Biking	104	174	62	61	67	135	114	56	86
Culture	162	176	108	34	39	163	95	28	123
Nature	142	67	108	32	79	169	266	85	86
Relaxing	111	132	69	78	103	114	57	115	147
Wine/Brew tours	104	83	156	70	56	146	154	108	92

Factors Crosstab - Against Demos

Activity Group	Metro Area				Gender		Age				Marital Status		Education		
	NYC	Boston	DC	Chicago	M	F	25-34	35-50	51-69	70+	Single	Married	HS or less	College	Universtiy+
Winter Sports	103	125	87	90	95	105	245	145	48	27	102	99	57	98	123
Fair Season Sports	94	100	96	117	144	63	162	155	62	36	99	101	117	115	73
Biking	105	91	111	88	139	67	175	120	81	31	110	95	89	104	98
Culture	108	91	106	85	31	194	110	86	121	63	144	78	69	102	110
Nature	88	115	124	105	114	87	58	76	136	127	83	110	71	91	128
Relaxing	85	115	94	133	88	112	96	136	102	31	110	95	185	118	51
Wine/Brew tours	83	135	89	131	116	86	70	97	118	100	83	110	57	107	108

Activity Group	Houesehold Income							Employment			Children in HH				People in HH			
	<$25k	$25k-$50k	$50k-$75k	$75-$100k	$100-$150	$150+	DK/NA	Employed	Unemployed	Retired	0	1	2+	DK/NA	1	2	3	4+
Winter Sports	121	67	121	122	103	98	54	124	82	31	65	156	239	84	84	61	129	185
Fair Season Sports	86	95	118	129	101	93	47	120	79	46	82	135	198	67	67	78	107	182
Biking	105	83	74	126	99	146	63	122	77	40	81	132	169	88	88	79	120	139
Culture	90	92	110	108	82	84	156	94	137	96	99	101	77	121	121	95	140	63
Nature	76	104	93	80	105	146	92	95	87	133	118	99	56	91	91	120	85	84
Relaxing	110	143	116	85	96	77	84	101	128	74	102	135	105	70	70	99	107	126
Wine/Brew tours	51	59	67	108	147	140	103	97	82	128	116	72	88	88	88	124	80	84

Factors Crosstab - Against Planning and Package Interest

Activity Group	Do you prefer to plan your itinerary for your holiday trip in advance?			Do you plan an itinerary for every day of your holiday trip?			How interested are you in buying packages prior to travel which include specific activities only?				How interested are you in buying packages prior to travel which include specific activities and accommodations?			
	Yes, always	Yes, sometimes	No	Yes, always	Yes, sometimes	No	Very interested	Somewhat interested	Not very interested	Not at all interested	Very interested	Somewhat interested	Not very interested	Not at all interested
Winter Sports	109	92	65	180	92	61	223	92	58	34	168	91	52	36
Fair Season Sports	100	97	117	146	86	89	197	85	80	69	182	84	48	60
Biking	109	90	77	123	108	72	167	90	83	74	133	91	83	75
Culture	109	96	43	117	102	84	197	88	76	57	152	93	65	41
Nature	108	93	65	99	108	89	88	109	99	69	103	95	125	80
Relaxing	88	120	103	77	95	129	110	101	89	96	136	102	46	75
Wine/Brew tours	101	104	59	70	110	111	72	107	114	92	94	105	114	65

Factors Crosstab – Purchase Behaviour and Intent

Activity Group	What sources, do you typically consult when in the process of planning and booking your vacation trip outside of the US for 2 or more nights, where one of those nights is in paid accommodation?									How many times do you intend to travel outside of the United States in the next 24 months?							How likely would you be to consider taking a future vacation trip to Canada in the next 24 months?			
	Family and friends	Travel agents and operators	Social media (Specify)	Travel magazines	Online blogs, forums and discussion boards	Online travel agencies, such as TripAdvisor, Orbitz, Expedia, etc.	Airline website (Specify)	Hotel website (Specify)	Other (Specify)	None	1	2	3	4	5+	DK/NA	Very likely	Somewhat likely	Not very likely	Not at all likely
Winter Sports	112	119	109	135	174	108	69	59	51	47	85	97	208	188	234	56	220	99	39	29
Fair Season Sports	109	112	148	105	113	113	51	68	46	71	95	108	140	165	189	50	163	96	62	68
Biking	109	110	136	131	156	105	77	108	88	54	95	105	175	154	157	71	175	97	62	46
Culture	109	131	131	154	122	112	141	131	46	47	118	105	123	115	109	113	154	104	62	55
Nature	99	95	109	128	126	129	130	155	166	81	120	103	90	144	79	86	124	98	97	58
Relaxing	107	111	223	78	93	111	92	71	99	93	100	127	118	65	79	86	117	92	94	108
Wine/Brew tours	106	99	136	89	134	118	171	151	56	77	133	114	75	80	135	82	93	103	113	75

Survey Sample Demos

Total Sample Profile - N = 1,750

Gender	Male	49.9%
	Female	49.9%
	Other	0.2%

Age	25-34 MILLENNIALS	18.9%
	35-50 GEN X	30.3%
	51-69 BOOMERS	38.1%
	70+ PRE-BOOMERS	12.6%

Region	Boston	12.0%
	NYC	49.9%
	DC	15.2%
	Chicago	22.9%

Education	Public School	4.4%
	High School	8.7%
	College	52.3%
	University	33.8%

Number in HH	1	19.1%
	2	40.9%
	3	18.3%
	4+	21.7%

Number of Kids in HH	1	12.6%
	2	11.8%
	3	3.0%
	4+	0.6%

Employment	Total Employed	67.0%
	Fulltime	51.5%
	Part-time	8.1%
	Self	7.4%
	Unemployed	8.3%
	Home FT	5.4%
	Student	4.5%
	Retired	15.4%

Income	<$60K	27.8%
	$60K to < $80K	14.6%
	$80K to <$100K	13.3%
	$100K to <$150K	20.3%
	$150K+	14.7%

Home Ownership	Own	69.3%
	Rent	26.5%
	Other	4.2%