



Canadian Tourism
Commission

Commission canadienne
du tourisme

France Market Profile

February 2013

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Introduction

The Canadian Tourism Commission (CTC), in conjunction with various Canadian tourism industry partners, undertakes three major consumer research studies on a rotating basis: [Global Tourism Watch](#), [Explorer Quotient®](#) (EQ®) and Advertising Evaluation Studies.

This report summarizes findings from the CTC's research studies as well as analyses that the CTC has conducted with other data sources. In particular, this report provides:

- *An overview of market conditions and an outlook for 2013*
- *A profile of French visitors during 2011*
- *An overview of key long-haul competitors*
- *Highlights of marketing insights along the path to purchase.*

Please note that the Global Tourism Watch was not conducted in France during 2012. The contents of this report reflect findings from the [2011 Global Tourism Watch](#), 2010 EQ®, 2010 Advanced Path to Purchase and prior Advertising Evaluation Studies. The Global Tourism Watch will be conducted in France during 2013.

Executive Summary

Outbound long-haul travel from France dipped in 2009 and recovered quickly. Travel to Canada also dipped in 2009 and promptly returned to pre-recession levels in 2010. Canada continued to perform well through 2011 with a 3% increase in overnight arrivals from France. The CTC estimates that 2012 and 2013 will remain steady at 421,000 and 427,000 overnight arrivals respectively.

While nonstop seat capacity is scheduled to remain stable in France, Canada's share of long-haul scheduled seat capacity will decline from 7% in 2011 to 6% in 2013 as China and the United Arab Emirates aggressively grow air service to France.

France's economy is expected to remain stagnant during the first three quarters of 2013 as household and external demand remain slow, and unemployment is forecast to rise to 10.6%.

French long-haul pleasure travellers still perceive Canada as a top destination to visit. Among key competitors, Canada ranks first for interest and destination awareness and second after the US for top-of-mind consideration. Up until 2006, Canada ranked as the second or third most visited destination among key long-haul competitors. Canada has since slipped to fourth position behind the US, Thailand and China.

Affordability and not the right time to visit are two of the prevalent reasons holding French travellers back from visiting Canada. The depreciation of the euro during 2012 may have positioned these two factors as even greater challenges for Canada.

While promotion of dual nation holidays with the US may yield incremental arrivals, it could be more beneficial to focus efforts and limited resources only promoting Canada. Among key markets, French travellers have one of the strongest perceptions of the country. Air service is good and demand for nonstop service to Canada must remain strong to encourage future growth.

To compete with its rivals, Canada needs to emphasize value for money, convey a sense of urgency and work to diversify traveller perceptions of the country as one of more than beautiful scenery and nature. Though Canada has a dominant presence among travellers, more travellers first consider the US for a holiday. Over the long term, Canada would benefit from growing top-of-mind consideration.

France Market Conditions & 2013 Outlook

France's economy was stagnant in 2012, and the economy is **not expected to begin expanding until Q4 2013** to yield modest 1.1% growth in 2014. A small increase (0.4%) in consumer spending is expected in 2013 followed by a 1% increase in 2014. **Unemployment is expected to climb above 10% in 2013 and persist into 2014** as the economy stalls, with the level much higher among certain demographic groups—particularly young workers under the age of 25, who are having difficulty gaining a foothold in France's rigid labour market.

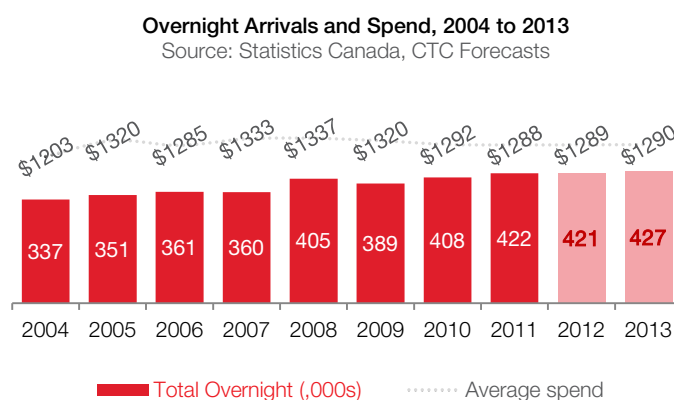
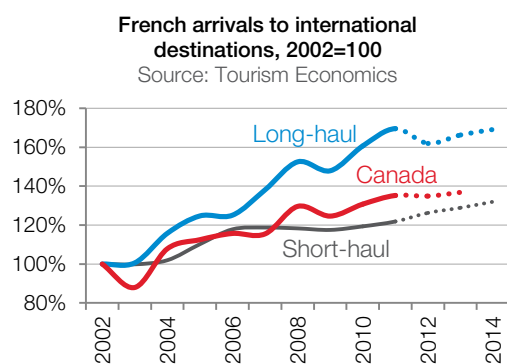
From a currency standpoint, **the euro declined against major global currencies in 2012**, depreciating 8.3% against the USD, 7% against the GBP, and 7.1% against the CAD. Further depreciations against the USD of 1.9% in 2013 and 9.7% by 2016 are expected, which will reduce the euro to 2003 levels and eliminate most of its gains recorded against the USD over the past decade. **A period of relative stability is forecast for the euro against the CAD, as rates are expected to be virtually unchanged in 2013 and through 2016**, providing a degree of cost certainty to prospective travellers.

	The France Economy				
	2010	2011	2012	2013	2014
Real GDP (% yoy)	1.6	1.7	0.1	0.2	1.1
Unemployment (%)	9.3	9.2	10.0	10.6	10.4
Inflation (%)	1.5	2.1	2.0	1.6	1.6
Consumer spending (% yoy)	1.5	0.3	0.0	0.4	1.0
Exports (nominal % yoy)	6.4	14.3	(4.1)	1.2	1.3
Exchange rate (CAD/EUR)	1.367	1.377	1.285	1.287	1.268

Source: Oxford Economics, 2013; Bank of Canada, 2013.

OUTBOUND TRAVEL

Over the past decade, French arrivals to long-haul and short-haul destinations have risen to new highs. **Canada reached a decade record-high of 422,000 overnight French visitors in 2011** (the all-time high was 459,000 in 1996). The CTC has forecast that this level will be maintained, with minimal growth expected through 2013. While Canada has enjoyed a 35% increase in French arrivals over the past decade, this remains below the overall growth in French arrivals to long-haul destinations, which rose 70% over the same period.

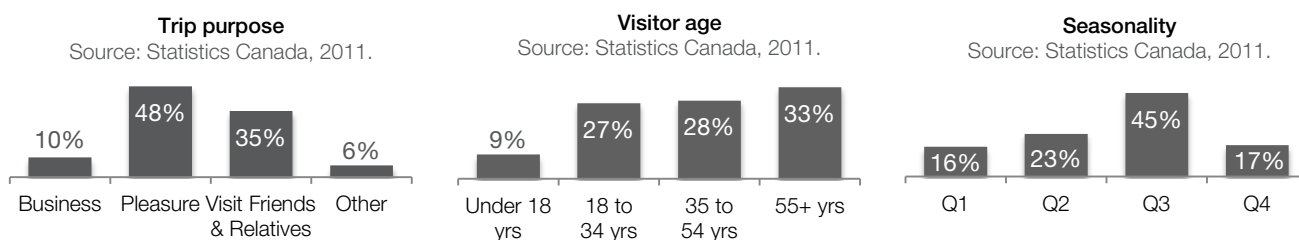


France Travel to Canada

TRAVELLER CHARACTERISTICS

In 2011, 83% of French trips to Canada were for pleasure or to visit friends and relatives (VFR), both of which have increased in popularity since 2003. Nearly half of French trips to Canada (45%) were taken during the third quarter, which has been a consistent trend since 2000. Though seat capacity during Q3 2012 was down 12% (49,000 seats) versus Q3 2011, Canada managed to maintain its level of arrivals comparable to 2011.

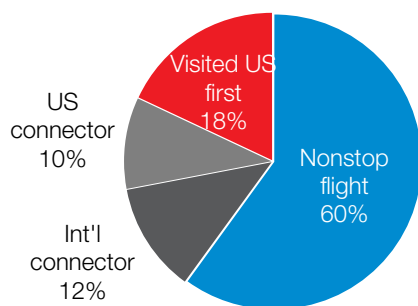
Over the past decade, **the proportion of trips made by travellers over 55 years increased from 24% of trips in 2002 to 33% of trips in 2011**, while the proportion of those aged 18 to 34 remained relatively constant.



TRAVELLER ROUTINGS TO CANADA

The CTC has estimated that during 2011, 60% of visitors arrived in Canada via a nonstop flight and nearly 20% arrived following a visit in the US (8% entered Canada via land and 10% via air).

Nonstop seat capacity between France and Canada is scheduled to remain relatively stable in 2013. Canada continues to have the third-largest volume of scheduled seat capacity among long-haul destinations behind the US and the French Caribbean.



2013 Nonstop seat capacity (,000s) by Canadian airport

YUL	735; (0%) vs 2012
YYZ	227; (1%)
YQB	26; (25%)
YVR	8; (20%)
YYC	8; +5%
Total	1,004; (1%)

2013 Nonstop seat capacity (,000s) by French airport

CDG	854; +0% vs 2012
ORY	61; +8%
MRS	27; (8%)
LYS	21; (14%)
NCE	12; (12%)
TLS	12; (17%)
NTE	11; (10%)
BOD	9; (21%)
Total	1,004; (1%)

Source: CTC estimates based on the International Travel Survey, and air traffic data from Diio Mi FMg

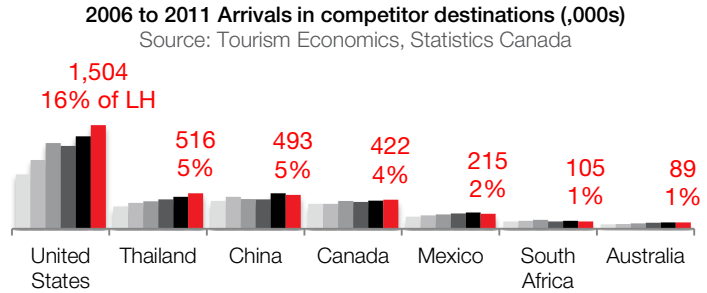
Source: Diio Mi. February 2013.

YUL: Montréal; YYZ: Toronto; YQB: Québec City; YVR: Vancouver; YYC: Calgary
CDG/ORY: Paris; MRS: Marseille; LYS: Lyon; NCE: Nice; TLS: Toulouse; NTE: Nantes; BOD: Bordeaux

Competitive Environment

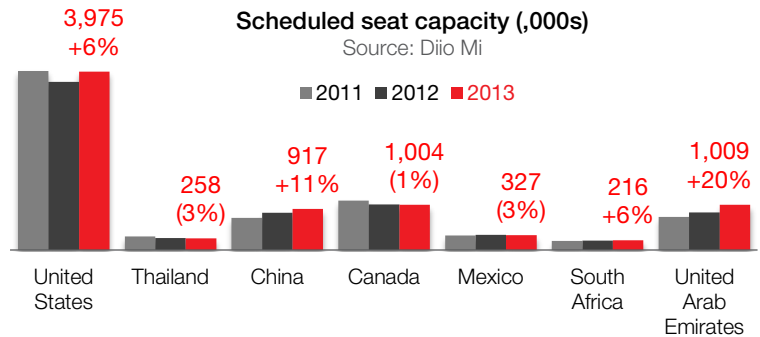
ARRIVALS

Up until 2006, Canada ranked as the second or third most visited destination among key long-haul competitors. Canada is now in fourth position behind the US, Thailand, and China. In particular, the US nearly doubled its arrivals between 2006 and 2011 and Thailand grew by 60%.



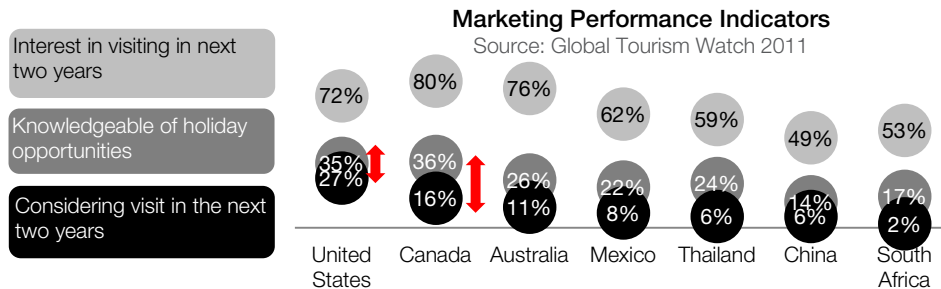
AIR SERVICE

Canada's share of long-haul scheduled seat capacity will erode from a high of 7% in 2011 to 6% in 2013. The United Arab Emirates will essentially be tied with Canada for third place in 2013. The aggressive growth in air service between France and the UAE over the past few years most likely facilitated the growth in arrivals to competitor destinations such as Thailand and Australia.



MARKETING PERFORMANCE

While Canada ranks first on two of the key marketing indicators, the US leads by a wide margin on consideration. Greater efforts can be made to improve consideration among long-haul travellers.



Canada is perceived relatively well as a place that offers an authentic experience. The country shows an upward trend on perceptions for offering relevant experiences and affordable to get to by air.



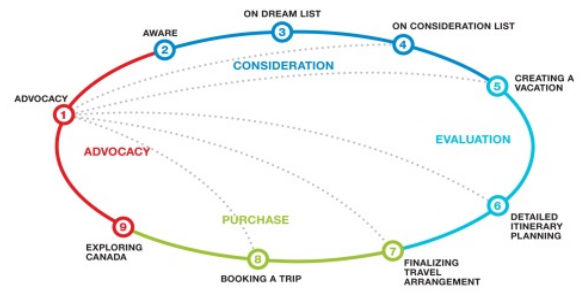
Marketing along the Path to Purchase

The path-to-purchase model aids in understanding the decision journey of a traveller and the opportunity to influence it. It effectively identifies motivators and blockages to building destination awareness, consideration, evaluation and ultimately, purchase of Canada.

TRAVELLER PROFILE

The traveller profile charts illustrate the distribution of travellers along the path to purchase:

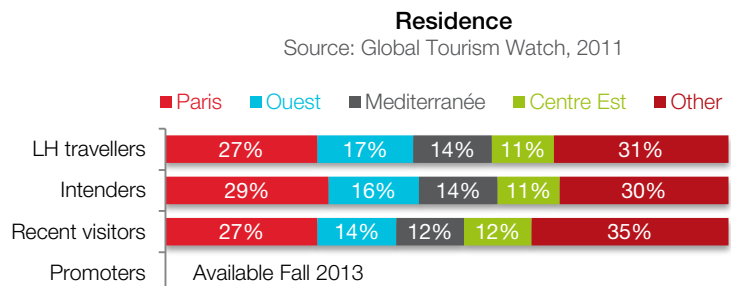
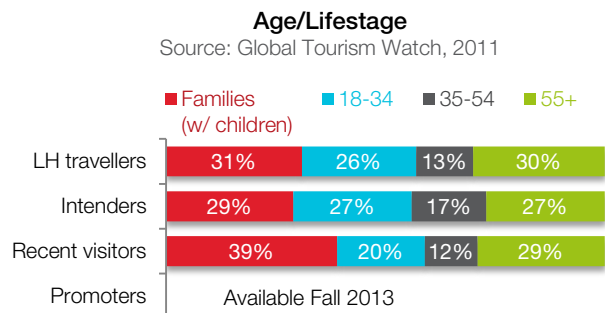
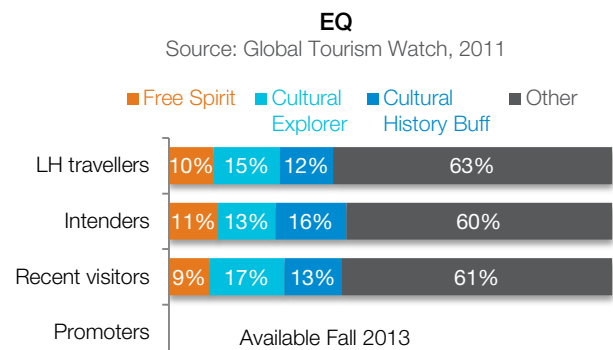
- Long-haul (LH) travellers represent all travellers on the path to purchase.
- Intenders are those at the consideration and evaluation phases.
- Recent visitors came to Canada in the past three years for a holiday.
- Promoters have visited Canada at least once and are very likely to recommend Canada for a holiday.



In the 2011 Global Tourism Watch study, the three **target EQ® segments represented 40% of intenders.**

Compared to all long-haul travellers, Canada attracted a greater proportion of recent visitors composed of families with children under 18 years and a smaller proportion of singles and couples between 18 and 54 years. **Canada is either having greater success in attracting families or a higher proportion of those without families between 18 and 54 years are being lured to other destinations.**

The four regions of Paris, Ouest, Méditerranée, and Centre Est represent 70% of intenders.



Consideration: 82% of long-haul travellers

MOTIVATORS

According to Visit Britain's Market and Trade Profile for France (November 2012), the most cited motivators for a traveller's main holiday during 2010 was rest/recreation at 30%, followed by visiting friends/relatives at 25%, and city trips at 18%. Nature was only cited by about 5% of travellers.

BARRIERS

Over 40% of travellers at the consideration stage cite **affordability** as a reason preventing them from visiting. About 20% indicate that it's either **not the right time**, or they **don't have enough time** to take a holiday to Canada in the next two years. (Source: *Advanced Path to Purchase, Insignia Research & Canadian Tourism Commission, 2010*)

SOURCES FOR TRIP INSPIRATION

Traditional media plays a more important role at the early stages of the path to purchase, including word of mouth, TV/radio shows, magazine/newspaper articles, travel guides/books and tour operator brochures.

Evaluate: 14% of long-haul travellers

MOTIVATORS

Canada's target French travellers seek different experiences.

Free Spirits are attracted to **exciting** experiences they cannot find at home. Unlike their UK counterparts, the French Free Spirits are more interested in **engaging with local people**. They also **prefer travelling without a set schedule** instead of whizzing around to see all the main attractions.

Cultural Explorers enjoy going **off the beaten path**. They love learning about the **history** of the places they visit and immerse themselves in the modern **culture**. They prefer not to be constrained to a set schedule.

Cultural History Buffs also love learning about **history and immersing themselves in the local culture**. They **appreciate nature** and want to see natural settings before they are over-developed. They **prefer group travel**, which may be related to their **more sociable nature**.

♥ Travel motivators		
Free Spirit	Cultural Explorer	Cultural History Buff
Excitement	Cultural immersion	History
Unstructured travel	Unstructured travel	Natural beauty
Experiences they cannot find at home	Lives for travel	Cultural immersion
Indulgence, carefree	Natural beauty	Sharing experiences
Cultural immersion	Fun	Group travel
	Off the beaten path	Lives for travel

BARRIERS

About 30% cite affordability and another 30% cite either not the right time or not enough time to take a holiday to Canada in the next two years. (Source: *Advanced Path to Purchase, Insignia Research & Canadian Tourism Commission, 2010*)

SOURCES FOR TRIP PLANNING

Most travellers use **online sources to plan** their trips, including the websites of online retailers, national tourism offices, hotels, airlines, attractions, etc. However, 60% of Cultural Explorers and Cultural History Buffs continue to rely on **travel guides/books**.

Purchase: 4% of long-haul travellers

BOOKING TIMEFRAME

Half of French travellers book their holiday within three months of travelling. (Source: Ad Tracking and Conversion, Insignia Research & Canadian Tourism Commission, 2010)

BOOKING METHOD

Over 40% of travellers used a travel agent to book their flights to Canada in 2010. Another 22% opted to book directly with their airline and 17% used an online retailer. (Source: Advanced Path to Purchase, Insignia Research & Canadian Tourism Commission, 2010)

Booking method

Travel agent (44%)
Direct with airline (22%)
Online retailer (17%)

Advocacy

TRAVELLER PROFILE

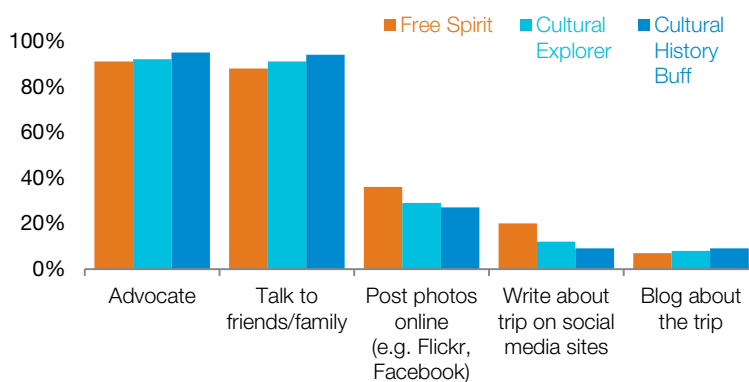
Over 90% of target EQ® travellers share their trip experiences with others upon returning home from a holiday.

Online social networks can facilitate destination advocacy by providing past visitors a platform to share their experiences and opinions with like-minded prospective travellers.

While the majority of travellers shared their holiday experiences with family and friends in person, sharing photos online and posting messages on a social network were beginning to gain traction in 2010, when the CTC last studied this topic.

Advocacy and form of advocacy

Source: EQ, 2010



MEDIA RECALL

Over the past three months, 8 in 10 French **long-haul travellers saw or heard information about Canada**. Traditional media (TV and print) along with word of mouth were the most recalled sources of information about the country. (Source: Global Tourism Watch, 2011)

Media recall

Travel shows on TV (36%)
Word of mouth e.g. from friends and family (34%)
In-flight magazine articles (29%)
Travel/destination websites (21%) travel guides/books

Further information

Tourism businesses need to make every resource count and focus on what can set them apart from the competition. The CTC can give you an edge by providing [additional resources](#) that will help you leverage Canada's highly successful [tourism brand](#)-"Canada. Keep exploring." Canada ranked first as the world's most respected country brand in 2010 and 2011 and the influential Lonely Planet guide named Canada one of the "Top 10 Countries to Visit in 2009,"so it's a powerful brand to get behind!

As Canada's national tourism marketing organization, the CTC leads the way in keeping Canada's tourism industry ahead of the pack while we work with our partners to inspire visitors around the world to explore Canada.

We rely on Canada's small- and medium-size tourism enterprises (SMEs) to deliver on our brand promise. Our resources provide support to help transform their tourism products into the extraordinary experiences that will keep visitors coming back for more.

We encourage you to learn more about [working with the CTC](#) and look forward to working with you in the future.

For more information on travel trade and media opportunities, please contact our GSA representative in France, Tourism Synergique:

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