

# IMPACT OF COVID-19 ON THE CANADIAN ECONOMY AND CONSUMER SENTIMENT - as of October 15, 2020

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

## EXECUTIVE SUMMARY AS OF OCTOBER 15, 2020

*According to the weekly Ipsos Canada Tracking Report #26, Updated: October 15, 2020*

- 43% of Canadians are **worried about losing their job**, this has worsened from 39% observed in the September 11 – 14 wave of data
  - This perception is higher in Ontario with 48% of Ontarians being **worried about losing their job**, this has remained the same observed in the September 11 – 14 wave of data
- Likelihood of travel within their own province has **dropped** in Ontario potentially due to recent increase in COVID cases
  - 51% of Ontarians are likely to avoid travel even within their own province, this has **worsened** from 45% observed in the September 11 – 14 wave of data

*According to Destination Canada's Resident Sentiment Survey Report, Updated October 15, 2020*

- Ontario's perception of safety towards travel to other destinations decreases the further away people think of travelling from their home
  - 65% of Ontarians feel safe when thinking about travelling to nearby communities
  - 53% of Ontarians feel safe when thinking of travelling within Ontario
  - 34% of Ontarians feel safe when thinking of traveling to other parts of Canada
  - 9% of Ontarians' perceived safety is much lower when thinking about travelling to the US and 10% to other international destinations

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*According to Destination Canada's Sentiment Towards Visitors Survey Report, Updated October 15, 2020*

- Ontario's **overall sentiment** towards visitors from other parts of the province has **decreased significantly**
  - 47% of Ontarians would welcome visitors from nearby communities
  - 37% of Ontarians would welcome visitors from other parts of Ontario
  - 29% of Ontarians would welcome visitors from other parts of Canada
  - 6% of Ontarians' would welcome visitors from the US and 8% from other international destinations

*According to Leger Research's national pandemic tracker study results from October 9 – 11, 2020 reported*

- Ontarians overall level of comfort with activities has decreased over the last month most likely as a result of recent increase in COVID cases

*According to Google Travel Intent survey online poll results ending October 9, 2020*

- Canadians overall travel intent has decreased over the last month
  - **10%** of Canadians are looking at booking a domestic trip in the next three months
  - **20%** of Canadians are looking at booking a domestic trip after a year from October 9, 2021
  - **16%** of Canadians are interested a major city travel destination
  - **16%** of Canadians are interested in a small-town travel destination

*According to Google's recovery signal dashboard based on search query data, as of October 13, 2020*

- Overall Canadian travel search queries dropped below the 2019 level most likely due to the recent increase in COVID cases
- Overall Ontario travel search queries have reached 2019 levels
- Overall travel search is down potentially due to the recent increase in COVID cases

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- Travel search interest within Canada is down 22%; however local attraction search queries are down 54% compared to the same period March 1 – October 13, 2019
- Travel search interest within Ontario is down 26%; however local attraction search queries are down 48% compared to the same period March 1 – October 13, 2019

*According to Google's US Travel Intent survey based on data as of October 9, 2020*

- The US overall saw a drop-in travel intention to travel over the next 2 weeks most likely due to the increase in COVID cases
  - 82% of Americans will be very unlikely engage in any travel in the next 2 weeks
- Overall US travel intention in the next 3 months are low and remained stable over the past three months
  - 67% of Americans will be very unlikely to engage in any travel in the next 3 months

*According to Google's Global Travel Intent survey based on data as of October 9, 2020*

- In the UK, Germany and France, less than 8% polled in each country regarding booking window for an international trip, intend to book an international trip within the next year

## MACRO-ECONOMIC OUTLOOK:

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

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## CANADA:

Ipsos' public attitude and behavioural online poll results from October 15, 2020 reported<sup>1</sup>:

### Personal Impact and National Threat<sup>1</sup>

Threat perception indicators have worsened over the past month across Canada

- **66%** Canadians believe COVID-19 will have a personal financial impact on them and their family, this has **significantly worsened** from 59% observed in the September 11-14 wave of data
  - **69%** of Ontarians worry about their personal financial impact, this has **worsened** from 66% observed in the September 11-14 wave of data
- **56%** of Canadians perceive the virus as a threat to Canada, this has **significantly worsened** from 45% observed in the September 11-14 wave of data
- **43%** of Canadians are worried about losing their job, this has **worsened** from 39% observed in the September 11-14 wave of data
  - This perception is higher in Ontario with **48%** of Ontarians being worried about losing their job, this has remained stable, observed in the September 11-14 wave of data
- **87%** of Canadians feel the coronavirus will lead to a recession, this has remained stable, observed in the September 11-14 wave of data

### Perceived Big Global Economic Impact<sup>1</sup>

- **94%** of Canadians foresee an impact on the financial markets and global economy, this has **remained stable** from 93% observed in the September 11 – 14 wave of data
- **35%** of Canadians think their job or business is threatened by COVID-19, this **has worsened** from 30% observed in the September 11 – 14 wave of data

## TRAVEL OUTLOOK:

### CANADIAN TRAVEL OUTLOOK:

Ipsos' public attitude and behavioral online poll results from October 15, 2020<sup>1</sup>:

- **78%** of Canadians are not comfortable taking a vacation this year, regardless of

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when the pandemic ends, this has **remained the same**, observed in the September 11 – 14 wave of data

- Perceived risk of activities has remained stable
  - **25%** of Canadians now consider travelling within their province risky, this has **worsened** from 20% observed in the September 11 – 14 wave of data
  - **46%** of Canadians now consider restaurants risky, this has **remained stable** from the September 11 – 14 wave of data
  - **30%** of Canadians shopping malls risky, this has **remained stable** from the September 11 – 14 wave of data
- Net intent to travel to other provinces remains negative and has worsened considerably within the BC, Alberta and Quebec. BC, MB and SK residents are the most hesitant to travel within Canada
- Likelihood of travel within their own province has dropped in Ontario potentially due to recent increase in COVID cases
  - **51%** of Ontarians are likely to avoid travel even within their own province, this has **worsened** from 41% observed in the September 11 – 14 wave of data

Destination Canada's resident sentiment survey study results from October 15 reported<sup>2</sup>:

- Ontario's level of safety towards travel to other destinations decreases the further away people think of travelling from their home
  - 65% of Ontarians feel safe when thinking about travelling to nearby communities
  - 53% of Ontarians feel safe when thinking of travelling within Ontario
  - 34% of Ontarians feel safe when thinking of traveling to other parts of Canada
  - 9% of Ontarians' perceived safety is much lower when thinking about travelling to the US and 10% to other international destinations

Destination Canada's sentiment toward tourism advertisement study results from October 15 reported<sup>2</sup>:

- Ontario's overall **sentiment towards visitors** from other parts of the province has

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**decreased significantly**; therefore, promoting local travel would be the current best course of action:

- 47% of Ontarians would welcome visitors from nearby communities
- 37% of Ontarians would welcome visitors from other parts of Ontario
- 29% of Ontarians would welcome visitors from other parts of Canada
- 6% of Ontarians' would welcome visitors from the US and 8% from other international destinations

Leger Research's national pandemic tracker study results from October 9-11 reported<sup>3</sup>:

- Ontarians' level of comfort with activities with protective measures are in lifted:
  - 41% dining in restaurants, decreased from 49% reported in September 11 – 13 waves of data
  - 14% attending large gatherings such as sporting events, concerts or festivals, significantly decreased from 22% reported in September 11 – 13 wave of data
  - 15% going to bars, pubs, lounges, night clubs, decreased from 17% reported in September 11 – 13 wave of data
  - 25% flying on an airplane, remained stable from 24% reported in September 11 – 13 wave of data
  - 15% travelling to the United States, decreased from 17% reported in September 11 – 13 wave of data

Google Travel Intent Canada survey online poll results ending October 9, 2020 reported<sup>4</sup>:

- **10%** of Canadians are looking at booking a domestic trip in the next three months, **decreased** from 15% reported in the previous September 11 report
- **7%** of Canadians are looking at booking a domestic trip in the next three to six months, **remained stable** from 8% reported in the previous September 11 report
- **20%** of Canadians are looking at booking a domestic trip after October 9, 2021, **remained stable** at 20% reported in the previous September 11 report
- **19%** of Canadians are interested in travelling within 20 miles of their home in the next three months, **remained stable** from 19% reported in the previous September 11 report
- **6%** of Canadians are interested in a travel destination anywhere in their region in the next

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three months, **remained stable** from 5% reported on September 11 report

- **32%** of Canadians are interested in a travel destination anywhere in Canada in the next three months, **decreased** from 38% observed in the previous September 11 report
- **16%** of Canadians are interested a major city travel destination, **remained stable** from 16% reported in the previous September 11 report
- **16%** of Canadians are interested in a small-town travel destination, **decreased** from 20% reported in the previous September 11 report
- **21%** of Canadians are interested in a rural travel location, **remained stable** from 20% reported in the previous September 11 report
- **14%** of Canadians are interested in a beach destination, **increased** from 12% reported in the previous September 11 report

Canada Travel Related Recovery Signals<sup>5</sup> (As of October 13, 2020):

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

- Overall Canadian travel search queries dropped below the 2019 level most likely due to the recent increase in COVID cases
- Overall Ontario travel search queries have reached 2019 levels
- Overall travel search is down potentially due to the recent increase in COVID cases
  - Travel search interest within Canada is down 22%; however local attraction search queries are down 54% compared to the same period March 1 – October 13, 2019
  - Travel search interest within Ontario is down 26%; however local attraction search queries are down 48% compared to the same period March 1 – October 13, 2019

## U.S. TRAVEL OUTLOOK:

Google's U.S. COVID-19 & Travel Intent survey online poll results ending October 12, 2020 reported<sup>6</sup>:

- **82%** of Americans will be very unlikely engage in any travel in the next 2 weeks, this has **worsened** from 79% reported in the previous September 14 report
- **67%** of Americans will be very unlikely to engage in any travel in the next 3 months,

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- **remained stable** at 66% reported in the previous September 14 report
- **9%** of Americans will book travel only in North America the next 3 months, **remained stable** from 10% in the previous September 14 report
- **57%** of Americans will not book a flight under any circumstances in the next 3 months, **remained stable** from 57% reported in the previous September 14 report
- **48%** of Americans will not book a hotel under any circumstances in the next 3 months, **remained stable** from 47% in the previous September 14 report

U.S. Travel Related Recovery Signals<sup>5</sup> (As of October 13, 2020):

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

- Overall trend line is **stable activity** but below 2019 **level** in U.S. searches pertaining to Canadian travel search down 61% same period March 1 – October 13, 2019 search level
- Overall trend line is **stable activity** but below 2019 in U.S. searches pertaining to Ontario travel search queries down 64% same period March 1 – October 13, 2019 search level

## INTERNATIONAL TRAVEL OUTLOOK:

Google Travel Intent survey online poll results ending October 9, 2020 reported<sup>4</sup>:

United Kingdom's booking window perception for international trip<sup>4</sup>:

- **2%** of British people are booking in the next three months, **decreased** from 4% observed in the September 11 report
- **8%** of British people are booking in 9 months to a year, **decreased** at 10% observed in the September 11 report
- **17%** of British people are booking after October 9, 2021, **remained stable** from 18% observed in the September 11 report

Germany's booking window perception for international trip<sup>4</sup>:

- **5%** of Germans are booking in the next three months, **decreased** from 8% since September 11 report



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- **7%** of Germans people are booking in 9 months to a year, **remained stable** from 7% since September 11 report
- **9%** of Germans people are booking after a year from October 9, 2021, **decreased** from 11% since September 11 report

France's booking window perception for international trip<sup>4</sup>:

- **4%** of French people are booking in the next three months, **remained stable** from 5% since September 11 report
- **5%** of French people are booking in 9 months to a year, **remained stable** from 6% since September 11 report
- **8%** of French people are booking after September 11, 2021, **remained stable** from 9% since September 11 report

## Sources:

1. Ipsos Coronavirus – Canada Tracking #26 Report October 15, 2020: an online poll between October 9 – 12, 2020, among a random sample of N=1,450 adult Canadians (credibility interval +/-2.9%, 95% of the time), including an oversample to bring Ontario to N=801 (credibility interval +/-3.9%, 95% of the time)
2. Destination Canada Resident Sentiment Survey Report, October 13, 2020, N~1,800 adult Canadians and each minimum N=200 for each province
3. Leger National Weekly Pandemic Tracker Report, October 14, 2020, in field October 9 – 11, N=1,840 all respondents
4. Google Global Travel Intent Survey – online survey between April 10 – October 9, 2020 each N~1,000
5. Google Recovery Signals Dashboard, data updated until October 13, 2020
6. Google U.S. COVID-19 & Travel Intent Report, Wave 18 Results completed October 9 – 12, 2020, N~1,000