

# Navigate

New directions in tourism, hospitality and leisure

Volume 5 | Winter 2012



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  - Stratford Shakespeare Festival

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## **Navigate**

This is the fifth edition of our semi-annual publication, *Navigate*. Each issue provides a pulse on the Canadian travel, hospitality and leisure industry and highlights future trends. Each issue also explores a 'hot' topic that is having significant influence on the industry.



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## What's next?

There are some signs of optimism in the global economy as volatility decreases in international markets. Global arrivals were up by 22 million from January to June representing a 5% increase from the same period last year. International arrivals are expected to exceed one billion for the first time by the end of 2012. However, growth in developed markets remains tepid amid high levels of household and corporate debt. Policy leaders in Europe have recognized the importance of tourism to their economies and are taking steps to encourage more international travellers while at the same time encouraging domestic travellers to stay closer to home. The United States launched its first international campaign *Discover America* to promote tourism to some of its top international travel spenders, including Canada.

Canada continued to experience the steady arrivals growth trend in the first half of 2012 as non-traditional, emerging markets offset mostly flat growth from traditional source markets. Arrivals from China surpassed that of Australia, our fourth largest source market, with a 27% increase year-over-year to July 2012. Brazil, India and Mexico saw combined growth of over 11%. Mature source markets continue to experience stagnant GDP growth which correlates strongly with overnight travel abroad. Moving into the winter season, a resurgent Japan is expected to continue its strong Canadian arrivals growth after receiving some well-timed winter destination marketing.

Our October 2012 survey of Canadian travellers is showing a cautious outlook for both domestic leisure and business travel. 68% of Canadians suggest they are as likely to take a personal vacation in the coming 12 months compared to 60% a year ago; however, only 24% will travel more this year compared to 28% a year ago. This may suggest that consumers have regained their normal travel patterns after emerging from the recession. This outlook is consistent for Canadian domestic business travel.

In this edition of *Navigate*, we take a close look at event tourism with a feature on the 2012 Summer Olympics and the Stratford Shakespeare Festival. Our findings show that 35% of travellers who have visited or plan to visit an Olympic host city were positively influenced by the Games. London expects to enjoy a significant boost to its tourism, especially from emerging markets and those seeking sports and cultural tourism. The ability of travel, hospitality and leisure companies to take full advantage of international sporting events and their legacy is determined by intense preparation and a strategic view of targeting new customers.

Highlighted as a home-grown success, the Stratford Shakespeare Festival is internationally recognized for its quality productions and talent. The festival has used a variety of digital media strategies to reach different demographics and enhance the customer experience. Named one of North America's five significant cultural destinations, the organization continues to strive for an immersive customer experience.

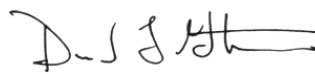
We also examine Malaysia as our latest 'hot' destination. Along with its mild tropical climate, Malaysia is widely recognized for price competitiveness. There is fast-paced development within its hotel industry as Malaysia continues to improve its ability to welcome and accommodate visitors.

We hope you enjoy this latest edition of *Navigate* and encourage any feedback or suggestions.

Sincerely,



**Lorrie King**  
Partner and National Travel,  
Hospitality and Leisure Leader  
Deloitte



**David Goldstein**  
President and Chief Executive Officer  
Tourism Industry Association of Canada (TIAC)



# A pulse on the tourism industry



## State of the industry

- Global arrivals have increased 5.5% year-over-year for the 12 month period ending June 2012, while global receipts grew by 3.8% in 2011 versus 2010. Much of the spending and arrivals growth can be attributed to increased traffic to London for the 2012 Summer Olympics.
- Arrivals to Canada from the U.S. remained steady, with a negligible year-over-year increase for the 12 month period ending June 2012. Canada's other travel markets experienced stronger growth of 3.1%. Overall, Canada's tourism receipts increased by 6.3% year-over-year for the 12 month period, which was driven largely by non-U.S. receipts growth of 8.4%.
- The Canadian hospitality sector is continuing to see positive growth as key performance indicators trended upward in the 12 month period ended August 2012. Occupancy rates, revenue per available room (RevPAR) and average daily rate all grew with the largest increase in RevPaR (3.6%).
- Our survey suggests that Canadians' intentions to travel to the U.S. and outside North America for the next 12 months have increased relative to the previous period.

### A pulse on the tourism industry

Industry snapshot – International	
Global tourism arrivals (LTM as of June 2012)	1.01B (+5.5%)
Global tourism receipts (2011)	\$1,018B* (+3.8%)
Canada's international travel deficit (LTM as of June 2012)	\$16.51B (+6.8%)
Industry snapshot – Canada	
International arrivals to Canada – LTM as of June 2012	
U.S.	11.8M (+0.9%)
All other countries	4.5M (+3.1%)
<b>Total</b>	<b>16.3M (+1.5%)</b>
Canadian tourism receipts – LTM as of June 2012 U.S.	
U.S.	\$7.375B (+3.7%)
All other countries	\$9.893B (+8.4%)
<b>Total</b>	<b>\$17.268B (+6.3%)</b>
Canadian hospitality metrics	
Canadian hospitality metrics – LTM as of August 2012	
Occupancy rate	61.8% (+1.1%)
Revenue per available room (RevPAR)	\$79.40 (+3.6%)
Average daily rate (ADR)	\$128 (+1.9%)
Traveller outlook	
Percentage of survey respondents who are more or as likely to travel to a specified destination for a personal vacation over the next 12 months**	
Within Canada	91% (vs. 88%)
To the U.S.	81% (vs. 76%)
Outside North America	70% (vs. 56%)
Percentage of survey respondents who are more or as likely to travel to a specified destination for business travel over the next 12 months**	
Within Canada	88% (vs. 80%)
To the U.S.	74% (vs. 66%)
Outside North America	68% (vs. 53%)

Note: Dollar figures are in Canadian Dollars.

Source: UNWTO, Statistics Canada, Ontario Ministry of Tourism, Ipsos

\*Converted from original value of \$1,030B USD using Bank of Canada's 2011 average exchange rate of 1USD = 0.9890692 CAD

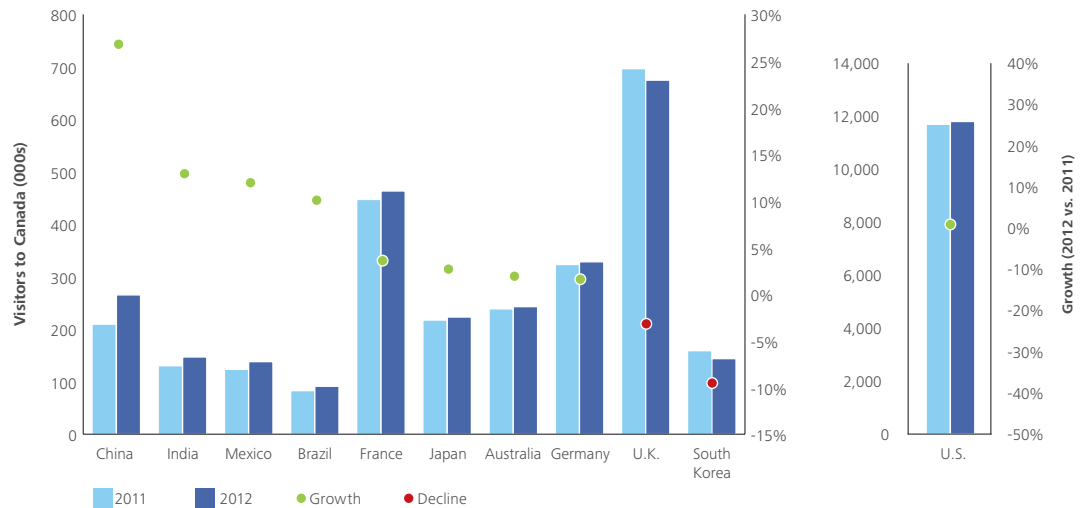
\*\*Traveller outlook % in parentheses represent responses from Navigate Winter 2011 survey

(Oct. 2012 – Sept. 2013 vs. Oct. 2011 – Sept. 2012)

LTM – Last Twelve Months

## Moderate growth from traditional markets is offset by emerging travellers

**Travel to Canada from key international markets**  
TTM Q2 2010-11 vs. TTM Q2 2011-12

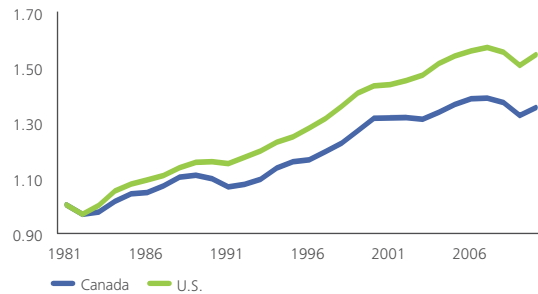


Source: Canadian Tourism Commission – Tourism Snapshot  
Note: TTM – Trailing Twelve Months

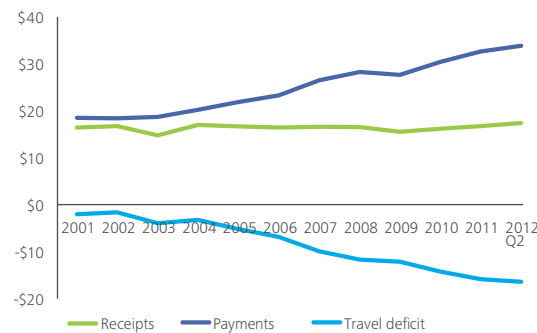
- Growth from emerging markets continues to expand with China topping the list again. Arrivals from China grew by 27% from July 2011 to June 2012 surpassing Australia as Canada's 4th largest inbound market. Arrivals from India were also strong with a growth of 13.3% over the same period.
- Our challenge in some of the more mature tourism source markets continues as visits from the U.K. continued to slump – and with only France and Japan enjoying growth over 2%.
- Cross-border travel continues to be flat with U.S. visits increasing slightly.

## Challenges facing the Canadian tourism industry mirror our national productivity decline

**Canada and U.S. GDP per worker, indexed to 1981**



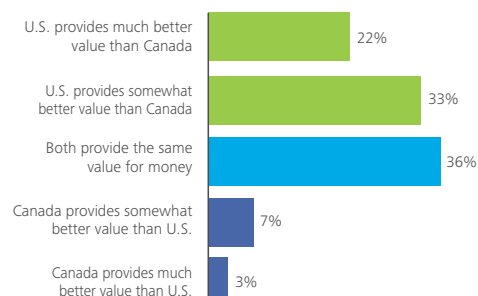
**Canadian tourism receipts (from foreigners), payments (by Canadians abroad) and resulting travel deficit**  
In billions



Source: Canadian Tourism Commission – Tourism Snapshot

- A challenge that affects many Canadian industries is that of productivity and competitiveness. The gap continues to grow between Canada and the U.S., and Canada's productivity growth rate lags many in the Organisation for Economic Co-operation and Development.
- Causes of the productivity gap range from a chronic under-investment in new technologies and innovation, risk-aversion to international expansion and increasing competition for skilled labour.
- The Canadian tourism industry is facing similar challenges, with a growing travel deficit as the number of payments made by Canadians outside of Canada is growing at a faster rate than the receipts in Canada from international travellers. Canada's ranking in international arrivals has fallen from 2nd in 1970 to 18th in 2011.
- Part of the challenge for Canada is the number of new travel destinations emerging across the globe. Travellers simply have more choice today compared to before.
- Another challenge is the perceived value of our travel product, namely due to the high price of flights to and from Canada as well as recent escalations in gas prices and the value of the Canadian dollar.
- As with other industries in Canada looking to improve their level of productivity and competitiveness, Canadian travel businesses must continue to emphasize quality service and offer non-commoditized products with the aim to command a premium in global markets.
- To learn more about Canada's productivity challenges and opportunities, visit [Deloitte.ca/Productivity](http://Deloitte.ca/Productivity).

### How would you rate the overall value for money of a trip to the U.S. vs. Canada?



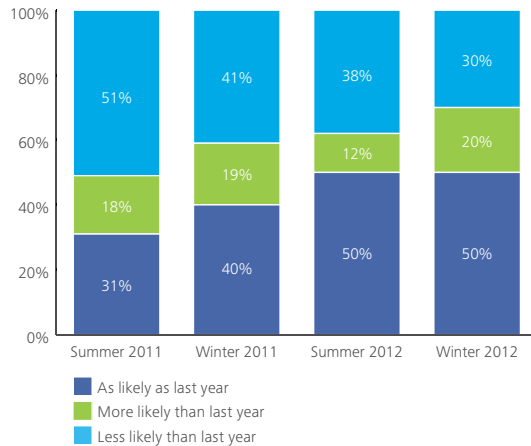


# Canadian travel outlook

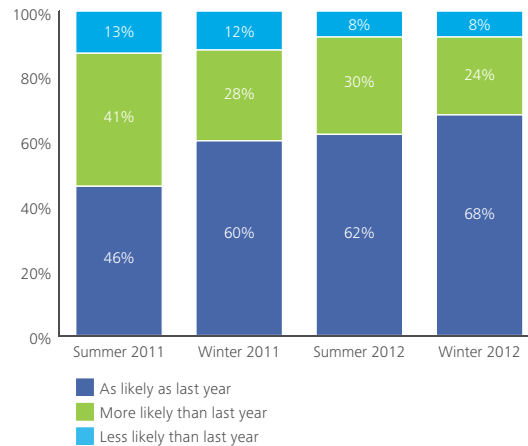


## Travel intentions have softened domestically but increased internationally

**How likely are you to travel overseas  
(excluding U.S.) for a personal vacation over the  
next 12 months?**



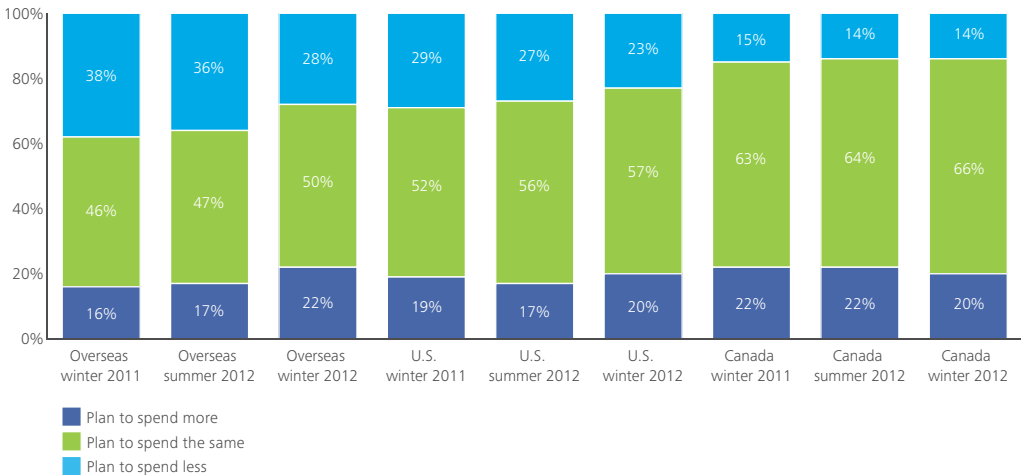
**How likely are you to travel within Canada for a  
personal vacation over the next 12 months?**



- Travel intentions within Canada have softened with 24% of Canadians planning to travel more in the coming 12 months compared to 28% 12 months ago. The largest growth was found in the number of Canadians intending to travel the same amount in the next 12 months as last year (68%).
- International travel is expected to grow slightly, with 20% of Canadian travellers suggesting they will travel overseas in the coming 12 months in comparison to 19% in winter 2011 and 12% in summer 2012.

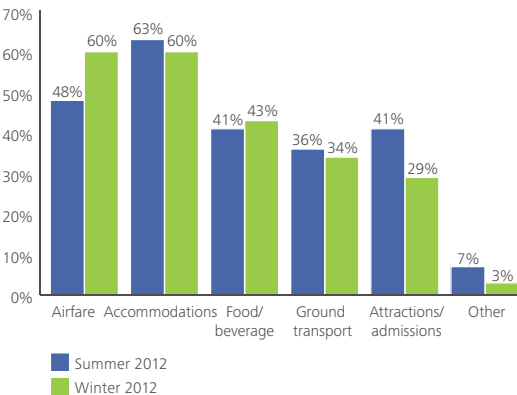
# Travellers plan to spend more money and time away from home

Compared to last year, how much do you plan to spend on leisure travel in the next 12 months



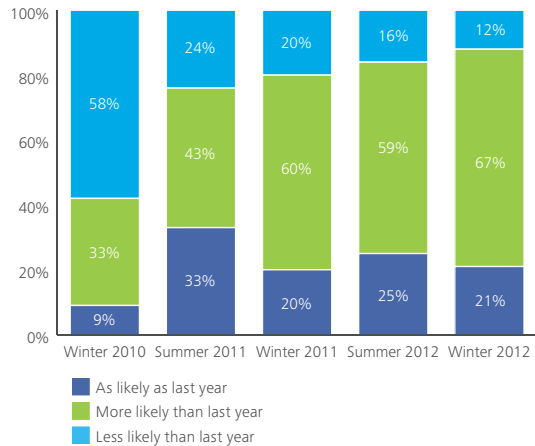
- Respondents indicate they are planning to spend relatively the same on domestic and U.S. travel but would increase their spending on trips abroad. An increasing number of travellers state they plan on spending over half of their holidays on travel away from home (63% versus 56% last year).
- Travellers continue to look for the lowest priced airfares. 60% of respondents indicate that airfare is an area to save money while travelling, versus 48% six months ago. Attractions and admissions decreased to 29% from 41% in summer 2012, which may indicate that travellers are less focused on this area of their total travel spend.

In which areas do you typically look to save money while travelling?

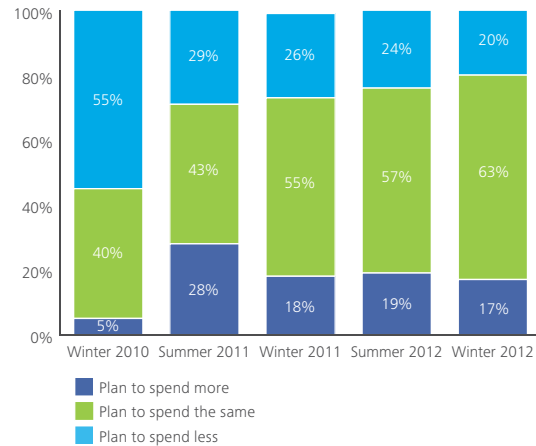


## Business travel is recovering in Canada

### How likely are you to travel within Canada for business travel over the next 12 months?

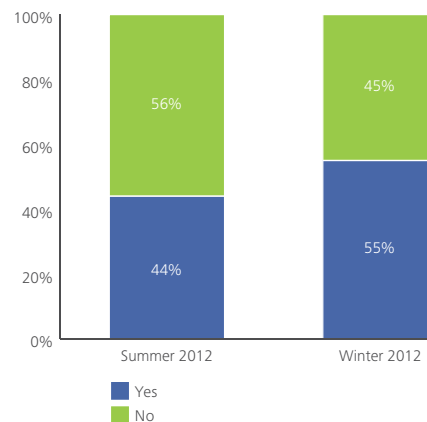


### Compared to last year, do you plan to spend more, less or the same for your business expenses over the next 12 months?



- Business travel and spending intentions are improving.
- The average business traveller plans to take 2.1 trips this year within Canada and 1.8 trips outside of Canada.
- Canadians continue to increase their blended travel\* with 55% of respondents (in winter 2012) indicating they will take personal time before, during or after a business trip.

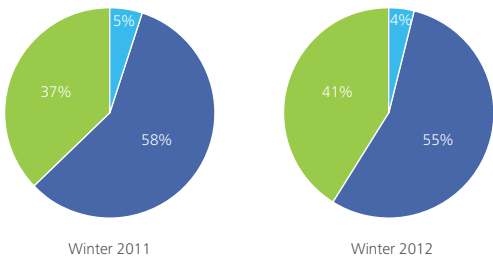
### Do you plan to take personal time before, during or after your business trip?



\*Blended travel is defined as the combination of a personal vacation with business travel.

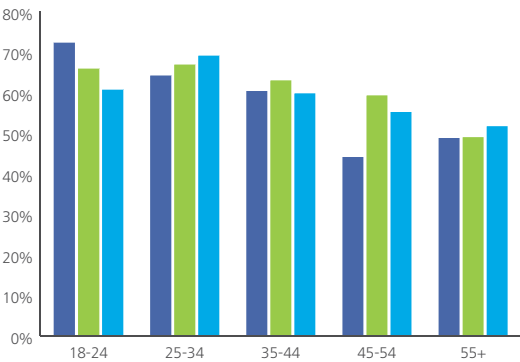
# Youth travellers are most eager for new travel destinations

Respondents who are likely or somewhat likely to visit a new destination (%)



■ Likely or somewhat likely  
■ Not likely or not at all likely  
■ Don't know

Respondents who are likely or somewhat likely to visit a new destination (%)



■ Winter 2012  
■ Summer 2012  
■ Winter 2011

- The youth demographic (age 18-24) continues to seek new destinations, while enthusiasm has declined among other age groups.
- Canada, U.S. and Australia topped the list of destinations where Canadian travellers were positively influenced by the political or economic environment.
- Only 55% of Canadians are willing to travel somewhere new this year compared to 58% this time last year.

# Event tourism London 2012

Capitalizing on international  
sporting events

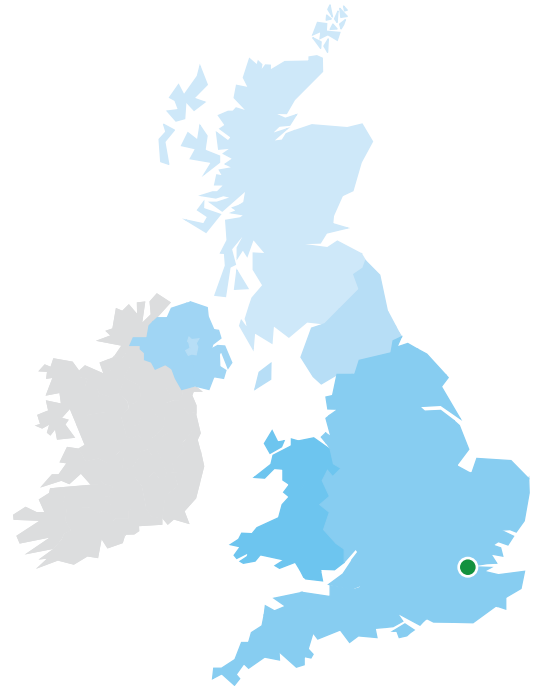


## Impact of London Olympics

**Long-term economic impact of London Olympics is much higher than immediate impact on visitor spending**

Incremental visitor spending (millions)	Games effect	Legacy effect	Total
London	£284	£694	£978
England (excluding London)	£280	£250	£530
Scotland	£45	£62	£107
Wales	£49	£14	£63
Northern Ireland	£5	£1	£6
Total	£663	£1,021	£1,684

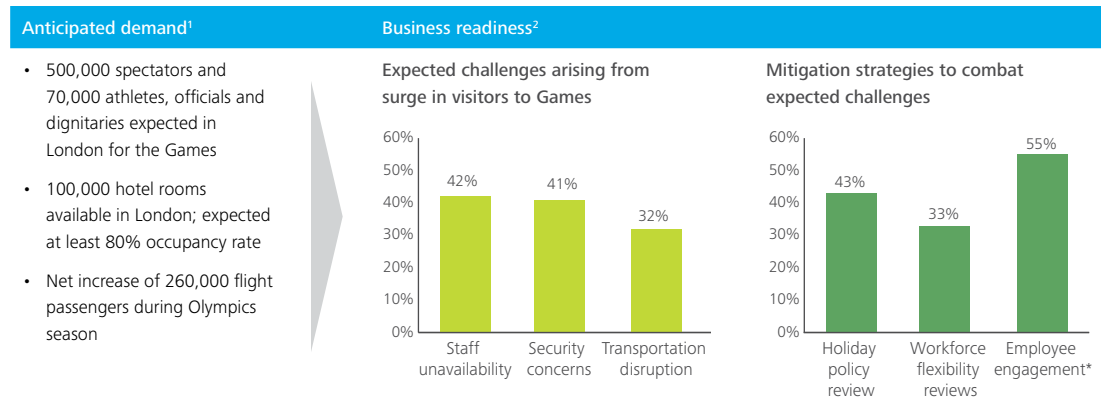
Source: Oxford Economics



- London played host to the world's two largest multi-sport events – the Olympic Games (from July 27 to August 12) and Paralympic Games (from August 29 to September 9).
- The London Organising Committee of the Olympic Games (LOCOG) was lauded for its successful delivery of a Games that revitalized the nation's morale and shone the spotlight on the city's vibrant culture and energy.
- The immediate and longer term impacts of hosting a major world sporting event are expected to provide a boost to the economy. Oxford Economics estimates that the 2012 Games will generate a net total of 10.8 million additional visitors to the U.K. between 2005 (its initial awarding to London) and 2017 (five years after the close of the Games). It is expected that these people will spend an additional £1.7 billion, of which over £1 billion is generated from the post-Games legacy.

Source: Oxford Economics

## London businesses underwent significant preparations to take advantage of expected increases in demand

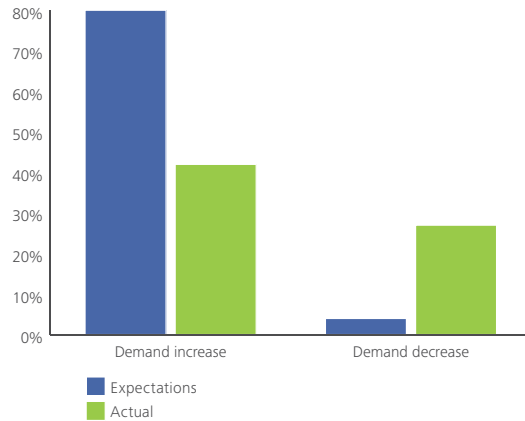


Source: <sup>1</sup>U.K. Department of Transport, Preparing your business for the games <sup>2</sup>Deloitte U.K.  
E.g., Intention to install TV screens on working floors for employees to watch events

- To prepare for visitors from around the world, London businesses re-examined their continuity plans and assessed the potential impact on their daily operations.
- Staffing was the top concern with 42% of respondents saying that this would affect their ability to operate. Security tensions increased slightly from 37% in 2011 to 41% as the Games drew closer.
- More than half of the companies installed televisions in common areas to ensure employees could stay connected to the events in the city while remaining engaged in their work.
- 87% of London businesses surveyed had assessed the potential impact of the Olympics on their business and more than three quarters were expecting an increase in demand.

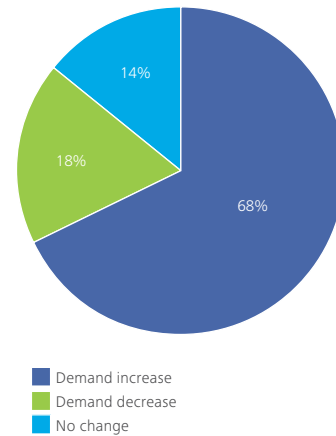
While all sectors did not reach expectations, travel, hospitality and leisure (THL) experienced the largest increase in demand

**Actual demand increases fell well short of expectations in the overall business sector**



Source: Deloitte U.K. survey of 100 large London businesses

**Impact of 2012 London Games on THL industry**



- Only 45% of surveyed companies felt they had enough information to accurately forecast demand.
- 41% said they increased business hours and 68% said they brought in specific promotions for the Olympic Games period.
- Several business owners reported local customers had decreased travel into the city due to perceived congestion and high prices.
- 68% of respondents in the THL industry and 59% of retailers reported an increase in demand due to the Games.
- THL operators may have had a better opportunity to prepare due to the need for booking travel and accommodation well in advance.
- Successful companies reported that they also planned ahead to be flexible for unanticipated demand surges, and reallocated staff to serve their busiest locations.

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“The biggest beneficiaries were those who planned ahead and targeted Olympic visitors.”

Heather Hancock, Deloitte, Lead Partner London 2012



## International events provide opportunities for post-Games targeting

- Legacy effects for London (i.e., increased tourism flows after the Games motivated by the publicity and coverage of the Games) is mainly related to additional leisure tourism flows – mostly from abroad.
- More than 20% of Canadian travellers surveyed indicate they have visited or planned to visit an Olympic host city. For the majority, the sporting event had no impact on their desire to visit, however one-third were influenced in some way by the Games – whether through positive coverage or plans to attend the events.
- Sustaining these legacy inflows may depend on efforts to target specific groups.

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### International recognition

- An £8 million marketing campaign was launched to target nine key countries including India, China and Brazil.
- The strategy hopes to triple the number of Chinese tourists to Britain to 500,000 per year, which could generate more than £500 million in extra spending.

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### Domestic awareness

- Britain's Secretary of State for Culture, Olympics, Media and Sport also earmarked £2 million in marketing to encourage Britons to take a holiday within the country.

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### Sport tourism niche

- The U.K. will put its significant experience and efforts behind hosting a number of large sporting events, including World Cups in rugby, rugby union, and cricket as well as the Commonwealth Games in 2014 and the World Athletic Championships in 2017.

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### James Bond is Great Britain campaign

- Following an opening ceremonies parachute scene with the Queen, VisitBritain is capitalizing on the 50 years of 007.
  - The agency's research suggests that following the release of *Robin Hood*, visitors to Nottingham rose 5.5%, while Alnwick Castle, the location used for Hogwarts School in *Harry Potter*, experienced a 230% increase in visitors.
- 

Source: Oxford Economics

# Gold Medal Plates



## Supporting athletic achievement through excellence in food, wine and entertainment

Launched in 2003, Gold Medal Plates is a series of events held across Canada that features top chefs in a competition to be crowned gold, silver and bronze in their respective cities. The winners will be given the opportunity to compete in the Canadian Culinary Championships. Gold Medal Plates' organizers hope to build on the Canadian patriotism experienced during the Vancouver 2010 Winter Olympic Games and to celebrate Canada's presence and success at the London 2012 Summer Olympic Games. The objective of these events is to raise funds for the Canadian Olympic Foundation, which supports Canadian Olympic and Paralympic athletes. Since its inception, Gold Medal Plates has raised \$6 million for the Canadian Olympic Foundation.



Gold Medal Plates features a diverse range of activities to support the success of its events:

- **Culinary:** Over 100 chefs are invited to compete over the course of the Gold Medal Plates project.
- A team of food and wine critics work with national critics to recognize the top three chefs in each city.
- **Wine, beer, spirits:** Gold Medal Plates is the largest program in Canada to feature and highlight Canadian wines. Wine, beer and spirits are presented to more than 5000 guests.
- Chefs pair their dish with their chosen wine, beer and spirit during the culinary competition.
- Guests are treated to numerous wine, beer and spirit labels during the entertainment portion of the event.
- **Entertainment:** Jim Cuddy, lead singer of Blue Rodeo and Gold Medal Plates' national entertainment advisor, hosts many talented Canadian acts each year.
- Notable past performers include Barney Bentall, Ed Robertson, Alan Doyle, Anne Lindsay, Colin James, Kathleen Edwards and many more.
- **Olympian and Paralympian featured speakers:** Athletes mingle with guests, host corporate tables and share their remarkable stories as featured speakers
- In 2011, over 220 athletes were in attendance.
- **Auctions of international travel packages:** Notable trip destinations and activities include cycling in Tuscany, hiking in Chile, pub tours in England and sailing in Croatia.
- Trips also include interactions with Canadian Olympians and entertainers; for example, a welcome reception and golfing lesson from Canadian PGA pro golfer Ian Leggatt at Pebble Beach Resorts.

## Bringing the Canadian Olympic journey closer to home

- Gold Medal Plates has not only shone the spotlight on our country's finest culinary and entertainment offerings, it has also allowed the Canadian Olympic Foundation to further invest in our Olympic and Paralympic athletes.
- Initiatives like *Own The Podium* have given our nation's top athletes access to world-class sport science and sport medicine personnel.
- Building on the momentum of Canadian patriotism experienced during the successful Vancouver 2010 Olympic and Paralympic Winter Games, Gold Medal Plates continues to demonstrate to our athletes that Canadians are committed to their development, passionate about their journey, and proud to have them represent us on the world stage.



Photo credit: Alan Chong

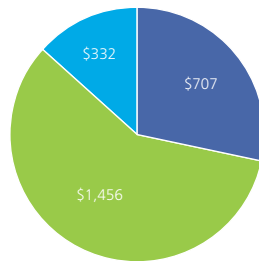
# Tourism marketing success

Stratford  
Shakespeare  
Festival



## Stratford Shakespeare Festival

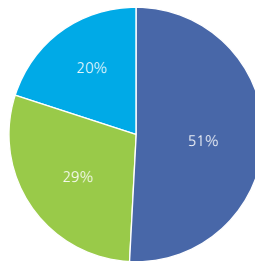
Mean total expenses



■ Domestic  
■ International  
■ Local

Note: Domestic tourists include Canadians that travelled more than 80 km to visit the festival.

Visitor profile



### 9 out of 10

Tourists are drawn to the Stratford area by the festival

### \$139.8 million

Total revenues attributed the Stratford Shakespeare Festival

### \$76.5 million

Attributable off-site tourist spending

### 2,514 jobs

Supported by the festival in the local Stratford area

### \$34.6 million

Direct taxes generated for the federal, provincial and municipal governments

### \$75.6 million

Direct and indirect taxes generated to all levels of government

- The Stratford Shakespeare Festival is an internationally acclaimed drama festival. It offers a program of classical and modern plays, as well as musical productions. The festival exemplifies the effective combination of marketing, access and product resulting in a world-class experience that has successfully grown during the ups and downs of travel to and within Canada over the past 60 years.
- The festival's 2013 strategy will continue to emphasize its authentic classical plays and seek to differentiate itself as an immersive theatre destination, with shows throughout the city, talks and events to attend and a pastoral setting to reflect.
- The festival has grown quickly since its inaugural season in 1953 that lasted only six weeks and offered 42 performances. The season now runs 31 weeks with over 700 performances.
- The New York Times and National Public Radio (NPR) have both recently trumpeted its success, with NPR highlighting it as one of five significant cultural destinations in North America and the only one in Canada.
- The festival is the strongest generator of tourism to the Stratford region attracting approximately 500,000 visitors each year.
- 80% of Stratford festival-goers are tourists to the region.
- On average, international (mostly from the U.S.) and domestic (travellers from more than 80 km away) visitors spend three times more than locals.

Sources: [www.stratfordfestival.ca](http://www.stratfordfestival.ca), The Conference Board of Canada, The Strategic Counsel.

## Stratford has readily adopted digital media to great success

### Web site

- Integrated Stratford Festival Blog creates a platform for dialogue and engagement
- Behind the scenes videos with artists and staff are available online
- Productions are filmed and edited into 'teasers' to attract potential visitors
- Online games and activities are available to engage the younger demographic
- Brochures and programs can be viewed and downloaded online
- Functionality to allow guests to purchase not only tickets, but also accommodation
- Cookies and remarketing tools are used to tailor the user experience and target advertising based on user activity on the web site

### Social media

- Spans several media: Facebook, Twitter, Google+, Pinterest, Flickr, Wordpress Blog
- Integration of ticket purchasing through Facebook allows visitors to see where their friends are seated in the theatres
- Centrally managed by a social media manager
- Attracts the younger demographic

### Internet and search engine optimization

- Includes both text and video advertisements
- Google AdWords is used to optimize search engine results and increase traffic
- The search for 'Stratford' in Google, generates Stratford Festival as the first result



### Web site stats

40%

Tickets sold through the web site

5–10%

Increase year-over-year in web site visitors and sales conversion

1,000,000

Unique visitors to web site annually

6000–7000

Room nights booked annually



### 2012 Social media stats

14,250

Twitter followers

247,703

YouTube views in 2012

72,199

Wordpress views in 2012

37,036

Facebook followers  
(an increase of 32%  
from 2011)

744,730

Lifetime YouTube views

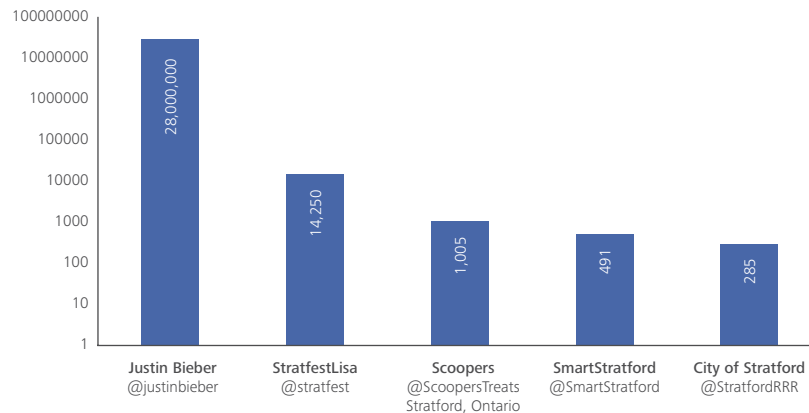
95,942

Lifetime Wordpress  
views in 2012

Season  
2012 Trailer

Top video

## Stratford, Ontario in the Twittersphere



Twitter followers as of September 28, 2012

- Stratford's most famous pop-star, Justin Bieber, began his career busking downtown. His Twitter account is the world's second most followed after Lady Gaga.
- Stratford Shakespeare Festival's Twitter presence is managed by the Director of Marketing & Audience Development Lisa Middleton.
- Scoopers is a local favourite ice cream shop with two and five times more Twitter followers than the top accounts hosted by the city of Stratford.

### Access

- With the Canadian dollar appreciation and economic recession in recent years, cost and convenience have become increasingly important factors to visitors from across the border.
- Stratford has used direct marketing campaigns to promote special offers (e.g., 2-for-1 Tuesdays) and package deals on other non-festival related offerings.
- Stratford's size and location, while charming, does not make it easily accessible to tourists who often must drive on the congested Ontario Highway 401.
- To facilitate visitors from Toronto in 2013, the Stratford Shakespeare Festival is launching the Stratford Direct daily shuttle bus service from Toronto directly to the festival.
- There is active promotion to the festival's target groups of rail and flight options, including the Via Rail train service and a Chicago – Kitchener daily flight connection.



Destination profile

# Malaysia



## Malaysia

Malaysia has been named the ninth most travelled to destination in the world. Rich in culture, it is a modern and wealthy country that welcomed 24.7 million international visitors in the last year. Tourism has been named one of twelve National Key Economic Areas at the centre of Malaysia's efforts to transform into a high-income nation by 2020. The goal is to attract 36 million visitors by 2020 and significant investments are being made to support this target. This year, an estimated \$82.5 million U.S. will be spent by Malaysia's Ministry of Tourism with a projected increase in visitation of 5% by the end of the year.

- Malaysia benefits from low comparative hotel and fuel prices, low ticket taxes and airport charges, and a favourable tax rate, making it very accessible to tourists.
- Malaysia has been recognized globally for its initiatives in developing the hotel industry over the last several years with both domestic and international hotel chains investing heavily in the country's tourism industry. Malaysia's overnight hotel stays are projected to increase by 4.83% in 2012 to about 27 million.
- The minister of tourism, Ng Yen Yen, noted that Malaysia registered 11.63 million arrivals in the first half of 2012, up 2.4% over the same period in 2011, with receipts growing more rapidly (increasing 4% over the same period to \$8.8 billion U.S.). The minister attributed the continuing rise in visitors in part to improved connectivity (particularly with China) and key events such as the F1 Malaysian Grand Prix and the Citrawarna cultural festival.

### Marketing

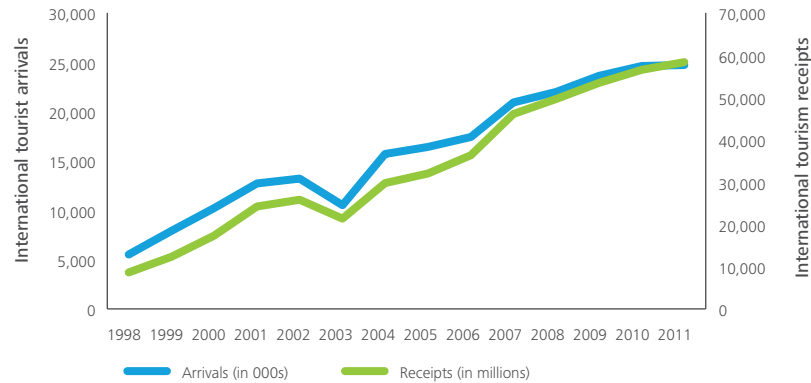
- In 2010, Malaysia launched the *1Malaysia Green, 1Malaysia Clean* tourism campaign to promote cleanliness, particularly in tourist areas. The country's well adopted slogan – *Malaysia, Truly Asia* – was developed by Tourism Malaysia and captures the diversity and distinctiveness of the country. This theme is the backdrop of the country's advertising campaigns in their continued effort to attract and increase tourist arrivals.
- Promotions on its interactive Tourism Malaysia web site and several digital channels increase interaction points with potential visitors. Information and media content can be found on their blog, Facebook, Twitter, Flickr, YouTube and WebTV.
- Malaysia has also concentrated its marketing efforts on business travellers with its *Meet and Experience Malaysia* campaign to increase its share of MICE (Meetings, Incentives, Conventions and Expositions) visitors.
- Tourism Malaysia has actively provided promotional support and assistance to several world-class sporting events to attract foreign tourists to Malaysia. The World Amateur Inter-Team Golf Championship, for example, has received tremendous participation from Australia, Brunei, China, Hong Kong, Indonesia, India, France, Nepal, Pakistan and South Africa. This year about 900 amateur golfers participated – an increase from previous years. In 2010, the event received a total of 154 teams or 616 golfers compared to 136 teams or 544 golfers in 2009.

## Access

- Over 40 international airlines fly into the country. Domestic airlines include Malaysia Airlines, the national carrier which has a global network that spans six continents as well as Air Asia and Firefly, low-cost carriers.
- The main gateway to Malaysia is through the new Kuala Lumpur International Airport (KLIA) at Sepang, which is located approximately 50 km south of Kuala Lumpur. The employees at KLIA were awarded Best Airport Staff Asia at the Skytrax 2012 World Airport Awards, and KLIA was named the 8th best airport in the world (up one place from its 2011 ranking).
- Port Klang, the main entry point by sea, is about 50 km away from the capital city. In addition, Malaysia is accessible by rail and road from Thailand and Singapore.
- In 2010, the industry benefitted significantly from the support of the local airlines as both Malaysia Airlines and Air Asia announced an increase in flight frequency and new routes covering the areas of Singapore, Philippines, Indonesia, India, South Korea, Japan, Australia and New Zealand.
- The hospitality sector, which is one of the region's largest, is continuing to see visitor numbers increase in 2012, attributed to better transportation connectivity with large emerging markets.



### Malaysia's international tourist arrivals and tourism receipts



### Product

- The country is becoming increasingly well-known for their international shopping attractions. Tourist spending on shopping is expected to continue to increase, fuelled by the government waiving the import duty for over 300 goods such as handbags, perfumes, shoes and apparel. Tourist shopping accounted for 32.3% of total tourist receipts from January to May of this year, compared to 30% last year.
- From January to May 2012, Malaysia hosted 33 major events that generated an estimated economic impact of \$164 million U.S., which is well on the way to the planned target of \$295 million U.S. in revenue by the end of the year.
- The country is attracting international tourists with innovative attractions such as the 1Malaysia International Shoe Festival, Malaysia International Night Floral Parade, 1Malaysia Contemporary Art Tourism, Fabulous Food 1Malaysia, Parks & Gardens Tourism, Helicopter Tourism, Bicycle and Motorbike Tourism.
- Malaysia's marine assets continue to be a major draw, attracting many tourists and scuba enthusiasts to the country. A few of Malaysia's popular scuba diving destinations include Pulau Perhentian, Pulau Redang, Pulau Kapas, Mabul, Kapalai, Pulau Tioman, Pulau Lang Tengah and Pulau Tenggol. In 2010, Tourism Malaysia participated in numerous exhibitions to promote marine tourism.

## Performance highlights

- Population is approximately 29 million. Malays make up about 57% of the population with Chinese, Indians and other ethnic groups making up the rest
- Ranks 14th in receipts and 9th in arrivals according to 2011 UNWTO rankings
- 2,707 hotels offering 193,340 rooms; increasing its hotel supply by 14.4% and its room supply by 14.7% in 2011
- Ranked 7th in the Asia Pacific region and 35th overall in the Travel & Tourism Competitiveness Index conducted by the World Economic Forum in 2011
- Ranked 3rd in price competitiveness in the Travel & Tourism Competitiveness Index conducted by the World Economic Forum in 2011
- 117 airports, ranking 49th worldwide
- Winner of Asia's Leading Airport Hotel for Pan Pacific KLIA at the 2012 World Travel Awards; also won this award in 2011 along with Asia's Leading Sports Tourism Destination and Asia's Leading Airline – Malaysian Airlines
- World class destination for meetings, incentives, conventions and exhibitions. The 2011 International Congress and Convention Association (ICCA) ranked Kuala Lumpur 5th in Asia Pacific and 25th in the world. Malaysia overall ranked 7th in Asia Pacific and 29th in the world.
- 2011 GDP is about \$453 billion U.S., ranking 30th world-wide
- Year-round travel on the west coast, with March to October as peak season times for tourism on the east coast
- Tropical climate with warm weather all year round (21°C to 32°C)
- The Federation of Malaysia includes 11 states, 3 federal territories, and the states of Sabah and Sarawak in Borneo
- Kuala Lumpur is the capital and largest city

Sources: Tourism Malaysia; UNWTO; CIA; World Economic Forum; Business Monitor International; Ministry of Tourism (Malaysia)

# Methodology

Deloitte's Tourism, Hospitality & Leisure team and the Tourism Industry Association of Canada (TIAC) research and identify key travel trends across the Canadian and global marketplaces.

In October 2012, we conducted an online survey, which polled 1,001 Canadians aged 18 to 55+, to gauge their insights on future travel trends.

### The survey panel (travellers)

Gender		Geography	
Male	51.9%	Western Canada	31.7%
Female	48.1%	Ontario	42.2%
Age		Quebec	19.9%
18 – 24	7.2%	Atlantic Canada	6.3%
25 – 34	17.1%	Household income	
35 – 44	22.1%	Under \$50,000	22.3%
45 – 54	18.5%	\$50,000 – \$99,999	36.5%
55+	35.2%	\$100,000 – \$149,999	19.7%
		\$150,000 – \$199,999	4.6%
		\$200,000+	2.5%
		Total respondents	
		1,001	



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Deloitte is the leading professional services firm providing solutions to the Tourism, Hospitality & Leisure industry.



The Tourism Industry Association of Canada (TIAC) is the national private-sector advocate for Canada's \$66.9 billion tourism sector. It performs a unique and pivotal role in ensuring the Canadian business and policy environment works for tourism by communicating its importance to Canadians, advocating positive measures, and lobbying government for action.



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Founded in 1975, Ipsos is among the largest survey-based research firms in the world, with more than 8,000 employees in 60-plus countries world-wide. In North America, it has more than 1,700 research professionals and support staff located in 26 offices.