

RTO 12: 2020 Target Audience Segmentation



BACKGROUND & METHODOLOGY

In the wake of the global COVID-19 pandemic, RTO 12 is seeking to adapt its marketing strategy to attract local tourists and encourage Ontarians to explore new and different Ontario destinations. Lead by Kuration, Environics was commissioned to conduct a research with Ontario travellers between July 6 and 16, 2020, gauging interest in different activities and destinations and measuring the impact of COVID has on travel and vacation plans.

The resulting data was used to inform an activity-based segmentation in which 4 key segments were identified. This segmentation should be an integral component of the RTO's marketing efforts over the next 24 months. The first section of this report provides a summary of each of the 4 segments and strategic considerations for engagement, communication, and positioning.

The second section of the report provides detail on the survey responses and gives insight into the impact COVID has had on Ontario travellers.

TRAVELLER SEGMENTATION

Using a statistical technique called factor analysis, data from the 1,502 respondents was used to develop an activity-based segmentation in which 4 key segments were identified. Two “Ontario Actives” and “Free but Fearful” have been identified as high priority for RTO’ 12’s marketing efforts over the next 24 months.

	 Ontario Actives	 Anxious homebodies	 Caution & Comfort	 Free & FOMO
Priority	Top priority	Secondary	Secondary	Top priority
Segment size (%)	43%	27%	25%	6%
In a nutshell	Immersive & Active: want to be outside and occupied	Staycationers: looking for predictability and relaxation	Retirees: looking to escape in comfort	Experiential: looking for authentic experiences
Drivers to travelling in Ontario	Being active, escaping, relaxing	Relaxing, getting away from others, routine	Relaxing, going back to familiar and comfortable settings	Exploring, being out there, taking great pictures
Barriers to travelling in Ontario	Lack of flexibility, things to do, or clear safety protocols	Cost, fear of COVID, feeling overwhelmed	Fear of COVID, lack of clear safety protocols and lack of predictability	Not feeling excitement about what’s available
Product	Winter and Fair weather sports, culture, nature, relaxing	Biking, culture, nature, relaxing	Culture, relaxing	Wine/ brews tours, culture, relaxing
Impact of COVID on travel	Cancelled plans in 2020 but likely to travel again next year	Cancelled plans until a vaccine is available	Cancelled plans in 2020; unlikely to travel in 2020/2021	Cancelled plans in 2020, but likely to travel again ASAP
Focus	Appeal to their vitality and need for escape	Address their anxiety to stay top of mind for when vaccine is available	Establish a connection and give them piece of mind	Appeal to their need to explore and fear of missing out



TRAVELLER SEGMENTATION



ONTARIO ACTIVE & OUTDOORS (43%)

Youngish and active, this segment has a zest for life and is enthusiastic about travelling (and children are no barrier). Given the current situation, they are looking to relax and escape their daily lives and immerse themselves into an adventure in nature, off the beaten path, away from people, common areas, and large groups. They seek to be in control of their surroundings and with concern about COVID, are not overly interested in city travelling or crowds. Ontario has a lot to offer and now is a great time to go camping, explore the great outdoors and relax

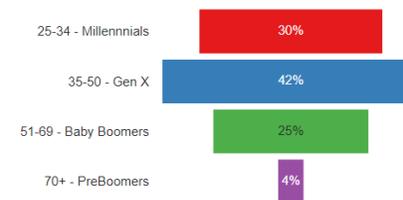
at a cottage. They are adaptive by nature and are equipped to navigate the complexities of life; they will travel in all seasons (there is always something to do!). Although COVID has impacted their travel plans this year, they are craving some time away of the stress of daily life (maybe even before a vaccine, as long as they feel safe and confident in the destination). They have money to spend and will spend on travelling.

Engagement Strategy - They are the low hanging fruit – looking for places to go and things to do that are safe and won't expose them or their family to COVID. Focus on the variety of activities (for adults and families), escaping daily life, immersion in nature, cottage life, and the thrill and adventure of travelling – but don't neglect safety and flexibility. They want the freedom to pick-up and go on the last minute, but also want to be able to cancel if the situation changes.

Traveller Values



Demographics



Skews higher education

Most likely employed – average income

Married/ common law with kids



ONTARIO ACTIVE & OUTDOORS (43%)

Activity Score: all season sports, looking for something to do

Winter Sports



60%

Biking



48%

Nature



30%

Fair Season Sports



46%

Culture



36%

Relaxing



30%

Important factors when choosing a destination

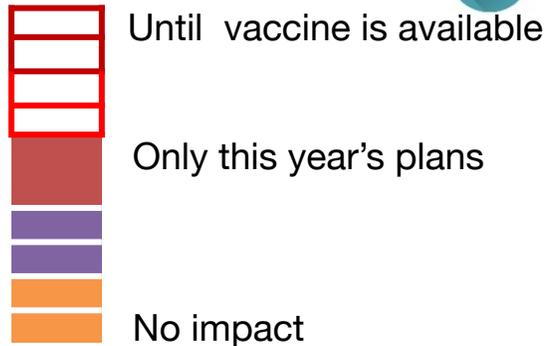
1. Overall appeal
2. Flexibility on dates
3. Sanitation Protocols
4. Ability to Social distance
5. Availability of COVID safe restrooms on the way

More likely to be important among ME:

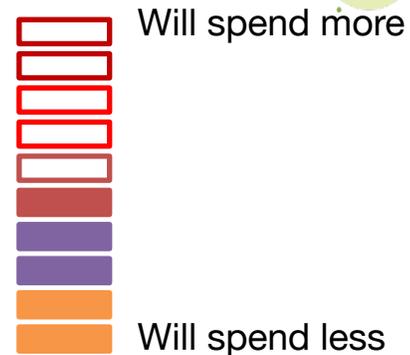
- Ability to book online
- Activities available at the destination
- Availability of packages
- Ability to book at the last minute

Impact of COVID on planning and spending: pause on planning and more caution about \$\$

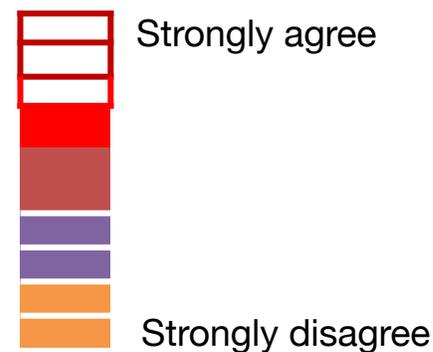
Impact on vacation plans



Impact on spending



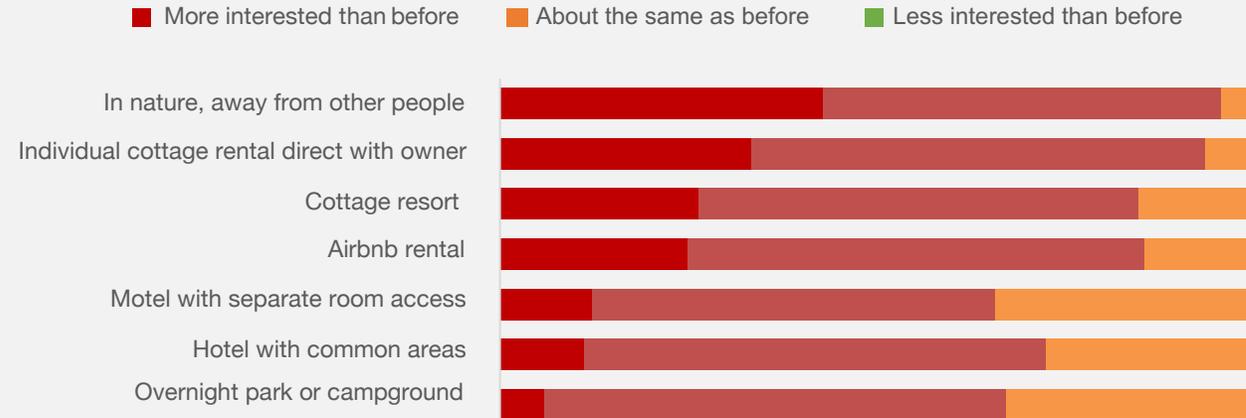
Agreement with COVID premium





ONTARIO ACTIVE & OUTDOORS (43%)

Types of accommodation: more interest in private vs. shared



Destinations with increased interest

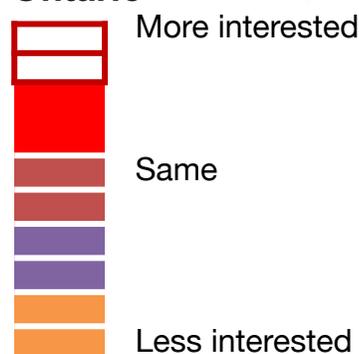
1. Muskoka
2. Northern Ontario
3. Algonquin Park
4. Niagara (and peninsula)
5. Collingwood and Wasaga Beach
6. Parry Sound / Georgian Bay

Impact of COVID on Travelling choices: increased interest in Ontario and family visits

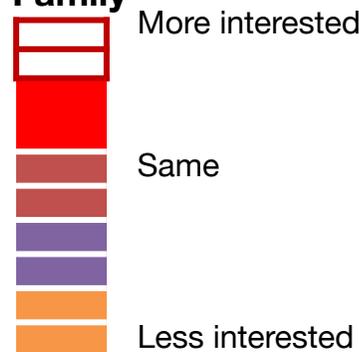
Likely destinations



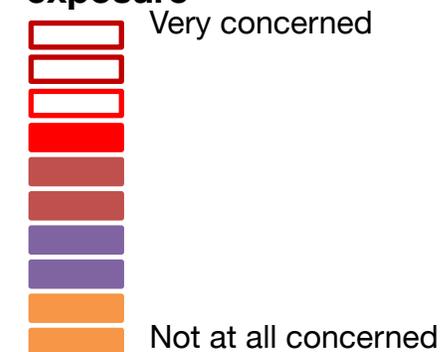
Interest in Ontario



Interest in visiting Family



Concern about exposure



Destinations with decreasing interest/would not consider

- Toronto
- Windsor/Essex
- Hamilton/Halton
- Port Loring-Restoule



ANXIOUS HOMEBODIES (27%)

These middle-aged Ontarians are staycationers and creatures of comfort. They like predictability, and seek out familiarity and comfort. Travelling can be a source of anxiety – now more than ever! When travelling, they enjoy familiar settings and avoid too much complexity, large crowds, and uncertainty. They are not looking to fill a busy schedule full of activities; they are simply looking to sit back, relax – a small, quaint resort where they have control of their surroundings is the perfect vacation!

COVID is a source of great concern and anxiety and has definitely put a halt to their travel plans. Until there is a vaccine, they will be reluctant to go anywhere or spend too much money on vacation. After all, they are boomers with limited incomes and uncertain times see them pulling back. In fact, even visiting their families is a source of anxiety at this point, and they may avoid seeing loved ones. They'll look for isolated places where they can relax and be close to nature (but that don't require too much effort and are not too expensive).

Engagement Strategy – Anxious Homebodies will be challenging to engage until there is a vaccine. Travelling can bring anxiety, even without COVID. Focus on staying top-of-mind (with familiar, local destinations/product) for when there is less uncertainty (or a vaccine) they will stay local. Tone should be empathetic but avoid overbearing: They need extra reassurance of cleanliness and safety protocols to know that they will be safe.

Traveller Values

Escape / Relaxation Seekers



Cultural Immersion Travellers



Nature Lovers



Live to Travel



Memory Seekers



Luxury Travellers



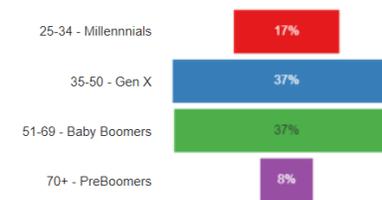
Crowd Avoiders



Familiarity Seekers



Demographics



 Most years of education

 Most employed, some retired – average income

 Married/ common law, some with kids



ANXIOUS HOMEBODIES (27%)

Activity Score: just looking to relax

Biking



13%

Nature



11%

Winter Sports



3%

Culture



13%

Relaxing



6%

Fair Season Sports



1%

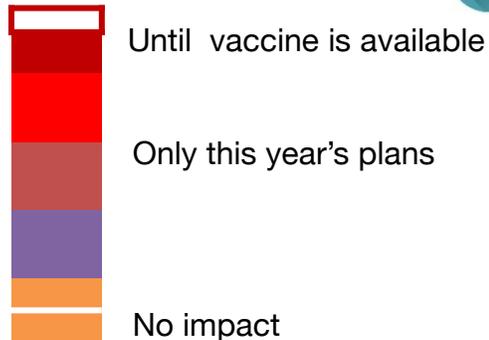
Temperature Index Scale	Very High	High	Mod High	Neutral	Mod Low	Low
	200+	140-200	115-140	85-115	60-85	<60

Important factors when choosing a destination

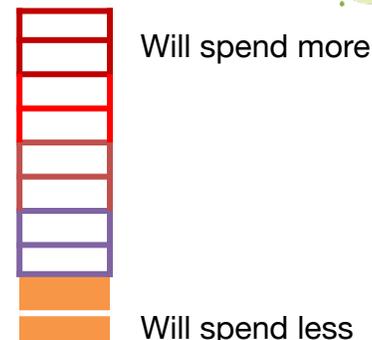
1. Sanitation Protocols
2. Overall appeal
3. Flexibility on dates
4. Ability to Social distance
5. Availability of COVID safe restrooms on the way

Impact of COVID on planning and spending: pause on planning and spending

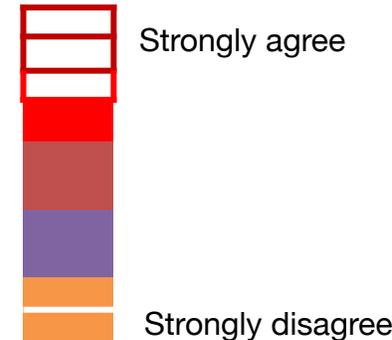
Impact on vacation plans



Impact on spending



Agreement with COVID extra charges



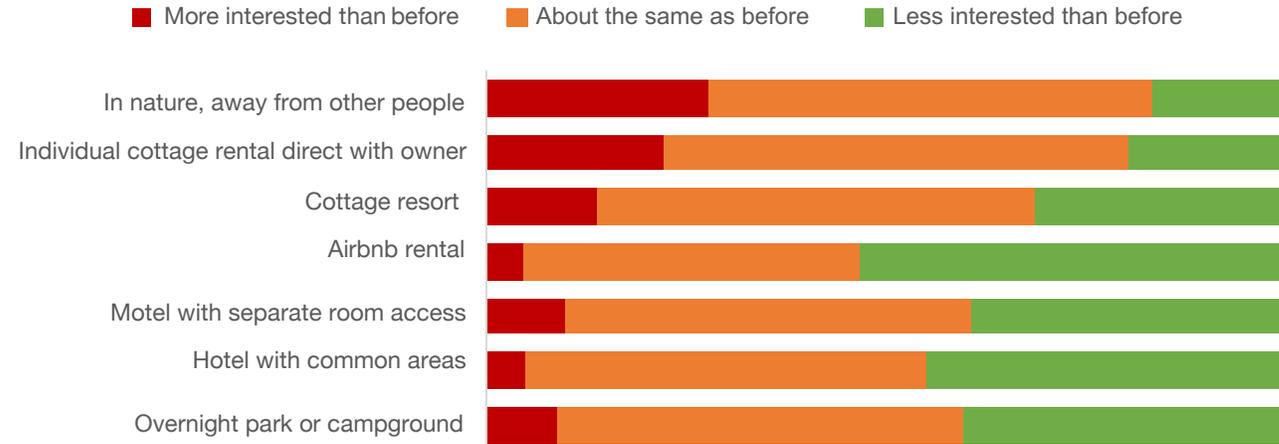
More likely to be important among AH:

- Ability to bring my own food to my vacation destination



ANXIOUS HOMEBOODIES (27%)

Types of accommodation: more interest in private vs. shared



Destinations with increased interest

1. Muskoka
2. Northern Ontario
3. Algonquin Park
4. Niagara (and peninsula)
5. Ottawa / National Capital Region

Destinations with decreasing interest/would not consider

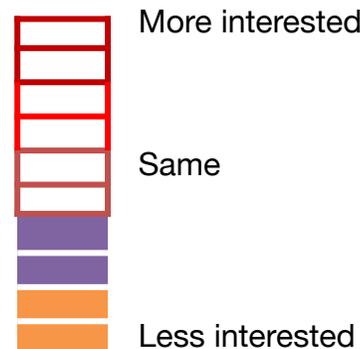
- Collingwood and Wasaga Beach
- Toronto
- Windsor/Essex
- Almaguin Highlands
- Hamilton/Halton
- Port Loring-Restoule
- Barrie / Orillia / Simcoe

Impact of COVID on Travelling choices: fear of exposure and being in contact with others

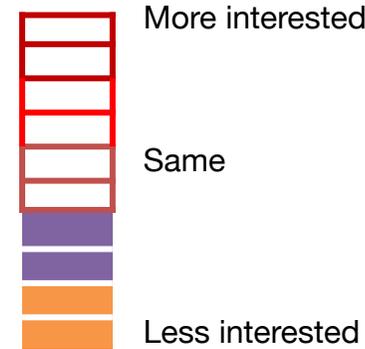
Likely destinations



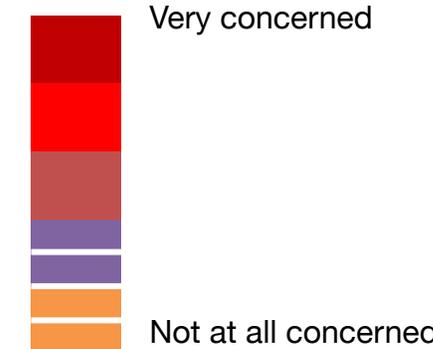
Interest in Ontario



Interest in visiting family



Concern about exposure



CAUTION & COMFORT (25%)

This older, retiree segment are light travellers, preferring close to home daytrips, perhaps with a small group of friends or family. They prefer experiencing culture over nature, and enjoy the odd wine tour here in there – Niagara and Prince Edward County are high on their list. They prefer being in control and predictability, and aren't afraid to splurge. Organized Group tours have appeal as they are pre-planned (no surprises), worry-free, and likely provide a sense of reassurance of safety (whether it be perceived or true). They are very

concerned about COVID and the virus has affected their vacation plans: they are unlikely to travel in the near future, even within Canada; but will likely pick back up in 2021. They are still intending to spend about the same on travelling and are willing to accept the extra charges in the name of safety. Their main concern when choosing a destination is their sanitation protocols.

Engagement Strategy – Because they are comfort travellers, they are looking for an easy experience, relaxation, and away from crowds (but not immersed in nature). To engage them, focus on establishing clear sanitation protocols first. They need to be convinced that it is safe to go out and enjoy the province. They may be enticed by small, private or semi-private tours (that they can arrange with friends or people they know). Day trips in and around home can also be appealing.



Traveller Values

Escape / Relaxation Seekers



Cultural Immersion Travellers



Nature Lovers



Group Travellers



Reluctant Travellers



Luxury Travellers



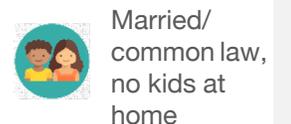
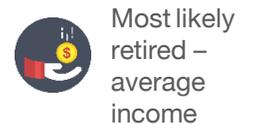
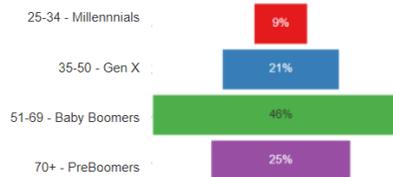
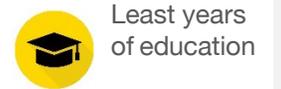
Crowd Avoiders



Familiarity Seekers



Demographics



CAUTION & COMFORT (25%)

Activity Score: looking for cultural activities

Culture



17%

Nature



4%

Biking



3%

Wine/Brews



8%

Relaxing



3%

Winter Sports



0%

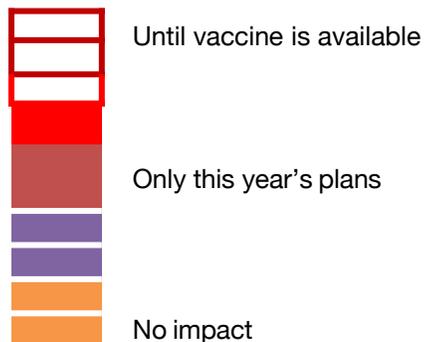
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Important factors when choosing a destination

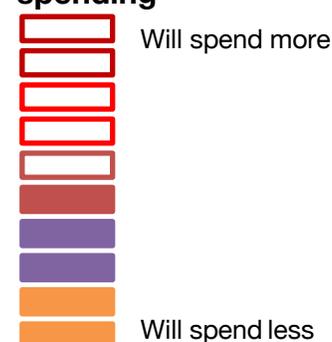
1. Sanitation Protocols
2. Overall appeal
3. Flexibility on dates
4. Ability to Social distance
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Impact of COVID on planning and spending: pause on planning and more caution about \$\$

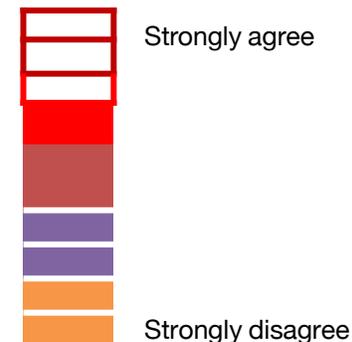
Impact on vacation plans



Impact on spending



Agreement with COVID premium

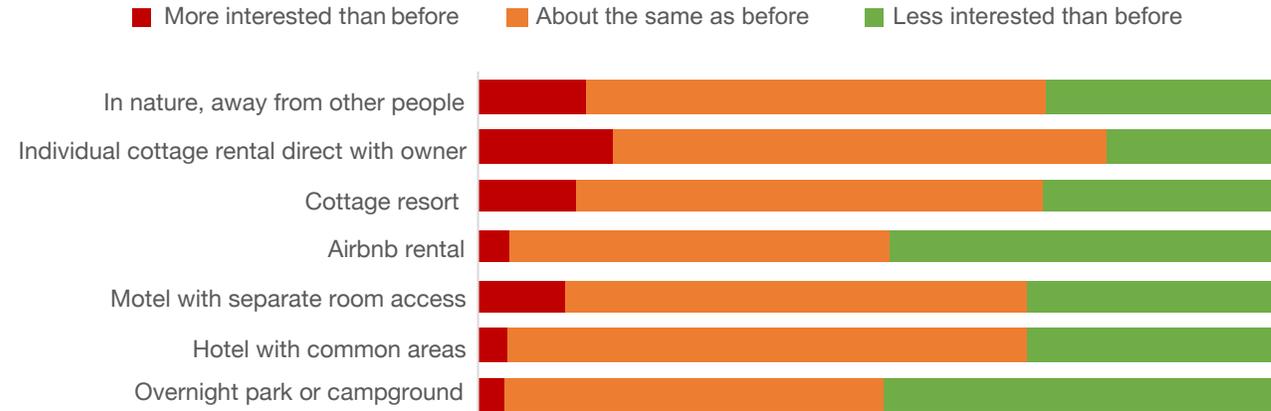


Less likely to be important among AH:

- Discounts on stay
- Ability to book online
- Activities available at the destination
- Incentives on dining and other activities at the destination
- Overall appeal

CAUTION & COMFORT (25%)

Types of accommodation: more interest in private vs. shared



Destinations with increased interest

- Niagara (and peninsula)
- Ottawa / National Capital Region
- Muskoka
- Prince Edward County

Destinations with decreasing interest/would not consider

- Toronto
- Almaguin Highlands
- Port Loring-Restoule
- Hamilton/Halton
- Windsor/Essex

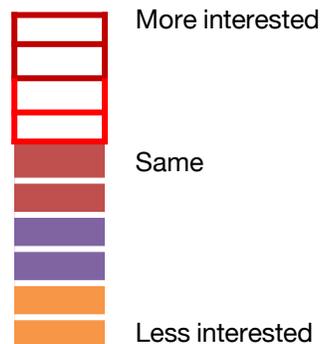
Impact of COVID on Travelling choices: concern for COVID leading to resistance to travel

Likely destinations

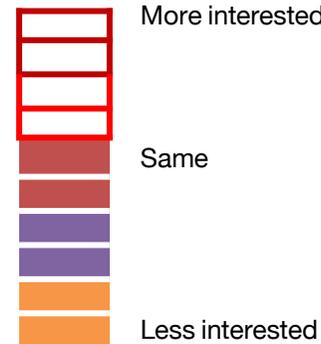


But least likely to vacation in 2020/2021

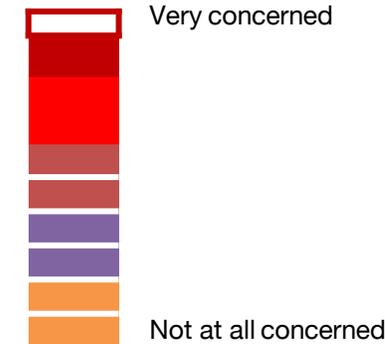
Interest in Ontario



Interest in visiting family



Concern about exposure





FREE & FOMO (6%)

Young, educated and experiential, they love to travel and are looking for immersive experiences. Free & FOMOs are open minded and expertly navigate the complexities of travelling - they enjoy the discovery process that comes with it. They are looking for relaxing, authentic, experiences and trying the local cuisine, going on a wine tour or visiting historical sites/local museums will appeal to their explorer side. And if these destinations can yield great pictures, even better.

Like everyone else, they are concerned about COVID, but that won't stop them from exploring - they'll just have to make some adjustments. Their travel budget hasn't changed and now seems like the perfect time to explore their own province and country. Maybe next year they'll visit a warm destination or maybe even visit Europe. For now, they'll spend time with family and discover what Ontario has to offer.

Engagement Strategy – Free & FOMOs need less of a push to travel, but may need reminders of what Ontario has to offer (especially cultural experiences). Now is a great time to go camping (or glamping), rent a cottage by the lake (with a great view) and discover different microbrewers/wineries (you can always get great pictures), and local towns and restaurants along the way. Highlight the excitement of discovery and exploration, the pleasure of little pampers and the awe of amazing views.

Traveller Values

Escape / Relaxation Seekers



Indulgent Hedonists



Cultural Immersion Travellers



Luxury Travellers



Nature Lovers



Safety & Security Concerned



Live to Travel



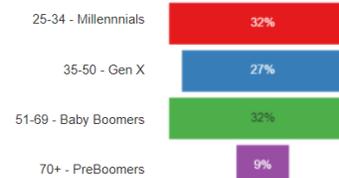
Familiarity Seekers



Demographics



 Average to high education



 Very likely employed – average to high income

 Married/ common law, some with kids at home



FREE & FOMO (6%)

Activity Score: looking immersive and relaxing activities

Wine/Brews Tours



75%

Relaxing



47%

Biking



23%

Culture



54%

Nature



40%

Winter Sports



16%

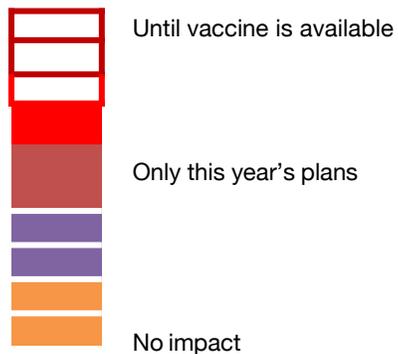
Temperature Index Scale	Very High	High	Mod High	Neutral	Mod Low	Low
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Important factors when choosing a destination

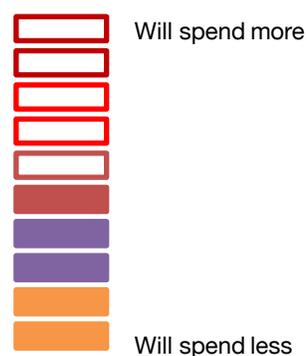
1. Overall appeal
2. Sanitation Protocols
3. Flexibility on dates
4. Ability to Social distance
5. Availability of COVID safe restrooms on the way
6. Ability to book online
7. Ability to book itinerary in advance

Impact of COVID on planning and spending: pause on planning and more caution about \$\$

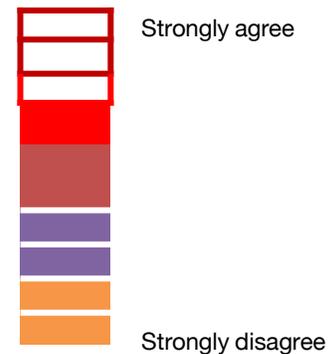
Impact on vacation plans



Impact on spending



Agreement with COVID extra charges



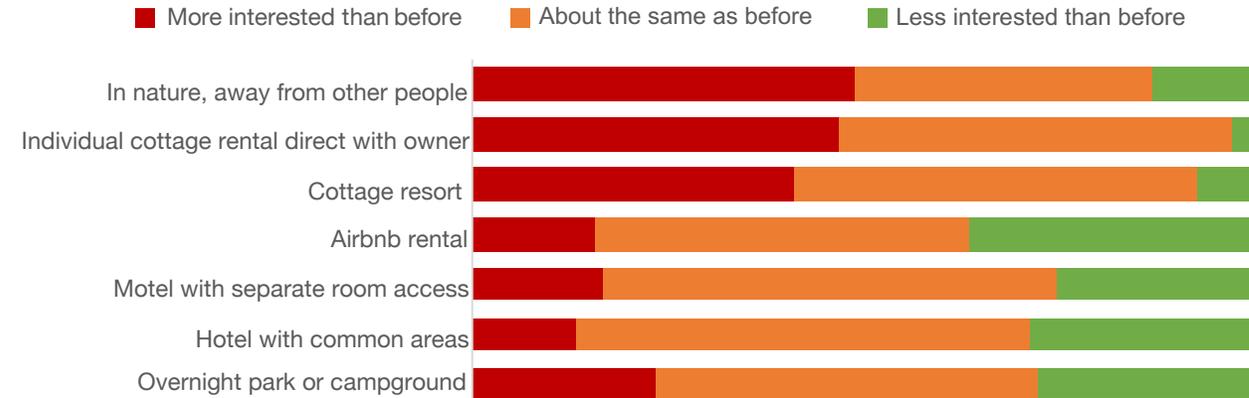
More likely to be important among FF:

- Incentives on dining and other activities at the destination



FREE & FOMO (6%)

Types of accommodation: more interest in private vs. shared



Destinations with increased interest

1. Muskoka
2. Northern Ontario
3. Niagara (and peninsula)
4. Prince Edward County

Destinations with decreasing interest/would not consider:

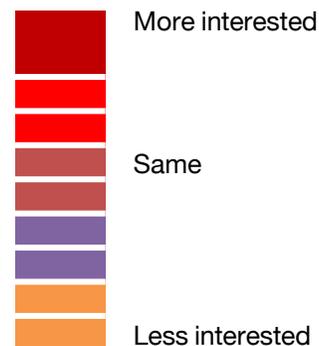
- Toronto
- Almaguin Highlands
- Port Loring-Restoule
- Hamilton/Halton
- Windsor/Essex

Impact of COVID on Travelling choices: concern for COVID leading to resistance to travel

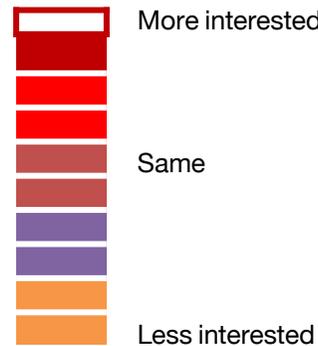
Likely destinations



Interest in Ontario



Interest in visiting family



Concern about exposure

