2019 Year-End XBorder Canada Report

Prepared for: **Visit North Carolina**

Introduction

XBorder Canada (XBC) is a syndicated product produced by XBorder Research Group, a partnership between Travel Market Insights Inc. and DataPath Systems. XBC was established to replace state-level visitor metrics traditionally reported by Statistics Canada and the U.S. Department of Commerce, National Travel and Tourism Office (NTTO). Starting with 2018 Canadian visits, XBC replaced the state-level visitor arrivals data and visitor profile data for all 50 states. In addition, XBC provides city and regional Canadian visitor profiles.

XBC subscription options include: annual, quarterly, and custom options. The report contains 39 core tables. All tables and the individual categories in the tables can be processed as a custom table. The 2019 report focuses on overnight visitors and reports both 2018 and 2019 for comparison purposes. 2018 metrics are revised to account for changes in methodology at the national level by Statistics Canada.

Custom tabs/tables are available. For example: Auto and air visitors can be profiled; province of origin(s) can be profiled to differentiate visitors; purpose of visit such as leisure and business but also vacation and other purpose of trip categories. Additional common custom tabs/tables: age groups (millennials, Gen Z, Boomers), custom travel periods other than quarterly, information sources, snowbirds, package travelers, and more.

XBC subscribers can also add custom questions. Custom questions can be added in two ways: as a general question that is reported to all subscribers and as a custom question that is specific to a singular proprietary use. There is a limited number of custom questions that can be included.

2020 Special Note: in 2020 the ongoing monthly survey was interrupted by the COVID-19 global pandemic. The XBC 2020 program and subscription was adjusted as follows:

a. Added 2019 Benchmark custom tab/tables for land and air visitors for all subscribers - helping our partners focus on the Canadian Drive Market.

b. Canadian Travel Rebound Survey was added as part of the 2020 subscription. The Rebound survey is a unique survey series providing insight on messaging to motivate visitors that are traveling to stay longer and engage in more activities. The multi-wave survey will be conducted during the recovery in 2020 (at a minimum).

c. XBC Rebound and Recovery Model. The model tracks actual validated metrics on a daily and monthly basis to project the rebound rate and estimate the recovery point of Canadian travel by state and city. The model provides destinations with an adjustable projection based on actual data shifts.

The monthly travel survey is ongoing (when borders and air travel are allowed).

Methodology

Surveys were completed using a multiple-panel approach including the XBC Canadian household online panel.

In 2019 XBC conducted monthly household surveys to reduce recall bias.

Each month had a target of 6,000 households surveyed to complete approximately 1,200 surveys among Canadians who traveled to the U.S. in the past month.

In 2019 over 35,000 Canadians were surveyed. Of those, 15,643 had taken a trip to the U.S. in 2019 and are included in this report. Based on a representative sample the Margin of Error (ME) would be +/- 0.79 on the total sample at a 95% confidence level. For most sub-groups reported the ME ranges from +/- 0.79 to +/- 5.0 at a 95% confidence level.

In the survey a trip was defined as: *when you visited a destination for any type of trip (leisure, personal, business, pass-through, etc.) which was 100 km from home and not just for routine errands or for your regular job/work commute. This includes day-trips and overnight trips. Please, do not include trips commuting to/from work or school or trips taken as a flight attendant or commercial vehicle operator. Include trips even when you only changed planes, or boarded a cruise ship in the U.S.*

Data Weighting

Data Weighting is comprehensive and involves 3 steps at the National Level:

Step One: It matches the panel respondents (travelers and non-travelers) back to Canadian census data on key demographics for: Age, Province/Territory, Gender, Children at Home, Rural/Urban, Employment, Home Ownership, and Language (known factors that impact travel).

Step Two: Next it matches travelers to Statistics Canada Frontier and National Travel Survey Data by: Changing Planes and Exiting the U.S., Month of Travel, Border Crossing Entry Point, Length of Stay in the U.S., and Land/Air/Sea by Day/Overnight by Quarter of Trip End Date. (As Frontier Data includes auto travel that is for route/commute traffic, that count is reduced based on the National Travel Survey Data - by month and east/west ports of entry).

Step Three: Finally, the data is projected to the total number of visitors using Statistics Canada's Frontier Data and National Travel Survey Data. Final data counts match the Statistics Canada reports and the U.S. I-94 reports (overnight counts).

State and City Volumetrics

As with most survey data, there is variability over time both within and across samples. Over time there tends to be more variance with smaller sample sizes, particularly in areas with lower visitation levels.

While the national level data has more statistical power due to its larger sample size, more variance is naturally expected due to lower sample sizes at the state and city level. To account for this variation type, XBC created a Volumetric Model at the state level, using national, regional, and historical Statistics

Canada data as key model inputs. This model also takes into account the overlapping volumes between states - as one visitor may account for multiple state visits. Once the data is weighted, it becomes the foundation for the Volumetric Model and a multi-step process is conducted:

Step One: A Historical Over/Under Score (OUS) is calculated and applied to each state. This OUS is based on eight years of historical Stats Canada data, which provides a score for each region, and then each state, based on how that region/state compared to the national shifts in visitors. For example, if the U.S. is down 4%, how did state X compare? Removing outliers, each state is given an OUS for their typical change, as it relates to the national change.

Step Two: Starting with regions across the U.S., the current year is predicted for the region using the previous year's volumes and OUS. That predicted result is then compared to survey data results. Subsequently, an Optimizer Tool is employed to balance the regions to ensure they fall between the predicted value and the survey results. Once the region's total volume is determined, a similar step is repeated for the states within that region, which results in a final visitor volume estimate (overnight and then repeated for day visitors) for each state. This state volume becomes the total for the state and is used as the base for the city visitor volumes. Results are further optimized to account for overlap between cities within that state.

Important Data Updates

The following highlights important data updates and improvements to the XBC program that should be noted.

The need for improved weighting and volumetric modelling was driven by two major changes in the data available from Statistics Canada. First, in 2018 Statistics Canada stopped collecting any information at the state level (they never provided data at the city level). That change initiated the start of XBC, and a private sector replacement. Data run and provided to clients for the 2018 year was weighted using 2018 Statistics Canada national Frontier data. However, in 2019 Statistics Canada underwent additional survey and methodological changes that then impacted the national data.

To quote from their email: "keep in mind when analyzing Frontier Counts results, as the changes introduced in late 2018 and January 2019 continue to affect year-over-year and year-to-date analyses between 2019 and previous years" and "Starting with January 2019 data, Statistics Canada updated the method of determining trip durations for US residents travelling to Canada and for Canadian residents returning from the United States. This change affects the relative proportions of same-day and overnight travelers arriving in Canada by air and by "other" modes of transportation (train, marine private, pedestrians, other vehicles). Trip durations for travel by automobile and bus are not affected. Caution is therefore advised when comparing 2019 data with data from earlier periods for these modes of transportation."

These changes included survey design differences between the kiosk systems added in the airports vs. the paper in-flight form, as well as definitional changes which previously grouped people into day or overnight by categories, which are now able to be more accurate. *Because of this, direct historical comparisons are risky and may provide an inaccurate picture of actual trends.*

To help clients through this transition, we have worked with Statistics Canada to understand their new data collection systems, and have retroactively applied that to the XBC 2018 dataset, *so that this XBC 2019 data is comparable to 2018 data*, as best as possible. Some clients will notice minor differences between their original 2018 XBC data and this 2018 data - due to the changes in the weights and volumetric model (for visitors, nights, spending) to better reflect the new Statistics Canada data going forward.

One additional weight, based on Length of Stay data from the Statistics Canada National Travel Survey (NTS), was also added to our standard weighting practice in 2019, and retroactively applied to 2018 data in this report.

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Summary For: Visit NC 2019 Year-End

Size of the Overnight Canadian Market

Canadian Overnight Visitors			
Visitors to the United States	Visitors to North Carolina	Nights Spent in North Carolina	Direct Spend in North Carolina
20,730,745	**481,802**	**1,641,083**	**$169,571,892**

How are they planning?

Canadian Overnight Visitors				
Decision Days	Information Sources		Among Social Media - Regularly Use	
Prior to travel (Average)	Social Media/Influencers	70%	Facebook	69%
115	Website Types	64%	Trip Advisor	39%
	Other Marketing	43%	Pinterest	10%

Who is coming?

Canadian Overnight Visitors					
Province of Residence			Party Composition		Average Party Size
Ontario	58%		Child(ren) on Trip	37%	Avg. in Party
Quebec	27%		Couples (no kids)	35%	3.0
Alberta/BC	6%	Average Age	3+ No Kids	25%	Avg. in Household
Atlantic	4%	**51.7**	Solo Traveller	3%	2.4
Praires	4%				

How/When are they coming?

Canadian Overnight Visitors					
Travel Season		Avg. Nights in North Carolina	Transportation		Packages
Quarter One	25%	**3.4**	Air	17%	Trip Included a Package/Bundle
Quarter Two	26%		Land	83%	
Quarter Three	36%	Accommodations Top 3 Types	Hotel/Motel	69%	**26%**
Quarter Four	13%		Private Home	25%	
			Second Home	10%	

Why are they coming?

Canadian Overnight Visitors					
Purpose of Trip		Top Activities			
Leisure/Holiday	93%	General Activities	39%	Art and Culture	25%
Business	4%	Nature/Outdoors	39%	Event/Festival	12%
Other Purposes	2%	Entertainment	32%	None	6%
		Recreational	26%	Business/Work	4%

What are they spending?

Canadian Overnight Visitors					
Per Person Spend in North Carolina		Spending Categories - % spent in each per Trip			
Per Trip (Avg)	$352	Accommodations	45%	Shopping	9%
Per Night (Avg)	$103.33	Food/Bev/Dining/Groceries	21%	Entertainment	12%
		Transportation in Area	10%	Other	3%

Source: XBorder Canada 2019 | North Carolina | Sample N = 299