

INSIGHTS REPORT



IMPACT, GROWTH & CHANGE IN OOH

January 2023

President's Note

The new year marks a renaissance of sorts for brands and the OOH industry. A new era of consumerism, fuelled by pent-up demand and a [soaring job market](#), is sparking unprecedented opportunities and generating giddy optimism among Canada's marketers. I speak for the entire COMMB team when I say we share that enthusiasm, are eager to explore with our members the seemingly endless possibilities, and realize the promise that 2023 holds.

It's clear that Canada's travel industry has weathered the storm. While the vagaries of winter could still bring a temporary slowdown, all indicators point to an extended period of domestic and international visitation to the country's attractions and natural wonders.

As more and more travellers take to Canada's byways, arrive at its transportation terminals, and generally get out of their homes to socialize and explore, the OOH marketplace is poised to leverage all that attention and direct awareness to local and international brands. As we will see below, Canadians are itching to leave the old homestead; both to support their nearby communities' economies with shorter-duration and closer-destination car trips and for more adventurous and luxurious extended stays designed to heal mind, body, and spirit. With Covid restrictions virtually non-existent, Canadians, Americans, and Europeans, especially, are inclined to treat themselves to visit Canada's diverse cultures, impressive natural wonders, and entertainment and sports venues. Winter professional sports are driving their share of the economy. The Ottawa Senators are averaging 15,798 fans per home game, a marked improvement over 2019-20, the last full season of non-restricted attendance, when only 12,618 watched on a given night. A much-improved product and an exciting atmosphere deserve the credit for the 25% boost.

This is welcome news for the OOH industry. As more people venture forth in the post-holiday period, they are more accepting and welcoming of the messages OOH delivers. They exhibit "increased appetite for outdoor and shared experiences," according to [OOH Today](#). "Those who say they notice OOH much more is up significantly from September 2020. Specifically, consumers find out-of-home ads about retail (63%), fast food (62%) and food and beverage (60%) to be most relevant to their interests."

The Canadian OOH industry continues to climb back to pre-pandemic levels. It registered a dramatic increase in the late stages of 2021 and throughout 2022, rising from \$306 million in 2020 to \$462.7 million by the end of the year. For 2023, the spikes will start to level out, but [Statista](#) reckons we will add another \$22 million this year. With all Canada has going for it, however, if inflation tames, we could experience a perfect storm for OOH that ushers in a huge era of opportunity for marketers.



Amanda Dorenberg
President, **COMMB**



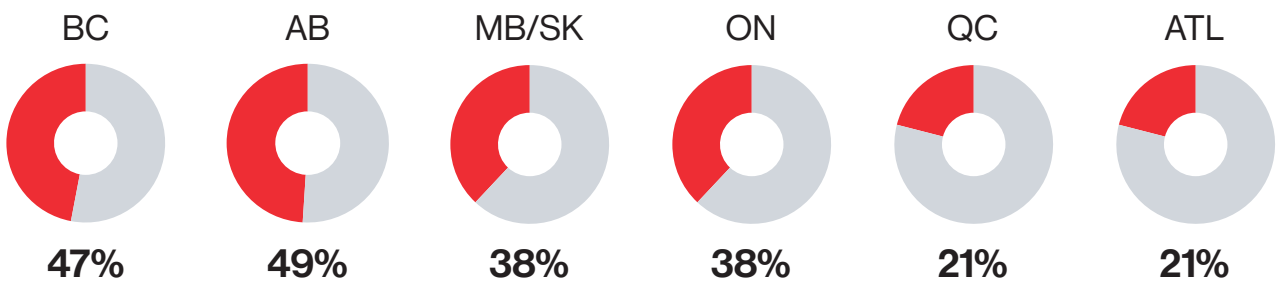
Q1 2023 Insights Report Approach

Kicking off 2023, this COMMB Insights Report is focused on compelling travel insight and consumer behaviours which will affect marketing and advertising strategies in the upcoming year. We take a look at global tourism as a whole, which is reaching impressive growth factors from prior years, and we dive into travel patterns and popular destinations forecasted within Canada.

This report is built with third-party data, but also includes a first-party study developed by COMMB in partnership with Leger, which focuses on travel behaviours and plans within the Canadian market.

Why focus on travel?

We know that people are travelling for both business and leisure. COMMB's first-party travel behaviour study uncovered a multitude of positive sentiments for travel recovery. COMMB found that 38% of Canadians are planning a trip in the next 3-4 months, with most planning a leisure trip. Younger Canadians in particular have travel plans; 45% of those under 35 will be travelling. COMMB's findings were broken out by market as well, which provided insights on which market will be travelling the most. According to the findings, the West Coast will be engaging in more travel in the next 3-4 months.



Although the West Coast is planning travel destinations more so in comparison to other markets, we are still seeing heightened interest in travel across the country in 2023.

Overall, [2022 saw a 60% increase in global tourism](#), and 2023 is forecasted to continue this upward momentum with an increase of 30%. Out-of-Home is critical in assisting brands 'take off' by reaching audiences that are looking for their next dream vacation, discovering an airline that fits their needs, or to uncover last-minute deals on an excursion. Now is the time for travel brands, airlines, and hospitality advertisers to take advantage of this heightened interest in travelling abroad with out-of-home as their medium of choice.



International tourism is taking off

Pent-up demand, airlines' aggressive discounting, and the growing appeal of multiculturalism is fuelling international travel, according to [Future Market Insights](#), which sees adventure tourism growing by 16% (CAGR) over the next decade. Canada, with its wealth of natural wonders, cultural diversity, and opportunities for river rafting, cycling, bouldering, and other outdoor recreation, stands to capture its share of international travellers over this period. This type of travel is especially lucrative, the report notes, as "it provides practical and cost-effective incentives to promote bio-cultural variety while bringing in revenue for regional and private sectors."

The International Air Transport Association (IATA) is the trade association for the world's airlines. They use a measurement called "RPKs" to evaluate passenger travel. They are calculated by multiplying the number of revenue-paying passengers aboard an aircraft by the distance the aircraft travelled. In September 2022, **international RPKs jumped by 122%, with North America recording 128.9% YoY growth and reaching 89.4% of pre-COVID passenger levels.** This is the best in the world for international traffic. This is something we will highlight again below as a notable statistic for tourism to Canada.

These values speak to the health of the airline sector as a whole - while volumes are still on the uprise post-COVID restrictions, it shows that there's strong momentum and a prolific upward trend when it comes to international travel. One of the main hindrances to recovery has been the zero-COVID policy implemented in China. China accounts for roughly one tenth of global tourism departures pre-COVID, so easing measures in that region will assist in the recovery of tourism as well.



GO BIG



People are ‘going big’ with their travel plans

Despite warnings of a looming global economic downturn, luxury travel is becoming more attractive. **People are going big, or they’re staying home.** And not many are settling for the latter. 61% are planning to ‘go big’ on their next trips, with a new ‘no regrets’ style of travelling. This propensity for “[rebel spending](#)” points to consumers’ determination to live life to the fullest and deal with the economic consequences later. People are prioritizing travel for their mental well-being, and this means they are willing to treat themselves with 36% booking first-class, a fancy restaurant or going on a shopping spree. [Expedia has dubbed this trend as the “GOAT”](#) (Greatest of All Trips) mindset and forecasts a significant increase in travel budgets. “But luxury will still need to offer more value,” Globetrender editor Jenny Southan told the [Toronto Star](#). She expects travellers to flock to all-inclusive resorts “catering to a thirst for indulgence but without ‘bill shock’ at checkout,” which could provide additional opportunities for site-based marketing.

The post pandemic traveller

Not only are people willing to spend more, the [Canadian Traveller](#) revealed that **people have more money to spend** after the pandemic's savings boom, with 20% of respondents stating they've increased their travel budget. Canadians are 'cancelling' the staycation with 32% stating they want to travel further away from home. Still, many are opting to get away [by car](#), says Wayne Smith, professor of tourism at Toronto Metropolitan University. Shorter stays and nearby destinations on tap for many Canadians, due in part to unpredictable winter weather and the threat of flight cancellations. Another reason is that the pandemic has produced a more 'conscious traveller' and '[people have become more purposeful and intentional](#)' about travel. Travellers are recognizing the importance of supporting local communities while travelling.

People have newfound opinions and are feeling increasingly more optimistic on travel in 2023, according to [Global News](#). Although 66% of people say they want their vacations to be work-free so they can completely disconnect, they would also consider travelling for a company retreat. 44% of the global workforce want their employer to plan a 'real-life' trip, such as a company retreat, and 51% want their employer to use money saved from work-from-home on corporate travel. Although the metaverse has become an increasingly popular way to escape, people are still craving a real-life getaway. In many cases, this makes good business sense, especially for companies compelling their workforce to return to the office. Blending business travel with leisure activities - "bleisure" - can reward compliant employees and help them with the transition from remote work to the traditional office environment, says [Webexpenses.com](#). More likely, however, bleisure will appeal to remote workers who opt to remain remote. They can work from a luxury hotel, cruise ship, or B&B just easily as they can from home.

Tourism Spending Has Increased Overall By \$18.7 Billion In Q2 2022 – An Increase Of 19.8% From The Previous Quarter.

With a pent-up desire to travel, explore, and ready for new experiences, Canadians want to make up for lost time with deep pockets and big dreams.

Here are more **interesting findings** from a variety of studies on the Canadian traveller:

1. Culture Shock. 20-25% want to “step out of their comfort zone”; “experiences entirely different from their day-to-day.”

2. The “Community Tourism” Trend. This is a similar concept to supporting locally-owned businesses during the pandemic; Canadian tourists want to ‘spread wealth’ internationally ‘through smaller villages’. This trend tells us that OOH is not only important in major metropolises, but will reach tourists in smaller communities as well.

3. The “Workcation Tourism” Trend. An increased number of tourists (30% of respondents) are planning to “combine work with travel in future”. This is up from 18% in Dec 2020.

4. Bold Adaptability. Respondents have a positive attitude towards 2023 travel; “people around the world are feeling overwhelmingly more optimistic about travelling in 2023 compared to 2022. The mood is shifting from hopeful uncertainty to bold adaptability.”

5. The “Back-To-Basics” Trend. 44% of respondents are wanting to explore more ‘back-to-basics’ vacations, including cabins, campfires, sourcing clean water and food, survival skills, and even prepping for an apocalypse.

6. Travellers Will Still Be Connected. The “back-to-basics” trend however, doesn’t necessarily mean ‘unplugged’. Over half (53%) of respondents would still require a phone and internet connections at their desired “off-grid” destinations.

7. Entering The Metaverse. A new trend - “virtual travel” - is also emerging due to global technological advancements. A staggering 35% of respondents are keen to try multi-day VR travel experiences via the Metaverse in 2023. However, 3 in 5 people (60% of respondents) believe a virtual experience is not fulfilling enough and still plan on booking a ticket.





Rest And Relax With Mental Health In Mind

Mental health is at the forefront of Canadians' decision making, and their mental well-being is a significant part of their travel decisions in particular. [41% of Canadian travellers are searching for a sense of contentment and mental well-being on their next trip, and nearly a quarter \(23%\) plan to spend less time on their devices to be more present.](#) Less time looking down at our phones means heightened awareness of our surroundings - a sentiment that benefits the OOH medium as well.

Prioritizing travelling for mental health and wellbeing was a popular trend according to [The Canadian Traveller](#) in 2022, with 94% of respondents saying they need to prioritize travel for their mental health and well-being, with 41% saying they are using travel as a means of 'reconnection'.

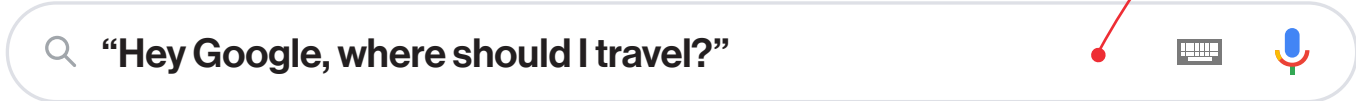
Wellness travel is expected to continue as a trend for 2023. Emphasizing relaxation, peace and mental well-being in your brand messaging will resonate with Canadians who are looking for a getaway. A variety of sources are developing studies that are uncovering these types of trends. [Booking.com](#) found that 40% of respondents are considering a silent retreat, and 42% are keen to go on a health hiatus that focuses on mental health. 2023 will be the year of relaxation as Canadians search for a disconnect from the hustle and bustle of their day-to-day.

There are several trends developing around wellness travel that marketers should keep in mind. In previous years, this type of travel revolved around emotional and psychological health - visits to meditation and yoga centres and ceremonial mindfulness ceremonies. While those types of travel remain, many are now focused on physical well-being and the use of specific stimuli. Music, to be sure, but also [animals](#) and even [psychedelics](#), travel destinations herald, hath charms to soothe travellers' savage breast.

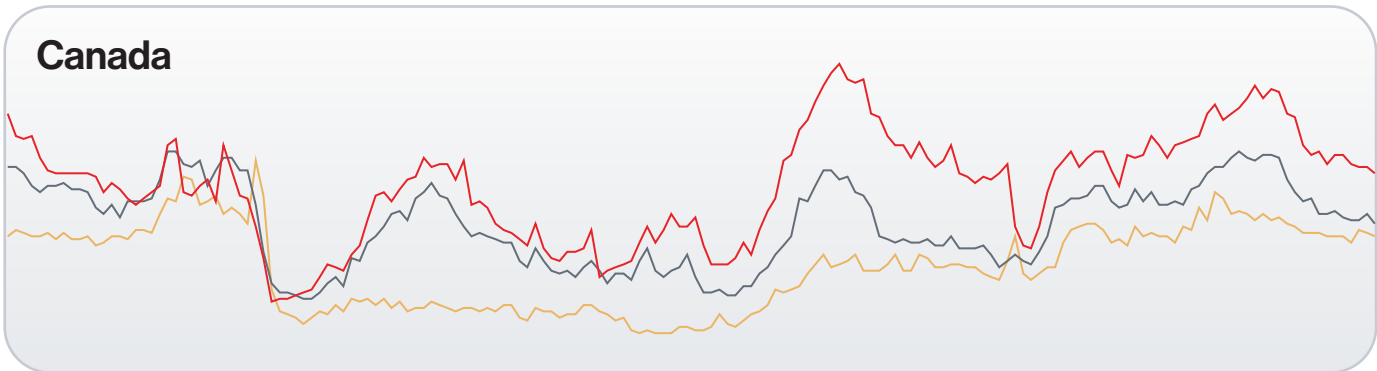
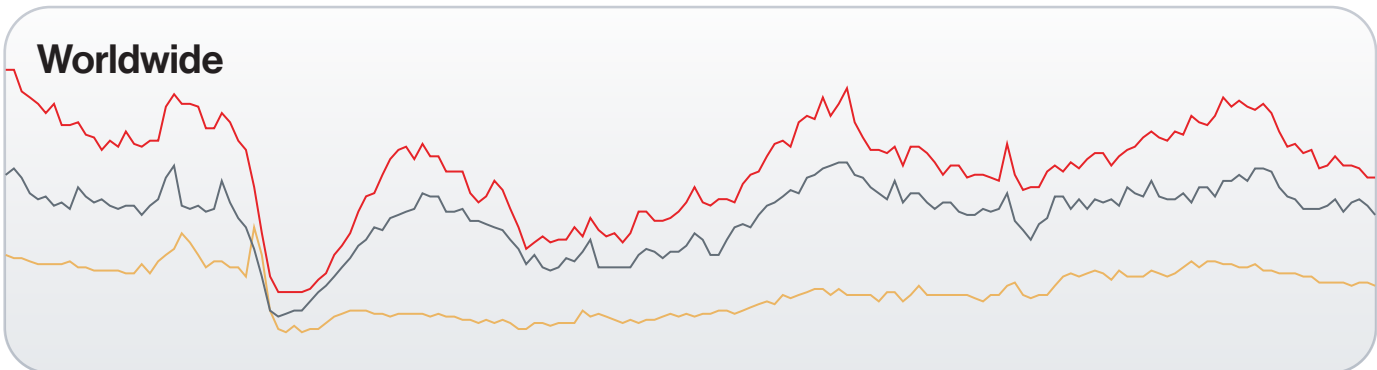
Canada Is Becoming A Hot Travel Destination

As stated earlier, a September 2022 report by the [IATA](#), International RPKs jumped by 122%, with **North America recording 128.9% YoY growth and reaching 89.4% of pre-COVID passenger levels**. Europe achieved 78% growth in RPKs and sat at 78% of pre-COVID passenger levels.

Both of these figures are great news for Canada, as historically the US and Europe are two of the largest sources for international visitors.



Domestically, **the most searched destination city in Canada is Toronto**. [Google Trends](#) Search Term graphs also deliver some interesting insights for travel. The graphs allow us to compare the volume of searches for a specific keyword over a specified timeframe, in a country of your choice. For example, if a keyword such as **'Flight'**, **'Hotel'** and **'Restaurant'** is implemented, you can correlate the search volumes to the state of the travel industry at that time.

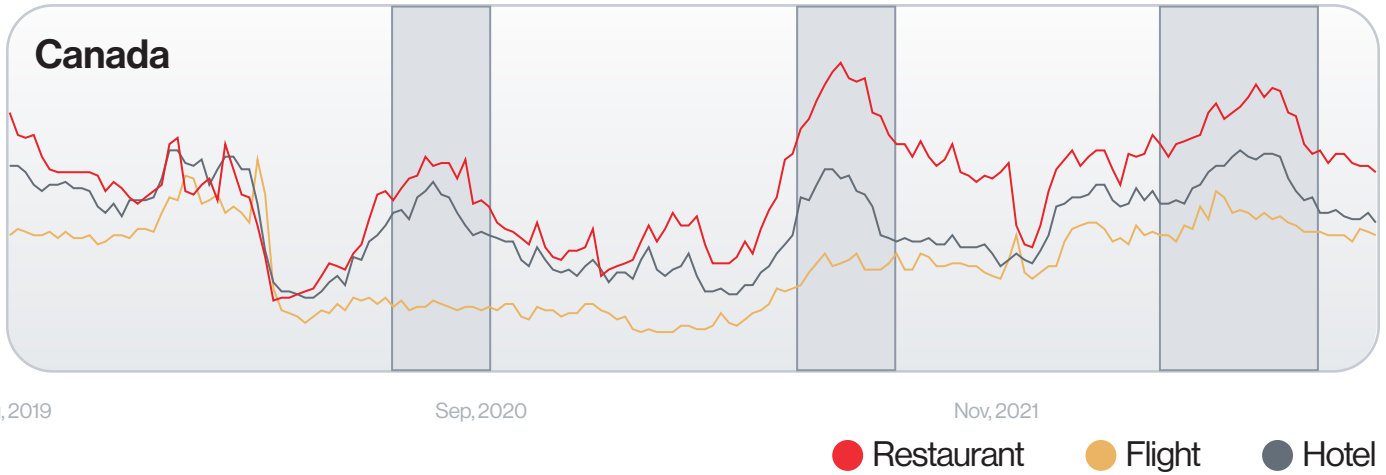


Aug, 2019

Sep, 2020

Nov, 2021

Search volume results for the keyword 'Restaurant' far exceeded 2019 levels for the majority of 2022, even seeing spikes to peak levels in summer 2021. Another notable finding is search volumes for 'Hotel' - with search volumes mirroring that of restaurants at a slightly lower level. Search volumes for 'Flight' remained relatively flat through 2020 and 2021, but have steadily risen through the end of 2021 and into 2022.



The search volumes of these three keywords reflect the overall state of Canada at each point in time. The first peak after COVID-19 surfaced sees a spike in searches for restaurants and hotels, while flights are stagnant due to people staying domestic. With each subsequent peak, flight interest rises with the ease of restrictions and can be seen correlating with restaurant and hotel searches again as people begin to travel more.



Arriving in Canada!

[Statistics Canada's Tourism Activity tracker](#) is an excellent way to view tourism activity trends over 2022. This tracker is used to assess the tourism industry overall, including hotel occupancy, aviation statistics and frontier counts. Viewing the tracker, there are significant increases which demonstrate the recovery of the industry pre- and post-pandemic.

June 2021

Border restrictions eased in Canada for foreign travellers

February 2022

Further easing of restrictions, government lifts recommendation to avoid non-essential travel

October 2022

All COVID-19 border measures ended

There were two major turning points for travel in Canada when it comes to COVID, correlating strongly with the easing of border restrictions. The first was at the Phase 1 announcement at the end of June 2021, where fully vaccinated travellers were able to enter Canada. This saw an increase of 40% in combined Domestic and International activity over the following 8 months. The second jump came immediately after the Phase 2 announcement in February 2022, where further easing allowed travellers from any country and, most importantly, lifted the recommendation that Canadians avoid travel for non-essential purposes. This saw another 30% jump in the Tourism Activity tracker over 8 months in 2022.

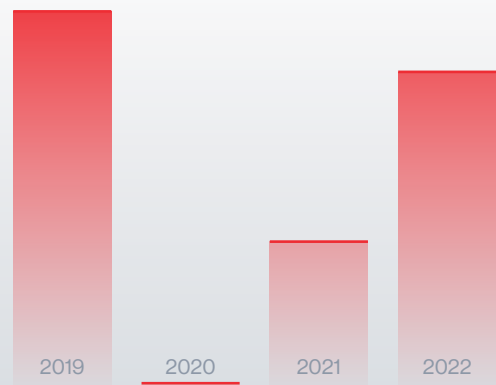
As of the last update to the tracker (September 2022), both Domestic and International tourism activity have rebounded to near 2019 levels, with Domestic just 3% below and International only 13% below. In October all border restrictions were lifted, which bodes well for surpassing 2019's activity in 2023!

International Arrival Indicator (October 2022), compared to October 2021, the total number of international arrivals (non-resident visitors and returning Canadians) had more than tripled. While not quite at 2019 levels, the increases in travel are substantial.

There are three **categories of arrivals**:

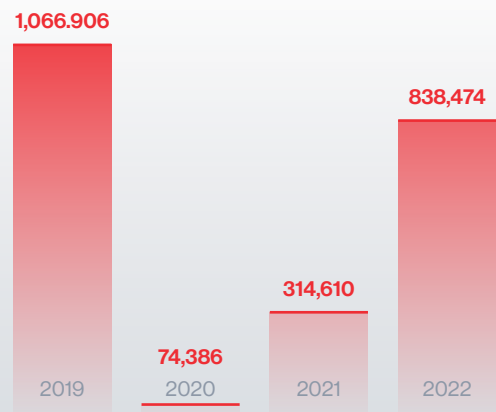
1. Non-Resident Arrivals by Air

Canadian **Airports** saw over **570,000 visitors** from overseas and the US, which is more than double compared to October 2021 (263,400 visitors).



2. US Arrivals by Land

In October, over **800,000 US residents** visited Canada by automobile. This is three times more than in October 2021, and 79% of the 2019 visitation.



3. Returning Canadians

In October, 1.2 million Canadians returned by air from abroad and 1.6 million Canadians returned from the US by land. Both of these numbers are substantially higher than observed in October 2021, with air returnees reaching 91.8% of 2019 levels and land returnees reaching 76% of 2019 levels.



All of these values appear to be sharp jumps from even as recently as September 2022 (which coincides with the removal of all COVID-19 border restrictions on October 1st 2022). As seen in the Tourism Tracker, the easing of restrictions has historically been followed by several months of increasing Domestic and International tourism. If the current trend continues, we should reach 2019 levels in 2023.

Airport Traffic Is On The Rise

Each of the three major markets saw a marked increase in visitors in 2022 as seen below. Mentioned in the StatCan summary, this likely coincides with the continued ease of travel restrictions. With the [removal of travel restrictions on October 1st](#), it would not be surprising to see that number continue to climb as we enter 2023. Canada's air travel already is off to a flying start to the year. The first eight days of 2023 saw twice as many passengers screened at the nation's eight largest airports (Calgary, Ottawa, Toronto-Pearson, Montréal-Pierre Elliott Trudeau, Halifax Stanfield, Winnipeg, Edmonton, and Vancouver) than passed through the gates last year. The 1,143,441 airport visitors through Jan. 8 eclipsed 2019 levels and fell only 18,000 shy of 2020. The Canadian Air Transport Security Authority reports similar numbers for Canada's regional airports.

“We are very pleased that our members and industry partners will soon be back to normal operations and can focus on providing safe and reliable air travel experiences to Canadians and those wishing to visit our country.”

Monette Pasher, President of the Canadian Airports Council,
re: the October 1st removal of COVID Restrictions.



📍 Vancouver

[Vancouver International Airport](#) was forecasting to see 17 million passengers in 2022, which is a significant increase to their recorded passengers at 7.3 million in 2020 and 7.1 million in 2021. The Vancouver Airport Authority forecasts continued growth to **22 million passengers in 2023**. Mirroring global travel trends, YVR saw strong returns in domestic travel (92% pre-pandemic) and in US transborder (80% pre-pandemic), but fewer international visitors.

One of the major factors hampering the complete rebound of the airline industry is [a slow recovery in Hong Kong and Mainland China](#). In the past, the Chinese market contributed a major portion of daily flights to YVR and other submarkets.

📍 Toronto

Passenger activity rose substantially in the first 9 months of 2022, with 25.7 million visiting the airport, reports the [Greater Toronto Airport Authority \(GTAA\)](#), ending September 30th. Most of those passengers have been International visitors (15.1 million), though there have been 10.6 million domestic travellers as well. This represents an increase of 273.7% compared to the same time in 2021.

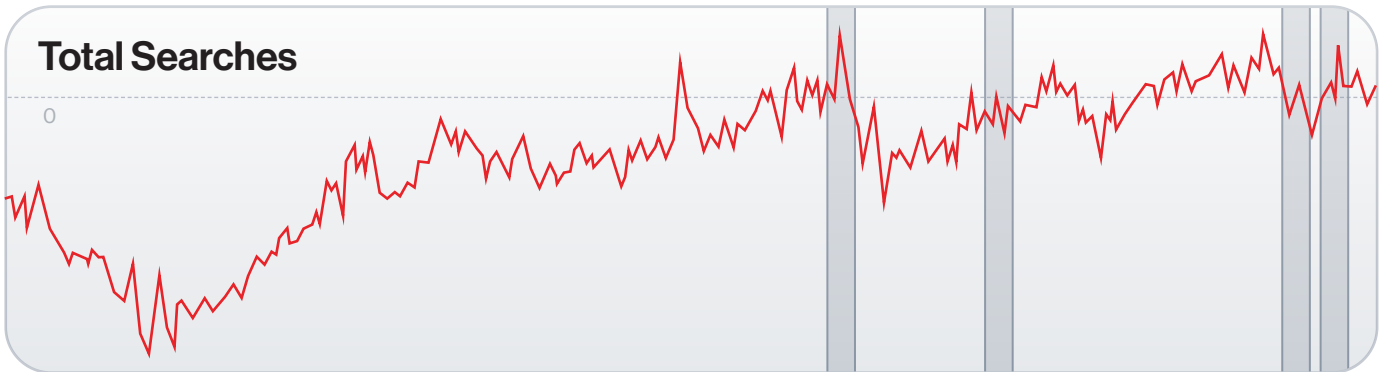
📍 Montreal

Montreal, like Toronto and Vancouver, [saw a resurgence of travellers in the first 3 quarters of 2022. 11.6 million passengers had been through, of which 3.9 million were domestic, 5.2 million were international, and 2.4 million were transborder](#). This is a 302% increase compared to the same timeframe in 2021.

Flight Search Statistics

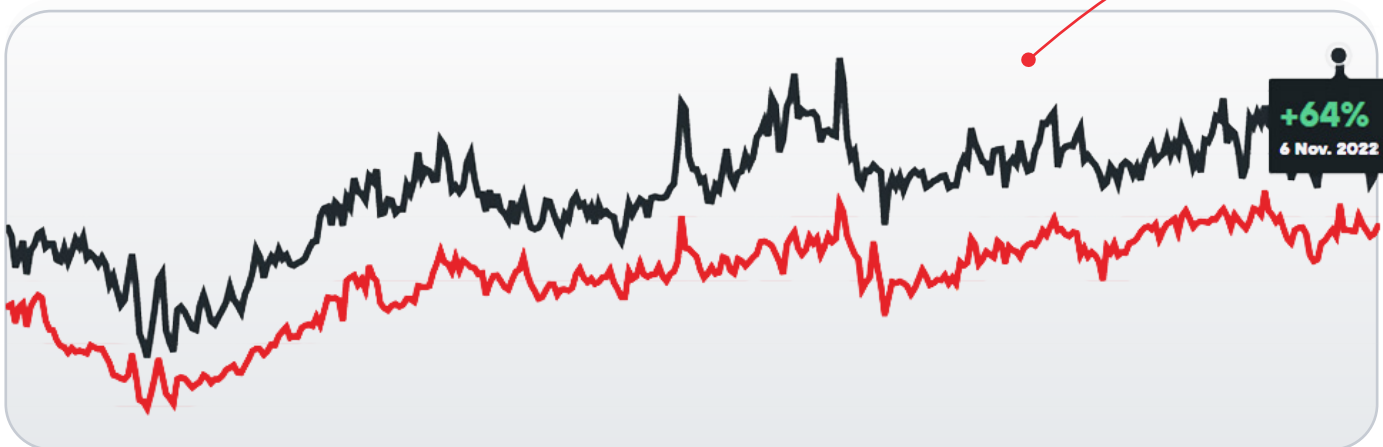
Similarly to the Google Search Term trends, we can see the same patterns in the [KAYAK Flight Search trends](#). KAYAK updated their research methodology in January 2022 to compare 2022 search trends to 2019, with the objective to better understand the travel industry's recovery. For example, it provides day-by-day flight search interests in Canada, compared to the same day three years prior. We can see search trends crossing back over the 0% change line as we move further along in 2022, resulting in some interesting stats that surpassed the 2019 equivalents.

The first time figures surpassing the 2019 equivalents within the last year (November 17 2021 - November 17 2022) was May 15th 2022, which had a +7% increase compared to May 15th 2019. They continued to surpass the 2019 equivalents with some highlights such as:



- On **June 27th 2022**, we had an **+11% increase** when compared to 2019,
- **August 5th 2022** shows a **+5% increase** when compared to 2019,
- **October 17th 2022** had a **+15% increase** compared to 2019, and
- **November 6th 2022** shows a **+12% increase** compared to the same day in 2019.

Domestic flight searches within Canada recovered even quicker in 2022 compared to 2019. **For example, on June 26th 2022, domestic flight searches in Canada were up a staggering +63% when compared to the 2019 daily equivalent.** This trend continued throughout the year, with November 6th 2022 having a **+64% increase** in domestic flight searches when compared to 2019.



Cruising Into **The New Year**

We spoke about cruise ship travel and planning increasing in our previous Insights Report released last October, but as the cruise season came to an end in Canada, 2022 was the first time in two years that welcomed ships like the Crown Princess (Port of Vancouver) and the Norwegian Getaway (Port of Halifax).

Despite the overall passenger count being lower, the Port of Vancouver surprisingly saw a 6% increase in the total number of ships docked than in 2019. The Port of Vancouver is forecasting that 2023 could potentially break records, with 334 ships scheduled to visit. If operating at normal ship capacities, this could mean 1.3 million people.

On the opposite coast, the Port of Halifax also prepared for a strong recovery in the 2022 cruise season (April - November 2022). With 152-160 vessels docking in 2022, this was 85-89% of where the Port of Halifax left off in 2019.

“This is what the **Atlantic cruise industry has been waiting for,”**



said **Dennis Campbell**, CEO, Ambassadors Gray Line.

“We are so excited to be doing what we love, which is planning and preparing to **welcome cruise guests to our region and give them a taste of authentic Maritime hospitality.”**

The 2022 season brought an estimated 311,740 passengers to Halifax, more than the passenger totals for 2015, 2016, and 2017.

5-year Summary of **Cruise Ship Totals**

2019 - **179**

2018 - **198**

2017 - **173**

2016 - **136**

2015 - **141**

5-year Summary of **Passengers Totals**

2019 - **323,709**

2018 - **316,869**

2017 - **292,722**

2016 - **238,217**

2015 - **222,309**

Landing At Our Final Destination

Now is the best time to utilize OOH while travel is at the forefront of Canadians' 2023 plans. With deeper pockets and the desire for a unique experience from the post-pandemic traveller, and a strong recovery forecasted ahead, advertisers in hospitality and travel will reap the rewards of a receptive audience that is not only willing to travel but also willing to spend. **An advertiser's dream.**

OOH may have lost some of its luster when the pandemic forced everyone indoors to stare at televisions, computer screens, and mobile phones. But the re-emergence has brought billboards, bus shelters, street furniture, and site-based messaging back with a vengeance. Not only are more people taking to public transportation, airlines, and their personal vehicles, they are also roaming their neighbourhood on foot, especially in urban settings. These factors not only make OOH more visible, but they re-establish a pecking order among marketing media. A resurgence of mobility creates greater interaction with "real-world" messaging and more engagement with "real" people rather than online worlds and social media. This creates a "newfound sense of purpose for OOH ads and a demand for them in the near future," notes [OOH Today](#). "With an increase in travel, OOH is expected to be more effective than online ads because of the increase in vacationers post-COVID, and that means that business-owners would be wise to consider investing in OOH ads over online means of advertising."

COMMB uncovered an overwhelming amount of data for this Insights Report, providing evidence that travel is indeed a hot topic for 2023. Brands and advertisers, approach the runway and prepare for takeoff, because 2023 seems to be a promising year for the tourism industry. We can't wait to see you sky-high on larger than life Out-of-Home!



Thank You!

Special thanks to our contributors:

- **Amanda Dorenberg**
- **Lara Menzies**
- **Melanie Moriarty**
- **Mo Ghoneim**
- **Jennifer Copeland**
- **Rodney Bisnath**
- **Sarah Edgar**

111 Peter St., Suite 605
Toronto, ON, M5V 2H1
(416) 968-3823

lmenzies@commb.ca

COMMB
Canadian Out of Home Marketing
and Measurement Bureau