



ALL-INCLUSIVE VACATIONS IN THE SUMMER

Why more Canadians are heading south
for summer trips

Introduction

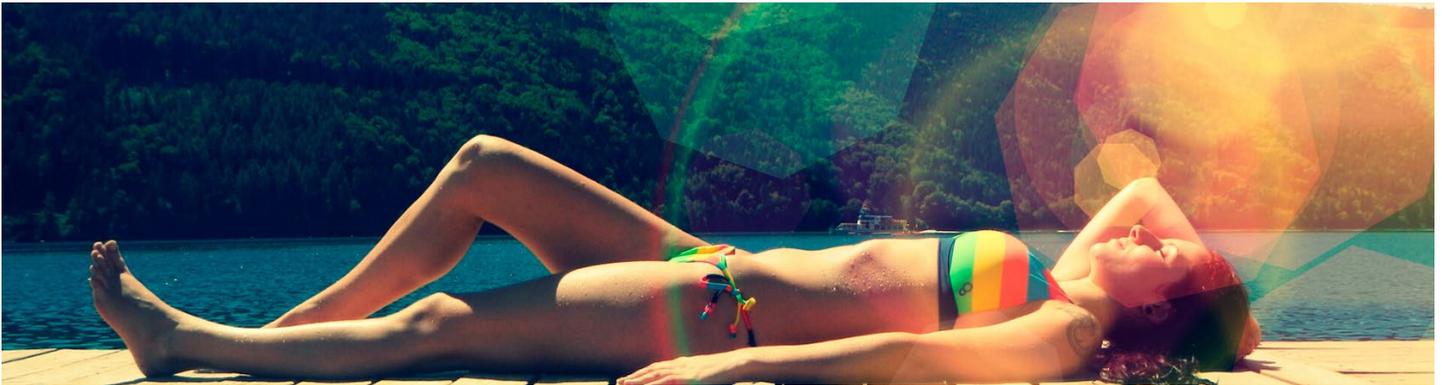
Summer vacation is something many Canadian families look forward to. It's one of the few times of the year when the entire family can get together and spend some quality time without interruptions.

However, the idea of a typical family vacation is changing. Canadians are thinking outside the box and are no longer settling for the traditional family road trip or week at a cottage up north. An increasing number of families are heading south and booking all-inclusive vacations, proving that all-inclusive travel is no longer just for the winter months.

The following examines why more Canadians are travelling south for all-inclusive vacations in the summer, where they are travelling, how they are planning their trips, the advantages and disadvantages of choosing all-inclusive summer vacations, tips to save money and the importance of travel insurance for summer trips.



MORE CANADIANS ARE HEADING SOUTH



Canadians are changing how they spend their summer vacations. While many still opt for the traditional family road trip, vacation to Europe or a week at the cottage, there is a strong upward trend of Canadians who head south to spend their summer vacations in the Caribbean or Mexico.

MORE CANADIAN TRAVELLERS ARE VISITING THE CARIBBEAN AND MEXICO DURING THE SUMMER

Based on data from the Conference Board of Canada, this trend began in 2012 and is expected to continue in the years to come.

"A significantly larger proportion of outbound travellers plan to visit the Caribbean/Mexico region this summer (+3%). That said, of all overseas travellers still in the dreaming or gathering information phases of their trip planning process, 49 per cent intend to visit Mexico or the Caribbean," says the Conference Board of Canada.¹

The number of Canadians who intended to head south for summer vacation has increased by 6% since 2012:

- 2012: 14%
- 2013: 14%
- 2014: 17%
- 2015: 20% (projected)²

Where Canadians intend to travel on summer vacation and where they end up going often varies.

"Thirty-nine per cent of respondents in the March 2014 survey said they planned to take an outbound summer leisure trip that year. According to the most recent data, 30 per cent of the Canadian population actually took an outbound summer trip between May 1 and October 31, 2014," says Conference Board of Canada.³

In general, people tend to overestimate their intentions of planning a trip, and many either change their destination or postpone their vacation for another time. Budget, travel deals and other circumstances all play a role in vacation planning.

What is unique about Canadians' travel intentions to head south is that a larger proportion of Canadian travellers actually end up travelling south, unlike most other destinations (figures are from summer of 2014):

- USA: 51% intended to go, 42% went
- Europe: 20% intended to go, 21% went
- Asia/South Pacific: 7% intended to go, 8% went
- Other destinations: 5% intended to go, 5% went
- Caribbean and Mexico: 17% intended to go, 24% went⁴

The Caribbean and Mexico saw a significant increase in the number of travellers in the summer of 2014, mostly at the expense of a decrease in the number of Canadians opting to visit the United States.

INCREASED TRAVEL CAPACITY TO THE CARIBBEAN AND MEXICO

To support the increased interest in travel to southern destinations, airline carriers have responded by increasing seating capacity. The Conference Board of Canada found that "following steady growth over the past decade, seat capacity on scheduled carriers is again on the rise. According to current OAG data, carriers plan to offer 1.69 million seats to southern destinations during summer 2015, an increase of 19%."⁵

In fact, seating capacity has increased for summer trips to Mexico and the Caribbean each year since 2005. There has been significant growth during this 10-year period:

2005

Mexico: 146,987

Caribbean: 299,774

2010

Mexico: 253,819

Caribbean: 538,858

2015

Mexico: 475,565

Caribbean: 1,214,412⁶

In 10 years, the number of seats available for trips to Mexico has more than tripled, and seats available for travel to the Caribbean has more than quadrupled.

WHERE CANADIANS ARE TRAVELLING

Canadians continue to be attracted to destinations in the south because these countries offer cost-effective package options and guaranteed sunshine. The top 10 most popular countries for summer vacations by volume are:⁷

1. Mexico
2. Cuba
3. Dominican Republic
4. Jamaica
5. Bahamas
6. Costa Rica
7. Barbados
8. Bermuda
9. Panama
10. Aruba

Countries with the biggest increase in Canadian summer travellers from 2013 to 2014 are:⁸

- Grenada: 47.7%
- Panama: 21.7%
- St. Kitts/Nevis: 18.6%
- Dominican Republic: 14.1%
- Jamaica: 12.6%

Countries in this region that experienced a decrease in travellers from 2013 to 2014 include:⁹

- Puerto Rico: -13.8%
- Antigua: -12.3%
- Guatemala: -11.7%
- Anguilla: -11.3%
- Belize: -11.2%



SUMMER TRIP PLANNING

Canadians have multiple options when planning summer vacations; however, many are opting to consult travel agents and book travel packages for their all-inclusive summer vacations.

THE POPULARITY OF TRAVEL AGENTS AND TRAVEL PACKAGES

Even though more Canadians are planning to head south during the summer, they are most likely to book their vacations less than six weeks before departing. Forty-four percent plan to book their 2015 summer vacations in the weeks leading up to their trip, down from 67% in 2012.¹⁰

“Almost two-thirds (64%) of travellers to the Caribbean/Mexico are very/somewhat likely to book their trip with a travel agent,” says the Conference Board of Canada.¹¹ Approximately 60% are also very or somewhat likely to use a travel agent to get travel information, and only about 20% are very unlikely to book or get information from a travel agent.¹²

A large number of Canadians planning to travel south this summer intend to purchase travel packages. Approximately 83% of Canadians planning to visit Mexico or the Caribbean this summer are likely to purchase a travel package, which is higher than the intentions to purchase a travel package for any other destinations. The number of travel packages purchased has been relatively consistent since 2012, with 82% purchasing travel packages for summer trips south in 2012, 71% in 2013 and 85% in 2014.¹³

Booking with a travel agent and booking travel packages are good options for travellers who are unfamiliar with the areas they plan to visit.

SUMMER ALL-INCLUSIVE VACATION ACTIVITIES

Canadians seek new experiences when travelling. The obvious draw to all-inclusive destinations is the reliably warm weather and variety of water-related activities and cultural experiences. When travelling to Mexico or the Caribbean, approximately 67% of Canadians are likely to purchase an activity or tour.¹⁴

Here are the top five activities Canadians intend to engage in during their trip:¹⁵

1. Sightseeing: 23%
2. Water-related activities: 20%
3. Adventure activities: 17%
4. Spa treatments/relaxation: 11%
5. Cultural events/attractions: 8%



ALL-INCLUSIVE SUMMER VACATION CONSIDERATIONS

There can be pros and cons to every vacation choice. When booking an all-inclusive summer vacation, factor in the advantages and disadvantages of this travel option.

ADVANTAGES

Canadians are increasingly booking summer all-inclusive vacations because they offer simplified and cost-effective options:

- **Travel deals:** Travelling to all-inclusive resorts during the summer months is less expensive than during peak travel times. You are more likely to find good travel deals and stay at great resorts at a discounted price.
- **Knowing the costs up front:** Many travellers are on a fixed budget, and all-inclusive travel streamlines trip-related costs. "If you have a certain budget in mind you are able to pay for everything up front and you don't have extra costs once you get there. So for people who may have a hard time budgeting their vacation out when they are paying for things along the way, this is a fantastic option," says Orbitz's Jeanenne Tornatore.¹⁶
- **Simplified booking:** All-inclusive travel is inherently simplified. Travel, accommodations, food and entertainment are all included in the price.
- **On-site travel assistance:** Many travel agents have a local representative at resorts. They can help you book excursions, answer questions and help if you experience travel issues or delays.
- **The resort experience:** Many people desire the resort experience because they are looking for a worry-free vacation. Everything is handled for you at the resort – meals, drinks, activities – allowing you to disconnect and get a break from everyday life. Resorts have activities, events and entertainment for people of all ages.

DISADVANTAGES

There are potential risks to booking all-inclusive summer vacations that travellers should be aware of:

- **The resort is not as advertised:** The biggest potential disadvantage of all-inclusive resorts is arriving and it not being as advertised. This is why it's vital for travellers to be diligent when researching all-inclusive summer vacations. Read online reviews, thoroughly explore your options and don't shop based on price alone.
- **Activities often not included:** Many activities and excursions are not included in the price of your vacation. If you want to explore, expect to pay for tours. Factor this into your vacation budget. Shop around and consider including activities in the price of your vacation package to get travel deals.
- **Feeling trapped:** Some tourists often feel obligated to stay on the resort to get their money's worth. While you do get a taste for local culture at a resort, it's far from what you would experience outside the resort.
- **The weather:** It can get extremely hot in destination locations during the summer. Summer is also the season for hurricanes, which lasts from June 1 to November 30. When booking a vacation during this time, you risk torrential rain, storms and hurricanes, which can postpone, delay or interrupt your vacation.

TIPS TO SAVE MONEY ON YOUR ALL-INCLUSIVE SUMMER VACATION

Getting a good travel deal and saving money are both important to Canadians. Amid all-inclusive summer vacations proving to be a cost-effective vacation option, Canadians can cut costs even more by:

- **Getting the timing right:** If you want to save money on your trip, when you travel during the summer is just as important as where you travel. "Statistics show that the best dates to aim for are the first week in June (1st-7th), the second week in July (6th-12th) and the last week in August (24th-31st)," says Sophie Forbes on Yahoo Travel.¹⁷ If your travel dates are flexible, book your trip when the rates are lower for the destination you want to visit.
- **Booking a travel package:** One of the main reasons why many Canadians are booking travel packages for their trip is because it saves them money. "Combining a couple of components of your trip and booking it as a package is another big way to make huge savings," explains Tornatore.¹⁸ "You are always going to save by booking those things together as a package rather than booking your airfare and then going back to book your hotel later."
- **Reading the fine print:** Reading the fine print when making travel arrangements can help you fully understand what is included in the cost of your vacation. It will also make you aware of any additional fees that are not included in the price of your travel package.
- **Shopping based on value:** People often get caught up in the cost of a vacation and lose sight of the value they are getting for the price. Factor in things like free Wi-Fi access, included activities, and coupons for spa treatments, tours and adventures.
- **Purchasing travel insurance:** Travel insurance can be a huge money-saver. All-inclusive travel insurance ensures that you get the emergency medical attention and travel support you need during your trip, at no additional cost to you.



TRAVEL INSURANCE FOR SUMMER VACATIONS

Travel insurance is an important part of your summer vacation planning, especially if you are travelling to a destination for the first time. Even if you take all the necessary precautions, travel insurance can give you the protection you need to travel with confidence, knowing you have 24/7 emergency assistance should you need it.

Travel insurance is particularly important because of the weather-related risks associated with travelling south during the summer. There is potential for extreme heat, and travelling during hurricane season exposes Canadians to risk during their trip.

Having emergency medical travel insurance ensures you can get proper medical care should you fall ill due to the heat or for any other reason, and including a trip cancellation policy as part of your all-inclusive travel insurance protects your financial investment in your vacation should the weather take an unexpected turn for the worse before or during your trip.

Most Canadians are investing in family vacation travel insurance for their summer vacations. "Individuals travelling to the Caribbean/Mexico and Europe are the most likely to purchase travel health insurance. More than three-quarters of Canadians (77%) who took a leisure trip outside the country in the past three years had some type of travel health insurance," says the Conference Board of Canada.¹⁹

Here are three tips to help you get the best travel insurance coverage for your summer vacation:

- 1. Customize travel insurance based on your summer vacation plans:** If you are staying at a resort, then all-inclusive travel insurance is your best option. Customize your travel insurance policy based on family needs and trip details, and make sure you get exactly what you need. If you are travelling for seven days, then get travel insurance for seven days. If you are travelling for 14 days, get travel insurance for 14 days. Make sure you purchase your travel insurance policy before you leave and that the policy is valid for the duration of your trip.
- 2. Include trip cancellation insurance:** Approximately 27% of Canadians intend to purchase trip cancellation insurance for travel in 2015.²⁰ Hurricane season can be unpredictable. The weather can turn bad very quickly, and having trip cancellation and interruption insurance ensures you are covered should you have to cancel, delay or cut your trip short due to weather-related reasons.
- 3. Know what is included in your family vacation travel insurance:** Taking the time to review your travel insurance policy before your date of departure gives you the time to make sure you and your family have the coverage you need make adjustments if you require additional coverage. Double-check your travel insurance policy, so you can have the peace of mind in knowing you are covered.

Conclusion

The idea of the Canadian family summer vacation is changing. More and more Canadians are choosing alternative summer vacation options, and all-inclusive summer trips are leading the way. Families are replacing their trips to the cottage with trips to the beach in Mexico and the Caribbean because all-inclusive trips in the summer are cost-effective, more affordable than in the winter and they provide families the opportunity to disconnect from daily life and learn about another culture.





¹ The Conference Board of Canada. *Outlook for Outbound Leisure Travel. Summer 2015.* Page 3.

² Ibid. Page 3.

³ Ibid. Page 4.

⁴ Ibid. Page 4.

⁵ Ibid. Page 14.

⁶ Ibid. Page 14.

⁷ Ibid. Page 14.

⁸ Ibid. Page 14.

⁹ Ibid. Page 14.

¹⁰ Ibid. Page 6.

¹¹ Ibid. Page 4.

¹² Ibid. Page 4.

¹³ Ibid. Page 5.

¹⁴ Ibid. Page 7.

¹⁵ Ibid. Page 7.

¹⁶ Sophie Forbes. The Ultimate Guide to Saving Money on Summer Travel. Yahoo! Travel. May 11, 2015.

<https://www.yahoo.com/travel/the-best-ways-to-save-on-summer-travel-118654588252.html> (accessed May 12, 2015).

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ The Conference Board of Canada. *Outlook for Outbound Leisure Travel. Summer 2015.* Page 6.

²⁰ Ibid.

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