TOURISM’S BIG SHIFT:
KEY TRENDS SHAPING THE FUTURE OF
CANADA’S TOURISM INDUSTRY

Exploring the implications and opportunities for small and medium-sized tourism businesses

February 2022
INTRODUCTION: TOURISM’S BIG SHIFT
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AGENDA

06 Insights and Analytics
08 The Big Shift
09 Framework
16 Key Industry Trends
21 Key Market Trends
26 What’s Next for Tourism?
58 Q&A
INSIGHTS AND ANALYTICS SINCE 2020

(BY THE NUMBERS)

350+ Curated dataset supporting...

3 Data products
  - Global Tourism Watch
  - Visitor Intelligence Platform
  - Explorer Quotient

harnessing insights to inform...

381 Research publications

fuelling more than...

76,040 + Downloads year-to-date

 answering the biggest questions of...

40 Research partners organizations

22 City destination marketing organization (DMO) partners

13 Provincial and territorial marketing organization partners

05 Federal agencies partners

 communicates to...

233,000 SME stakeholder audiences

1,500 Media outlets

250 Community DMO partners
MAUREEN GORDON
Maple Leaf Adventures
Victoria, BC
THE BIG SHIFT: FRAMEWORK

KEY MACRO TRENDS

COVID-19 Uncertainty

Climate Change

Economic Change

Accelerated Digitization

Social Change

KEY INDUSTRY TRENDS

KEY MARKET TRENDS

WHAT’S NEXT?
KEY MACRO TRENDS

- COVID-19 Uncertainty
- Economic Change
- Social Change
- Climate Change
- Accelerated Digitization
COVID-19 UNCERTAINTY

There is growing acceptance that COVID-19 will become endemic driving unprecedented uncertainty, constraints, and competition within the industry. As travellers gravitate towards destinations that are perceived to be clean, healthy and safe, destinations and businesses must adapt to this difficult new operating environment.
The economic impact of COVID-19 has been enormous on the industry, operating under difficult financial and human resource constraints. At the same time, household savings in many countries are at record highs, resulting in the most rapid rise and growth of wealth among the most affluent households in the U.S. and Canada in an entire generation.
Heightened awareness of social justice, racism, and structural inequities has provided a catalyst for real change. This has provided renewed accountability to foster diversity, inclusion and reconciliation across the tourism industry and take action that is meaningful to Indigenous communities, tourism businesses and visitors.
The urgency of addressing climate change is undeniable. Ambitious new greenhouse gas emissions reduction targets by 2030 along with more frequent extreme environmental events are increasing global urgency to adapt to climate change by implementing sustainable and competitive operating practices.
ACCELERATED DIGITIZATION

COVID-19 has catalyzed the adoption of new technologies with companies accelerating their digital interactions. Consumers’ rapid adoption of technology has generated vast volumes of data, making it possible for operators to capitalize on data analytics to understand consumer behaviours and make informed decisions around pricing, marketing and product development.
KEY INDUSTRY TRENDS
**KEY INDUSTRY TRENDS**

<table>
<thead>
<tr>
<th>Lack of Access &amp; Reduced Connectivity</th>
<th>Labour &amp; Skills Shortage</th>
<th>Higher Costs</th>
<th>Reduced Business Travel &amp; Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduced Access to Capital &amp; Limited Liquidity</td>
<td>Product Degradation</td>
<td></td>
<td>Shift in Capacity &amp; Role of DMOs</td>
</tr>
</tbody>
</table>
LACK OF ACCESS & REDUCED CONNECTIVITY
KEY INDUSTRY TRENDS

LABOUR & SKILLS SHORTAGE

St John’s
Newfoundland and Labrador
KEY INDUSTRY TRENDS

HIGHER COSTS
KEY MARKET TRENDS
### Key Market Trends

<table>
<thead>
<tr>
<th>Frictionless Travel</th>
<th>Domestic Travel</th>
<th>Responsible Travel</th>
<th>Ascendance of Communities</th>
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<tr>
<td>Indigenous Connection</td>
<td>Wild for Wilderness</td>
<td>Growing Health &amp; Wellbeing</td>
<td>Affluent Travel Boom</td>
</tr>
<tr>
<td>Remote Work &amp; Residential Tourism</td>
<td>Great Resignation &amp; Retirement</td>
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**Examples:**
- Kluane National Park, Yukon
KEY MARKET TRENDS

AFFLUENT TRAVEL
BOOM AND
DOMESTIC
TRAVEL

Calgary
Alberta
KEY MARKET TRENDS

RESPONSIBLE TRAVEL AND ASCENDANCE OF COMMUNITIES

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KEY MARKET TRENDS

WILD FOR WILDERNESS AND GROWING HEALTH & WELLBEING

Nahanni National Park Reserve Northwest Territories
WHAT’S NEXT FOR TOURISM?

Charlottetown, Prince Edward Island
WHAT’S NEXT?

More Domestic
More Leisure
More Digital
More Competition
More Change
This too shall pass.
“Canadians are turning their attention to domestic destinations to fulfill their pent-up enthusiasm for travel.”
## TRAVEL PRIORITY + SAVINGS

 Canadian spending priorities of the next year

<table>
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<tr>
<th>#</th>
<th>Category</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>#1</td>
<td>Travel</td>
<td>39%</td>
</tr>
<tr>
<td>#2</td>
<td>Long term savings</td>
<td>37%</td>
</tr>
<tr>
<td>#3</td>
<td>Paying down debt</td>
<td>32%</td>
</tr>
<tr>
<td>#4</td>
<td>Home renovation</td>
<td>32%</td>
</tr>
</tbody>
</table>

Annual household spend on domestic vacation next year

+19% Post-covid

TARGET DOMESTIC AUDIENCE IN THE SHORT TERM
WHO ARE THEY?

Attitudes toward travel

64%

“I miss travel - can’t wait to get out and travel again.”

Strongly agree 38%
Somewhat agree 27%

Domestic travel high value guest

Adults 18+
Most earn 100K+
Majority based in ON, BC, QC, AB

2.7 million
Younger families

6.7 million
Domestic high value guest travellers

2.5 million
Single & couples

1.5 million
Wealthy mature
WHAT SEARCH IS TELLING US

More Domestic

TARGET DOMESTIC AUDIENCE IN THE SHORT TERM

"Can I travel." +200%

"Getaways near me." +100%  "Weekend getaways near me."

"Near me with outdoor seating." +150%

"Festivals near me." +200%
KEY TAKEAWAYS

› Canadian households have pent-up savings
› Travel is the top spending priority for Canadians
› Unique opportunity to market experiences to Canadians
› 2022 will be a year of navigating between hyper-local, domestic, and global tourism
“Guests are adopting a more aspirational view of travel – connecting meaningfully with people and place.”
**THE NEW TRAVELLER**

High value guest travel choices based on self enrichment & personal motivation

- Celebrate the place & people
- Have a strong influence on others
- Staying longer
- Responsible travel

At least a 1/3 of travellers select travel destinations that invest in:

- Socially responsible practices
- Reduced environmental impact

**Travellers on sustainable practices**

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<th>Sustainable Practice</th>
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<td>Avoid crowded destinations</td>
<td>62%</td>
</tr>
<tr>
<td>Consider personal impact</td>
<td>46%</td>
</tr>
<tr>
<td>Travel to places with responsible practices</td>
<td>37%</td>
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<tr>
<td>Willing to pay for sustainable practices</td>
<td>34%</td>
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</table>
More Leisure

RISING TRAVEL ASPIRATIONS

AUTHENTIC EXPERIENCES

Experience Canada

- Wild for Wilderness
- Health & Wellbeing
- Indigenous Connection

“The perfect antidote for confinement.”

- Wellbeing
- Rejuvenation
- Healthfulness
- Safety & hygiene

Factors influencing destination choices

“Opportunity to relax, unwind and decompress.”

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“Offers outdoor experiences I am interested in.”

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One in three Canadians are interested in Indigenous experiences.

Indigenous Tourism Association of Canada (ITAC) and Destination Canada
JOHN GUNTER
Frontiers North
Churchill, MB
KEY TAKEAWAYS

- Increased consciousness around responsible, sustainable travel
- Authenticity matters – wild for wilderness, health and wellbeing and Indigenous experiences resonate
- Enrich experiences for everyone – deliver net benefits to communities
“Opportunity to streamline the customer journey, having a strong digital presence is table stakes.”
DIGITAL JOURNEY

More Digital

Remove friction, create capacity through digital adoption

Aware & Dream | Plan | Book | Experience Trip | Post Trip

Explore feasibility | Map itinerary | Make reservations | Make reservations

Consider options | Decide on destinations | Research on the fly | Re-live trip

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Tourism businesses need to increase their capacity, up-skill their workers and maximize the use of the latest technologies.

**ISED**
Canada Digital Adoption Program

https://www.ic.gc.ca/eic/site/152.nsf/eng/home

**DESTINATION CANADA**
Marketing Tips & Tricks

GUEST IS AT THE CENTRE

MORE DIGITAL

REMOVE FRICTION, CREATE CAPACITY THROUGH DIGITAL ADOPTION
MATRICIA BAUER
Warrior Women
Edmonton, AB
KEY TAKEAWAYS

› Consumers are more tech-savvy

› Strong digital presence is table stakes

› Explore customer-facing and behind-the-scenes technology

› Tap into available resources at federal, provincial and city levels – from grants to learning and development

› Maintain ‘personalized’ interaction and value in those moments that matter
“Your reputation is your most valuable online asset. Protect it, and proactively manage it.”
VALUE FOR YOUR NETWORK

Followers

@"tourism_business"
#“tourismbusiness”

@explorecanada
#explorecanada

SHARE YOUR GLOWING HEART

MORE COMPETITION
SOCIAL MEDIA RESOURCES

Social media tips

#1 Be consistent

#2 Engage with city, provincial, territorial marketing social channels

#3 Invest in creating content

#4 Talk to your audience

Use Tourism Businesses hashtags as well as #ExploreCanada and @ExploreCanada

@explorecanada

We share images with:

- Bright colours
- Seasonal
- Diversity in front of and behind the lens
- Context and/or distinct point of view – we want to show people where we are
- People in places/doing things

Two programs we showcase:

Heartbeat IG Stories

Top 5
GLOWING HEARTS ACROSS CANADA

MORE COMPETITION

SHARE YOUR GLOWING HEART
KEY TAKEAWAYS

➤ Travellers use social media for inspiration and ideas

➤ Online reputation is critical to instill guest confidence

➤ Actively manage your profile and reputation – engage with your audience

➤ Use your social network to amplify your brand – reference our tips and use our #hashtags

➤ Encourage guests to share their own content from travels
“Supports are available to help businesses navigate an uncertain road to recovery.”
RESOURCES

DESTINATION CANADA PROGRAMS | Research & Marketing:

https://www.destinationcanada.com/en/research

FEDERAL RESOURCES
ISED Business Benefits Finder:

https://innovation.ised-isde.canada.ca

TOURISM HR CANADA
Tourism Workforce:

https://tourismhr.ca/
IN SUMMARY

MORE DOMESTIC
MORE LEISURE
MORE DIGITAL
MORE COMPETITION
MORE CHANGE
CORONAVIRUS (COVID-19)

24 mars
MESURES ET DIRECTIVES DU GOUVERNEMENT

État d'urgence sanitaire sur tout le territoire du Québec

Réduction au minimum des services et activités pour les entreprises et commerces non prioritaires des ministères.

Le Québec mis sur pause

Le télétravail et les commandes en ligne peuvent se poursuivre.

Québec.ca/coronavirus
418/450/514/819 ou 1 877 644-4545

Votre gouvernement

Le temps n'est pas aux rassemblements d'amis ou de famille

2 mètres (6 pieds)

Veuillez respecter les précautions :
- Pas de rassemblements
- On se lave les mains
- On se couvre le nez et la bouche}

Stefan Faucher
Sucrerie de la Montagne
Rigaud, QC
TOURISM’S BIG SHIFT
THANK YOU!

MERCI!