

# 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

CANADA 

Canada 

Maligne Lake

Alberta

 DESTINATION CANADA



# INTRODUCTION: TOURISM'S BIG SHIFT









# INTRODUCTION: TOURISM'S BIG SHIFT





# 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



CANADA\*

# THE BIG SHIFT





# 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**



Chambord

Quebec



# 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.



Gatineau

Quebec



# ECONOMIC CHANGE



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.



Edmonton

Alberta

CANADA\*

# SOCIAL CHANGE



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.





# CLIMATE CHANGE



**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.**



Baffin Island

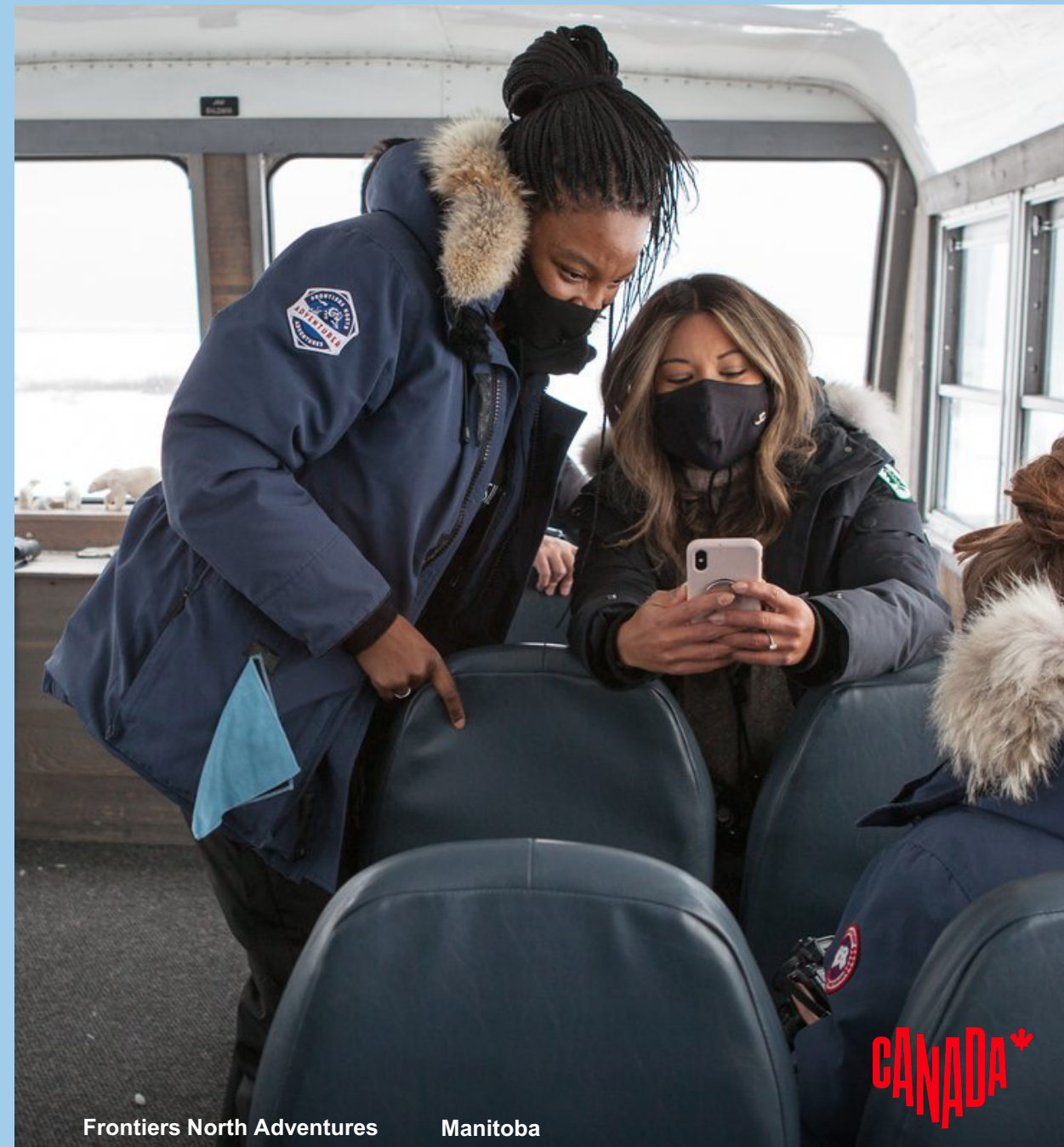
Nunavut



# 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





**KEY INDUSTRY TRENDS**

# LACK OF ACCESS & REDUCED CONNECTIVITY



KEY INDUSTRY TRENDS

# LABOUR & SKILLS SHORTAGE





KEY INDUSTRY TRENDS

# HIGHER COSTS



Toronto

Ontario





# KEY MARKET TRENDS



CANADA



# KEY MARKET TRENDS

<b>Frictionless Travel</b>	<b>Domestic Travel</b>	<b>Responsible Travel</b>	<b>Ascendance of Communities</b>
<b>Indigenous Connection</b>	<b>Wild for Wilderness</b>	<b>Growing Health &amp; Wellbeing</b>	<b>Affluent Travel Boom</b>
<b>Remote Work &amp; Residential Tourism</b>		<b>Great Resignation &amp; Retirement</b>	

Kluane National Park

Yukon

WESTFALIA



KEY MARKET TRENDS

# AFFLUENT TRAVEL BOOM AND DOMESTIC TRAVEL



Calgary

Alberta

CANADA 



**KEY MARKET TRENDS**

# RESPONSIBLE TRAVEL AND ASCENDANCE OF COMMUNITIES





**KEY MARKET TRENDS**

**WILD FOR  
WILDERNESS  
AND GROWING  
HEALTH & WELLBEING**





# WHAT'S NEXT FOR TOURISM?





# WHAT'S NEXT?



**More Domestic**



**More Leisure**



**More Digital**



**More Competition**



**More Change**



Middle Cove Beach

Newfoundland and Labrador





# IVAN TOUKO

La Connexional | BOM YEG  
Edmonton, AB

This too shall pass.



*Ivan Touko*

CANADA\*



# MORE DOMESTIC



TARGET DOMESTIC  
AUDIENCE IN THE  
SHORT TERM

**“Canadians are turning their attention to domestic destinations to fulfill their pent-up enthusiasm for travel.”**







**MORE  
DOMESTIC**

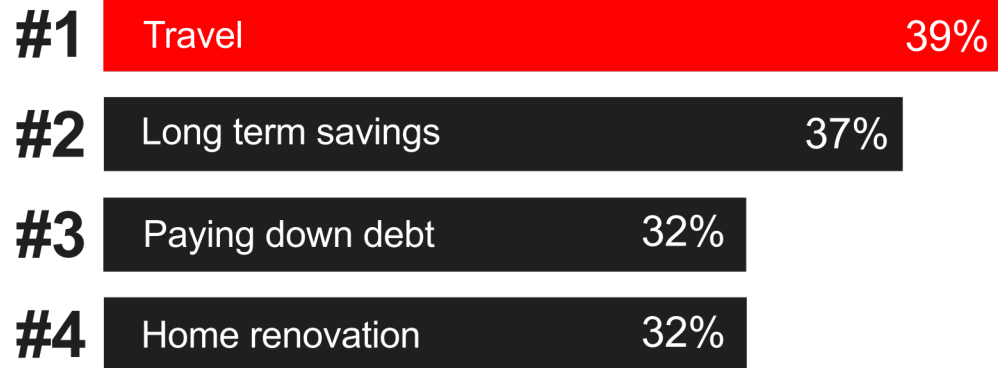


**TARGET DOMESTIC  
AUDIENCE IN THE  
SHORT TERM**

# TRAVEL PRIORITY + SAVINGS



**Canadian spending priorities  
of the next year**



**Annual household spend  
on domestic vacation  
next year**

 **+19%**  
Post-covid



**MORE  
DOMESTIC**

**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%

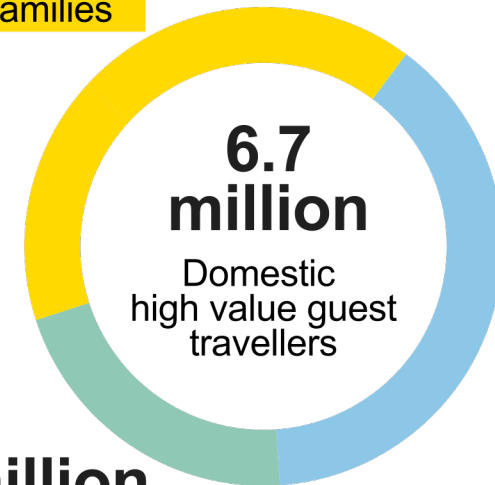
Somewhat agree 27%

## Domestic travel high value guest

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

**2.7 million**

Younger families



**2.5 million**

Single & couples

**1.5 million**

Wealthy mature







**MORE  
DOMESTIC**

# WHAT SEARCH IS TELLING US



**+200%**  
“Can I travel.”

**+100%**  
“Getaways near me.”  
“Weekend getaways near me.”

**+150%**  
“Near me with outdoor seating.”

**+200%**  
“Festivals near me.”

∨  
**TARGET DOMESTIC  
AUDIENCE IN THE  
SHORT TERM**

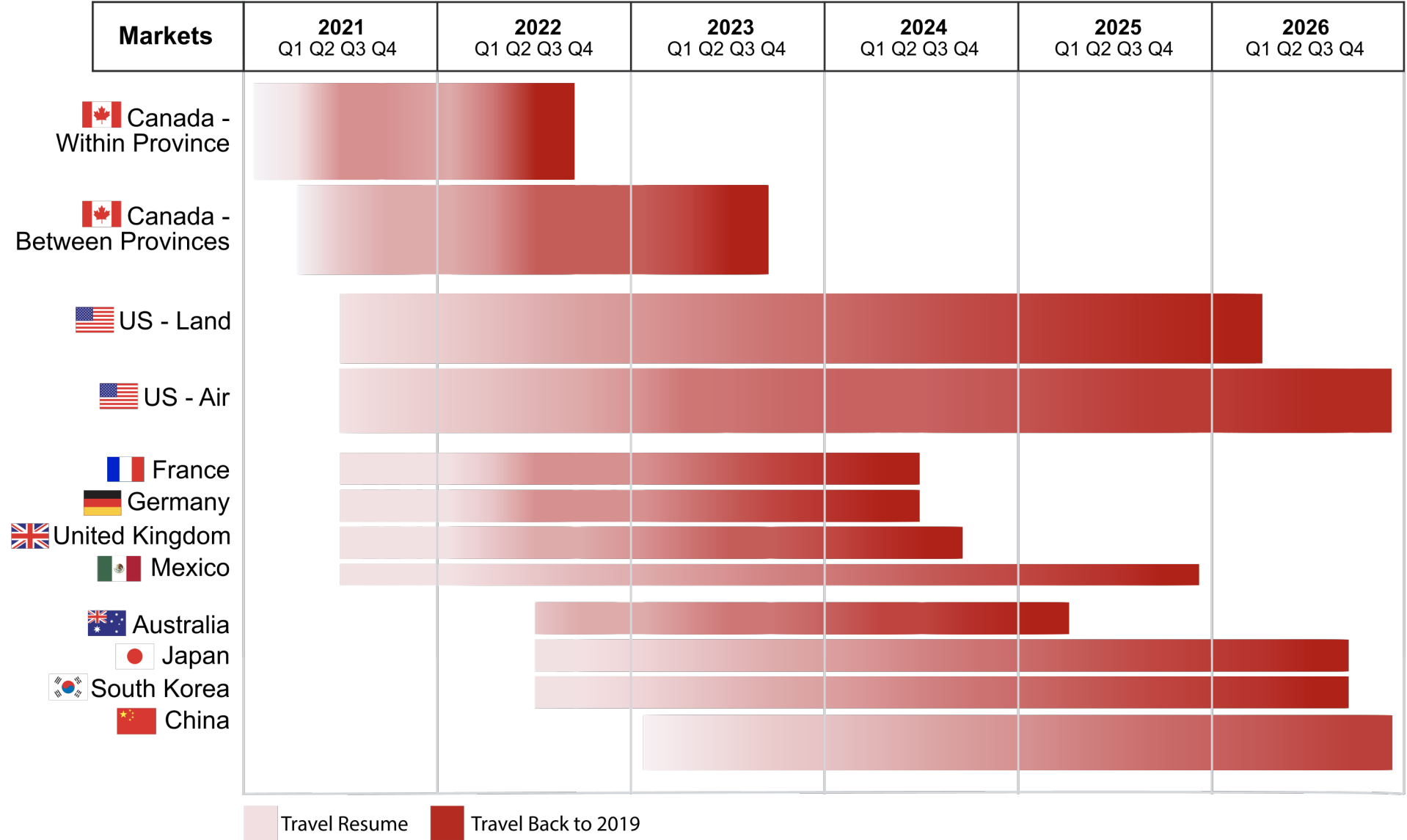




# FORECAST

**MORE  
DOMESTIC**

∨  
**TARGET DOMESTIC  
AUDIENCE IN THE  
SHORT TERM**





# SHAUN GIBBS

Baymount Outdoor Adventures  
Hopewell Cape, NB



CANADA\*



# MORE DOMESTIC



TARGET DOMESTIC  
AUDIENCE IN THE  
SHORT TERM

# 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







# MORE LEISURE



## RISING TRAVEL ASPIRATIONS

“Guests are adopting a more aspirational view of travel – connecting meaningfully with people and place.”





**MORE  
LEISURE**



**RISING TRAVEL  
ASPIRATIONS**

# 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

**Avoid crowded destinations 62%**

**Consider personal impact 46%**

**Travel to places with responsible practices 37%**

**Willing to pay for sustainable practices 34%**







**MORE  
LEISURE**



**RISING TRAVEL  
ASPIRATIONS**

# AUTHENTIC EXPERIENCES

## Experience Canada



**Wild for  
Wilderness**



**Health &  
Wellbeing**



**Indigenous  
Connection**



**“The perfect antidote for confinement.”**



Wellbeing



Healthfulness



Rejuvenation



Safety & hygiene



**One in three Canadians are interested  
in Indigenous experiences.**

Indigenous Tourism Association of Canada (ITAC) and  
Destination Canada

## Factors influencing destination choices

“Opportunity to relax, unwind and decompress.”



“Offers outdoor experiences I am interested in.”



# JOHN GUNTER

Frontiers North  
Churchill, MB







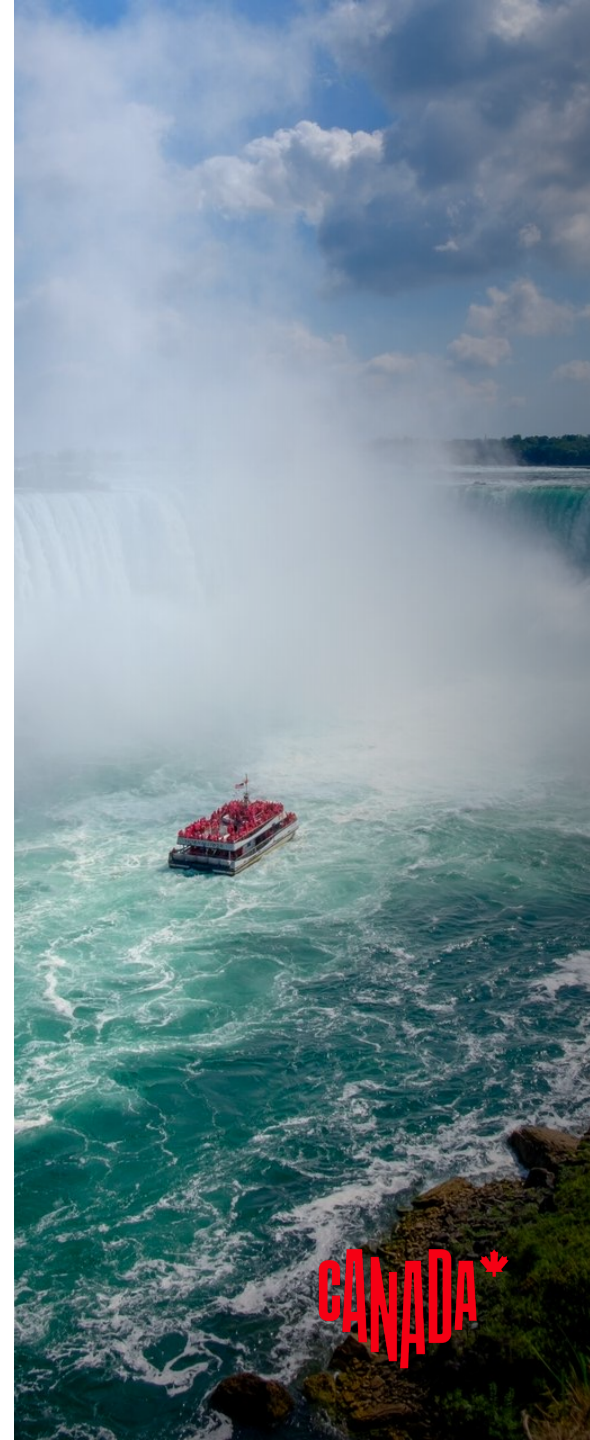
## MORE LEISURE



### RISING TRAVEL ASPIRATIONS

# 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



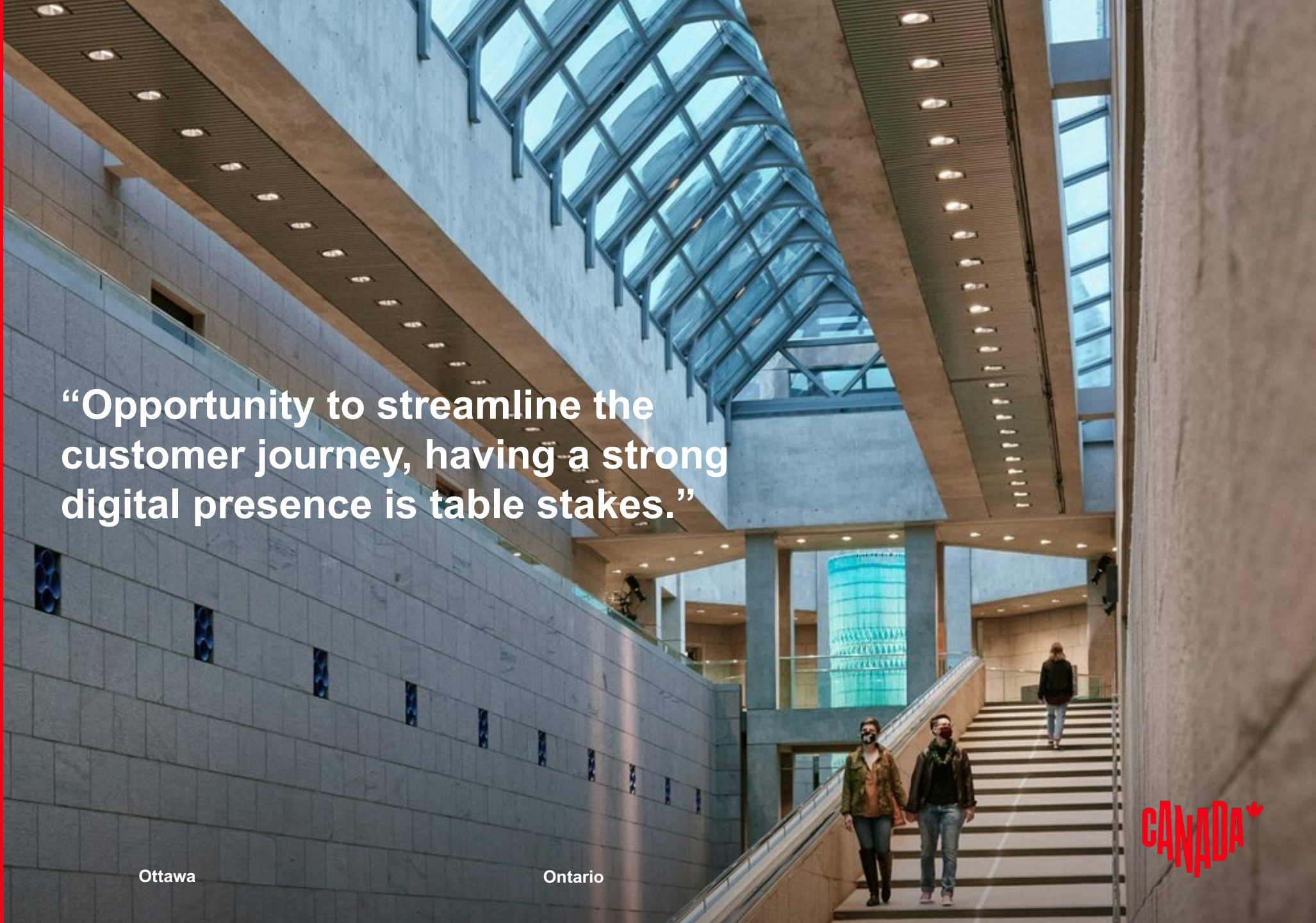


# MORE DIGITAL



REMOVE FRICTION,  
CREATE CAPACITY  
THROUGH DIGITAL  
ADOPTION

“Opportunity to streamline the customer journey, having a strong digital presence is table stakes.”

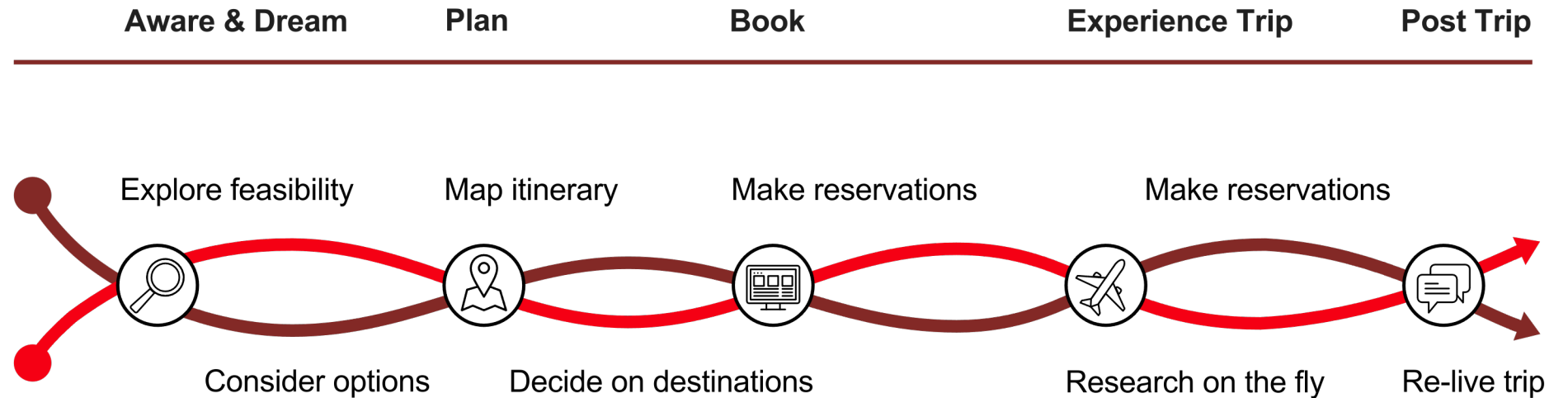






# MORE DIGITAL

# DIGITAL JOURNEY



✓  
REMOVE FRICTION,  
CREATE CAPACITY  
THROUGH DIGITAL  
ADOPTION

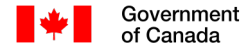


# MORE DIGITAL

✓  
REMOVE FRICTION,  
CREATE CAPACITY  
THROUGH DIGITAL  
ADOPTION

# RESOURCES

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

<https://www.destinationcanada.com/en/tools/marketing-tips-tricks>







# MORE DIGITAL



REMOVE FRICTION,  
CREATE CAPACITY  
THROUGH DIGITAL  
ADOPTION

# GUEST IS AT THE CENTRE



# MATRICIA BAUER

Warrior Women  
Edmonton, AB







# MORE DIGITAL



REMOVE FRICTION,  
CREATE CAPACITY  
THROUGH DIGITAL  
ADOPTION

# 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





## MORE COMPETITION



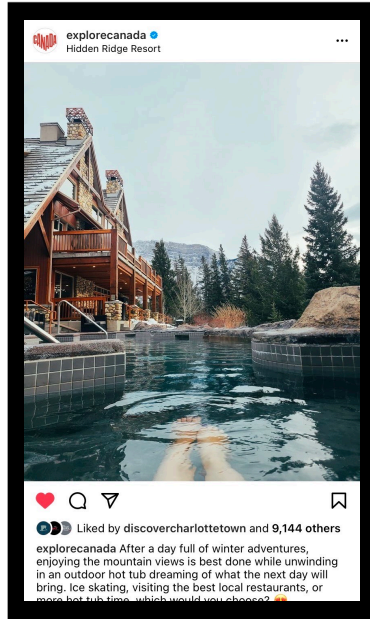
SHARE YOUR  
GLOWING HEART

**“Your reputation is your most valuable online asset. Protect it, and proactively manage it.”**





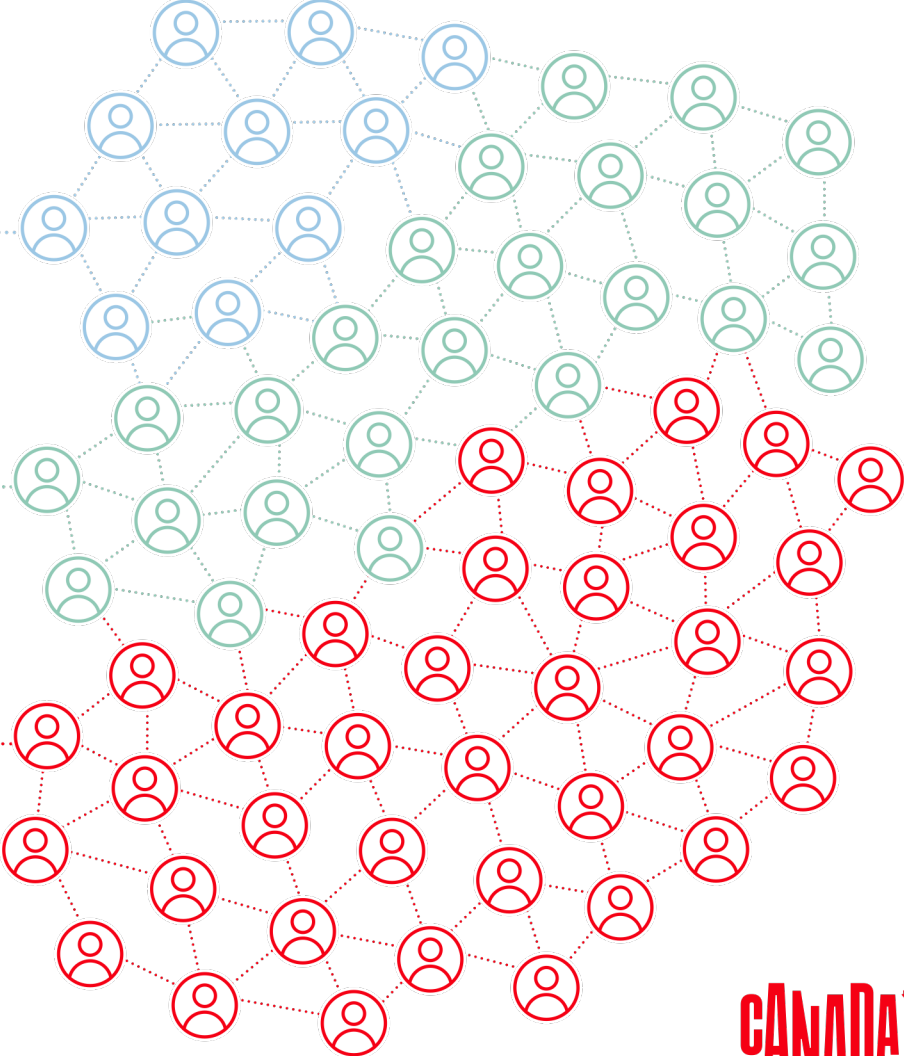
**MORE  
COMPETITION**



**Followers**

**@"tourism\_business"  
#"tourismbusiness"**

**@explorecanada  
#explorecanada**



✓  
**SHARE YOUR  
GLOWING HEART**





**MORE  
COMPETITION**



**SHARE YOUR  
GLOWING HEART**

# 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**

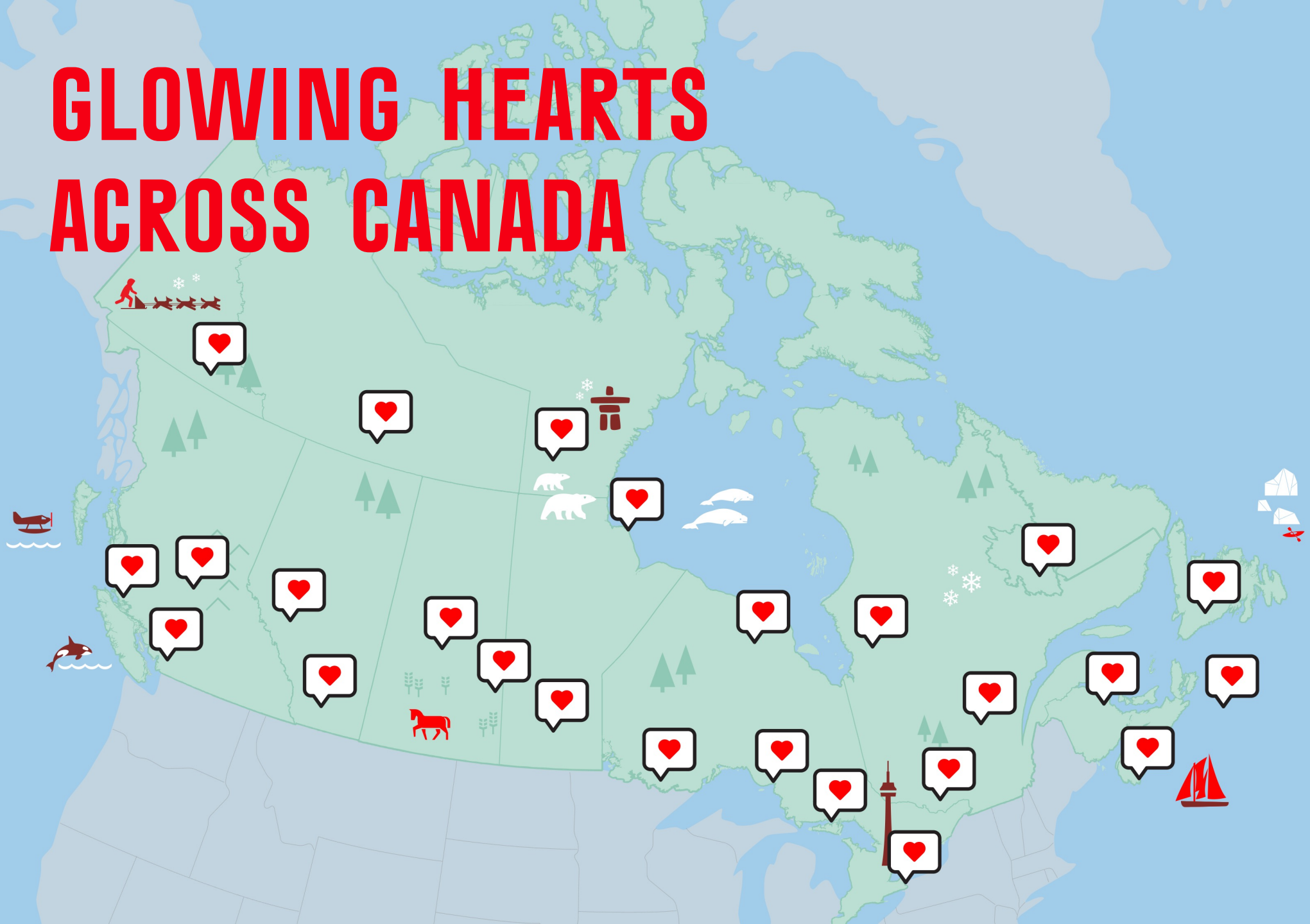






# GLOWING HEARTS ACROSS CANADA

**MORE  
COMPETITION**



**SHARE YOUR  
GLOWING HEART**

**MICHELLE NG**

Vancouver Foodie Tours | Granville Island Delivery Co  
Vancouver, BC



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



CANADA



# MORE CHANGE



HOW CAN WE  
HELP?

“Supports are available to help businesses navigate an uncertain road to recovery.”







# RESOURCES

MORE  
CHANGE

## DESTINATION CANADA PROGRAMS | Research & Marketing:

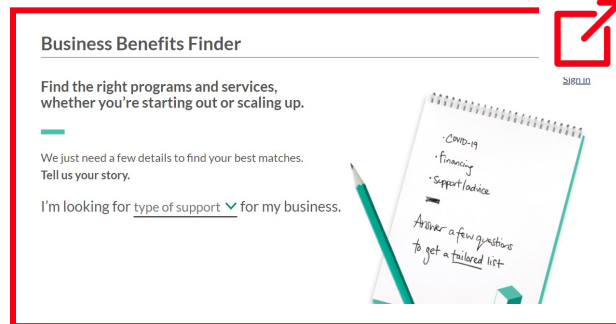


<https://www.destinationcanada.com/en/coronavirus-updates/covid-19-research>

<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/>



HOW CAN WE  
HELP?



# IN SUMMARY



**MORE DOMESTIC**



**MORE LEISURE**



**MORE DIGITAL**



**MORE COMPETITION**



**MORE CHANGE**



Rivière Restigouche River

New Brunswick

**CANADA** 



# STEFAN FAUCHER

Sucrerie de la Montagne  
Rigaud, QC

**CORONAVIRUS**  
(COVID-19)

**24 mars**

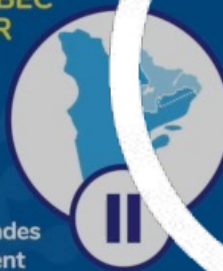
MESURES ET DIRECTIVES  
DU GOUVERNEMENT

**État d'urgence sanitaire sur tout le territoire du Québec**

**RÉDUCTION** au minimum  
des services et activités pour toutes  
les **entreprises** et **commerces**  
non prioritaires dès maintenant. Ce soir

Les personnes qui ne travaillent pas dans  
une entreprise offrant des services ou des activités  
prioritaires doivent **demeurer à domicile**  
**autant que possible**.

**LE QUÉBEC  
MIS SUR  
PAUSE**



Le télétravail  
et les commandes  
en ligne peuvent  
se poursuivre

[Québec.ca/coronavirus](https://quebec.ca/coronavirus)  
418/450/514/819 ou  
1 877 644-4545

**Cependant, certaines sorties**  
sont possibles. Par exemple :

Sortir, prendre l'air et du soleil  
avec les enfants à l'extérieur  
à la pharmacie ou les courses  
essentiels, pour soi ou pour  
une personne vulnérable ou âgée  
de 70 ans et plus.

**Mais en respectant les précautions :**

- Garder nos distances
- Pas de rassemblements
- On se lave les mains

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



Votre  
gouvernement

Québec

CANADA

# TOURISM'S BIG SHIFT





# QUESTIONS & ANSWERS



Banff

Alberta

CANADA\*

**THANK YOU!**

**MERCI!**

**THANK**