

RESEARCH

TRAVELLER ACCOMMODATION SURVEY

A Report for the Year 2001

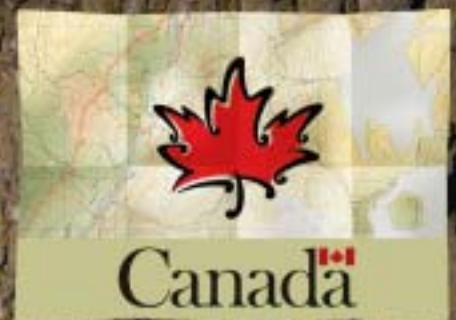
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Traveller Accommodation Survey A Report for the Year 2001

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Statistics Canada would also like to extend its gratitude to its survey partners. The survey program continues to evolve and improve because of the valuable input, cooperation and support from agencies such as the Canadian Tourism Commission, the Canadian Hotel Association and many other supporters in both government and industry. Since 1992, the Canadian Tourism Commission has provided financial support to further enhance this survey program.

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Introduction

The traveller accommodation industry (NAICS 7211)¹ generates almost \$12 billion in revenue and employs around 200,000 Canadians directly in almost 17,000 business establishments. The traveller accommodation industry consists of three sub-categories, hotels and motor hotels, motels and other accommodations. The hotel and motor hotel industry includes resorts while the main types of services offered in other accommodations include campgrounds and outfitters.

The Annual Survey of Traveller Accommodation provides important supply-side data for tourism research, analysis and policy-making by government agencies, trade associations and business operators. For a more timely release of this report modifications have been made to the focus, presentation and length of the report. Rather than maintaining a similar structure/chapter for each major group (Hotels and Motor Hotels section, Motels section, and Other Accommodations section) as in the past, this report highlighted some interesting trends/characteristics and prepared three feature articles about the traveller accommodation industry in 2001.

This report is based on the 1997 North American Industry Classification System. Chapter 1 of this report highlights the traveller accommodation industry in the context of prevailing economic conditions. It also provides a description of the survey panel in 2001 and examines selected characteristics of establishments in the panel.

Chapters 2, 3 and 4 present three specific topics related to the traveller accommodation industry in the form of 'feature articles' as follows:

Chapter 2: Room Utilization of Hotels and Motels

Chapter 3: Comparing the Performance of Hotels and Resorts

Chapter 4: Profile of Campgrounds and Outfitters

As with past reports, the 2001 report will continue to provide tables of data (by province and size dimensions) for each of the three sub-groups (hotels and motor hotels, motels and other accommodations). These tables are found in Appendix A.

Table A indicates the portion of total revenue covered by the 2001 survey panel based on the 2000 accommodation services industry aggregates. The survey panel covers more than half of the estimated revenues of the traveller accommodation industry at 55.7 per cent.

Table A
Industry Coverage by Revenue, 2001

	2001 REPORT PANEL	2001 PANEL REVENUE (MILLIONS \$)	2000 TOTAL INDUSTRY REVENUE (MILLIONS \$)	ESTIMATED PANEL COVERAGE
Hotels, motor hotels and motels ²	1,359	6,189.1	10,408.0	59.5%
Other accommodations	652	392.7	1,408.8	27.9%
Accommodation Total	2,011	6,581.8	11,816.8	55.7%

¹ North American Industry Classification System (NAICS) 7211 – Traveller Accommodation Industry.

² In 2001, there were 920 hotels and 439 motels in the survey panel. These two industry groups are combined because the 2000 Total Industry Revenue was published as an aggregate of hotels, motor hotels and motels. For comparison, the estimated panel coverage of the 2000 accommodation industry, in terms of revenue, was 53.4%.

Analytical Caveats

Although the 2001 Traveller Accommodation Survey is not a full census, a significant degree of coverage for the major segments and key operating statistics of the industry is achieved. The panel survey data in this report are presented to emphasize relative rather than absolute measures of the industries' business performance, structure and characteristics. However, in interpreting these data, the following considerations should be taken into account:

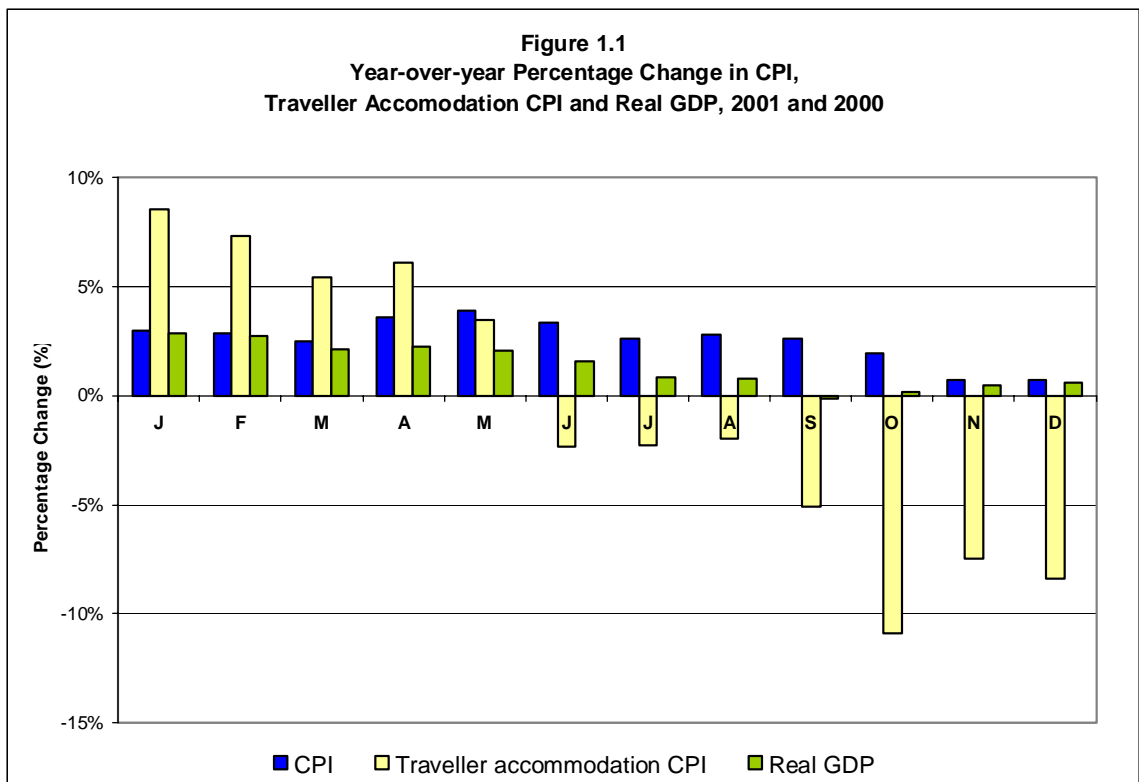
- For statistical purposes, the stratification of the survey sample ensures that maximum coverage by revenue of the total industry is obtained. The reporting establishments included in the 2001 panel for this Report represent almost 60% of the Hotel, Motor Hotel and Motel Group (NAICS 721111, 721112, 721113, 71114, 721120 and 721198) and more than 55 per cent of total Accommodation Services (NAICS 721) based on the 2000 industry aggregate revenue estimates.
- Please note that while the majority of establishments report a December fiscal year end, establishments with a fiscal reporting period ending anytime between April 1st, 2001 and March 31, 2002 also are included in the 2001 survey data; "calendarization" is not done for these alternate fiscal year end reports.
- In preparing this report, Statistics Canada follows a thorough editing procedure with respondent follow-up for reported data but does not undertake any imputation for non-responding survey units. For this reason and because of a change in sample design, data are compiled based only on reporting businesses (the panel), thus any year-to-year comparisons are made between survey panels that are not statistically identical.
- In an establishment-based survey, some expenditure categories may be understated because of the expenses incurred by head office. For example, a portion of expenditures on advertising and marketing in the case of affiliated properties is indirectly made through the management fees paid by the franchisee.

Chapter 1: Summary of the Traveller Accommodation Industry

The first chapter of the report is divided into four main parts. The first part highlights the traveller accommodation industry in the context of prevailing economic conditions. The second part provides a description of the survey panel in 2001. Part three examines establishments in the panel that are affiliated as well as establishments that offer central reservation systems. Finally, part four provides an executive summary of the findings of each of the three chapters that follow.

Part 1: Overview of Economic Conditions in 2001, Aftermath of September 11th terrorist attacks

In 2001, total world travel declined and there is no question that the events that year affected tourism in North America. In fact, of all parts of the world, North America experienced the largest decline in the number of tourists.³ The events of September 11th had a major impact on the Canadian Accommodation Industry in 2001.⁴ Overall, the number of foreigners visiting Canada declined in 2001. Much of the demand that was lost was a result of these events.



³ International Tourist arrivals in North America declined (-6.8%).
Source: World Tourism Organization (WTO).

⁴ While the number of US visitors decreased by -2.6%, other foreign visitors declined even more by -8.0% in 2001.
Source: International Travel Survey, Statistics Canada.

The travel industry was affected as airlines declared bankruptcy, and hotels tried to attract travellers by offering incentives and cutting prices. Compared to the Consumer Price Index of all items (CPI), the price of traveller accommodation dropped significantly after September 2001 as reflected in the CPI of traveller accommodation (Figure 1.1).

The year-over-year movement in the CPI for all items dropped in September 2001 from 2.6 per cent to 1.9 per cent in October 2001. The effects of September 11th were felt in the months that followed. The year-over-year growth rate in CPI for traveller accommodation plummeted from -5.1 per cent in September 2001 to -10.9 per cent in October 2001. As well, November and December 2001 registered year-over-year declines in their growth rates in the price for traveller accommodations at -7.4 per cent and -8.5 per cent respectively (Figure 1.1).

Signs of a slowdown in economic activity were evident in the summer of 2001, as the year-over-year growth rates in real GDP dipped below 2 per cent in June and were below 1 per cent July and August 2001. However, September 2001 was characterized as the month that not only experienced a decline in economic activity but a year-over-year negative growth (Figure 1.1).

Figures 1.2 and 1.3 also show the decrease experienced in the demand, as measured by the monthly occupancy rates, for hotels and motels in 2001 compared to 2000.

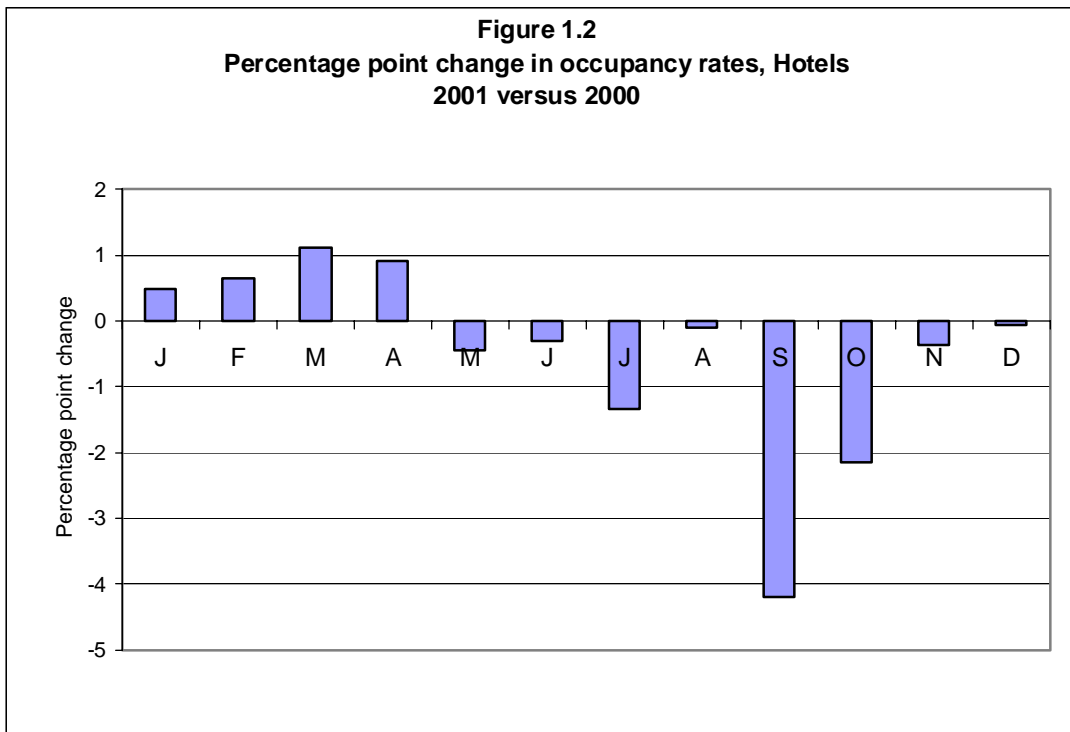
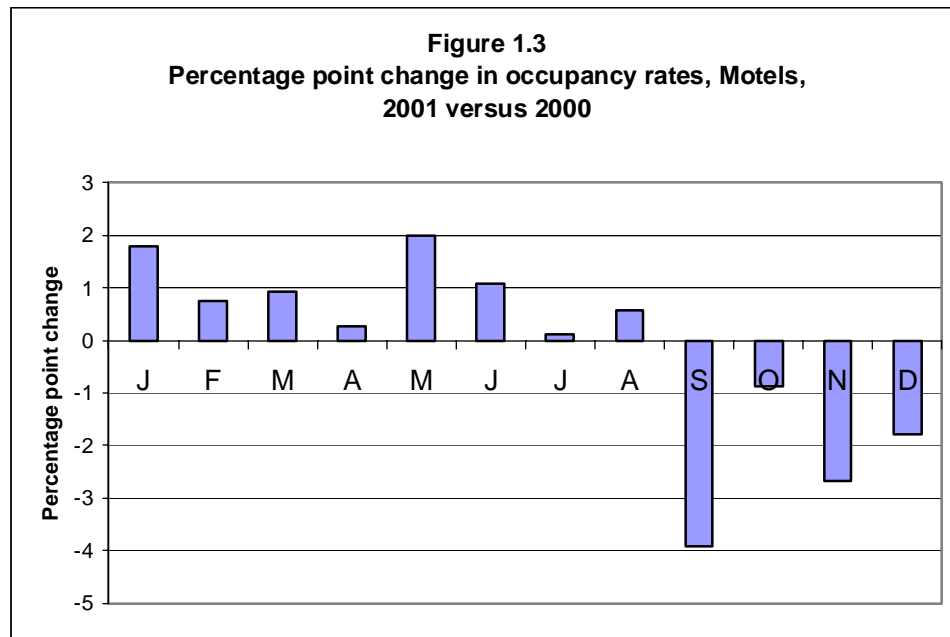


Figure 1.2 shows the largest year-over-year drop (-4 percentage points) in the monthly occupancy rate occurred in September 2001 over September 2000 following a general decline in occupancy rates during the summer of 2001 and the aftermath of September 11th.

In both years, 2000 and 2001, the occupancy rate for hotels was highest in August, at 75 per cent. In September 2000 the occupancy rate displayed a seasonal drop in occupancy rate to 69 per cent. However, in September 2001 the occupancy rate dropped further to 65 per cent. In the last quarter of 2001, the occupancy rate continued to experience reductions in their occupancy rates compared to 2000. It was only in December 2001 that the occupancy rate for hotels approached the same level as in December 2000.

Similarly, motels felt the impact of September 11th as they also experienced the most significant decline in their year-over-year occupancy rate (-4 percentage points) in September 2001 over September 2000 (Figure 1.3). The occupancy rate for September 2000 dropped from 64 per cent to 60 per cent in 2001.

As in the case of the hotel, August was the month that motels experienced peaks in their occupancy rates (76%) for both 2000 and 2001. The impact of the September 11th attacks had lasting effects, as the monthly occupancy rate for motels was lower for the latter part⁵ of 2001 compared to the same months in 2000 (Figure 1.3).



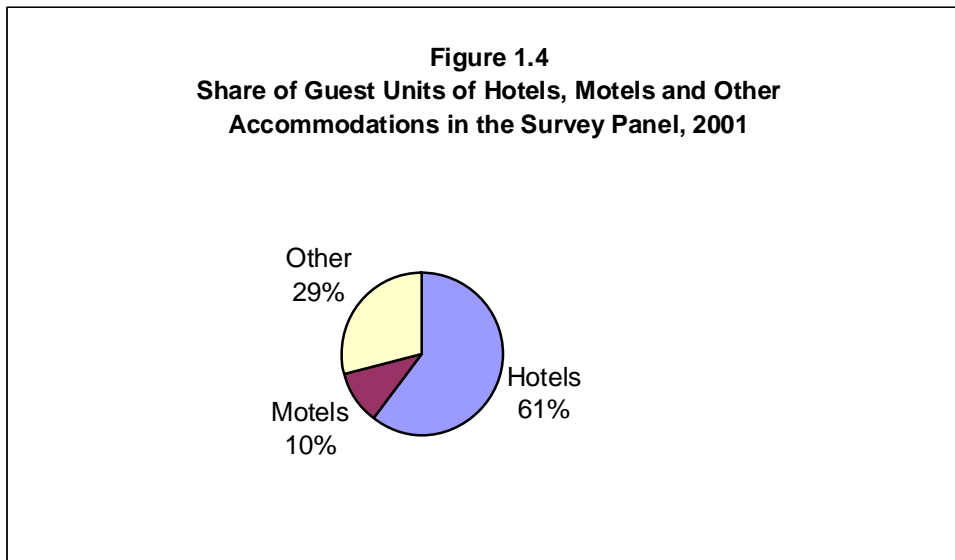
⁵ September, October, November and December 2001 had lower occupancy rates than the same months in 2000.

Part 2: Description of the panel of surveyed establishments

In this report, the traveller accommodation industry consists of three sub-categories: hotels (and motor hotels);⁶ motels;⁷ and other accommodations.⁸ The hotel industry includes resorts while the main types of services offered in other accommodations are campgrounds and outfitters.

In 2001, there were 2,011 respondents in the survey panel. Hotels represented 46 per cent of the survey respondents, motels 22 per cent, and the other accommodations group accounted for 32 per cent of the panel.

Figure 1.4 shows that the hotels and motel industries combined accounted for 71 per cent of the total number of rooms in the survey panel, or 147,748 rooms. The other accommodations industry group represented the remaining 29 per cent of the guest units covered by the panel.



⁶ Includes the following North American Industry Classification System: Hotels (NAICS 721111), Motor Hotels (NAICS 721112), Resorts (NAICS 721113), Casino Hotels (NAICS 721120) and All Other Accommodations (721198).

⁷ Motels Industry (NAICS 721114).

⁸ Includes the following industries: (NAICS 721191) Bed and Breakfast, (NAICS 721192) Cottages and Cabins, (NAICS 721211) RV Parks and Campgrounds, (NAICS 721212) Hunting and Fishing Camps, (NAICS 721213) Recreational and Vacation Camps, and Rooming and Boarding Houses (NAICS 721310).

Table 1.1
Summary of the Panel of Surveyed Hotels, Motels and Other Accommodations, 2001

TOTAL	HOTELS	MOTELS	OTHER ACCOMMODATIONS
	126,075	21,673	61,033
Number of establishments in the Survey Panel	920	439	652
Average Number of Rooms/Guest Units	137	49	94
Average Number of Employees	93	13	21
Occupancy Rate	62%	57%	66%
Average Daily Rate (ADR)	\$121	\$68	na
Revenue per Available Room (REVPAR)	\$75	\$39	na
Profits	13%	23%	13%

The average hotel had 137 rooms and employed 93 people, while the average motel had 49 rooms with 13 people on staff. The other accommodations group had 94 guest units. Campgrounds⁹ made up the greatest portion of guest units in the other accommodations group, with an average of 174 overnight sites. Outfitters¹⁰ accounted for the second greatest portion of guest units in the other accommodations group at 30 per cent, having on average 22 guest units.

In 2001, both the hotel and motel industries felt the impact of the economic slowdown¹¹ and the terrorist attacks of September 11th, as demonstrated by the declines in their average annual occupancy rates. The hotel group registered an average annual occupancy rate of 62 per cent in 2001, down from 66 per cent in 2000. The average annual occupancy rate for motels registered 57 per cent, representing a 1.7 per cent drop from the 58 per cent recorded in 2000. Moreover, given the September 11th impact on the economy in last quarter of 2001, the continued effect may also be seen in 2002 data.

The occupancy rate of the other accommodations group edged up from 65 per cent in 2000 to 66 per cent in 2001. Possible contributing factors for this are the increased preference for travelling by auto versus air as well as the increased interest in exploring nature/family related trips.¹² In fact, campgrounds derived 86 per cent of their business from domestic travellers.

The average daily rate (ADR) is based on the accommodation revenues per occupied room. The ADR of hotels was \$121 in 2001, the same annual rate as in 2000. Motels had an ADR of \$68, up from \$66 in 2000.

The revenue per available room (REVPAR) is derived by applying the occupancy rate to the ADR. In 2001, hotels had a REVPAR of \$75, down from \$80 in 2000. This decrease in REVPAR for hotels reflects the drop in occupancy rate (-6%) from 66 per cent in 2000 to 62 per cent in 2001. The REVPAR for motels was almost half of that for hotels at \$39, up slightly from \$38 in 2000.

⁹ Includes RV Parks NAICS (721211) and Recreational and Vacation Camps (721213). Federal, provincial and municipal campgrounds are excluded.

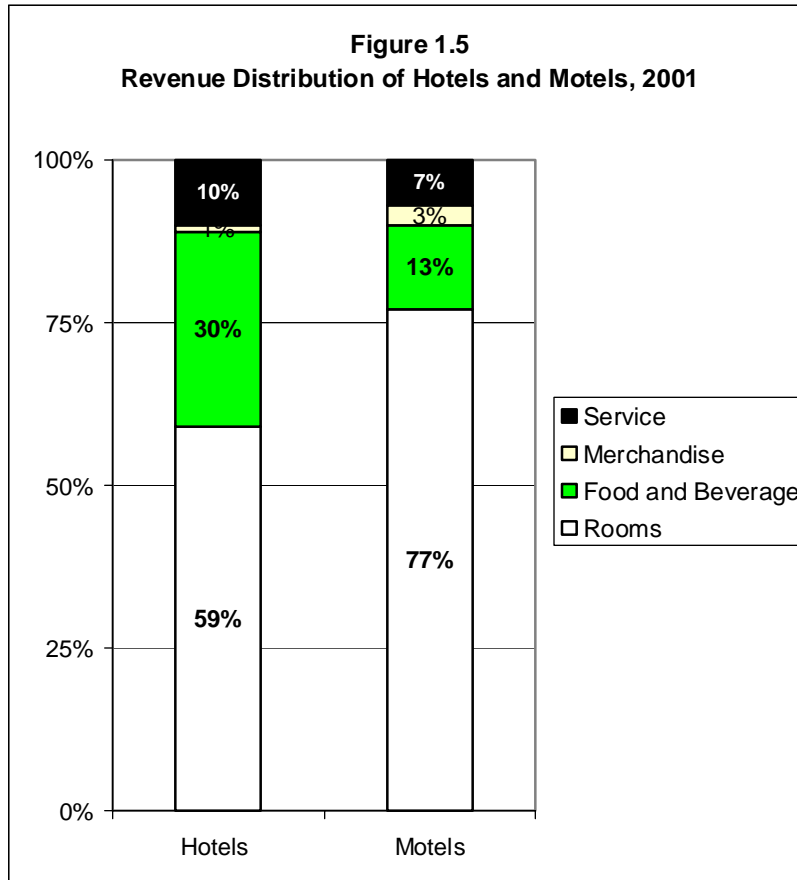
¹⁰ Hunting and fishing camps (NAICS 721212).

¹¹ Real GDP grew by 1.5% in 2001, compared to 4.5% in 2000.

¹² Tourism: Canada's Tourism Monthly, Canadian Tourism Commission, October 2002.

Revenue

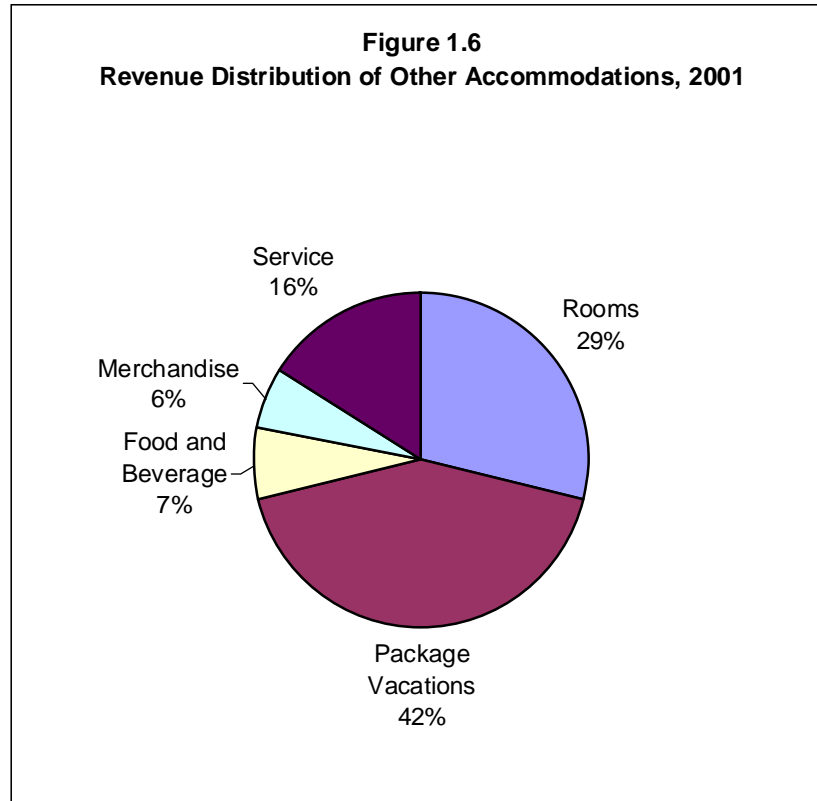
The overall revenue distribution for hotels and motels is illustrated in Figure 1.5. This distribution for 2001 was very similar to that of the previous year. Accommodation revenues for hotels continued to account for close to 60 per cent of all the revenues earned by this industry, while motels earned over three-quarters of their revenues from room sales. Food and beverage¹³ sales represented 30 per cent of the revenues for hotels and 13 per cent of the revenues earned for motels.



For the other accommodations industry group, it is the share of revenue from the sale of packaged vacations that accounted for the greatest portion of revenue earned at 42 per cent. Figure 1.6 shows that the revenues earned from the sale of guest units alone were a secondary source of revenues for this group at 29 per cent.

Campgrounds and outfitters, who make up close to 75 per cent of the other accommodations industry group, each derived a significant share of their revenues from the sale of packaged vacations. In fact, outfitters earned 77 per cent of their revenues from the sale of packaged vacations and comprised almost a third of the other accommodations industry group. As well, campgrounds derived 27 per cent of their revenues from packaged vacation sales and accounted for 44 per cent of the other accommodations group.

¹³ Includes the sale of meals and alcoholic beverages combined.



Expenses

The distribution of operating expenses as a share of total revenue for the hotel group was similar in 2001 to 2000. Table 1.2 indicates that more revenue dollars were spent on labour than any other item; labour costs accounted for almost one-third of total revenues (32%) earned by hotels. The greatest portion of hotels' staff was employed on a full-time basis year-round (60%), as shown in Figure 1.7. Thus, more revenue dollars were spent on wages for the hotel group, than for motels and the other accommodation industries.

In contrast, motels spent a lesser portion of their revenues on labour (22%). Motels also had the lowest share of advertising expenses (1%) and cost of goods sold (8%) compared to hotels and the other accommodation group. This contributed to motels earning the highest profits (23%) compared to 13 per cent earned by hotels and other accommodation industries (Table 1.2).

Table 1.2
Operating Expenses as a Share of Total Revenue, Hotels, Motels and Other Accommodations, 2001

TOTAL	HOTELS	MOTELS	OTHER ACCOMMODATIONS
Labour	32%	22%	28%
Cost of Goods	11%	8%	14%
Occupancy Costs	13%	12%	9%
Advertising	3%	1%	3%
Depreciation and Interest ¹⁴	5%	7%	6%
Other Expenses ¹⁵	22%	26%	29%
Profit ¹⁶	13%	23%	13%

The other accommodation industries spent 28 per cent of their earnings on labour. These industries also had a significant share of their workforce employed full-time (82%), although most of them were working seasonally (71%).

Of the three industry groups, other accommodation industries had the highest cost of goods sold (14%) and the lowest occupancy costs (9%). Occupancy costs include property taxes, insurance, rent of land, buildings and utilities such as heat, light, power and water. Given that these industries are mostly located in a rural setting, it is not unexpected that the overhead costs of these industries would account for a lower share of their expenses than a hotel or motel, which is typically located in or near cities or towns.¹⁷

¹⁴ Interest: includes interest expenses on short-term loans only; excludes interest on long-term loans and mortgages.

¹⁵ Other expenses includes items such as: repairs and maintenance, rent or lease of vehicles, legal, accounting fees, telephone, travel, royalties, franchise fees, office and other supplies, management and consulting fees, contract laundry, cleaning and maintenance, commission paid and all other operating expenses.

¹⁶ Profits are derived as follows: total revenue less total operating expenses, expressed as a percentage of total revenue.

¹⁷ Expenses such as property taxes are relatively lower in rural areas compared to property taxes of hotels or motels, that tend to be located centrally or in the suburbs.

Employment

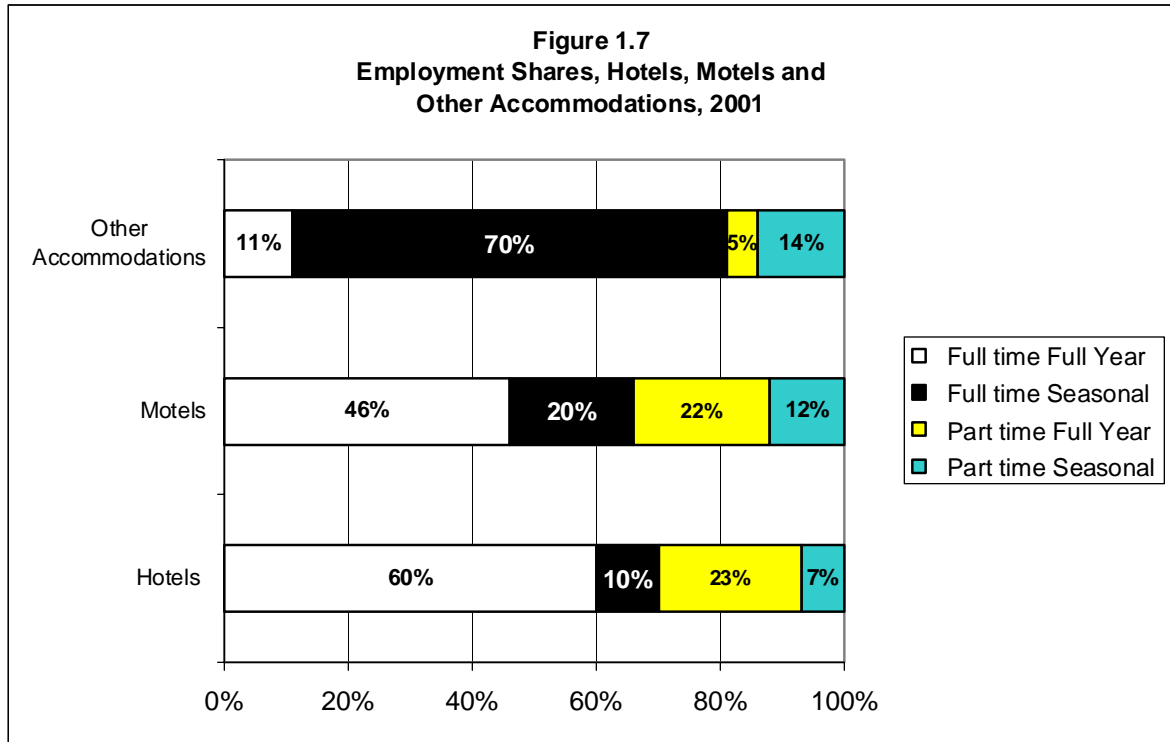


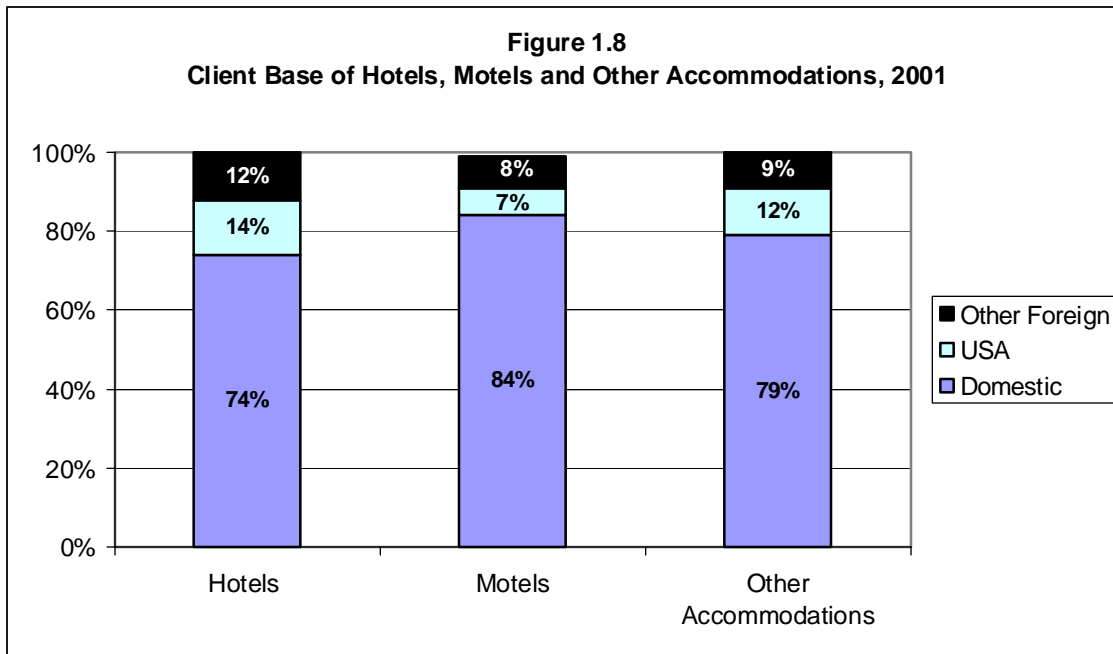
Figure 1.7 presents the employment picture for the traveller accommodation industry in 2001. Hotels had the largest share of full-time staff employed year-round (60%). Hotels also had the greatest share of employees working both part-time and full-time on a year-round basis (83%).

Of the three industry groups, motels employed the largest share of part-time staff (34%). Since it costs less to employ part-time personnel than full-time, motels also had the lowest share of labour costs at 22 per cent of revenues (see Table 1.2).

Given the seasonal nature of the industries in the other accommodations group, it is not surprising that a significant part (85%) of their staff were employed for only part of the year. A significant share of their workforce was also employed full-time (71%). Both the campgrounds and outfitters industries had more than 85 per cent of their staff employed seasonally.

Client base

As in previous years, the majority of business for all three accommodation industry groups was generated from domestic travellers (see Figure 1.8)



For hotels, the proportion of their client base that comprises domestic travellers¹⁸ rose by 2 percentage points over the previous year to reach 74 per cent in 2001. This growth in domestic clients is due to increases in both the personal/leisure as well as government visitors staying at hotels in 2001. Moreover, there was an overall drop in foreign visitors staying in hotels, from 28 per cent in 2000 to 26 per cent in 2001. A contributing factor to this decrease was an overall drop in foreign visitors to Canada in 2001. While the number of American visitors to Canada decreased (-2.6%), a more significant decline of other foreigners¹⁹ (-8.0%) occurred in 2001 compared 2000.²⁰

Motels accounted for the greatest share of domestic travellers (84%), of which 45 per cent were personal/leisure and one-third were business travellers in 2001.

The other accommodations derived two-thirds of their business from personal/leisure travellers. In fact, campgrounds, which accounted for almost 45 per cent of the establishments in the other accommodations industry group, derived 86% of their business from Canadian travellers in 2001. One in five travellers staying in any of the other accommodations was a foreign visitor. Hunting and fishing camps were particularly popular for foreign visitors – almost two thirds of those patronizing these outfitters were foreigners.

¹⁸ Sum of the personal, business and government client base.

¹⁹ Non-US visitors.

²⁰ Canadian Travel Survey, Statistics Canada.

Part Three: Selected characteristics of the panel, affiliations and central reservation systems

Accommodations associated with brand name affiliation showed distinct performance from establishments that were non-affiliated. Likewise establishments that offered central reservation systems for guest bookings revealed different results from the accommodations that did not offer a central reservation system. This next section will compare various indicators of hotels and motels that were part of a chain with those that were not affiliated. Additionally, a profile of hotels and motels that offered reservation systems will be presented along with the establishments that did not offer this service.

Occupancy rates and ADR for affiliated establishments

With respect to affiliated establishments, 41 per cent of hotels and 27 per cent of motels were part of a chain. For both hotels and motels, affiliated establishments had more than twice the number of rooms than their non-affiliated counterparts (Table 1.3). Additionally, affiliated establishments had higher occupancy rates for both hotels (64%) and motels (63%) than for non-affiliated hotels (60%) and non-affiliated motels (53%).

Establishments that belonged to a chain charged more for their rooms than non-affiliated businesses. Indeed, affiliated hotels had an ADR of \$128 compared to \$93 for hotels that were not part of a chain; affiliated motels charged \$80 as opposed to \$59 for non-affiliated motels (Table 1.3).

Occupancy rates and ADR for establishments with a central reservation system

A central reservation service is one that typically provides a toll-free number enabling clients to reserve accommodations tailored to their needs. Often this service allows for guaranteed reservations or cancellations without patrons actually contacting the establishment itself. A central reservation service can also provide information about vacancies in other (usually affiliated) establishments to accommodate the needs of a traveller.

Hotels having a reservation service accounted for 54 per cent of all the hotels surveyed in the panel, while motels with this service represented 35 per cent of the motels in the panel. Hotels having a reservation system had almost three times the number of rooms than those that did not. Likewise motels with this service had twice as many rooms as motels that did not have a reservation system.

Hotels with a central reservation system had an occupancy rate of 64 per cent and an ADR of \$129, similar to that of an affiliated hotel. Hotels without a central reservation system, which represented 42 per cent of the hotels in the panel, had a much lower occupancy rate (56%) than hotels with this service (64%). On average, hotels without a central reservation service had an ADR of \$93.

Similarly, motels with a central reservation system had an occupancy rate of 61 per cent – much higher than the 52 per cent experienced by those without a central reservation system. The ADR of motels with a central reservation system was \$73, or 24 per cent higher than for motels without.

Table 1.3
Summary of Hotels and Motels, by Selected Characteristics, 2001

	SURVEY PANEL	AVERAGE NUMBER OF ROOMS	OCCUPANCY RATE	ADR	REVPAR	PROFIT
Hotels and motor hotels						
Affiliated Hotels	41%	201	64%	\$ 128	\$ 82	14%
Non-Affiliated Hotels	33%	85	60%	\$ 93	\$ 55	15%
Hotels with Central Reservation Systems	54%	192	64%	\$ 129	\$ 82	13%
Hotels without Central Reservation Systems	42%	68	56%	\$ 93	\$ 52	13%
Motels						
Affiliated Motels	27%	79	63%	\$ 80	\$ 50	29%
Non-Affiliated Motels	60%	36	53%	\$ 59	\$ 31	18%
Motels with Central Reservation Systems	35%	64	61%	\$ 73	\$ 45	26%
Motels without Central Reservation Systems	60%	38	52%	\$ 59	\$ 30	19%

N.B. Not all establishments reported whether they were affiliated and/or whether they had a reservation service. The establishments that reported whether or not they were affiliated/had a reservation system are a subset of the surveyed panel of establishments. Hence shares of the survey panel reporting affiliation/non-affiliation, and establishments reporting with or without a reservation system, do not add to 100%.

Profits

The profits of hotels were quite similar whether or not they were part of a chain. Non-affiliated hotels had profits that were slightly higher (15%) than those that were affiliated at 14 per cent. Furthermore, hotels with or without a reservation system yielded the same profits, at 13 per cent.

Motels, on the other hand, demonstrated that being part of chain yielded profits that were much higher (29%) than motels that were not affiliated (18%). Additionally, motels with a reservation system had profits of 26 per cent while motels without this service realized profits of 19 per cent (Table 1.3).

Interestingly, most motels (60%) in the survey panel were not part of a chain (Table 1.3). However, as seen in Table 1.5, the share of motels that were affiliated had lower labour costs as a share of revenue (17%) than the motels that were not affiliated (26%). These motels also had a low cost of goods (2%) as they derived a lower portion of their revenues from the sale of food and beverages (4%) than the motels that were not part of a chain (Table 1.4).

The profits realized by the hotels and motels can be better understood by examining the revenue and cost structure. The next section will present the revenue and cost distributions of hotels and motels that are affiliated versus those that are not part of a chain. Additionally, the revenue and cost distribution of hotels and motels having a reservation service will be compared with those that do not have this convenience (Tables 1.4 and 1.5).

Revenue distributions

Affiliated accommodations earned a greater share of their revenues from room sales compared to establishments that were not affiliated. Similarly, accommodations that had a central reservation service also earned a greater share of their revenues from room sales than the accommodations that did not offer this convenience (Table 1.4).

In contrast, the sale of food and beverages accounted for a greater portion of the revenue earned by establishments that were not part of chain than for those that were affiliated. Similarly, establishments without a reservation system also earned a greater share of their revenues from food and beverage sales than did the accommodations that had this service (Table 1.4).

Table 1.4
Revenue Distribution of Hotels and Motels, by Selected Characteristics, 2001

	ROOMS	FOOD AND BEVERAGE	MERCHANDISE	SERVICE
Hotels				
Affiliated Hotels	64%	26%	0%	10%
Non-Affiliated Hotels	52%	38%	1%	10%
Hotels with Central Reservation Systems	62%	27%	1%	10%
Hotels without Central Reservation Systems	45%	40%	2%	13%
Motels				
Affiliated Motels	91%	4%	0%	4%
Non-Affiliated Motels	61%	22%	7%	10%
Motels with Central Reservation Systems	88%	6%	0%	6%
Motels without Central Reservation Systems	63%	22%	7%	8%

Costs distribution as a share of total revenues

Table 1.5 shows that affiliated accommodations and those that offered central reservation systems spent a greater share of their revenue dollars on labour than did non-affiliated or establishments without a central reservation system, respectively. It was quite the opposite for cost of goods sold. As a share of revenue, cost of goods sold was higher for non-affiliated establishments than for affiliated accommodations as well as for establishments without central reservation compared to those having this system. This is not unexpected, as non-affiliated establishments and establishments without a central reservation service derived proportionately less of their revenues from room sales and more from the sale of food and beverages (Table 1.4).

Table 1.5
Cost Distribution of Hotels and Motels, by Selected Characteristics, 2001

	LABOUR	COST OF GOODS SOLD	OCCUPANCY COSTS	ADVERTISING	DEPRECIATION AND INTEREST	OTHER EXPENSES	PROFIT
Hotels							
Affiliated Hotels	32%	9%	14%	3%	6%	23%	14%
Non-Affiliated Hotels	28%	17%	12%	3%	4%	21%	15%
Hotels with Central Reservation Systems	33%	10%	13%	3%	5%	22%	13%
Hotels without Central Reservation Systems	30%	19%	10%	3%	4%	20%	13%
Motels							
Affiliated Motels	17%	2%	13%	1%	10%	29%	29%
Non-Affiliated Motels	26%	14%	11%	1%	5%	24%	18%
Motels with Central Reservations	20%	3%	13%	1%	9%	29%	26%
Motels without Central Reservations	26%	14%	12%	1%	5%	22%	19%

Client Base

Finally, Table 1.6 shows that affiliated hotels and motels had a greater share of foreign clients compared to establishments that were not part of a chain. Hotels that were part of a chain and those that had a central reservation system derived close to 30 per cent of their business from foreigners – and almost half of them were American travellers. Meanwhile, non-affiliated establishments derived the majority of their business from domestic travellers, as did establishments that did not have a central reservation system (Table 1.6). This suggests that foreign travellers patronize brands of hotels that are familiar to them. Likewise offering a central reservation service attracts more foreign clientele than those that do not offer this service.

Table 1.6
Client Base of Hotels and Motels, by Selected Characteristics, 2001

	DOMESTIC	PERSONAL	BUSINESS	GOVERNMENT	FOREIGN	USA	OTHER FOREIGN
Hotels							
Affiliated Hotels	73%	27%	39%	7%	27%	14%	13%
Non-Affiliated Hotels	82%	28%	41%	12%	18%	8%	10%
Hotels with Central Reservation Systems	72%	27%	38%	7%	28%	15%	13%
Hotels without Central Reservation Systems	84%	40%	34%	10%	16%	8%	8%
Motels							
Affiliated Motels	90%	47%	33%	10%	10%	7%	3%
Non-Affiliated Motels	84%	44%	35%	5%	16%	7%	9%
Motels with Central Reservations	82%	41%	33%	8%	18%	7%	11%
Motels without Central Reservations	86%	47%	33%	6%	14%	6%	8%

Part 4: Executive Summaries of Chapters 2, 3 and 4

Abstract of Chapter 2: Room Utilization of Hotels and Motels

Room occupancy rates and seasonal variations in hotels and motels found in Canada were examined, and the room utilization indicator (RUI) rates in 2001 were compared to 1996 and 2000. It was found that hotels continued to have higher room utilization rates than motels as they experienced higher occupancy rates and less seasonality than motels. Large hotels and motels had higher RUIs than their medium and small counterparts. Hotels located near an airport continued to have the highest RUI while suburban motels made the best use of their rooms. Of the hotels, luxury establishments made the best use of their rooms while economy class motels had higher RUIs than mid-scale motels in 2001. Finally, in 2001, hotels offering amenities, having central reservation systems and offering packaged vacations showed increases in their RUIs compared to the previous year.

Abstract of Chapter 3: Comparing the Performance of Hotels and Resorts

Comparisons between hotels and resorts were made by market class: economy, mid-scale, upscale and luxury. This article examines performance as well as revenue, cost, client base and employment distributions, and found distinguishing characteristics between hotels and resorts. Of all the resorts, luxury resorts had the highest profits while of all the hotels, economy hotels boasted the highest profits. Resorts tend to be smaller in terms of room capacity than hotels and charge more for their rooms. They earn a greater portion of their revenue from meals and other services than do hotels; resorts also spend more of their revenues on labour than do hotels, and employed a greater share of their staff on a full-time basis. Finally, both hotels and resorts found that their luxury and upscale accommodations were in greater demand than their mid-scale counterparts. Luxury accommodations derived most of their business from foreign visitors, while Canadian travellers were the main clientele of economy and mid-scale accommodations.

Abstract of Chapter 4: A Profile of Campgrounds and Outfitters

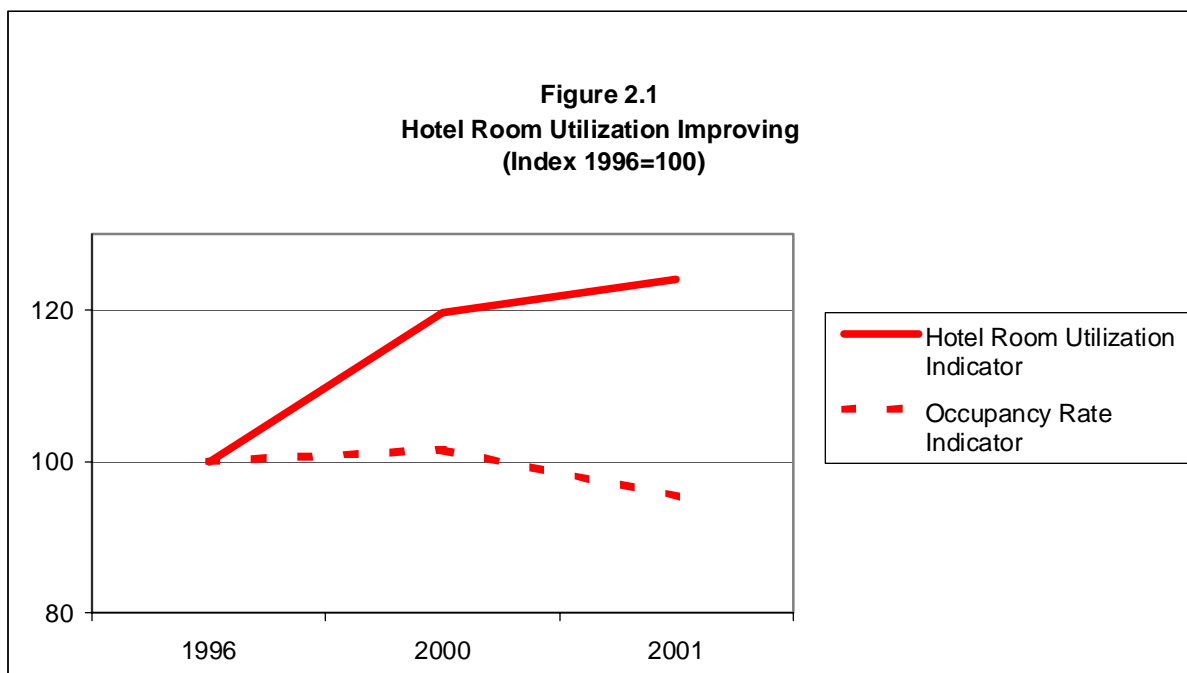
Although over half of all the campgrounds and outfitters combined were self-categorized as mid-scale accommodations, 87 per cent of the campgrounds catered to an economy/mid-scale market while around 84 per cent of the outfitters were mid-scale/upscale. Only outfitters derived more revenue from packaged vacations than from guest units. Americans made up the greatest number of those visiting Canada's hunting and fishing camps while campgrounds generated most of their business from Canadian travellers. Canada's pristine wilderness draws foreign travellers who want to experience world class hunting and fishing expeditions.

Chapter 2: Room Utilization of Hotels and Motels

Introduction

This article will examine data on the seasonal patterns of demand for accommodation supplied by Canada's hotel and motel establishments. Room utilization rates in 2001 will be compared to 1996, the last year an RUI analysis was prepared.²¹ Some RUI data for 2000 will also be included in the analysis to provide the pre-recession/September 11th position.

The main findings of this study are summarized in Figure 2.1. Although hotels experienced a decrease in their occupancy rates through time, as measured by the occupancy rate indicator, they have improved their room use. This is due to hotels experiencing relatively less seasonality in their occupancy rates in 2001 compared to both 2000 and 1996.



N.B. The hotel room utilization indicator is expressed as an index, with 1996 as the base year (1996=100).

Room capacity utilization according to geographic region, province, size of establishment as well as location and market class will also be reviewed. A comparison of these indicators will be made to earlier findings²² to determine which segments of the hotel and motel industry made either better or worse use of their rooms in 2001.

²¹ L. McKeown, S. Lee and M. Lynch, 'Room Utilization in the Traveller Accommodation Industry', Services Indicators, 4th Quarter 1998.

²² 1996 and 2000 reference year.

In addition to the factors mentioned above, occupancy indicators for establishments having facilities such as restaurants, golf courses and other popular features will be examined. For example, a recent industry article in *Hotelier* finds that industry experts agree that golf – a leisure sport ever gaining in popularity – is a hotel/resort property enhancement.²³

Room Utilization Indicator (RUI)

The room occupancy rate²⁴ is the indicator of seasonality and room capacity utilization in the accommodation industry. The industry's peak is the month in which room occupancy rates are the highest and the trough is the month in which they are the lowest. In 2001, occupancy rates of hotels and motels peaked in August and were lowest in December.²⁵

The seasonal variation is measured by a percentage point difference between a business' peak and trough occupancy rates known as the amplitude. To mitigate the effect of the seasonal variation due to sensitivity to extreme values, an average monthly deviation of occupancies is used. It is the average monthly deviation that is divided into the annual occupancy rate to arrive at the room utilization rate (RUI).

RUI = Annual occupancy rate / Average monthly deviation

A higher RUI value indicates that an establishment optimizes its use of rooms. A high occupancy rate and a lower average monthly deviation increases the RUI. Therefore, the RUI considers both the occupancy rate and seasonality as measured by the average monthly deviation.

²³ Pye, D., 'Tee for Two... or Three, or Four', *Hotelier: The Magazine for Hotel Executives*, Kostuch Publications Limited, Toronto, Ontario, July/August 2002.

²⁴ The number of rooms occupied divided by the number of rooms available.

²⁵ As they were in 1996 and 2000.

Table 2.1
Occupancy Indicators, Hotels and Motels, 1996, 2000 and 2001

		OCCUPANCY RATE	AVERAGE MONTHLY DEVIATION (%)	ROOM UTILIZATION INDICATOR (RUI)	PEAK MONTH (AUG) (%)	TROUGH MONTH (DEC) (%)	AMPLITUDE
Hotels	1996	65%	10.4	6.3	82	45	37
	2000	66%	8.8	7.5	75	40	35
	2001	62%	8.0	7.8	75	40	35
Motels	1996	57%	9.8	5.8	79	41	38
	2000	58%	11.3	5.1	76	36	40
	2001	57%	13.4	4.3	76	34	42

Hotels have higher room utilization rates than motels

Hotels made better use of their rooms than motels, as they had higher occupancy rates and were faced with lower seasonal variations as measured by the average monthly deviation. As shown in Table 2.1, while hotels improved their room use in 2001 compared to 2000 and 1996, the opposite was true for motels.

Although hotels faced a decline in their occupancy rate in 2001 due to an economic slowdown²⁶ and the aftermath of the September 11th terrorist attacks in the US, motels had relatively stable occupancy rates. However, hotels improved their use of rooms in 2001 as they experienced lower seasonal variability in 2001 than motels. In fact, hotels experienced a decline in their average monthly deviation in 2001 compared to 2000 and 1996, exhibiting less sensitivity to seasonal factors than motels.

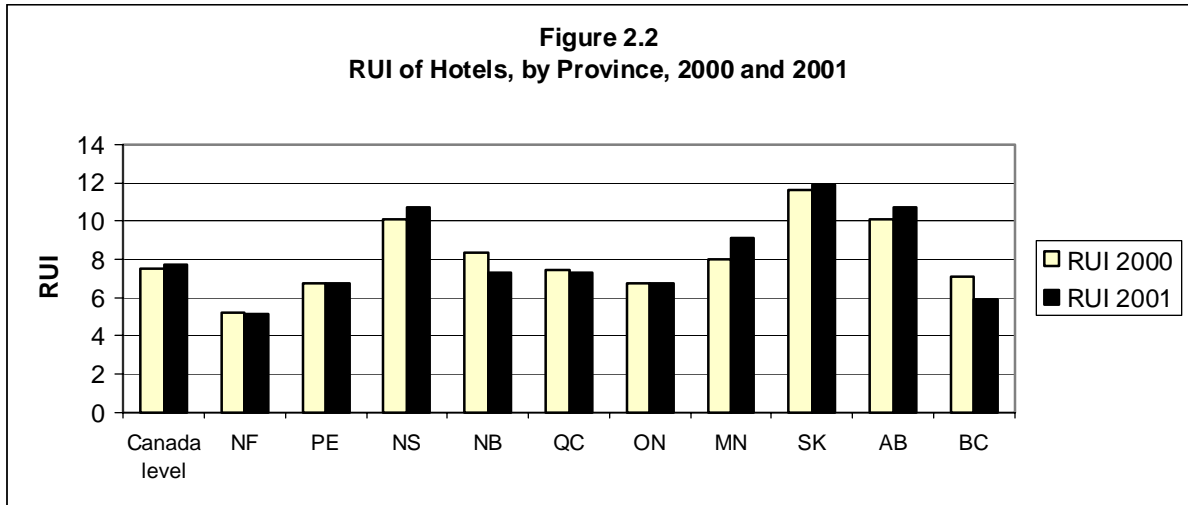
The RUI for hotels continued to reflect the same regional patterns in room capacity utilization in 2001 as in 2000 and 1996. Table 2.2 shows that as one moved from the Atlantic to the Western part of the country, room utilization rates were higher. However, while the Atlantic had the lowest RUI in 2001, it was the region that showed the most improvement over 2000.

²⁶ Real GDP grew by only 1.5% in 2001.

Table 2.2
Occupancy Indicators by Region, Hotels and Motels, 1996, 2000 and 2001

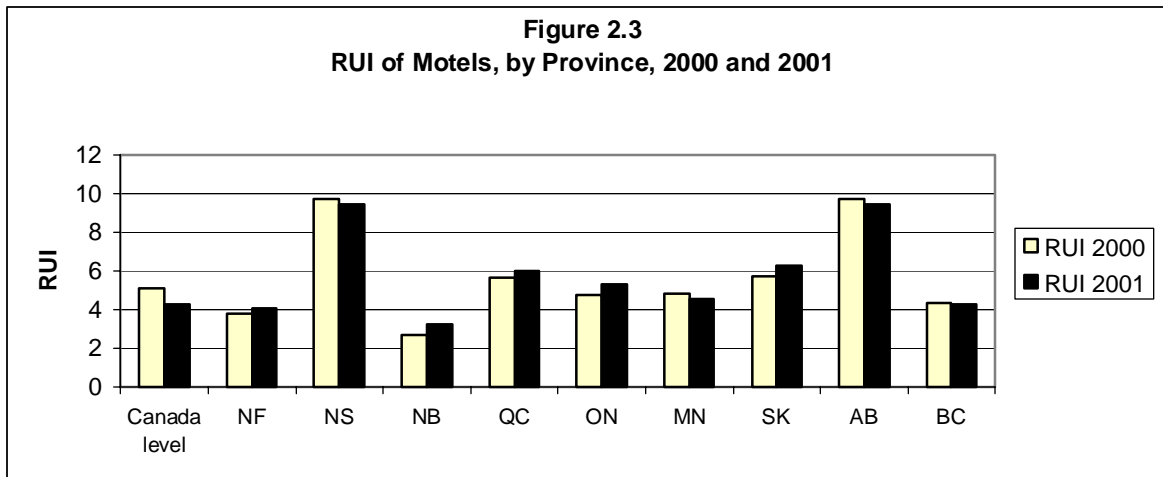
		HOTELS			MOTELS		
		Annual Occupancy Rates			Annual Occupancy Rates		
		1996	2000	2001	1996	2000	2001
Canada level		65%	66%	62%	57%	58%	57%
Region:	Atlantic	59%	65%	61%	46%	57%	53%
	Quebec	61%	65%	60%	57%	60%	57%
	Ontario	65%	69%	64%	61%	64%	63%
	Western	68%	64%	62%	60%	55%	55%
		Average Monthly Deviation			Average Monthly Deviation		
		1996	2000	2001	1996	2000	2001
Canada level		10.4	8.8	8.0	9.8	11.3	13.4
Region:	Atlantic	11.7	13.1	11.0	11.4	16.9	15.0
	Quebec	11.5	8.8	8.2	7.8	10.6	9.5
	Ontario	11.5	10.3	9.4	11.2	13.6	11.9
	Western	8.9	7.2	7.0	10.8	9.3	9.6
		Room Utilization Indicator (RUI)			Room Utilization Indicator (RUI)		
		1996	2000	2001	1996	2000	2001
Canada level		6.3	7.5	7.8	5.8	5.1	4.3
Region:	Atlantic	5.1	4.9	5.5	4.0	3.4	3.5
	Quebec	5.3	7.4	7.3	7.3	5.6	6.0
	Ontario	5.7	6.7	6.8	5.5	4.7	5.3
	Western	7.6	8.9	8.8	5.6	5.9	5.7

Figure 2.2 shows that there were a number of provinces that showed an improvement in room use in 2001 compared to the previous year as a result of a decline in their seasonal variability. These were Newfoundland, Prince Edward Island, New Brunswick, Manitoba, Saskatchewan, Alberta and Nunavut. On the other hand, British Columbia experienced a decrease in RUI in 2001 compared to 2000 as a result of an increase in seasonal deviation.



Motels in Alberta had the highest RUI in 2001

Figure 2.3 shows that Alberta motels had the highest room utilization rate of all the provinces in 2001 at 9.5. This is due to relatively low seasonal variation (6.0%) and a 64 per cent occupancy rate that year. Saskatchewan followed with the second highest RUI at 6.3 and Quebec was third with a room capacity utilization of 6.0. For Quebec, while the RUI improved in 2001 compared to 2000 (5.6) this is still lower than what it experienced five years earlier in 1996 (7.3). This may be explained in part by the fact that while occupancy rates for motels in Quebec remained relatively stable, there was more seasonal variation in 2001 than in 1996.



Large establishments made the best use of their rooms

Large hotels and motels made the best use of their rooms in 2001 and showed the greatest improvement in RUI as shown in Table 2.3. While all three size groups of hotels showed improvements in their room utilisation rate in 2001, it was the large hotels that had the highest occupancy rates²⁷ and the lowest seasonal variability, resulting in the highest RUI at 9.3 compared to 6.6 in 1996. Large hotels are establishments that have more than 199 rooms while large motels have more than 99 rooms. Midsize hotels have 50 to 199 rooms and midsize motels have 50 to 99 rooms. Small establishments for both hotels and motels have less than 50 rooms.

For motels, the large establishments also had the highest room utilisation indicator in 2001. Large motels not only experienced higher than average occupancy rates, but also low seasonal variations resulting in a room utilisation indicator of 7.6 – which was better than the RUI for a mid-sized hotel (at 7.1) in 2001.

Table 2.3
Occupancy Indicators by Size, Hotels and Motels, 1996, 2000 and 2001

		HOTELS			MOTELS		
		Annual Occupancy Rates			Annual Occupancy Rates		
		1996	2000	2001	1996	2000	2001
Canada level		65%	66%	62%	57%	58%	57%
Size:	Small	54%	50%	49%	50%	49%	51%
	Medium	62%	62%	60%	64%	62%	59%
	Large	68%	70%	64%	56%	63%	62%
		Average Monthly Deviation			Average Monthly Deviation		
		1996	2000	2001	1996	2000	2001
Canada level		10.4	8.8	8.0	9.8	11.3	11.1
Size:	Small	10.5	10.1	9.1	10.5	12.1	11.6
	Medium	10.4	8.7	8.4	10.4	10.1	10.5
	Large	10.3	9.8	6.9	10.3	10.0	8.1
		Room Utilization Indicator (RUI)			Room Utilization Indicator (RUI)		
		1996	2000	2001	1996	2000	2001
Canada level		6.3	7.5	7.8	5.8	5.1	5.1
Size:	Small	5.1	4.9	5.4	4.8	4.0	4.4
	Medium	6.0	7.2	7.1	6.2	6.2	5.6
	Large	6.6	7.1	9.3	5.4	6.3	7.6

²⁷ That were above the average in 2001, 2000 and 1996.

Hotels located near an airport have the highest RUI, and centrally located hotels also made gains

Airport hotels continued to make the best use of their rooms as shown in Table 2.4. On average, these establishments are the largest and had the highest occupancy rates, combined with the lowest seasonal variation, resulting in their relatively higher RUI in 2001 compared with other locations. The strategic locations at airports enables hotels to attract more foreign travellers and business travellers. In fact, about two out of every three patrons staying at airport hotels in 2001 were either foreign visitors or business travellers.

**Table 2.4
Occupancy Indicators by Location, Hotels and Motels, 1996, 2000 and 2001**

		HOTELS			MOTELS		
		Annual Occupancy Rates			Annual Occupancy Rates		
		1996	2000	2001	1996	2000	2001
Canada level		65%	66%	62%	57%	58%	57%
Location:	Airport	72%	70%	67%	...	...	...
	Central	66%	66%	63%	62%	57%	60%
	Suburbs	65%	62%	62%	58%	61%	56%
	Highway	63%	59%	60%	55%	56%	56%
	Rural	54%	65%	55%	37%	48%	44%
		Average Monthly Deviation			Average Monthly Deviation		
		1996	2000	2001	1996	2000	2001
Canada level		10.4	8.8	8.0	9.8	11.3	11.1
Location:	Airport	4.3	6.7	6.0	...	...	...
	Central	11.8	9.7	7.9	10.3	12.2	11.5
	Suburbs	10.6	8.0	7.5	8.1	10.5	10.9
	Highway	9.4	9.0	9.0	11.3	11.0	12.4
	Rural	11.5	10.2	10.9	11.8	14.0	12.9
		Room Utilization Indicator (RUI)			Room Utilization Indicator (RUI)		
		1996	2000	2001	1996	2000	2001
Canada level		6.3	7.5	7.8	5.8	5.1	5.1
Location:	Airport	16.7	10.4	11.1	...	...	...
	Central	5.6	6.8	8.0	6.0	4.6	4.9
	Suburbs	6.1	7.7	8.2	7.2	5.9	5.1
	Highway	6.7	6.6	6.7	4.9	5.2	4.8
	Rural	4.7	6.3	5.1	3.1	3.5	3.4

... Data suppressed due to confidentiality

Hotels located centrally also made gains in room use; while their occupancy rate was slightly above average (63%), they had lower seasonal variability in 2001 than in 2000 and 1996. Centrally located hotels have also a large proportion of their clientele as foreign and business travellers (65%). The room utilization rate for hotels tended to diminish as they moved away from urban centres and towards rural settings.

Luxury hotels boast the highest room utilization

Luxury hotels once again continue to make the better use of their rooms than their lower priced counterparts. Table 2.5 indicates that these luxury establishments also showed improvements in their room utilization rate in 2001. These establishments had the largest share of foreign visitors (44%), the highest occupancy rates, and the lowest seasonal fluctuations.

Table 2.5
Occupancy Indicators by Class, Hotels and Motels, 1996, 2000 and 2001

		HOTELS			MOTELS		
		Annual Occupancy Rates			Annual Occupancy Rates		
		1996	2000	2001	1996	2000	2001
Canada level		65%	66%	62%	57%	58%	57%
Market:	Economy	58%	53%	54%	57%	58%	60%
	Mid-scale	63%	64%	61%	57%	58%	54%
	Up-scale	68%	69%	64%	...	...	...
	Luxury	70%	69%	64%	...	...	...
		Average Monthly Deviation			Average Monthly Deviation		
		1996	2000	2001	1996	2000	2001
Canada level		10.4	8.8	8.0	9.8	11.3	11.1
Market:	Economy	11.6	8.3	7.3	11.6	10.9	10.7
	Mid-scale	10.7	8.7	8.2	10.7	11.7	11.5
	Up-scale	10.0	9.8	8.1	...	...	...
	Luxury	10.0	9.4	7.2	...	...	...
		Room Utilization Indicator (RUI)			Room Utilization Indicator (RUI)		
		1996	2000	2001	1996	2000	2001
Canada level		6.3	7.5	7.8	5.8	5.1	5.1
Market:	Economy	5.0	6.4	7.4	4.9	5.3	5.6
	Mid-scale	5.9	7.4	7.4	5.3	4.9	4.7
	Up-scale	6.8	7.1	7.9
	Luxury	7.0	7.3	8.9

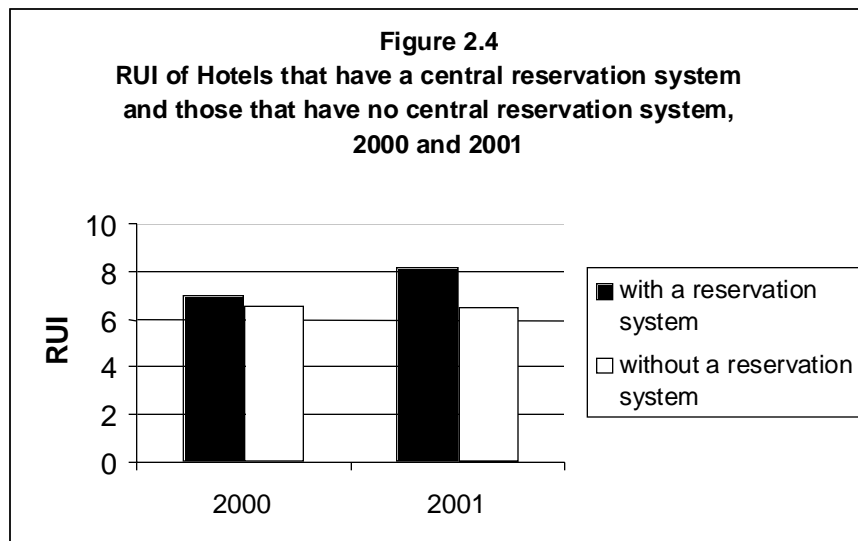
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Upscale hotels recorded the second best RUI. While these establishments also had high occupancy rates, they were affected by higher seasonality than luxury hotels. The majority of the clients in upscale hotels were business travellers (42%). In 2001, there was a weak economic climate and an overall decline in business travel.²⁸

Economy motels improved their use of rooms in 2001 compared to 1996 due to improved occupancy rates and lowered seasonal variability. The majority of those patronizing economy class motels were leisure (45%) and business travellers (36%).

Central reservation systems linked to better RUIs

Hotels having a central reservation system accounted for 54 per cent of the panel of surveyed establishments, up from 51 per cent in 2000. These hotels had higher RUIs than hotels without a central reservation system in both 2000 and 2001. Figure 2.4 also indicates hotels with a central reservation system showed improvements in their room utilization in 2001 compared to 2000. The hotels without this service had the same RUI in both 2000 and 2001.

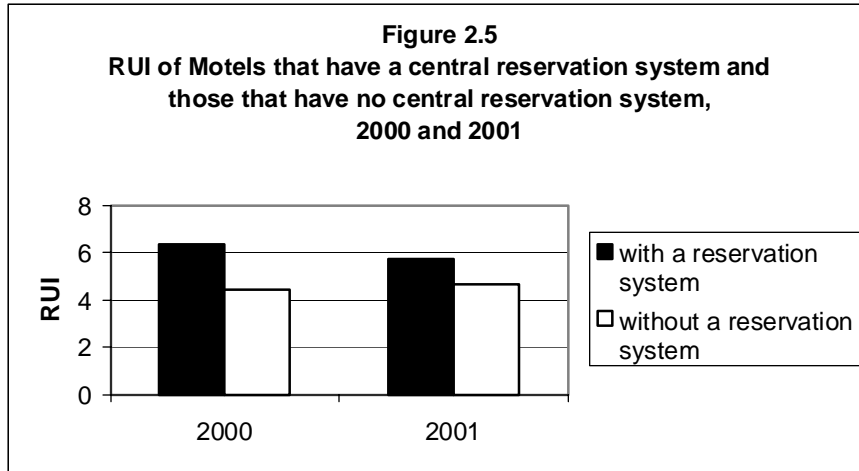


Hotels with central reservation systems not only had much higher occupancy rates (64%) than those without (56%), but they also faced lower seasonal deviation (7.8) than the hotels without central reservation services (8.7).

Motels having a central reservation system accounted for about one-third of the surveyed motels in the panel. As in the case of hotels, Figure 2.5 indicates that motels with central reservation systems enjoyed higher RUIs in 2001 (5.7) than motels without a central reservation service (4.7).

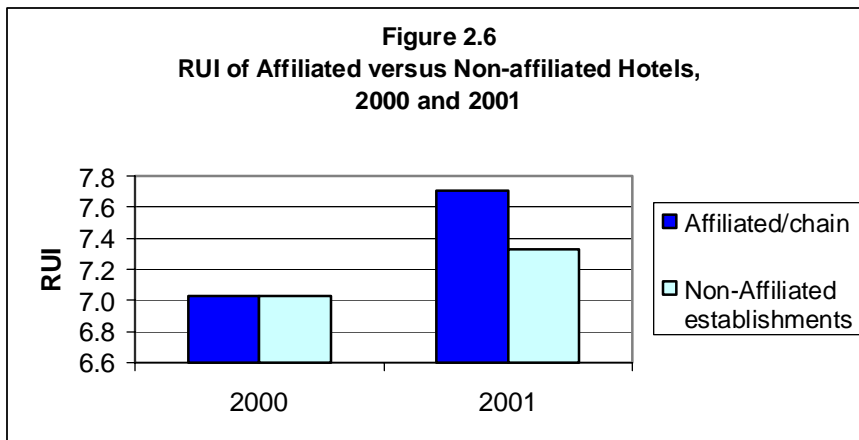
Similar to hotels, motels with this service also faced a much higher occupancy rate (61%) than the motels without a central reservation system (52%). Motels with a central reservation system also showed less seasonal variability than motels without this service.

²⁸ Business travel and convention market strongly affected in 2001 – drop in business trips by 19.2% in 2001. The Daily, July 5, 2002, Domestic Travel 1998 to 2001 (revised estimates), Cat. No. 11-001E.

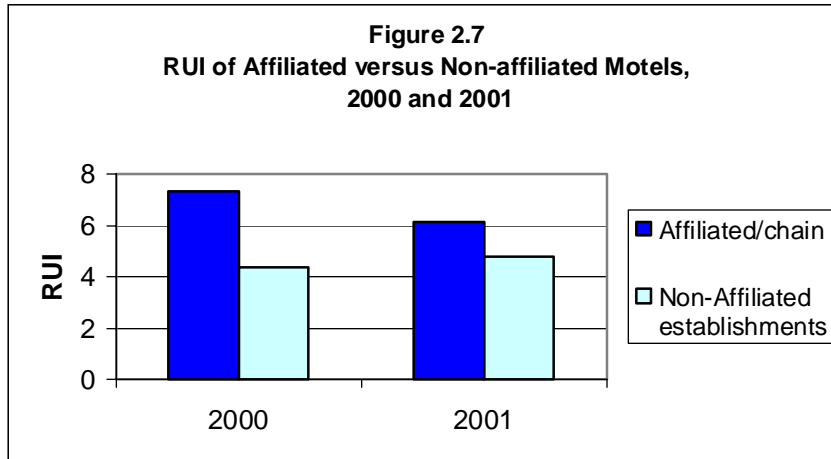


What about affiliated establishments?

In 2001, 41 per cent of hotels and 27 per cent of motels were affiliated. Being part of a chain in 2001 had its advantages for both hotels (Figure 2.6) and motels (Figure 2.7), as those that were affiliated had higher RUIs than those that were not.



Hotels and motels that belonged to a chain had much higher occupancy rates than those with no affiliation. The occupancy rate of an affiliated hotel was 64 per cent, much higher than a non-affiliated hotel at 54 per cent. Likewise, affiliated motels as a group had an occupancy rate of 63 per cent, well above the occupancy rate for motels that were not part of a chain 53 per cent.



Packaged vacations improved RUIs in 2001

In 2001, 40 per cent of the hotels in the survey panel offered packaged vacations. This reflects the marketing strategies hotels use to form alliances and partnerships with complementary tourism businesses to sell vacation packages. Both hotels that offered packaged vacation and those that did not experienced improvements in their RUIs in 2001 compared to 2000 (Table 2.6).

However, hotels without packages still had higher RUIs than those offering packages

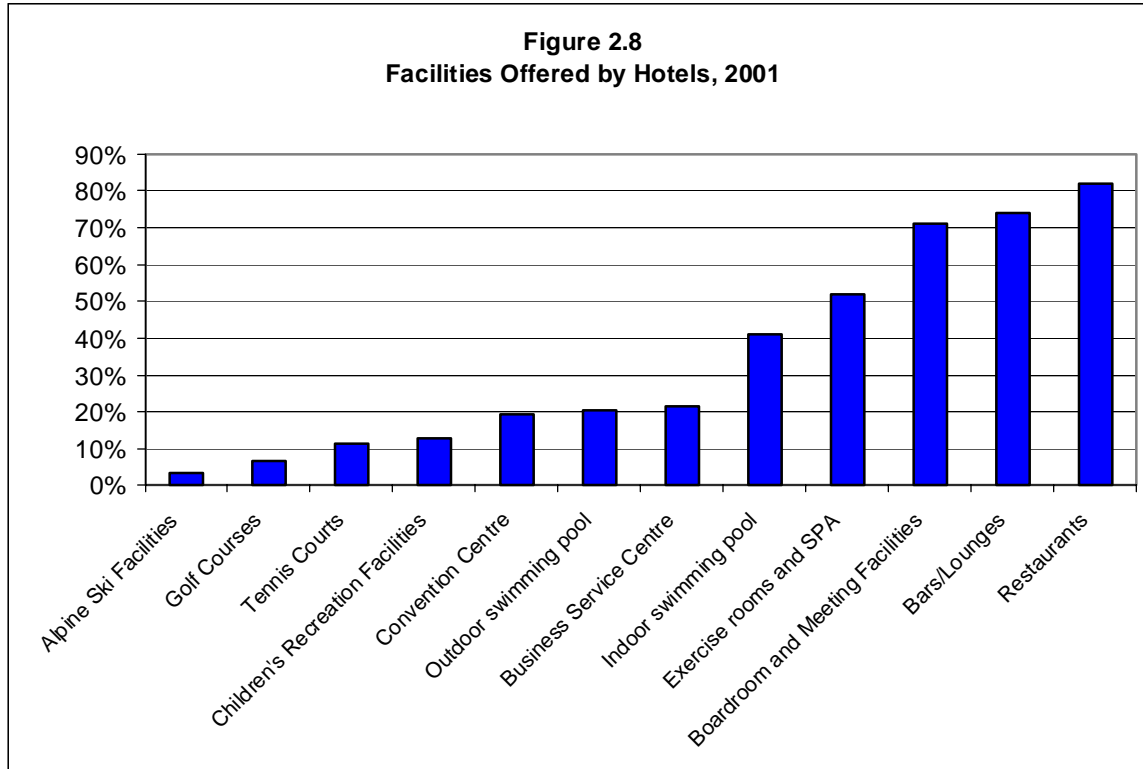
While hotels that offered packages enjoyed higher occupancy rates (as a group) than hotels that did not, they also demonstrated higher seasonal variation and, thus, lower RUIs. As a result, while hotels improved their RUIs, it was the hotels that had no packages that experienced higher RUIs than hotels offering package deals.

Table 2.6
Occupancy Indicators of Hotels with Packages, 2000 and 2001

	ANNUAL OCCUPANCY RATES	
	2000	2001
with packaged vacations	67%	64%
without packaged vacations	64%	61%
	AVERAGE MONTHLY DEVIATION	
	2000	2001
with packaged vacations	9.0	8.0
without packaged vacations	8.2	7.1
	ROOM UTILIZATION INDICATOR (RUI)	
	2000	2001
with packaged vacations	7.4	8.0
without packaged vacations	7.8	8.5

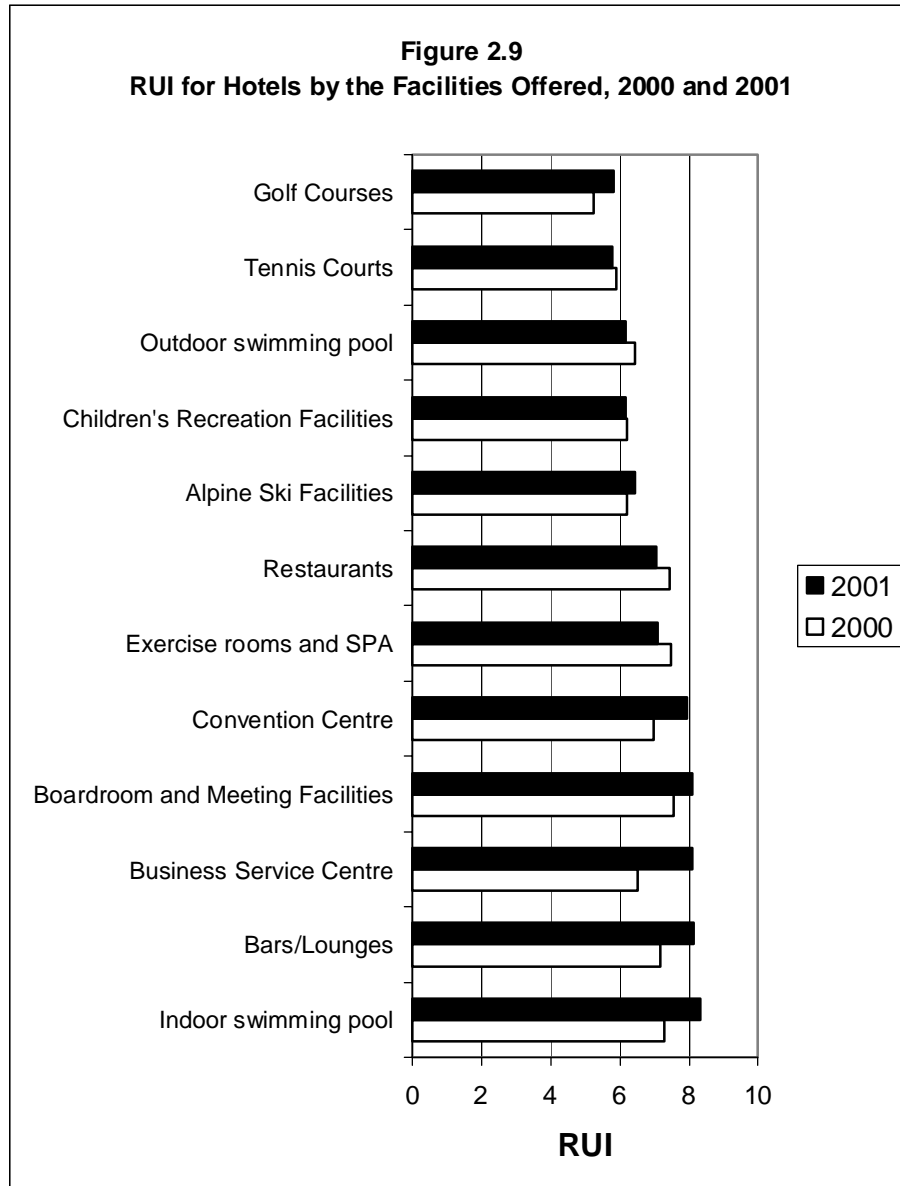
Amenities helped increase room capacity utilization in 2001

Figure 2.8 illustrates the many facilities offered by hotels in the survey panel in 2001. Restaurants are the number one facility offered by more than 80 per cent of the hotels surveyed, followed by bars, boardrooms and meeting facilities.



N.B. Facilities offered by the hotels in the survey panel are not mutually exclusive. A hotel may report more than one of the facilities shown in Figure 2.8.

Even though hotels were faced with lowered occupancy rates in 2001 compared to 2000, the presence of certain amenities helped them make better use of their rooms, as seen in Figure 2.9. Hotels with indoor swimming pools, bars, business service centres, boardroom meeting facilities and convention centres scored among the highest RUI rates in 2001 (Figure 2.9).



As well, establishments offering golf courses experienced increases in their RUI in 2001 compared to 2000. Although hotels offering golf courses accounted for only 7 per cent of the panel of surveyed establishments, associations between hotels and golf courses may increase, given that over 6 million Canadians play golf, making Canada one of the leading per-capita golf markets in the world.²⁹

²⁹ *Supra*, note 23.

Summary

This article examined the room occupancy rates and seasonal variations in hotels and motels in Canada, and compared the room utilization indicator (RUI) rates to 1996 and 2000. It was found that hotels continued to have higher room utilization rates than motels in 2001. Hotels had higher occupancy rates and experienced less seasonality than motels. High RUIs are dependent on corresponding high occupancy rates and relatively low seasonal variability.

Various factors such as the size of the establishment, the location and the market class also showed interesting results. Large hotels and motels had higher RUI than their medium and small counterparts. Hotels located near an airport continue to exhibit the highest RUI. Suburban motels made the best use of their rooms as they did in 1996 and 2000. Of the hotels, luxury establishments made the best use of their rooms. Economy class motels had higher room utilization rates than mid-scale motels in 2001.

In 2001, hotels with reservation systems and packaged vacations showed increases in their RUI compared to the previous year. As well, hotels offering amenities such as indoor pools, bars, business services centres, boardroom meeting facilities and convention centres and golf courses also showed improvements in their RUI compared to 2000.

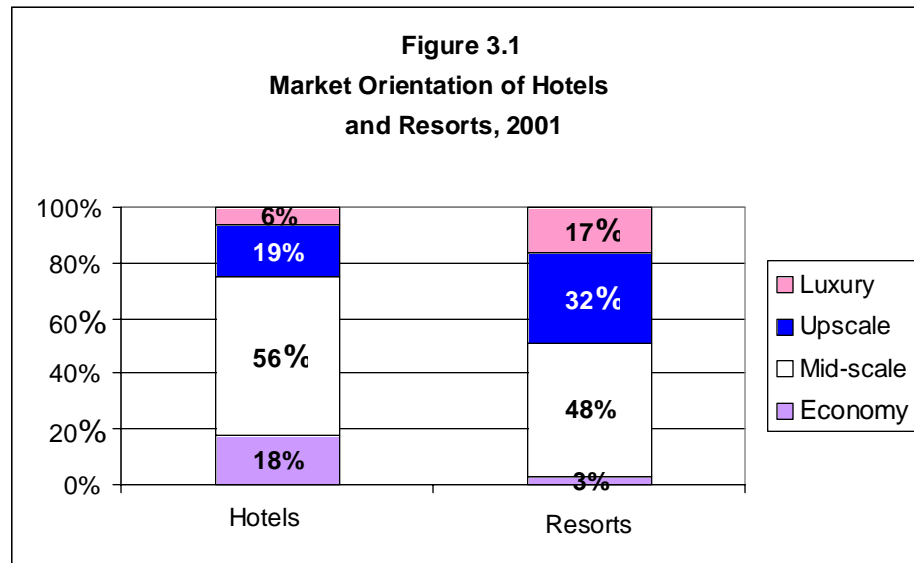
Chapter 3: Comparing the Performance of Hotels and Resorts

This feature will compare the performance of hotels³⁰ and resorts³¹ based on the panel of establishments surveyed in the 2001 Annual Survey of Traveller Accommodation Services. The purpose is to highlight the distinguishing characteristics of these two types of businesses and to provide further insight into their respective markets.

In order to determine how hotels and resorts performed in 2001, an analysis of these industries will be presented by market class, as identified by the surveyed respondents. “Market class” refers to the market that the establishment targets, including economy, mid-scale, upscale or luxury.

By examining common performance indicators such as occupancy rates, average daily room rates (ADR), revenue per available room (REVPAR), profits, revenue and cost distributions, client base and employment shares, distinguishing characteristics of hotels and resorts should emerge.

The panel of surveyed establishments³² shows that over half of hotels and motor hotels (56%) cater to a mid-scale market and that close to half (48%) of resorts do as well (see Figure 3.1).



Resorts are designed to accommodate vacationers by providing full-service suites and guestrooms and are typically found in non-urban settings next to lakes, rivers or mountains. Based on the panel, 75 per cent of the surveyed resorts were found in a rural setting. The remaining 25 per cent were in central or suburban locations.

³⁰ Includes Hotels under the North American Industry Classification System (NAICS 721111) and Motor Hotels (NAICS 721112).

³¹ Resorts include NAICS 721113.

³² Data are based on a panel of establishments that responded to the 2001 Survey of Traveller Accommodation, Statistics Canada.

Resorts are more expensive than hotels and tend to be smaller

Resorts, given the nature of their business, had the highest share of upscale (32%) and luxury (17%) accommodations. Table 3.1 indicates that while resort accommodations cost more than the average hotel, like hotels they tend to vary in size according to class – the higher the market class, the greater the average number of rooms per establishment. Indeed, upscale hotels averaged 244 rooms, more than twice the size of average upscale resorts with only 101 rooms. Luxury resorts on average had 181 rooms, while luxury hotels had 321 rooms.

Luxury establishments had the highest occupancy rates

The demand for rooms as measured by the occupancy rate showed that the upscale and luxury establishments had higher occupancy rates than their lower priced counterparts.

Table 3.1
Overview of the Panel of Hotels and Resorts,³³ by Market class, 2001

	TOTAL	ECONOMY	MID-SCALE	UPSCALE	LUXURY
Average Number of Rooms					
Hotels	145	60	127	244	321
Resorts	105	...	87	101	181
Occupancy Rate					
Hotels	63%	54%	62%	65%	65%
Resorts	60%	...	58%	62%	62%
ADR					
Hotels	\$ 118	\$ 67	\$ 94	\$ 143	\$ 175
Resorts	\$ 142	...	\$ 103	\$ 130	\$ 212
REVPAR					
Hotels	\$ 74	\$ 36	\$ 59	\$ 93	\$ 114
Resorts	\$ 85	...	\$ 59	\$ 80	\$ 132
Profit					
Hotels	13%	15%	14%	13%	9%
Resorts	17%	...	14%	12%	24%

... Data suppressed, as there are too few establishments.

³³ Given that resorts typically are not open for the entire year, the occupancy rate, ADR and REVPAR have been adjusted to reflect the seasonal activity of these businesses. Thus, these rates are based on only the period during which the resorts are open. The rates for the hotel group are based on the typical full year.

Hotels had higher occupancy rates than resorts

Regardless of the class of the establishment, the demand for hotel rooms was greater than that for resorts, as measured by the occupancy rates. Both upscale and luxury hotels had above average occupancy rates at 65 per cent, compared to 62 per cent for luxury and upscale resorts. As well, mid-scale hotels experienced an occupancy rate of 62 per cent, while that for mid-scale resorts was 58 per cent.

The weather likely had some impact on the lower occupancy rates of resorts. “In the West, the best skiing came in April – too late to save a disastrous season for mountain resorts. The weather could not have been worse for outdoor winter recreation – scanty snows, thin snowpacks, strong chinook winds and weeks of warm dry weather.”³⁴ Given that more resorts in the panel reported ski facilities than did hotels, the impact of poor weather conditions would be reflected more in the resorts group.

Average Daily Rates (ADR) and Revenue per Available Room (REVPAR)

Table 3.1 shows that the average daily rate per room for resorts was \$142. This rate was 20 per cent higher than the average daily rate of hotels (\$118) in 2001. The average daily rate for both hotels and resorts increased with the market class. Both luxury resorts and luxury hotels had room rates that were close to 50 per cent more than their respective average daily rates. Luxury resorts had an average room rate of \$212, while luxury hotels charged \$175.

There was also a gap between the room rates of luxury and economy class accommodations. Luxury hotels charged 2.6 times more than economy hotels. The average daily rate for economy hotels was \$67, compared to \$175 for luxury hotels.

The occupancy rate is applied to the average room rate (ADR) to give revenue per available room (REVPAR). Overall, the revenue per room for hotels was \$74 compared to \$85 for resorts. As in the case of the average daily rate, the REVPAR also increased for both hotels and resorts along with the market class.

³⁴ The Top Ten Canadian Weather Stories for 2001. Green Lane. Environment Canada.

Table 3.2
Distribution of Revenue of Hotels and Resorts, by Market Class, 2001

	TOTAL	ECONOMY	MID-SCALE	UPSCALE	LUXURY
Rooms					
Hotels	61%	47%	60%	63%	61%
Resorts	51%	...	51%	46%	53%
Meals					
Hotels	19%	10%	18%	20%	21%
Resorts	23%	...	22%	27%	22%
Alcohol					
Hotels	10%	32%	12%	7%	7%
Resorts	7%	...	6%	8%	7%
Merchandise					
Hotels	1%	3%	1%	0%	0%
Resorts	2%	...	2%	2%	2%
Service					
Hotels	9%	8%	9%	9%	11%
Resorts	17%	...	19%	17%	16%

... Data suppressed, as there are too few establishments.

Luxury resorts had the highest profits

Of all the resorts surveyed, the luxury resorts had the highest profits (24%). Contributing factors to these healthy profits are the lower property taxes and other occupancy costs³⁵ of these establishments compared to hotels. Moreover, given that luxury resorts have about half the number of rooms of luxury hotels yet boast higher average daily room rates, the overhead costs as a share of revenues are lower for luxury resorts than for luxury hotels.

Of all the hotels included in the panel, economy hotels exhibited the highest profits at 15 per cent. As evident in Table 3.2, economy hotels generated the greatest share of revenue from the sale of food and beverages³⁶ at 42 per cent. This is close to the share of room sales of these establishments at 47 per cent. Economy hotels also spent fewer of their revenue dollars on labour at 24 per cent, compared to over one-third spent on labour by upscale and luxury hotels (Table 3.3).

³⁵ In addition to property taxes, also included are insurance, rent of land and utilities such as heat, light, power and water.

³⁶ Includes both alcoholic and non-alcoholic beverages.

Focus on sales differ between hotels and resorts

As shown in Table 3.2, hotels tend to generate more revenue from the sale of rooms (61%) than do resorts (51%). The chief source of income for all hotels, regardless of market class, is from rooms. However, economy hotels rely on alcohol sales for almost one-third of its revenue, while upscale and luxury hotels focus on meals as their secondary revenue source, at around 20 per cent.

Where hotels generated over 60 per cent of revenues from the sales of their rooms, resorts relied less on room revenues (at around half). Resorts focused more on the sale of meals than did hotels. Other facilities and services yielded around 17 per cent of the revenues for resorts compared to only 7 per cent for hotels.

Resorts tend to spend more of their revenues on labour compared to hotels

Overall, resorts spent a greater portion of their revenues on labour (34%) than did hotels (32%). Resorts spend more on labour as they engage a greater proportion of costlier, full-time staff than do hotels. Hotels, on the other hand, have a larger proportion of their staff as part-time.

Luxury hotels had the highest occupancy costs

Occupancy costs include property taxes, insurance, and rent of land and utilities.³⁷ Luxury hotels spent more on occupancy expenses (at 16% of revenues) than did economy hotels. Luxury hotels are by far the largest of the establishments in the panel, with an average of 321 rooms in 2001. This compares with 244 rooms for an upscale hotel, 127 for a mid-scale establishment, and 60 for an economy hotel.

³⁷ Includes heat, power, light and water.

Table 3.3
Selected Expenses of Hotels and Resorts, by Market Class, 2001

	TOTAL	ECONOMY	MID-SCALE	UPSCALE	LUXURY
Labour					
Hotels	32%	24%	29%	34%	35%
Resorts	34%	...	35%	37%	32%
Cost of Goods Sold					
Hotels	12%	25%	13%	9%	9%
Resorts	11%	...	11%	13%	10%
Occupancy Costs					
Hotels	14%	10%	14%	13%	16%
Resorts	8%	...	9%	9%	6%
Advertising					
Hotels	3%	2%	3%	3%	3%
Resorts	3%	...	3%	3%	3%
Depreciation and Interest					
Hotels	5%	5%	5%	5%	5%
Resorts	6%	...	4%	5%	8%
Other Expenses					
Hotels	22%	20%	22%	23%	22%
Resorts	20%	...	23%	21%	17%
Profits					
Hotels	13%	15%	14%	13%	9%
Resorts	17%	...	14%	12%	24%

... Data suppressed, as there are too few establishments.

Domestic travellers frequented economy and mid-scale establishments

Economy and mid-scale establishments had a larger share of domestic travellers than did their upscale and luxury counterparts. Table 3.4 shows that 83 per cent of business for economy hotels, and 82 per cent of business for mid-scale hotels were generated by domestic travellers. Comparatively domestic customers comprised 60 per cent of luxury hotels' client base.

This is not to say that domestic personal travellers did not stay in upscale or luxury establishments. In fact, these travellers made up 40 per cent of those staying in upscale resorts and 28 per cent of those staying in luxury resorts. However, more domestic leisure travellers chose economy (42%) and mid-scale hotels (30%) over higher priced upscale (25%) and luxury hotels (23%).

Foreign visitors frequented luxury accommodations

Over half of all clients staying in luxury resorts were foreign visitors (54%), as well as 40 per cent that stayed at luxury hotels (see Table 3.4). A larger share of US visitors stayed in luxury resorts (29%) than in upscale (13%). Also 25 per cent of them stayed in luxury hotels – compared to 12 per cent in upscale hotels. This is likely due to the favourable exchange rate experienced by US travellers, making it more affordable for them to stay in higher priced accommodations in Canada.

Table 3.4
Client Base of Hotels and Resorts, by Market Class, 2001

	TOTAL	ECONOMY	MID-SCALE	UPSCALE	LUXURY
Domestic					
Hotels	75%	83%	82%	76%	60%
Resorts	65%	...	82%	79%	46%
Personal					
Hotels	27%	42%	30%	25%	23%
Resorts	38%	...	50%	40%	28%
Business					
Hotels	40%	34%	41%	43%	32%
Resorts	25%	...	28%	35%	17%
Government					
Hotels	9%	7%	11%	8%	5%
Resorts	3%	...	4%	4%	1%
Foreign					
Hotels	25%	17%	18%	24%	40%
Resorts	35%	...	18%	21%	54%
USA					
Hotels	13%	8%	8%	12%	25%
Resorts	19%	...	7%	13%	29%
Other Foreign					
Hotels	12%	8%	10%	11%	15%
Resorts	16%	...	11%	8%	25%

... Data suppressed, as there are too few establishments.

Resorts employ more full-time staff than do hotels

Full-time employees³⁸ accounted for 75 per cent of the average resort's staff, compared to 69 per cent for hotels. Regardless of the market class, resorts employed proportionately more full-time staff than did hotels (Table 3.5).

Table 3.5
Employment Shares of Hotels and Resorts, by Market Class, 2001

	TOTAL	ECONOMY	MID-SCALE	UPSCALE	LUXURY
Full Time					
Hotels	69%	63%	64%	72%	77%
Resorts	75%	...	68%	74%	85%
Part Time					
Hotels	31%	37%	36%	28%	23%
Resorts	25%	...	32%	26%	15%
Full Year					
Hotels	89%	84%	87%	92%	87%
Resorts	64%	...	56%	53%	86%
Seasonal					
Hotels	11%	16%	13%	8%	13%
Resorts	36%	...	44%	47%	14%
Full Time Full Year					
Hotels	63%	54%	57%	68%	70%
Resorts	50%	...	39%	41%	75%
Part Time Full Year					
Hotels	26%	30%	30%	25%	17%
Resorts	14%	...	17%	12%	11%
Full Time Seasonal					
Hotels	6%	9%	7%	4%	7%
Resorts	25%	...	29%	33%	10%
Part Time Seasonal					
Hotels	5%	7%	6%	4%	5%
Resorts	12%	...	15%	14%	4%

... Data suppressed, as there are too few establishments.

³⁸ Full-time employee worked 30 hours or more per week, either year-round or on a seasonal basis.

Moreover, for hotels and resorts, the more upgraded the class of the establishment, the greater the share of those employed on a full-time basis. Luxury resorts had 85 per cent full-time staff and three-quarters of their staff were employed all year. This compares to 77 per cent of full-time staff in luxury hotels, and 70 per cent employed year-round.

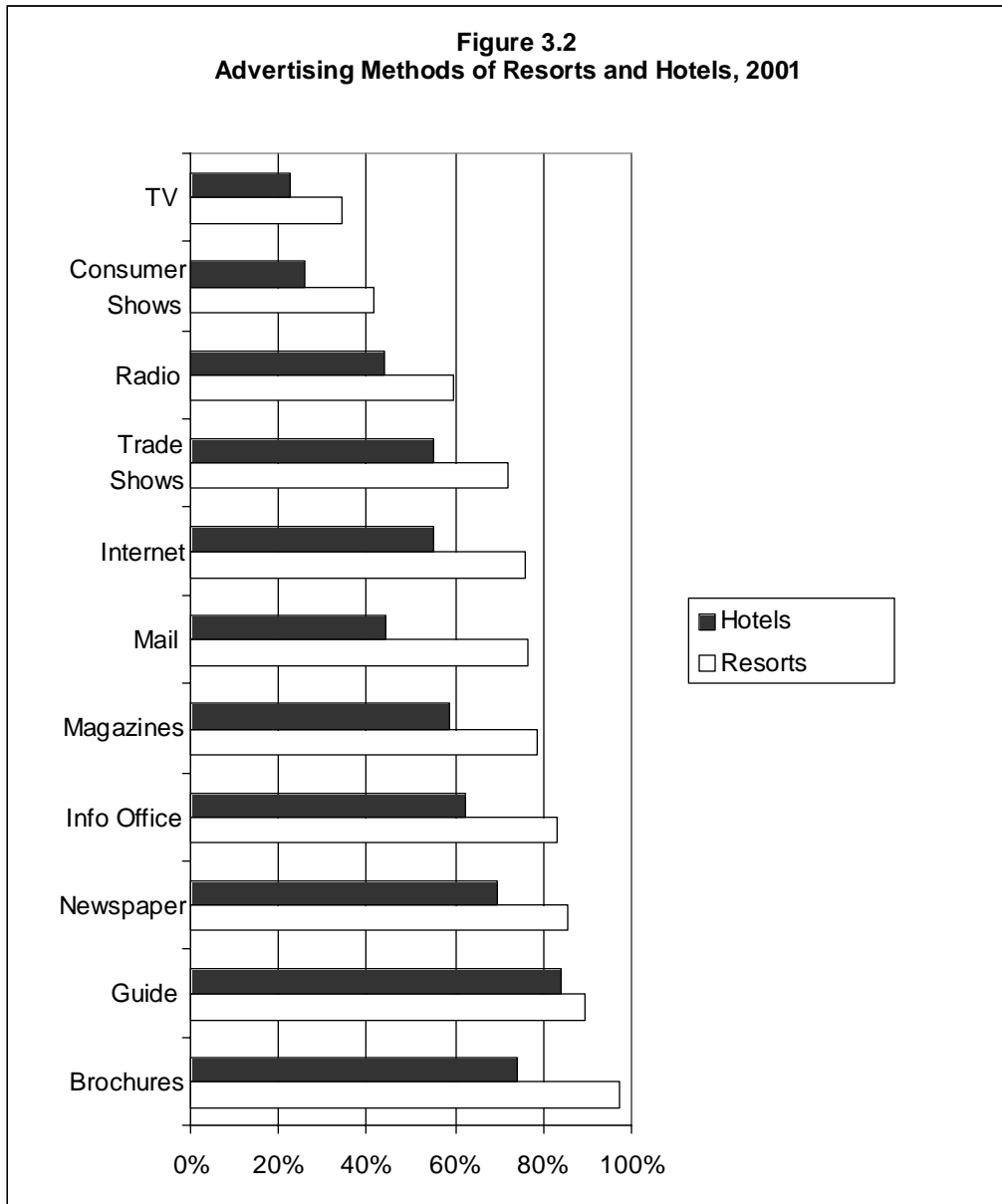
While hotels have more part-time³⁹ staff than do resorts, the majority of those employed part-time at a hotel are employed all year regardless of the market class. Of the 31 per cent of the hotel staff employed part-time, 26 per cent were employed year-round. In fact, 89 per cent of those employed (full-time or part-time) at a hotel in 2001 were employed all year, compared to 64 per cent of those employed in an average resort.

Although most of the average resort's staff are employed on a full-year basis, they also have a greater proportion of seasonal staff than do hotels, given that many resorts are open for business only part of the year.

³⁹ Part-time employee worked less than 30 hours per week, either year-round or on a seasonal basis.

Advertising Methods

Figure 3.2 indicates that resorts still⁴⁰ use brochures as the most popular means of advertising, followed by guide listings and newspapers. In fact, 97 per cent of the resorts surveyed in the panel had a brochure. Hotels use guide listings the most. Regardless which marketing strategy is employed, resorts advertise more extensively than hotels. More than three-quarters of resorts advertise over the Internet, compared to 55 per cent of hotels.

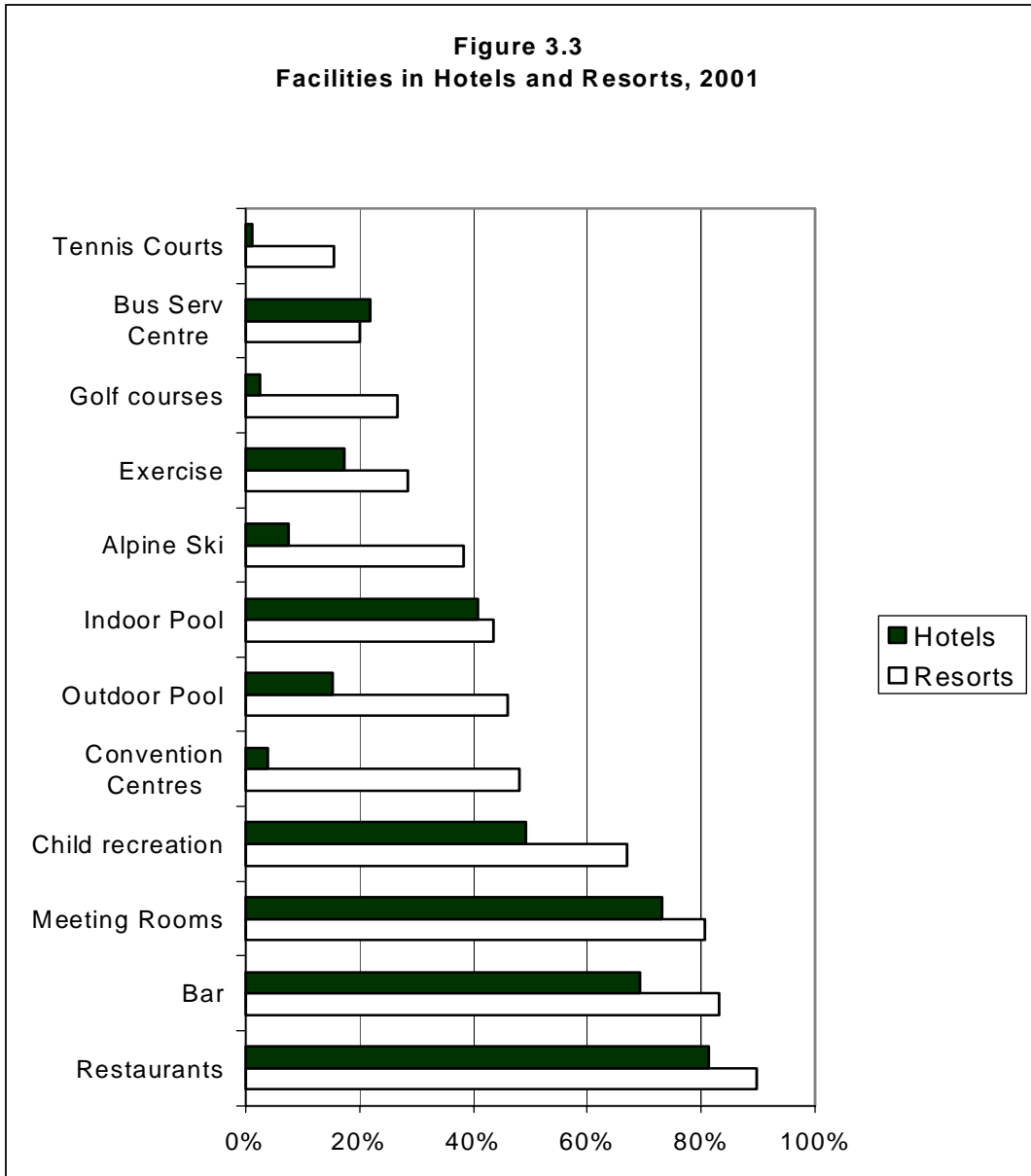


⁴⁰ Based on the surveyed panel in 2000, 93% of resorts used a brochure as the most popular method of advertising, followed by guide listings (88%) and newspapers (81%).

Resorts offer more facilities

Resorts, by their nature, not only offer more sport and recreational facilities than do hotels, but they also offer more restaurants, meeting facilities and convention centres (see Figure 3.3).

Differences existed in the facilities offered between luxury and upscale accommodations. For example, luxury resorts had proportionately more tennis courts and outdoor pools than did upscale resorts. Based on the panel of surveyed resorts, 64 per cent of the luxury resorts had tennis courts compared to about half (52%) of the upscale resorts. Similarly, 64 per cent of the luxury resorts had an outdoor pool compared to less than half (44%) of the upscale resorts.



On the other hand, luxury hotels tended to have more of each facility than do upscale hotels. In particular, business services centres were found in 58 per cent of the luxury hotels compared to 44 per cent in upscale hotels and 19 per cent in mid-scale hotels.

Meals are the most common item included in packaged vacations

The vast majority of resorts (81%) offered packaged vacations compared to just under one-third of hotels. Of all the establishments that offered packaged vacations, Table 3.6 shows that meals are by far the most common item included in a package. Indeed, over 90 per cent of the packaged vacations offered by resorts and hotels included meals.

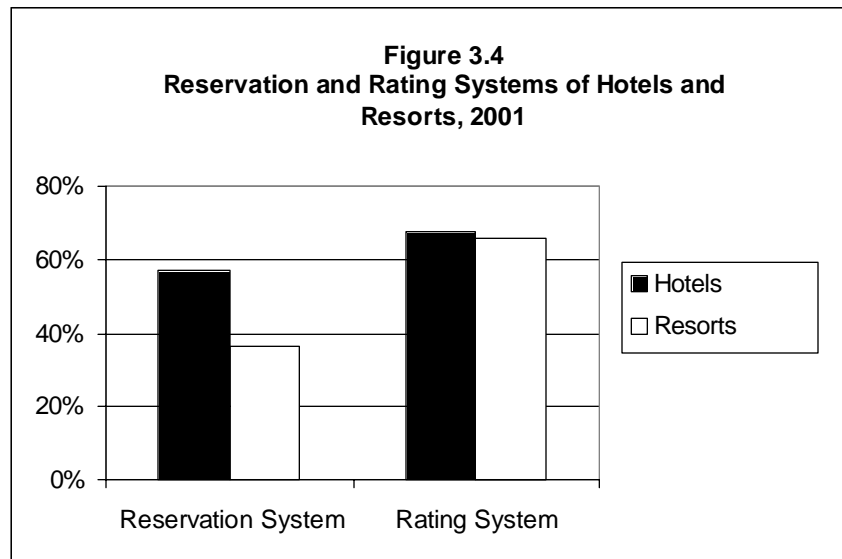
For resorts, guided tours were included in 44 per cent of the packaged vacations, while sports equipment followed as the next most popular item offered in packages, at 37 per cent.

Table 3.6
Hotels and Resorts Offering Packaged Vacations, 2001

	HOTELS	RESORTS
% establishments offering packaged vacations	32%	81%
Items included in the packaged vacations:		
Meals	93%	94%
Guided Tours	26%	44%
Sports Equipment	11%	37%
Entertainment	39%	35%
Attractions	43%	25%
Transportation	18%	24%

Perhaps not surprisingly, hotels placed a greater emphasis on including events and entertainment in their packages than did resorts, taking advantage of their predominantly urban locations and their proximity to a variety of attractions. After meals, attractions were included in 43 per cent of the hotels offering packages while entertainment followed at 39 per cent.

Rating systems were used almost equally between hotels and resorts. Two-thirds of hotels and resorts adapted to a rating system (Figure 3.4). Resorts, however, do not utilize reservation systems as extensively as hotels.



Summary

This article examined performance as well as revenue, cost, client base and employment distributions, and found distinguishing characteristics between hotels and resorts. Comparisons between hotels and resorts were made by market class: economy, mid-scale, upscale and luxury.

Of all the resorts, luxury resorts had the highest profits while of all the hotels, economy hotels had the highest profits. Resorts tend to be smaller in terms of room capacity than hotels and charge more for their rooms. They earn a greater portion of their revenue from meals and other services than do hotels; resorts also spend more of their revenues on labour than do hotels, and employ a greater share of their staff on a full-time basis.

Finally, both hotels and resorts found that their luxury and upscale accommodations were in more demand than their mid-scale counterparts. Luxury accommodations derived most of their business from foreign visitors, while Canadian travellers were the main clientele of economy and mid-scale accommodations.

Chapter 4: Profile of Campgrounds and Outfitters

This feature will profile two industries, campgrounds and outfitters, which have not been closely examined previously, yet make up about three-quarters of the “other accommodations” industry group. In 2001, campgrounds made up 44 per cent of the surveyed establishments in the other accommodations panel, while 30 per cent comprised hunting and fishing camps. The remaining establishments in the panel that belong to the other accommodations group include bed and breakfasts (NAICS 721191), cottages and cabins (NAICS 721192) and rooming and boarding houses (NAICS 721310).

The results from the survey panel in 2001 indicate the majority (65%) of campgrounds is located in a rural setting, followed by 15 per cent near a highway and 12 per cent in the outskirts of a town or city. Outfitters, on the other hand, were mostly found in remote locations which only had access by fly-in (62%). Another 31 per cent of these hunting and fishing camps were also found in rural settings, accessible by car or bus.

Upon examining the type of markets that campgrounds and outfitters cater to, some distinguishing characteristics between these industries should emerge. Cross-tabulations and/or graphics of occupancy rates, revenue and cost distributions, employment shares and client base will be presented.

Distinction between Campgrounds and Outfitters

The term “campgrounds” used in this report refers to RV Parks and Campgrounds as well as Recreational Vacation Camps. The RV Parks and Campgrounds (NAICS 721211) in the panel include establishments operating serviced or un-serviced sites to accommodate campers and their equipment⁴¹ as well as trailer parks, campgrounds, recreational vehicle parks, tourist camping park and tourist camps.

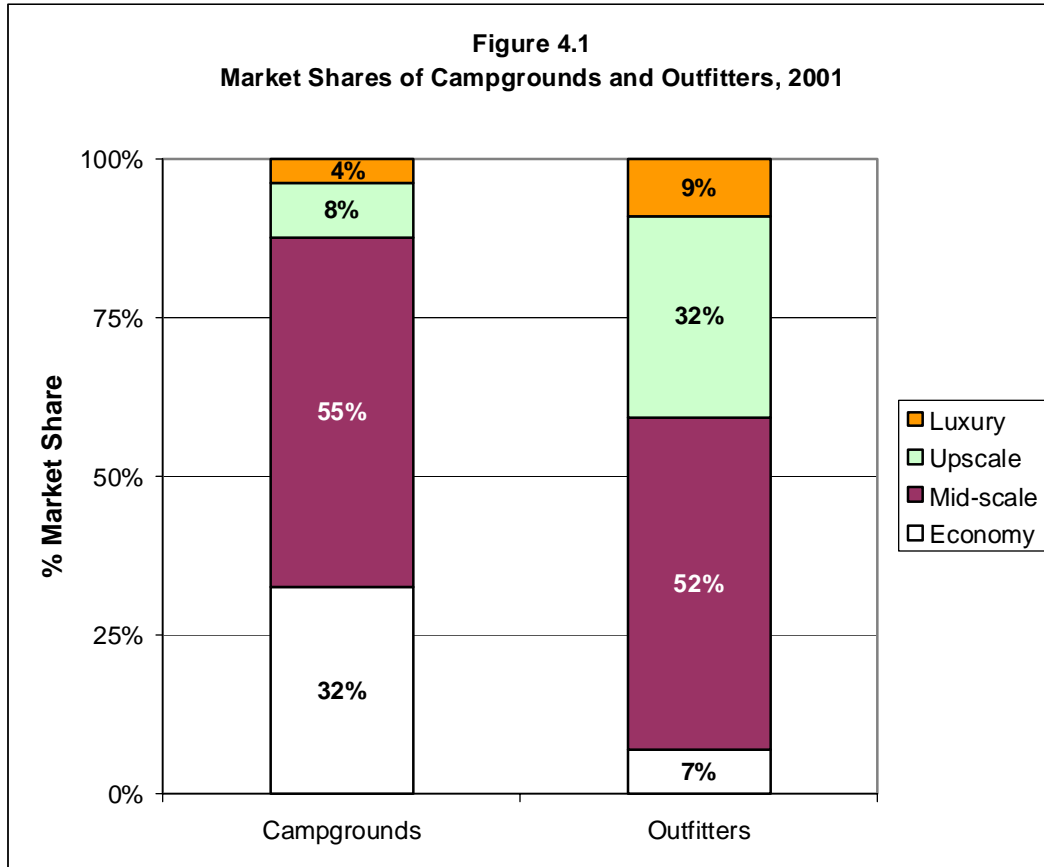
Campgrounds also include recreational and vacation camps (721213). These establishments operate overnight recreational camps, such as children’s camps, family vacation camps and outdoor adventure retreats that offer trail riding, white water rafting, hiking and similar activities. Cabins and fixed campsites and amenities such as food services, recreational facilities, equipment and organized recreational activities are usually found in these establishments. Federal, provincial and municipal campgrounds are excluded.

Outfitters (NAICS 721212) are establishments that operate hunting and fishing camps. A broad range of services is often provided such access to outpost camps or housekeeping cabins, meals and guides. They may also provide transportation to the facility as well as the sale of food, beverages, hunting and fishing supplies. Some examples of hunting found in Canada are game bird, black bear, deer, moose and caribou. Fishing experiences can include northern pike, lake trout, bass, brook trout, fly-fishing, to name a few.

⁴¹ Including tents, tent trailers, travel trailers and RVs (recreational vehicles).

Target markets

In 2001, over half of the campgrounds (55%) and outfitters (52%) in the survey panel classified themselves as mid-scale. Figure 4.1 indicates that more campgrounds catered to an economy market (32%) than did outfitters (7%). Conversely, outfitters tended to target upscale markets (32%).



Due to the low number of campground establishments that classified themselves as providing either “luxury” or “upscale” accommodations, the data related to these two categories will not be analyzed further. Similarly, too few outfitters were categorized as “economy” and, thus, their data will be suppressed and therefore not analyzed.

Average number of guest units is much larger for campgrounds than outfitters

As shown in Table 4.1, the average campground offered 174 overnight sites, while outfitters on average had 22 guest units.

Occupancy rates higher for outfitters than campgrounds

Table 4.1 also shows that outfitters had a higher occupancy rate (70%) than campgrounds (65%). Compare this with the lower occupancy rates of hotels (63%), as well as resorts (60%) and motels (57%).

Table 4.1
Overview of Campgrounds and Outfitters in the Survey Panel, 2001

CAMPGROUNDS	TOTAL	ECONOMY	MID-SCALE	UPSCALE	LUXURY
Average Number of Guest Units	174	163	184	...	...
Occupancy Rate	65%	63%	67%	...	...
OUTFITTERS	TOTAL	ECONOMY	MID-SCALE	UPSCALE	LUXURY
Average Number of Guest Units	22	...	23	27	25
Occupancy Rate	70%	...	68%	76%	69%

... Data suppressed, as there are too few establishments.

Packaged vacations are a major source of revenue for outfitters

Outfitters derived the majority of their revenues (77%) from packaged vacations as shown in Table 4.2. Indeed, upscale and luxury outfitters derived over 80 per cent of their revenues from vacation packages. Less than 10 per cent of the revenues earned from upscale and luxury outfitters came from the sale of guest units alone.

Table 4.2
Distribution of Revenue by Market Class, Campgrounds and Outfitters, 2001

CAMPGROUNDS	TOTAL	ECONOMY	MID-SCALE	UPSCALE	LUXURY
Guest Units	34%	32%	38%	...	...
Packaged Vacations	27%	36%	22%	...	...
Meals	3%	5%	3%	...	...
Alcohol	1%	2%	1%	...	...
Merchandise	9%	9%	15%	...	...
Services	4%	3%	7%	...	...
Other Revenue	22%	13%	15%	...	...
OUTFITTERS	TOTAL	ECONOMY	MID-SCALE	UPSCALE	LUXURY
Guest Units	9%	...	12%	4%	8%
Packaged Vacations	77%	...	66%	84%	81%
Meals	2%	...	2%	2%	2%
Alcohol	3%	...	3%	3%	3%
Merchandise	3%	...	4%	2%	2%
Services	1%	...	1%	2%	1%
Other Revenue	6%	...	6%	7%	5%

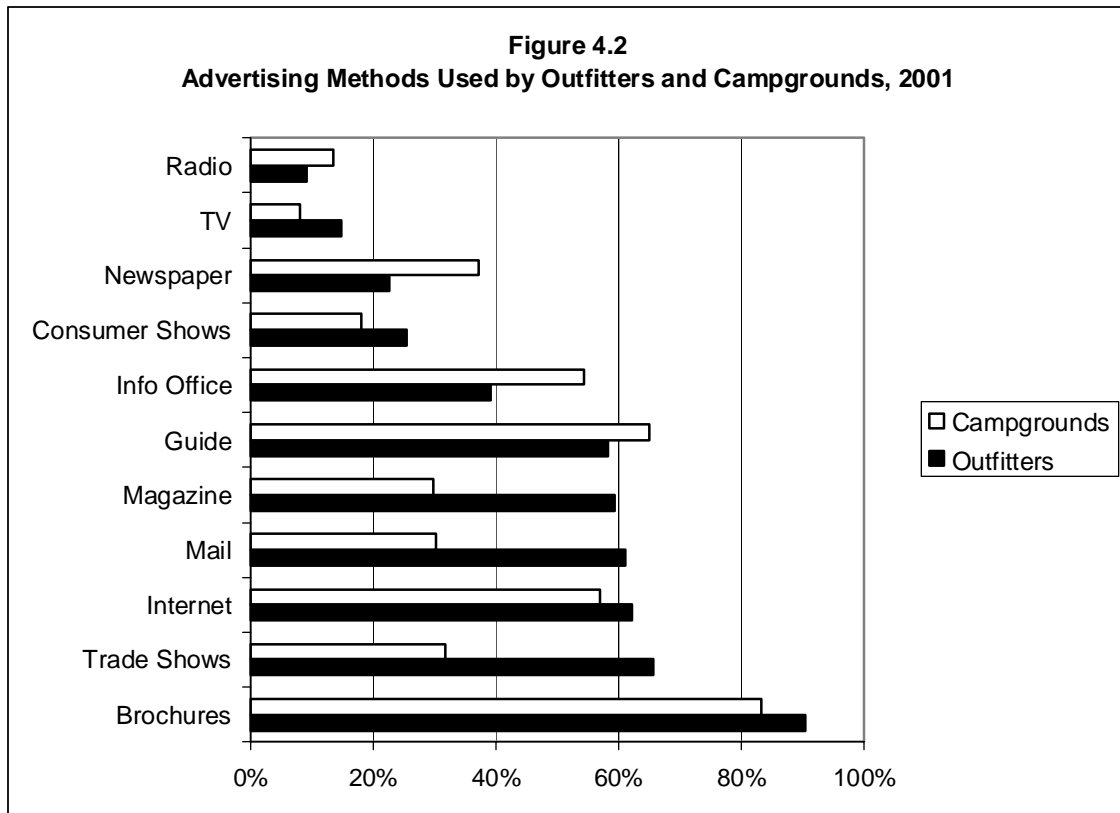
... Data suppressed, as there are too few establishments.

Unlike hunting and fishing camps, campgrounds derived more of their revenue from the sale of guest units than from packaged vacations. Table 4.2 shows that revenue from guest units accounted for 34 per cent of the revenues earned by campgrounds. Packaged vacations made up 27 per cent of the revenues earned by campgrounds in 2001.

Outfitters tend to advertise more than campgrounds

In 2001, the most popular tool for advertising for both campgrounds and outfitters was brochures. As shown in Figure 4.2, outfitters generally advertised more than campgrounds.

Trade shows were the second most common advertising method that outfitters used. In fact, trade shows were used almost twice as much by outfitters than by campgrounds.



Other marketing tools used more by outfitters than campgrounds were direct mail, magazine ads, consumer shows and television ads as well as the Internet. Campgrounds, on the other hand, made use of guide listings, information offices, news and radio more so than outfitters.

Campgrounds, as a group, had a higher profit margin on their cost of goods than did outfitters, which contributed to higher overall profits (Table 4.3).

Table 4.3
Selected Expenses by Market Class, Campgrounds and Outfitters, 2001

CAMPGROUNDS	TOTAL	ECONOMY	MID-SCALE	UPSCALE	LUXURY
Labour	31%	35%	33%	...	...
Cost of Goods	13%	16%	16%	...	...
Occupancy Costs	9%	11%	9%	...	...
Advertising	2%	2%	2%	...	...
Depreciation and Interest	5%	4%	5%	...	...
Other Expenses	26%	24%	24%	...	...
Profit	15%	9%	11%	...	...
OUTFITTERS	TOTAL	ECONOMY	MID-SCALE	UPSCALE	LUXURY
Labour	25%	...	23%	25%	28%
Cost of Goods	15%	...	18%	13%	14%
Occupancy Costs	6%	...	7%	5%	4%
Advertising	4%	...	4%	4%	4%
Depreciation and Interest	7%	...	7%	8%	6%
Other Expenses	34%	...	31%	37%	34%
Profit	9%	...	10%	9%	10%

... Data suppressed, as there are too few establishments.

Seasonal full-time employment dominates both campgrounds and outfitters

Given the seasonal nature of the business, both campgrounds and outfitters displayed similar employment shares (see Table 4.4). Close to 90 per cent of those working in campgrounds and outfitters were seasonally employed.

Full-time employment also accounted for the greatest share of employment found in both campgrounds and outfitters (see Table 4.4). In fact, whether one was employed seasonally or all year round, more workers in both campgrounds and outfitters were employed on a full-time basis than part-time.

Table 4.4
Employment Shares by Market Class, Campgrounds and Outfitters, 2001

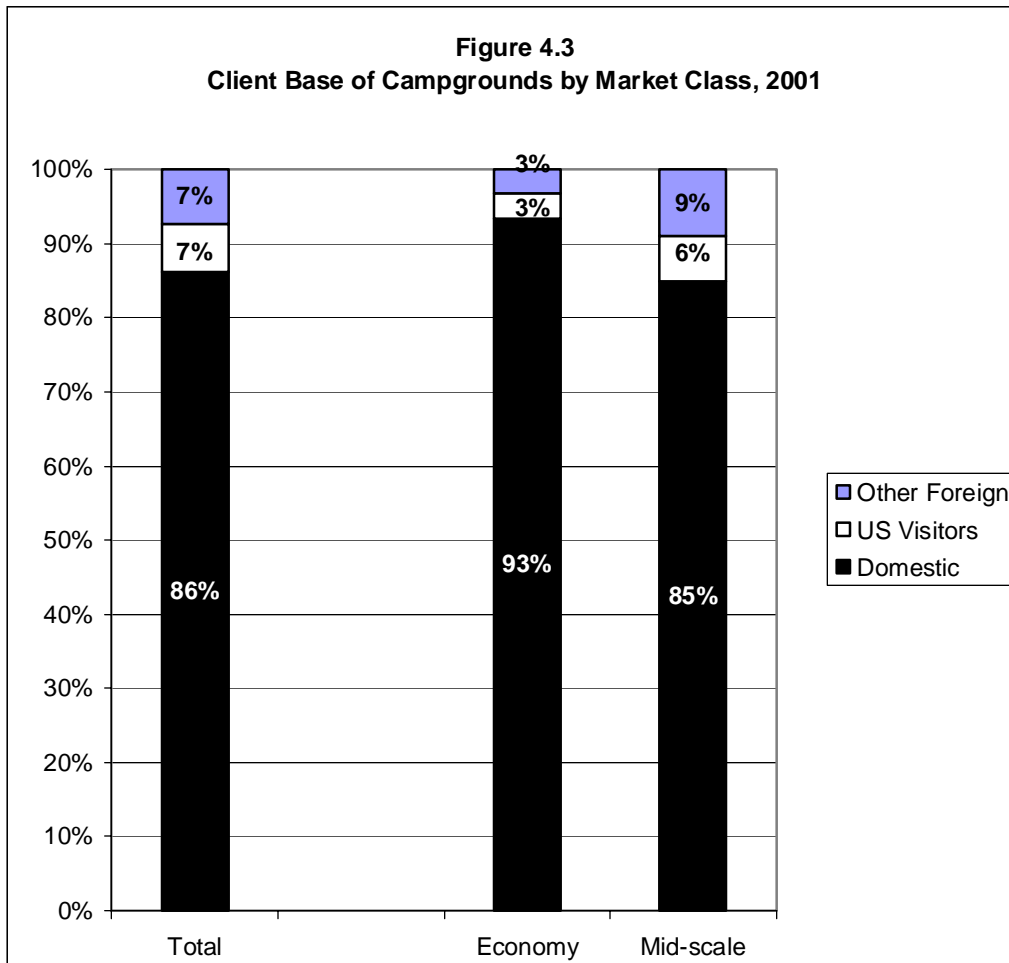
CAMPGROUNDS		TOTAL	ECONOMY	MID-SCALE	UPSCALE	LUXURY
Full Time Employment		80%	70%	88%	...	...
Part Time Employment		20%	30%	12%	...	...
Full Year Employment		13%	14%	11%	...	...
Full Time Full Year		9%	11%	9%	...	...
Part Time Full Year		4%	4%	2%	...	...
Seasonal Employment		87%	86%	89%	...	...
Full Time Seasonal		71%	59%	78%	...	...
Part Time Seasonal		16%	26%	11%	...	...
OUTFITTERS		TOTAL	ECONOMY	MID-SCALE	UPSCALE	LUXURY
Full Time Employment		88%	...	77%	94%	98%
Part Time Employment		12%	...	23%	6%	2%
Full Year Employment		12%	...	18%	9%	10%
Full Time Full Year		10%	...	14%	9%	9%
Part Time Full Year		2%	...	5%	1%	1%
Seasonal Employment		88%	...	82%	91%	90%
Full Time Seasonal		78%	...	63%	86%	89%
Part Time Seasonal		9%	...	19%	5%	2%

... Data suppressed, as there are too few establishments.

Campgrounds attracted the highest share of Canadian travellers

Of the various forms of accommodation surveyed, campgrounds derived the largest portion of their business from Canadian travellers. Figure 4.3 shows that 86 per cent of those staying at campgrounds were domestic residents.

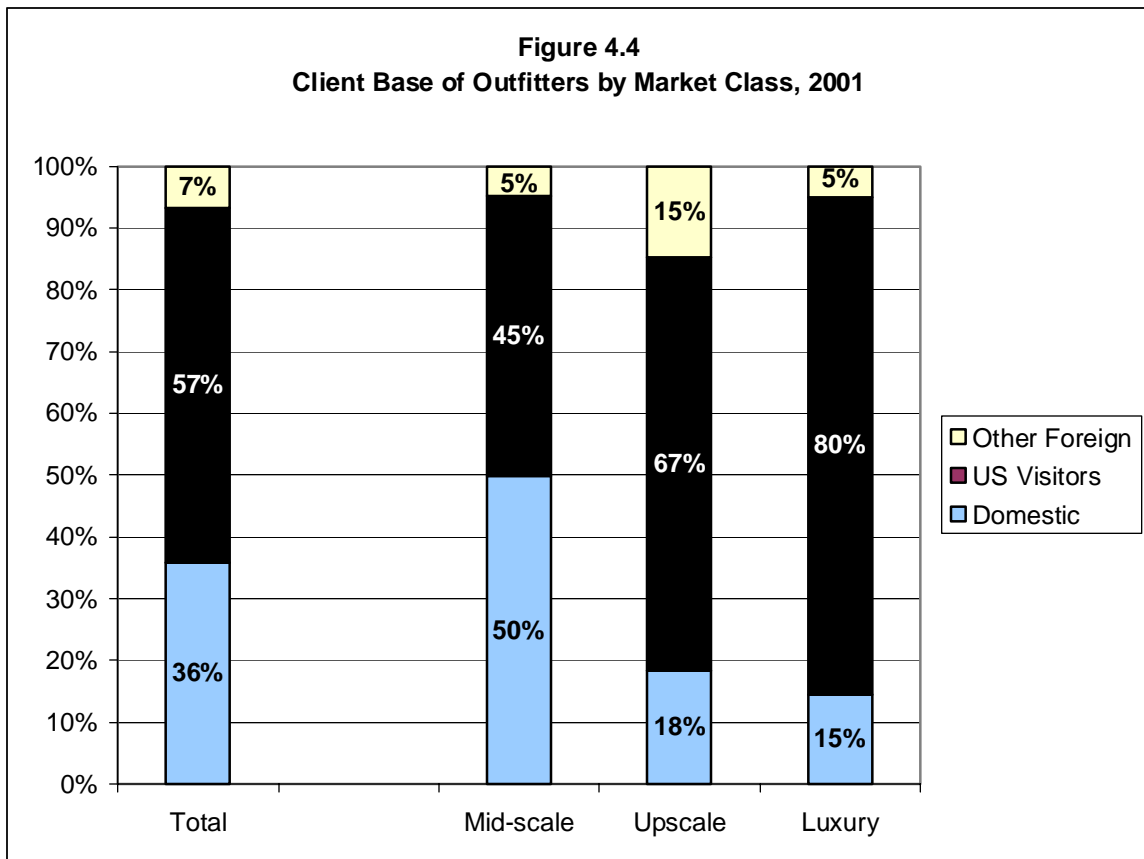
Motels followed as having the second highest share of domestic residents (85%), while hotels derived 75 per cent of their business from domestic travellers. Resorts derived 65 per cent of their business from Canadian residents, while 36 per cent of outfitters' clientele were domestic visitors.



Outfitters in Canada frequented by US residents

Overall, outfitters generated most of their business from foreign visitors. American visitors made up more than half of the guests (57%) staying in Canadian hunting and fishing camps. Luxury establishments had the greatest share of US visitors (80%) compared to the non-luxury outfitters (see Figure 4.4). The variety of game and freshwater fish, available in Canada's beautiful and unspoiled landscape, appeal to American tourists.

As with hotels and resorts⁴² (refer to Chapter 3, Table 3.4 of this Report), foreigners preferred luxury to non-luxury outfitters (see Figure 4.4). Of those staying in luxury hunting and fishing camps, 85 per cent were foreign visitors – most of which were American residents. In fact, 4 out of 5 visitors to Canada's luxury outfitters were from the United States.



⁴² Refer to Feature 2: Comparing the Performance of Hotels and Resorts.

Summary

Although over half of all the campgrounds and outfitters combined were self-categorized as mid-scale accommodations, 87 per cent of the campgrounds catered to an economy/mid-scale market while around 84 per cent of the outfitters were mid-scale/upscale. Only outfitters derived more revenue from packaged vacations than from guest units. As well, outfitters had higher occupancy rates than campgrounds. Of all the outfitters in the survey panel, the upscale outfitters had the highest share of packaged vacations, and the highest occupancy rate. Future analyses examining correlations between variables of interest, such as packages and occupancy rates, could provide further insight into the operations of these establishments.

Outfitters advertised more than did campgrounds, and spent a greater share of their revenues on advertising. The relationship between advertising intensity and profits could also be investigated in a future study. Overall, campgrounds realized greater profits than the outfitters. Outfitters were faced with higher cost of goods and lower returns from the sales of meals and merchandise than campgrounds. Moreover, outfitters were faced with higher depreciation, interest and other expenses than campgrounds.

Outfitters and campgrounds displayed similar employment patterns. A significant amount of those working in these establishments were employed on a seasonal basis. As well, a larger share of workers was employed full-time than part-time.

Americans made up the greatest number of those visiting Canada's hunting and fishing camps. As in the case of hotels and resorts, economy campgrounds generated most of their business from Canadian travellers while luxury hunting and fishing camps were mostly patronized by foreign visitors. Canada's pristine wilderness draws foreign travellers who want to experience world class hunting and fishing expeditions.

Appendix A: Tables

Overview of the panel of hotels, by size, 2001							
SIZE	SURVEY PANEL	AVERAGE NUMBER OF ROOMS	AVERAGE NUMBER OF EMPLOYEES	OCCUPANCY RATE	ADR	REVPAR	PROFIT
CANADA	920	137	93	62%	\$ 121	\$ 75	13%
Small	28%	26	26	49%	\$ 80	\$ 40	10%
Medium	50%	107	69	60%	\$ 93	\$ 56	14%
Large	22%	351	234	64%	\$ 142	\$ 91	13%

Distribution of revenue by type of service for hotels, by size, 2001							
SIZE	ROOMS	MEALS	ALCOHOL	MERCHANDISE	SERVICE	OTHER	AVERAGE REVENUES (\$000s)
CANADA	59%	20%	10%	1%	4%	6%	\$ 6,294
Small	30%	21%	34%	3%	3%	9%	\$ 1,220
Medium	58%	18%	13%	1%	4%	6%	\$ 3,783
Large	63%	20%	6%	0%	4%	6%	\$ 18,664

Selected expenses as a percentage of total revenue for hotels, by size, 2001								
SIZE	LABOUR	COST OF GOODS	OCCUPANCY COSTS	ADVERTISING	DEPRECIATION AND INTEREST	OTHER EXPENSES	PROFIT	AVERAGE EXPENSES (\$000s)
CANADA	32%	11%	13%	3%	5%	22%	13%	\$ 5,447
Small	27%	30%	8%	2%	4%	19%	10%	\$ 1,104
Medium	30%	14%	11%	3%	6%	22%	14%	\$ 3,237
Large	33%	9%	14%	3%	5%	22%	13%	\$ 16,177

Distribution of the accommodation revenue by type of client for hotels, by size, 2001							
SIZE	DOMESTIC	HOUSEHOLDS	BUSINESS	GOVERNMENT	FOREIGN	USA	OTHER FOREIGN ¹
CANADA	74%	29%	37%	8%	26%	14%	12%
Small	83%	47%	27%	9%	17%	16%	1%
Medium	83%	34%	39%	10%	17%	8%	8%
Large	70%	26%	37%	7%	30%	10%	20%

¹ Includes all non-US foreign visitors

Overview of the panel of motels, by size, 2001

PROVINCE	SURVEY PANEL	AVERAGE NUMBER OF ROOMS	AVERAGE NUMBER OF EMPLOYEES	OCCUPANCY RATE	ADR	REVPAR	PROFIT
CANADA	439	49	13	57%	\$ 68	\$ 39	23%
Small	57%	26	11	51%	\$ 53	\$ 27	19%
Medium	35%	70	14	59%	\$ 70	\$ 41	24%
Large	8%	126	16	62%	\$ 82	\$ 51	28%

Distribution of revenue by type of motels, by size, 2001

	ROOMS	MEALS	ALCOHOL	MERCHANDISE	SERVICE	OTHER	AVERAGE REVENUES (\$ 000s)
CANADA	77%	9%	4%	3%	1%	6%	\$ 909
Small	55%	17%	8%	11%	0%	9%	\$ 456
Medium	85%	7%	2%	0%	1%	5%	\$ 1,246
Large	89%	4%	2%	0%	1%	3%	\$ 2,638

Selected expenses as a percentage of total revenue for motels, by size, 2001

	LABOUR	COST OF GOODS	OCCUPANCY COSTS	ADVERTISING	DEPRECIATION AND INTEREST	OTHER EXPENSES	PROFIT	AVERAGE EXPENSES (\$ 000s)
CANADA	22%	8%	12%	1%	7%	26%	23%	\$ 697
Small	24%	19%	10%	1%	5%	23%	19%	\$ 370
Medium	22%	4%	12%	1%	8%	28%	24%	\$ 951
Large	19%	3%	15%	1%	8%	26%	28%	\$ 1,894

Distribution of the accommodation revenue by type of client for motels, by size, 2001

	DOMESTIC	HOUSEHOLDS	BUSINESS	GOVERNMENT	FOREIGN	USA	OTHER FOREIGN ¹
CANADA	85%	45%	33%	6%	15%	7%	8%
Small	85%	46%	34%	6%	15%	7%	7%
Medium	85%	46%	34%	6%	15%	6%	9%
Large	85%	42%	33%	10%	15%	7%	8%

¹ Includes all non-US foreign visitors

Overview of the Panel of other accommodations, by size, 2001					
SIZE	SURVEY PANEL	AVERAGE NUMBER OF GUEST UNITS	AVERAGE NUMBER OF EMPLOYEES	OCCUPANCY RATE	PROFIT
CANADA	652	94	21	66%	13%
Small	57%	17	14	62%	8%
Medium	28%	105	21	65%	13%
Large	15%	366	46	68%	21%

Distribution of revenue by type of service for other accommodations, by size, 2001								
SIZE	ROOMS	PACKAGED VACATIONS	MEALS	ALCOHOL	MERCHANDISE	SERVICE	OTHER	AVERAGE REVENUES (\$ 000s)
CANADA	29%	42%	5%	2%	6%	3%	13%	\$ 602
Small	18%	53%	4%	4%	8%	3%	10%	\$ 503
Medium	33%	46%	4%	1%	4%	2%	10%	\$ 549
Large	46%	18%	6%	0%	5%	4%	21%	\$ 1,078

Selected expenses as a percentage of total revenue for other accommodations, by size, 2001									
SIZE	LABOUR	COST OF GOODS	OCCUPANCY COSTS	ADVERTISING	DEPRECIATION AND INTEREST	OTHER EXPENSES	PROFIT	AVERAGE EXPENSES (\$ 000s)	
CANADA	28%	14%	9%	3%	6%	29%	13%	\$ 525	
Small	25%	16%	8%	3%	6%	34%	8%	\$ 463	
Medium	30%	13%	10%	2%	6%	25%	13%	\$ 476	
Large	30%	10%	10%	1%	5%	23%	21%	\$ 854	

Distribution of the accommodation revenue by type of client for other accommodations, by size, 2001							
SIZE	DOMESTIC	HOUSEHOLDS	BUSINESS	GOVERNMENT	FOREIGN	USA	OTHER FOREIGN ¹
CANADA	79%	67%	11%	1%	21%	12%	9%
Small	67%	59%	7%	1%	33%	24%	9%
Medium	77%	56%	20%	1%	23%	10%	13%
Large	88%	79%	8%	1%	12%	5%	7%

¹Includes non-US foreign visitors

Overview of the panel of hotels, by province, 2001

PROVINCE	NUMBER OF ESTABLISHMENTS IN SURVEY PANEL	TOTAL NUMBER OF ROOMS	AVERAGE NUMBER OF ROOMS	OCCUPANCY RATE	ADR	REVPAR	PROFIT
CANADA	920	126,075	137	62%	\$ 121	\$ 75	13%
NF	25	2,192	88	63%	\$ 93	\$ 58	18%
PE	17	1,334	78	47%	\$ 80	\$ 37	5%
NS	43	5,566	129	64%	\$ 104	\$ 67	14%
NB	33	3,237	98	59%	\$ 92	\$ 55	12%
QC	133	18,959	143	60%	\$ 132	\$ 79	14%
ON	223	39,901	179	64%	\$ 134	\$ 85	14%
MN	74	4,733	64	59%	\$ 79	\$ 47	10%
SK	70	6,222	89	60%	\$ 73	\$ 44	13%
AB	126	19,237	153	64%	\$ 113	\$ 73	20%
BC	152	23,217	153	61%	\$ 130	\$ 79	9%
YT	11	815	74	51%	\$ 52	\$ 27	-2%
NT	x	x	x	x	x	x	x
NN	x	x	x	x	x	x	x

Overview of the panel of motels, by province, 2001

PROVINCE	NUMBER OF ESTABLISHMENTS IN SURVEY PANEL	TOTAL NUMBER OF ROOMS	AVERAGE NUMBER OF ROOMS	OCCUPANCY RATE	ADR	REVPAR	PROFIT
CANADA	439	21,673	49	57%	\$ 68	\$ 39	23%
NF	11	504	46	45%	\$ 64	\$ 28	14%
PE	13	513	39	49%	\$ 48	\$ 24	24%
NS	37	1,509	41	56%	\$ 59	\$ 33	21%
NB	35	1,239	35	55%	\$ 63	\$ 34	22%
QC	69	4,465	65	57%	\$ 73	\$ 42	22%
ON	108	6,210	58	63%	\$ 76	\$ 47	29%
MN	13	615	47	55%	\$ 55	\$ 30	23%
SK	25	1,066	43	52%	\$ 58	\$ 30	16%
AB	45	2,537	56	62%	\$ 64	\$ 40	21%
BC	67	2,762	41	51%	\$ 61	\$ 31	19%
YT	x	x	x	x	x	x	x
NT	x	x	x	x	x	x	x
NN	x	x	x	x	x	x	x

x Confidential data

Canada totals include all provinces and territories

Overview of the panel of other accommodations, by province, 2001					
PROVINCE	NUMBER OF ESTABLISHMENTS IN SURVEY PANEL	TOTAL NUMBER OF GUEST UNITS	AVERAGE NUMBER OF ROOMS	OCCUPANCY RATE	PROFIT
CANADA	652	61,033	94	66%	13%
NF	46	877	19	58%	10%
PE	x	x	x	x	x
NS	41	3,688	90	50%	8%
NB	31	1,726	56	57%	-3%
QC	110	18,933	172	64%	8%
ON	144	15,798	110	77%	12%
MN	43	2,560	60	76%	9%
SK	59	2,777	47	66%	18%
AB	52	6,678	128	57%	11%
BC	80	5,324	67	71%	12%
YT	x	x	x	x	x
NT	x	x	x	x	x
NN	x	x	x	x	x

x Confidential data

Canada totals include all provinces and territories

Distribution of revenue by type of service for hotels, by province, 2001

	ROOMS	MEALS	ALCOHOL	MERCHANDISE	SERVICE	OTHER
CANADA	59%	20%	10%	1%	4%	6%
NF	62%	21%	7%	1%	2%	7%
PE	64%	24%	6%	1%	2%	4%
NS	67%	17%	5%	1%	4%	6%
NB	63%	25%	5%	0%	3%	3%
QC	61%	20%	7%	0%	4%	6%
ON	63%	19%	5%	1%	5%	7%
MN	34%	16%	38%	2%	2%	8%
SK	45%	22%	24%	1%	2%	6%
AB	56%	21%	12%	1%	4%	6%
BC	61%	19%	9%	1%	4%	6%
YT	36%	24%	14%	13%	2%	12%
NT	x	x	x	x	x	x
NN	x	x	x	x	x	x

Distribution of expenses as a share of revenue for hotels, by province, 2001

	LABOUR	COST OF GOODS	OCCUPANCY COSTS	ADVERTISING	DEPRECIATION AND INTEREST	OTHER EXPENSES	PROFIT
CANADA	32%	11%	13%	3%	5%	22%	13%
NF	35%	11%	8%	3%	5%	20%	18%
PE	37%	12%	16%	3%	5%	21%	5%
NS	32%	9%	12%	4%	6%	24%	14%
NB	33%	12%	12%	3%	5%	23%	12%
QC	34%	9%	10%	3%	6%	23%	14%
ON	31%	9%	14%	3%	5%	24%	14%
MN	25%	29%	11%	3%	3%	20%	10%
SK	29%	23%	11%	3%	4%	18%	13%
AB	29%	13%	10%	3%	6%	20%	20%
BC	36%	11%	15%	3%	6%	21%	9%
YT	30%	21%	8%	1%	10%	32%	-2%
NT	x	x	x	x	x	x	x
NN	x	x	x	x	x	x	x

x Confidential data

Canada totals include all provinces and territories

Distribution of revenue by type of service for motels, by province, 2001						
	ROOMS	MEALS	ALCOHOL	MERCHANDISE	SERVICE	OTHER
CANADA	77%	9%	4%	3%	1%	6%
NF	65%	18%	11%	2%	2%	2%
PE	78%	11%	7%	2%	0%	2%
NS	76%	16%	2%	1%	1%	3%
NB	69%	23%	2%	4%	1%	2%
QC	80%	7%	4%	1%	1%	7%
ON	83%	6%	1%	3%	1%	5%
MN	76%	4%	12%	1%	1%	7%
SK	61%	15%	5%	0%	1%	18%
AB	79%	9%	7%	0%	1%	4%
BC	77%	9%	2%	8%	2%	2%
YT	x	x	x	x	x	x
NT	x	x	x	x	x	x
NN	x	x	x	x	x	x

Distribution of expenses as a share of revenue for motels, by province, 2001							
	LABOUR	COST OF GOODS	OCCUPANCY COSTS	ADVERTISING	DEPRECIATION AND INTEREST	OTHER EXPENSES	PROFIT
CANADA	22%	8%	12%	1%	7%	26%	23%
NF	31%	15%	10%	2%	9%	18%	14%
PE	23%	8%	9%	2%	9%	25%	24%
NS	26%	9%	11%	1%	7%	24%	21%
NB	25%	14%	10%	1%	7%	21%	22%
QC	23%	6%	13%	1%	7%	28%	22%
ON	18%	5%	13%	1%	8%	27%	29%
MN	19%	10%	14%	0%	9%	24%	23%
SK	24%	8%	12%	1%	6%	33%	16%
AB	27%	7%	12%	2%	6%	25%	21%
BC	26%	12%	13%	2%	7%	23%	19%
YT	x	x	x	x	x	x	x
NT	x	x	x	x	x	x	x
NN	x	x	x	x	x	x	x

x Confidential data

Canada totals include all provinces and territories

Distribution of revenue by type of service for other accommodations, by province, 2001

	GUEST UNITS	PACKAGED VACATIONS	MEALS	ALCOHOL	MERCHANDISE	SERVICE	OTHER
CANADA	29%	42%	5%	2%	6%	3%	13%
NF	32%	51%	2%	1%	8%	0%	6%
PE	x	x	x	x	x	x	x
NS	59%	16%	10%	1%	5%	1%	8%
NB	38%	25%	13%	3%	6%	4%	11%
QC	35%	41%	4%	2%	3%	4%	11%
ON	28%	39%	3%	2%	10%	3%	15%
MN	18%	63%	1%	3%	3%	3%	9%
SK	15%	65%	2%	1%	5%	3%	9%
AB	48%	20%	17%	0%	5%	1%	9%
BC	26%	56%	4%	5%	3%	2%	4%
YT	x	x	x	x	x	x	x
NT	x	x	x	x	x	x	x
NN	x	x	x	x	x	x	x

Distribution of expenses as a share of revenue for other accommodations, by province, 2001

	LABOUR	COST OF GOODS	OCCUPANCY COSTS	ADVERTISING	DEPRECIATION AND INTEREST	OTHER EXPENSES	PROFIT
CANADA	28%	14%	9%	3%	6%	29%	13%
NF	30%	13%	11%	2%	7%	27%	10%
PE	x	x	x	x	x	x	x
NS	29%	11%	11%	4%	8%	30%	8%
NB	37%	15%	11%	3%	12%	24%	-3%
QC	33%	13%	10%	2%	6%	28%	8%
ON	26%	15%	9%	2%	6%	30%	12%
MN	23%	15%	7%	3%	7%	36%	9%
SK	28%	15%	7%	4%	6%	23%	18%
AB	32%	14%	8%	1%	7%	26%	11%
BC	27%	13%	9%	4%	6%	29%	12%
YT	x	x	x	x	x	x	x
NT	x	x	x	x	x	x	x
NN	x	x	x	x	x	x	x

x Confidential data

Canada totals include all provinces and territories

Distribution of the accommodation revenue by type of client for hotels, by province, 2001

	DOMESTIC	HOUSEHOLDS	BUSINESS	GOVERNMENT	FOREIGN	USA	OTHERFOREIGN¹
CANADA	74%	29%	37%	8%	26%	14%	12%
NF	95%	19%	57%	19%	5%	2%	3%
PE	81%	49%	23%	9%	19%	14%	4%
NS	88%	35%	41%	12%	12%	7%	5%
NB	92%	25%	50%	17%	8%	5%	3%
QC	69%	29%	34%	6%	31%	16%	15%
ON	75%	30%	38%	7%	25%	14%	11%
MN	95%	30%	51%	14%	5%	2%	3%
SK	96%	34%	50%	12%	4%	1%	3%
AB	71%	24%	42%	6%	29%	13%	16%
BC	63%	28%	29%	7%	37%	20%	16%
YT	38%	16%	16%	6%	62%	53%	9%
NT	x	x	x	x	x	x	x
NN	x	x	x	x	x	x	x

¹ Includes all non-US foreign visitors

x Confidential data

Canada totals include all provinces and territories

Distribution by type of employment for hotels, 2001 and 2000

CANADA		2001	2000
Full Time		70%	67%
Full Year		60%	59%
Part Year		10%	8%
Part Time		30%	33%
Full Year		23%	26%
Part Year		7%	7%

Distribution of the accommodation revenue by type of client for motels, by province, 2001

	DOMESTIC	HOUSEHOLDS	BUSINESS	GOVERNMENT	FOREIGN	USA	OTHER FOREIGN ¹
CANADA	85%	45%	33%	6%	15%	7%	8%
NF	95%	40%	39%	15%	5%	2%	3%
PE	82%	78%	3%	0%	18%	14%	5%
NS	84%	47%	31%	7%	16%	10%	6%
NB	91%	48%	37%	5%	9%	3%	6%
QC	89%	58%	27%	4%	11%	4%	7%
ON	79%	44%	30%	4%	21%	12%	9%
MN	93%	38%	44%	10%	7%	2%	5%
SK	94%	52%	31%	11%	6%	4%	2%
AB	79%	32%	42%	5%	21%	6%	15%
BC	88%	44%	35%	8%	12%	4%	8%
YT	x	x	x	x	x	x	x
NT	x	x	x	x	x	x	x
NN	x	x	x	x	x	x	x

¹ Includes all non-US foreign visitors

x Confidential data

Canada totals include all provinces and territories

Distribution by type of employment for motels, 2001 and 2000

CANADA		2001	2000
	Full Time	66%	66%
	Full Year	47%	47%
	Part Year	20%	19%
	Part Time	34%	34%
	Full Year	22%	22%
	Part Year	12%	12%

Distribution of the accommodation revenue by type of client for other accommodations, by province, 2001

	DOMESTIC	HOUSEHOLDS	BUSINESS	GOVERNMENT	FOREIGN	USA	OTHER FOREIGN ¹
CANADA	79%	67%	11%	1%	21%	12%	9%
NF	80%	71%	7%	2%	20%	17%	3%
PE	x	x	x	x	x	x	x
NS	64%	61%	3%	1%	36%	24%	12%
NB	67%	61%	5%	1%	33%	18%	15%
QC	85%	82%	2%	1%	15%	4%	11%
ON	82%	78%	4%	0%	18%	12%	5%
MN	59%	57%	2%	0%	41%	32%	8%
SK	92%	76%	13%	3%	8%	4%	4%
AB	86%	41%	45%	1%	14%	10%	4%
BC	66%	57%	7%	2%	34%	18%	16%
YT	x	x	x	x	x	x	x
NT	x	x	x	x	x	x	x
NN	x	x	x	x	x	x	x

¹ Includes non-US foreign visitors

x Confidential data

Canada totals include all provinces and territories

Distribution by type of employment for other accommodations, 2001 and 2000

CANADA		2001	2000
	Full Time	82%	84%
	Full Year	11%	12%
	Part Year	71%	72%
	Part Time	18%	16%
	Full Year	5%	5%
	Part Year	14%	11%

Appendix B: Concepts and Methods

Background

The annual survey of traveller accommodation, conducted by Statistics Canada for over four decades, has undergone a number of important changes in methodology. It started as a census survey for hotel businesses and eventually the remaining traveller accommodation industries were added to provide a census survey for all accommodation business establishments. In 1985, the survey unit was changed to the company level (i.e. legal entity) and a sample of the larger size segment of the business population by type of industry was introduced.

In 1992, to make the survey outputs more relevant and useful, a redesign of the survey was undertaken to convert it back to an establishment base. At the same time, the survey was expanded to collect new data elements including the number of guest-room units, average occupancy rates, business market locations and facilities. To complete the annual picture, the non-surveyed businesses continue to be measured using administrative sources of data.

In order to have a more effective survey instrument, two separate questionnaires were developed for the survey. The first is sent to the Hotel and Motor Hotel and to Motel establishments; the second is sent to the remaining six industries (see Appendix C). However, the questionnaires are conceptually similar and have been designed to allow for an aggregation of common data elements.

With the cooperation and support of Tourism Canada, and later the Canadian Tourism Commission, questions were added on reservation and rating systems, market classes, capital spending, type of employment, country origin of foreign clientele, packaged vacations and advertising practices. Additional questions on revenue from vacation packages, the cost of sales breakdowns and on monthly occupancy rates are asked for the first time with the 1996-97 survey.

Methodology

Commencing with the 1998 survey year, the methodology is no longer a cut-off sample of large establishments. Rather, the new methodology is a random sample stratified by type of industry, province, and establishment revenue size, designed to achieve a balanced representation of establishments from across accommodation services (NAICS 721). While larger establishments continue to be represented, smaller establishments are selected randomly. To contribute to industry total estimates, these sampled units are then multiplied by a sampling factor (i.e., “weighted up”) to represent all the smaller units in the stratum. For purposes of this report, however, all data are unweighted (each survey establishment represents only itself).

For national accounting purposes, the original sample is drawn to obtain a significant coverage of total revenue. Support from the Canadian Tourism Commission allows for additional questionnaires to be mailed to establishments beyond the number required for national accounting.

Appendix C: Sample and Coverage

The traveller accommodation survey covers establishments assigned to Major Group 721 – Accommodation Service Industries – of the North American Industry Classification System (NAICS), which contains the following twelve industries:

- **721111**⁴³: *Hotels* – These establishments provide suites or guest rooms within a multi-story or high rise structure, accessible from the interior only, and they generally offer guests a range of complementary services and amenities, such as food and beverage services, parking, laundry services, swimming pools and exercise rooms, and conference and convention facilities.
- **721112**⁴⁴: *Motor Hotels* – These establishments are designed to accommodate clients travelling by motor vehicle and provide short-stay suites or guest rooms within a low-rise structure, characterized by ample, convenient parking areas, interior access to rooms, and their location along major roads. Limited complementary services and amenities may also be provided.
- **721113**⁴⁵: *Resorts* – These establishments feature extensive indoor and/or outdoor leisure activities on the premises on a year-round basis. Resorts are designed to accommodate vacationers and provide full-service suites and guest rooms, typically in a non-urban setting next to lakes, rivers or mountains. Establishments of this type often provide access to conference facilities.
- **721120**⁴⁶: *Casino Hotels* – The casino operation includes table wagering games and may include other gambling activities, such as slot machines and sports betting. These establishments generally offer a range of services and amenities, such as food and beverage services, entertainment, valet parking, swimming pools, and conference and convention facilities.
- **721198**⁴⁷: *All Other Traveller Accommodations* – These establishments are not classified to any other industry and are primarily engaged in providing short-term lodging. Guest Houses, tourist homes and youth hostels are included in this category.
- **721114**⁴⁸: *Motels* – These establishments are designed to accommodate clients travelling by motor vehicle, and provide short-stay suites or guest rooms, within a one or two story structure, characterized by exterior access to rooms and ample parking areas adjacent to the room entrances. Limited complementary services and amenities may also be provided.
- **721192**⁴⁹: *Housekeeping Cottages and Cabins* – These establishments are designed to accommodate vacationers and may include access to private beaches and fishing.

⁴³ Formerly part of SIC 9111 under the Standard Industrial Classification System – Hotels and Motor Hotels.

⁴⁴ *Ibid.*

⁴⁵ *Ibid.*

⁴⁶ *Ibid.*

⁴⁷ Formerly part of SIC 9114 under the Standard Industrial Classification System – Guest Houses and Tourist Homes.

⁴⁸ Formerly SIC 9112 under the Standard Industrial Classification System – Motels.

⁴⁹ Formerly SIC 9113 under the Standard Industrial Classification System – Tourist Courts and Cabins.

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- **721191**⁵⁰: *Bed and Breakfast* – These establishments provide guest rooms in private homes or in small buildings converted for this use, and they often possess a unique or historic character. Bed and Breakfast homes are characterized by a highly personalized service, and the inclusion in the room rate, of a full breakfast, served by the owner or owner-supervised staff.
 - **721310**⁵¹: *Rooming and Boarding Houses* – These establishments provide temporary or longer-term accommodation, which for the period of occupancy, may serve as a principal residence. These establishments may also provide complementary services, such as housekeeping, meals and laundry services.
 - **721211**⁵²: *RV (Recreational Vehicle) Parks and Campgrounds* – These establishments are primarily engaged in operating serviced or unserviced sites to accommodate campers and their equipment, including tents, tent trailers, travel trailers and RVs (recreational vehicles). These establishments may provide access to facilities, such as washrooms, laundry rooms, recreation halls and facilities, and stores and snack bars.
 - **721212**⁵³: *Hunting and Fishing Camps* – These establishments provide a range of services, such as access to outpost camps or housekeeping cabins, meals and guides, and they may also provide transportation to the facility, and sale of food, beverages, and hunting and fishing supplies.
 - **721213**⁵⁴: *Recreational (except Hunting and Fishing) and Vacation Camps* – These establishments are primarily engaged in operating overnight recreational camps, such as children’s camps, family vacation camps, and outdoor adventure retreats that offer trail riding, white-water rafting, hiking and similar activities. These establishments provide accommodation facilities, such as cabins and fixed campsites, and other amenities, such as food services, recreational facilities and equipment, and organized recreational activities.

The target population consists of all statistical establishments classified as traveller accommodation services according to the North American Industrial Classification System (NAICS 721) during the reference year 2001. Data users who wish to learn more about NAICS, its underlying principles, and many of the other statistical concepts discussed in this brief summary, are referred to the Introduction section of the Statistics Canada publication “North American Industrial Classification System: Canada 1997” (catalogue number 12-501).

The objective of the Traveller Accommodation Survey is to provide estimates for the whole industry. The portion of the population eligible for sampling was defined as all statistical establishments with revenue above \$50,000. The main motivation for the exclusion of unincorporated firms and incorporated firms below \$50,000 from direct data collection was to achieve major reductions in the response burden. The excluded portion represents a substantial proportion of the whole industry in terms of number, but its contribution to the overall estimate is modest at under 10 per cent. Firms below the exclusion thresholds are still part of the universe, but their contribution is accounted for in the final estimates through the use of administrative records as proxy data. Only basic information can be obtained from this source, including: total revenue, expenses, depreciation, and wages, salaries and benefits.

⁵⁰ Formerly SIC 9114 under the Standard Industrial Classification System – Guest Houses and Tourist Homes.

⁵¹ Formerly SIC 9121 under the Standard Industrial Classification System – Lodging Houses and Residential Clubs.

⁵² Formerly SIC 9131 under the Standard Industrial Classification System – Camping Grounds and Travel Trailer Parks.

⁵³ Formerly SIC 9141 under the Standard Industrial Classification System – Outfitters (Hunting and Fishing Camps).

⁵⁴ Formerly SIC 9149 under the Standard Industrial Classification System – Other Recreation and Vacation Camps.

The frame is the list that identifies the firms classified to the industry in question. The frame is maintained by Statistics Canada's Business Register, using taxation account information (i.e. income tax, goods and services tax and payroll deductions records) submitted to Canada Customs and Revenue Agency. Provincial tourist accommodation guides and other directories, and internet newswire services are also used to ensure establishments are correctly identified prior to sample selection and survey mailout.

Table B
Response Rate by Industry, 2001

	2001		
	SURVEY SAMPLE SIZE	REPORT PANEL	PANEL RESPONSE RATE
Hotels	1,294	920	71.1%
Motels	718	439	61.1%
Other Accommodation	1,079	652	60.4%
Total Establishments	3,091	2,011	65.1%

N.B. Response rate equals questionnaires mailed back and accepted as complete divided by the total number of establishments sampled.

Appendix D: Glossary of Terms

Affiliation

Association with a brand name chain through the use of market operating name and management techniques and services, marketing practices, reservation system, quality standards and training, etc. A business may be operated as a franchise with an owner-manager or a franchise-manager.

Accommodation Revenue per Room

The annual accommodation revenue received divided by the total number of available rooms.

Average Daily Rate (ADR)

A calculation of accommodation revenue per day divided by the total number of rooms sold.

Central Reservation System

A guest booking system using a centralized computer or telephone answering system. This is usually found in establishments affiliated with a chain or franchise.

Depreciation

The proportion of the book value of tangible fixed assets that are charged to the current year for bookkeeping purposes. This would include any amortization of leasehold improvements.

Economy Accommodation

Basic accommodation provided with minimal or no facilities, amenities and guest services.

Establishment

A statistical concept used to denote the smallest business unit capable of providing a basic set of industrial statistics (e.g. a mine, store, factory, hotel, farm, airline).

Full-time, Full-year Employee

A regular employee who worked more than 30 hours per week for a full year as observed by the business.

Full-time, Seasonal Employee

A regular employee who worked more than 30 hours per week for only part of the year (seasonal) as observed by the business.

Gross Margin

A financial performance measure calculated by dividing the difference between total revenue and total operating expenses (gross profit/loss) by total revenue. Depreciation and interest expense on short-term loans are included. (Interest on long-term loans and mortgages are excluded as well as other non-operating expenses such as write-offs, valuation adjustments and capital losses).

Large Size Properties

Properties with 200 or more rooms (units) for hotels and motor hotels, and 100 or more rooms (units) for motels and other accommodation.

Luxury Accommodation

The highest standard of accommodation that offers an extensive range of facilities, amenities and guest services.

Meals & Alcoholic Beverages per Room

Total annual revenue received from meals and alcoholic beverages divided by the total number of available rooms.

Medium Size Properties

Properties with 50 to 199 rooms (units) for hotels and motor hotels, and 50 to 99 rooms (units) for motels and other accommodation.

Mid-scale Accommodation

Basic accommodation provided with some amenities, but limited facilities and guest services.

Occupancy Expenses

The total cost of rent or lease of land and buildings, heat, hydro, water, insurance, taxes, permits and licenses.

Occupancy Rate

The total number of units occupied divided by the total number of units available for a given reporting period, normally expressed as a percentage.

Operating Margin

A financial performance measure calculated by dividing the difference between operating revenue and operating expenses (operating profit/loss) by total operating revenue. Interest (both long-term and short-term) and depreciation are excluded from operating expenses.

Part-time, Full-year employee

One who is employed for less than 30 hours per week for a full-year as observed by the business.

Part-time, Seasonal employee

One who is employed for less than 30 hours per week for only part of the year (seasonal) as observed by the business.

Rating System

Quality rankings of accommodation, based on the range and the standard of its amenities, facilities and services using a star or other similar rating system.

Reference Year

For the 2001 Annual Survey of Traveller Accommodation, businesses are asked to report for the calendar year or for the most recently completed fiscal year ending no later than March 31, 2002.

Revenue per Available Room (REVPAR)

A calculation of accommodation revenue per day divided by the total number of available rooms. It is also calculated by multiplying the occupancy rate by the average daily room rate (ADR).

Salaries, Wages and Benefits

Include the commissions, bonuses, vacation pay, and employers' contributions to pension, medical, unemployment insurance and worker's compensation plans.

Salary Dollars per Room

The annual labour costs divided by the total number of available rooms.

Small Size Properties

Properties with up to 49 rooms (units) for all types of accommodation.

Total Revenue per Room

Total annual operating revenue received divided by total available rooms.

Upscale Accommodation

More comfortable and attractive accommodations provided along with a broad range of facilities, amenities and services.