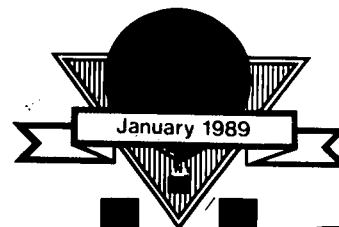


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Travel-log

"Lifestyles" - A New Dimension for Travel Data

BY MIKE SHERIDAN AND DAVID BRUSEGARD

Touriscope

In This Issue...

FEATURE ARTICLE

Young singles will be of interest to airlines according to "lifestyle segmentation" of travel data...

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Summer air fare costs in 1988 inexpensive compared to a year ago.

Interested in starting a tourism business or improving your potential travel market? The Canadian Travel Survey (CTS) combined with a "Lifestyles" model provides some valuable insights.

Travel, like other commodities in the marketplace, appeals to a diverse clientele. Central to competing for the tourism dollar is knowing more about consumers. The use of segmentation to define the consumer preferences and potential customers has become the key to successful tourism marketing.

How can we improve the usefulness of data from the CTS¹ in assessing, determining and perhaps even predicting differences in tourism behaviour and tourism product consumption? To answer this, a market

segmentation technique called "Lifestyles" was applied to the CTS results. "Lifestyle" variables combined with CTS data yield valuable information on travel behaviour, difficult to identify through the conventional analysis of the socio-demographic characteristics.

"Birds of a Feather Flock Together"

Cluster analysis or market segmentation assigns individuals, households, or neighbourhoods, with similar characteristics to groups. Although numerous segmentation techniques exist, they fall into two main categories: geodemographics or psychographics. Geodemographic segmentation determines not only the demographic characteristics of the population, but also the location of the individuals, thus



▶ Continued from page 1

permitting direct mailing and promotional activities. Psychographic techniques, on the other hand, ignore location and demographics and focus on different attitudes towards life, also important in selling a product.

Geodemographic segmentation tools, of the type selected for the CTS experiment, assume that people with similar economic and social characteristics tend to cluster in neighbourhoods. In short, neighbourhoods and their inhabitants may be classified into a finite number of categories. Key in the analytical process is assigning a lifestyle description to a particular neighbourhood.

Compusearch Market and Social Analysis Ltd. developed the geodemographic lifestyle system used with the CTS data. Neighbourhoods were delineated using Census of Canada enumeration area data profiles. Census enumeration areas typically comprise 200 to 250 households. As stated earlier, people within a neighbourhood likely possess similar socio-demographic characteristics, such as income, education, occupation, and age. If they share these characteristics, they may have closely related travel behaviour. The results of this study support the view that they do.

Traveller Lifestyle Groups

The Compusearch lifestyle segmentation system has 70 distinct segments or groups by which a neighbourhood could be characterized and assigned a lifestyle type. However, the CTS is a sample survey, and to produce statistically acceptable measures, 12 "roll-up" segments were used for this analysis (refer to list of definitions). Distribution of the CTS according to lifestyle groups is presented in Table 1.

Given the experimental nature of the undertaking, two limitations were imposed. The first was to restrict the study to one quarter of the year. Data from the summer quarter of 1986 (July, August, September) was selected. The second limitation was to include only the longest trip taken.

¹ The Canadian Travel Survey, conducted every second year, collects quarterly data on travel characteristics of Canadians.

Chart 1.
Lifestyle Segmentation Process

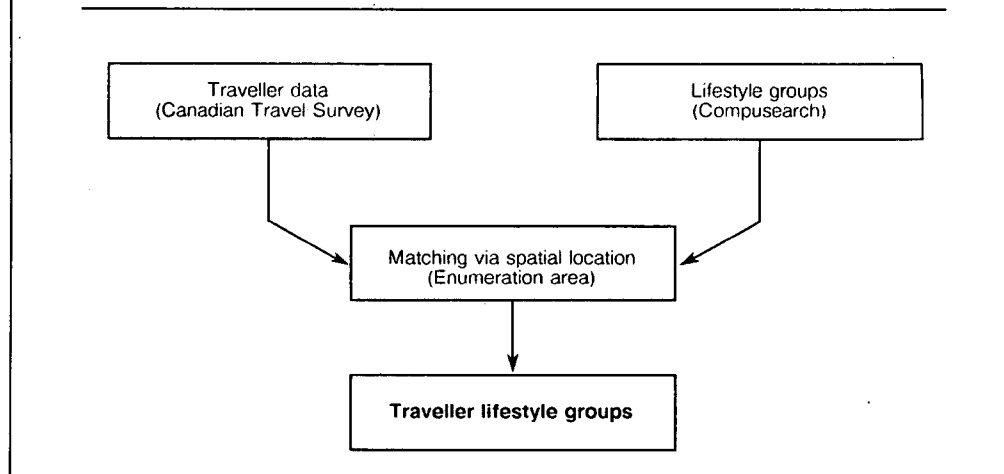


Table 1
Canadian Travel Survey Linkage to Major Lifestyle Groups

Lifestyle group	Weighted counts ¹	Lifestyle distribution
	000's	%
Total	19,659	100
Affluent/Upscale	1,927	10
Middle class	3,627	19
Working class	3,119	16
Lower class	1,309	7
Young singles	625	3
Young couples	520	3
Empty nesters	1,576	8
Old and retired	605	3
Ethnics	698	4
Upper-Middle-Rural	2,121	11
Lower-Working-Rural	2,778	14
Farmers	548	3
Unassigned ²	202	--

¹ Weighted to Canadian population age 15 years plus (excludes residents of Yukon and Northwest Territories).

² Approximately 1.5% of survey cases were not assigned a major lifestyle code.

Table 2
General Travel Patterns by Lifestyle Groups

Lifestyle group	Percent taking one or more trips during quarter	Average ¹ number of		
		Nights away on trip	Adults on trip	Children on trip
	%			
Affluent/Upscale	73	9.1	1.8	0.6
Middle class	59	7.4	1.9	0.6
Working class	56	7.3	1.7	0.4
Lower class	46	7.2	1.7	0.3
Young singles	68	10.2	1.4	0.2
Young couples	51	6.7	1.6	0.2
Empty nesters	58	8.2	1.8	0.4
Old and retired	55	11.1	1.5	0.2
Ethnics	33	12.2	1.8	0.4
Upper-Middle-Rural	64	7.4	1.8	0.6
Lower-Working-Rural	53	6.3	1.7	0.5
Farmers	65	5.9	1.9	0.7

¹ All averages refer to longest trip taken during the third quarter of 1986.

Continued from page 2

RESULTS

Results of the overview of the lifestyle variables present some definite travel habits emerging from social trends or class structures. Based upon the consumption pattern, real differences exist in travel habits (Table 2).

Ethnic Groups Stay Away the Longest

The Ethnic lifestyle group travelled the least, but they stayed away the longest: their summer trips lasted almost 2 weeks (Table 2) and were usually combined with travel overseas (Table 3).

In contrast, Farmers were away from home 6 nights, the lowest trip length for the lifestyle groups. This may be unique to the summer season.

The Affluent/Upscale group tends to travel more (73%) than anyone else (Table 2).

Affluent and Older Canadians Travel South of the Border

Clearly the major summer market is domestic, although travel habits vary considerably by lifestyle group (Table 3). Travel to the U.S. by the Affluent/Upscale group, and Older Canadians, would appear to be a loss for the domestic travel market. Similarly, the Ethnic group spends its travel money abroad.

Most interesting for domestic travel are the three rural lifestyle groups who tend to stay close to home. Their visits to our neighbours to the south and offshore represent a very small proportion of their summer travel.

The reason most Canadians travel is for pleasure, followed closely by visits to friends and relatives. Upon closer review, it would seem that the Affluent/Upscale, Middle Class and Young Singles are most likely to travel for pleasure (Table 4).

Young Singles - The Jet Setters

While the Canadian love affair with the automobile is evident among summer travellers, 32% of the Young Singles travel by plane. The other obvious air travellers include the Ethnic group, Affluent/Upscale group and Older Canadians. Again the three rural groups are a small market.

Table 3
Summer Trip¹ Participation by Major Destination

Lifestyle group	Within Canada	United States	All other destinations
	%	%	%
Affluent/Upscale	74	21	6
Middle class	85	13	2
Working class	84	13	3
Lower class	79	17	4
Young singles	79	14	7
Young couples	84	13	3
Empty nesters	84	13	3
Old and retired	75	21	4
Ethnics	61	17	16
Upper-Middle-Rural	91	8	1
Lower-Working-Rural	90	9	1
Farmers	90	9	1

¹ Applies to the longest trip taken during the third quarter of 1986.

Table 4
Summer Trip Participation by Purpose

Lifestyle group	Visiting ¹	Pleasure	Personal	Business ²
	%	%	%	%
Affluent/Upscale	26	63	4	8
Middle class	32	60	3	5
Working class	33	56	6	6
Lower class	38	50	6	5
Young singles	29	59	5	7
Young couples	39	52	6	3
Empty nesters	31	59	3	7
Old and retired	28	57	2	13
Ethnics	40	54	3	4
Upper-Middle-Rural	32	54	8	6
Lower-Working-Rural	37	51	8	5
Farmers	36	50	7	8

¹ Includes friends or relatives.

² Includes trips to Conventions.

Table 5
Summer Trip Participation by Mode

Lifestyle group	Automobile	Air	Bus, Rail or Boat
	%	%	%
Affluent/Upscale	77	19	4
Middle class	83	13	4
Working class	82	13	6
Lower class	75	14	11
Young singles	52	32	17
Young couples	77	15	8
Empty nesters	75	16	9
Old and retired	60	24	16
Ethnics	67	27	6
Upper-Middle-Rural	86	8	6
Lower-Working-Rural	87	6	7
Farmers	88	7	5

Continued from page 3

Affluent are Big Spenders

Affluent/Upscale travellers, the wealthiest lifestyle group, spend the most (Chart 2).

A potential use of the lifestyle expenditure data is to forecast possible spending on trips. Using average trip expenditures and factoring the possible number of trips, the dollar potential from any particular group can be derived.

Travel Participation Highest Among Affluent/Upscale

The Affluent/Upscale group takes more trips relative to its size than any other lifestyle group, according to the trip intensity index. Young Singles, Upper Middle-Class Rurals and Farmers also showed a higher than average tendency to travel.

A complexity of the lifestyle data is that each of these groups represents different population sizes. It can be confusing to compare one group to another without controlling for size. To determine the relative frequency of travel, a trip intensity index was constructed.

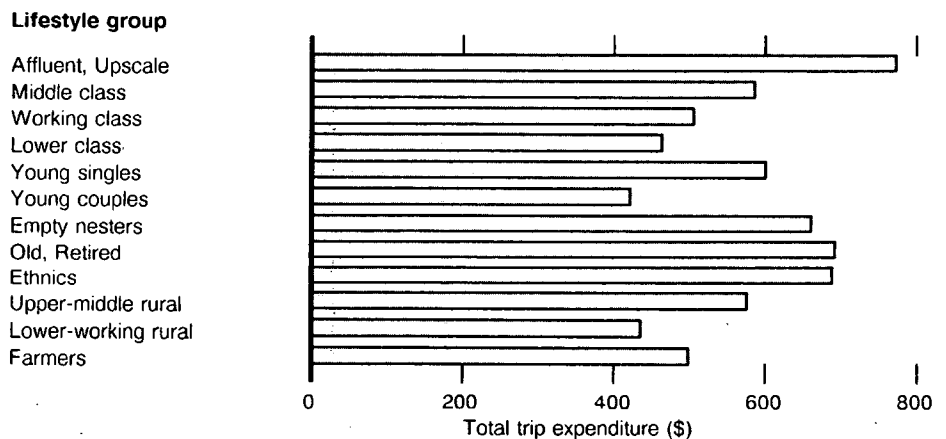
The trip intensity index is based on the proportion of trips as a function of the proportion of the Canadian households the lifestyle group represents. An index score of 100 means that the lifestyle group takes the same portion of trips as its proportion of the population. For example, a lifestyle group that represents 12% of the households and accounts for 12% of the trips would have an intensity index of 100.

In Summary

Since travel behaviour and preferences exist among population segments, it is possible to match facilities, prices, and tourism products to types of travellers and use this information for targeted marketing.

For instance, an entrepreneur interested in setting up a fishing resort in Northern Ontario would want to identify prospective resort visitors interested in fishing/hunting and other outdoor pursuits. The lifestyle traveller groups along with data from the CTS on fishing/hunting participation distinguish the likely customers. As well, the location of these potential customers is readily available to carry out mail or media promotion.

Chart 2
Trip Expenditures by Lifestyle Group



Source: Canadian Travel Survey, special tabulations.

Table 6
The Rate of Summer Trip Taking

Lifestyle group	Trip intensity index
Affluent/Upscale	126
Middle class	103
Working class	97
Lower class	79
Young singles	119
Young couples	87
Empty nesters	101
Old and retired	96
Ethnics	56
Upper-Middle-Rural	111
Lower-Working-Rural	91
Farmers	114

Another possibility in looking at travel is to segment non-travellers by socio-economic characteristics. The characteristics and travel propensities of non-travellers can be determined, thus providing an opportunity to assess untapped demand. During the summer of 1986, 42% of respondents reported taking no trips at all.

The prospects of opening new dimensions for travel data are at our doorstep. Negotiations are presently underway between Statistics Canada and Compusearch to add the lifestyle segmentation system to the Canadian Travel Survey.

Mike Sheridan is a Senior Project Manager with the Household Surveys Division. The CTS-Lifestyle Study was conducted jointly by Mike Sheridan of Statistics Canada and David Brusegard, Compusearch Market and Social Analysis Ltd., Toronto.

LIFESTYLE DEFINITIONS

- 1) **Affluent/Upscale** The first group is the combination of the wealthiest of all of the lifestyle groups (the average income in these groups is \$97,300) and those upscale households where the incomes are well above the national average. The upscale average income is \$60,000. Individuals in this group are typically professionals and senior managers.
- 2) **Middle and Upper-middle Class** This broad classification defines those households usually composed of a traditional husband and wife where the income is just slightly above the national average. They often have two or more children and often live in a suburban, single detached house.
- 3) **Working Class** This group is generally found in blue collar jobs and live in rented multiple dwellings. Their annual earnings average between \$32,000 and \$38,100.
- 4) **Lower Class** This group is distinguished by their relatively low annual household income which ranges from \$15,000 to \$25,000. This group has a higher than average unemployment rate. The education level is usually grade 9 or less.
- 5) **Young Singles** This group includes individuals under the age of 35 who tend to live on their own. This is a highly mobile group who for the most part are renters. Their incomes are slightly higher than the national average of individual personal incomes.
- 6) **Young Couples** Includes households where the residents are younger than 35, usually recently married. The household contain few children and tend to occupy rental accommodations. They are a very mobile group with 70% moving one or more times in the last 5 years. The average household income is \$31,000.
- 7) **Empty Nesters** These households are made up of people over the age of 55 whose children have grown up and have gone off on their own. The average household income for this group ranges between \$39,300 and \$55,100.
- 8) **Old and Retired** The key characteristics of these neighbourhoods is the predominance of individuals over the age of 60 years. The average incomes in this group vary significantly from a low of \$12,800 to a high of \$39,300.
- 9) **Ethnic** Ethnic households are identified as being in those neighbourhoods with very high concentration of the population whose mother tongue is neither of Canada's two official languages. In many cases, these people are immigrants to Canada or are "second generation Canadians". Their average household income is \$34,800.
- 10) **Upper Middle Class Rural** This group makes up one-third of the population of Canada's small towns and rural areas. It is basically composed of the affluent, upscale and middle class lifestyle living in a rural setting. This lifestyle group has an average income of \$40,000 per household. The group usually has the equivalent of high school or community college education and work in white collar positions.
- 11) **Lower Working Class Rural** This group makes up over half of the households of the villages and towns that dot Canada's countryside. Many of these are large households, often with five or more members. The education level for this group on the whole is lower than the Canadian average. The average household income of \$23,800 is derived primarily from blue collar occupations.
- 12) **Farmers** This lifestyle group is comprised mainly of households whose primary source of income is from agricultural activities. Household incomes for this group vary from \$24,000 to \$59,000.



Travel-log

Editor's Note...

The Spring edition will feature employment trends in the tourism industry. Other articles will deal with Pacific Rim travellers to Canada, flight activity at Canadian airports and results of the busiest domestic travel period, summer quarter 1988.

Editor: L. McDougall, 613-951-9169

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The Changing Fashions Of Travel to the Caribbean

By Laurie McDougall

The ads are everywhere this time of year, tempting Canadians out of hibernation to the sun drenched beaches of the Caribbean. The Caribbean Islands and Latin America account for over half of the winter travel outside the country (excluding the U.S.).

Last winter (1988), 587,000 Canadians packed their suntan lotion and bathing suits and left the snow and cold behind. This represented a 4% growth compared to 1987, but an expansion of 71% from 1980 (Table 7).

Canadian vacations in the Caribbean and Latin America were shorter in 1988, supporting the trend that perhaps the mini-vacation is gaining ground. During the first quarter of 1988 they stayed a total of 6.5 million nights, down from 6.7 recorded in 1987.

Canadian sun seekers travel south primarily during the months of January to March. In 1987, over half of the Caribbean traffic occurred during this time. The spring (April-June) and fall (October-December) seasons accounted for 16% and 20% respectively. Not surprisingly the summer months are not a busy period, except for the island of Bermuda, which receives 41% of its Canadian visitors during this time.

Table 7
Canadian Outbound Winter Travel to Selected Locations, 1980-1988

Winter ¹ Quarter	All Non-US Destinations	Sun Destinations		
	Total	Total	Caribbean Islands	Latin America ²
000's of visits				
1980	625	342	238	104
1981	566	306	223	83
1982	549	271	204	67
1983	580	302	176	126
1984	718	402	187	215
1985	838	467	289	178
1986	902	468	260	208
1987	1,007	567	271	296
1988	1,102	587	291	296

¹ Includes travel during the months of January, February and March.

² Latin America includes Mexico, Central and South America.

Source: International Travel Survey, special tabulations.

Table 8
Top Ten Winter¹ Caribbean and Latin America Sun Spots

Then... 1980	and	Now... 1988
Mexico		Mexico
Barbados		South America
Bahamas		Jamaica
Jamaica		Cuba
Cuba		Bahamas
Puerto Rico		Barbados
South America		Bermuda
Bermuda		Central America
Central America		Puerto Rico

¹ Includes travel during the months of January, February and March.

Source: International Travel Survey, special tabulations.



Continued from page 6

Traditional Island Destinations Losing Ground

New Caribbean destinations are being explored by an increasing number of Canadians. This is reflected in a decrease in travel to some of the traditional islands, such as Bahamas and Barbados, throughout the 80's (Chart 3). These two islands, which were ranked as the second and third most popular winter retreats in 1980, fell to fifth and sixth place in 1988 (Table 8).

Nonetheless, some of the traditional islands, particularly Jamaica, witnessed an increase in tourist traffic in 1988. From January to March, 41,000 Canadians visited Jamaica, the second highest level throughout the 80's.

Travel to Bermuda during the first quarter was the highest it has ever been in the 80's.

Mexico Most Popular Destination

Mexico, the most frequently visited destination among the Caribbean Islands and Latin America, has more than doubled its number of winter tourists since 1980. Over the same period, travel to South America has increased more than seven fold (Chart 3). However, in the first quarter of 1988, South America experienced a downturn in Canadian traffic: 49% decline from 1987.

Conclusion

Winter destination choices may shift slightly this year as travellers react to the reported aftermath of Hurricane Gilbert. Although most tourism

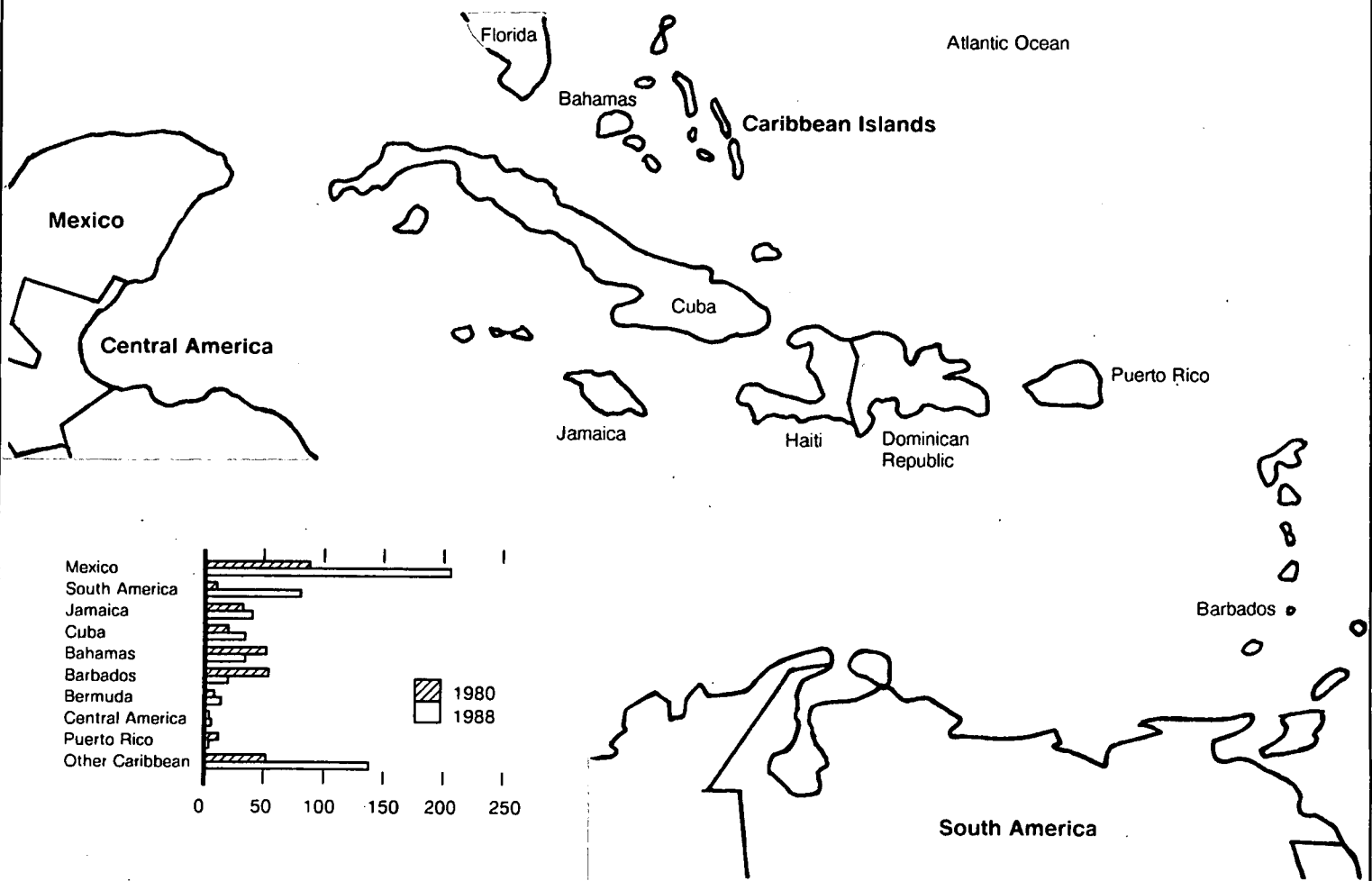
operators claim it's business as usual, sun seekers may select locations that were not touched by this tropical storm. According to the Canadian Tourism Research Institute's Travel Intentions Survey, taken last June, 45% of Canadians were expecting to take a vacation between October, 1988 and April, 1989. The majority (62%) were planning to vacation in the U.S., while 23% intended to visit the Caribbean.

Data Sources:

International Travel Survey, special tabulations; Canadian Tourism Research Institute, Conference Board of Canada.

Laurie McDougall is a Senior Analyst with the Education, Culture and Tourism Division

Chart 3
Canadian Winter Travel to the Caribbean and Latin America, 1980 and 1986





Italian Visitors to Canada Exceeds 100,000 in 1987

By John Pachereva

Italy is now one of the "top five" countries that provides over 100,000 offshore visitors to Canada. The 29% increase of Italians travelling to Canada in 1987 established a new annual record for this market.

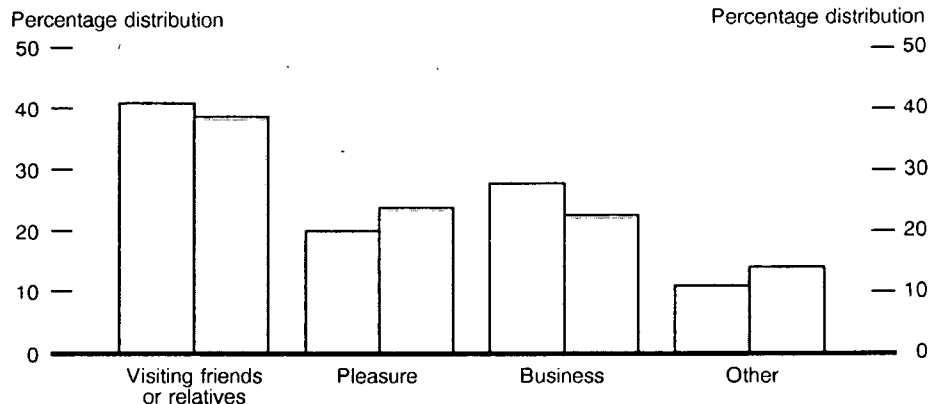
When Italians arrive in Canada, they are likely to be greeted by friends or family. Approximately 4 out of 10 said this was their main reason for visiting Canada, an increase of 12% over 1986. Given Ontario's strong ties with Italy (63% of Canadians of Italian descent reside there), over half of the Canadian Italian travel market visits this province. In fact, of those that visit friends or relatives in Canada, 60% go to Ontario. The province of Quebec, which is the home of 20% of Italian Canadians, attracts 27% of Italian visitors. British Columbia, which accounts for 9% of the Italians in Canada, is chosen by 11% as a destination.

Results in 1987 showed a dramatic increase in the number of Italians who visited Canada for purely pleasure or holiday reasons. This segment increased 41% over 1986 to the second most important reason why Italians come to Canada. Its percentage share has risen from 20% in 1986 to 24% in 1987 (Chart 4). Business travellers, previously the second largest segment of the Italian market, accounted for 23%, down from 27% in 1986. Despite this decline, the Italian business travel market to Canada remains substantially higher than the European average of 14%.

Spending by Italians on travel in Canada has skyrocketed. Spending in

Chart 4

Italian Visitors to Canada by Purpose, 1986 and 1987



Source: *Touriscope: International Travel, 1987, Catalogue 66-201.*

1987 was \$44.9 million, up 28% over 1986 and slightly ahead of the European increase of 25%. Compared to 1980, the results are even more dramatic. While European spending in Canada has grown by 68% over this time frame, Italian spending in Canada has increased by 120%.

Italian business travellers have the highest spending, \$867 per visit or \$112 per night. Conversely, spending by those visiting friends or relatives was \$506 or \$28 per night, while those coming to Canada for a holiday left behind on average \$457 per visit or \$62 per night.

The strength of the Italian lira in the past two years vis-à-vis both the Canadian and American dollar has encouraged a shift in increased travel to North America. In 1980, one Canadian dollar was worth 731 lire. As the lira continued to lose value to the Canadian dollar, this figure reached 1,393 lire in 1985, its highest value of the decade thus far. In 1987, one Canadian dollar was worth 978 lire.

Liberalization of Italian exchange controls in 1985 could have been a contributing factor to the sharper than average climb of outbound travel and spending. In 1987, the Italian government raised the allowance for foreign currency that could be carried abroad to \$2,100 (Canadian) per traveller. This is in addition to the cost of tickets bought in Italy.

In 1987, the Italian economy was booming. Its gross national product

(GNP) increased by 3% and inflation was down to 4%. Italy's prosperity was undoubtedly reflected in the number of Italians visiting other countries.

Canada ranked second behind the United States as the most popular potential long-haul destination according to a 1983 market probe study of the Italian market by Tourism Canada. Of the respondents who were queried, 57% identified the United States as a potential destination while 20% stated Canada as a possible location they would like to visit.

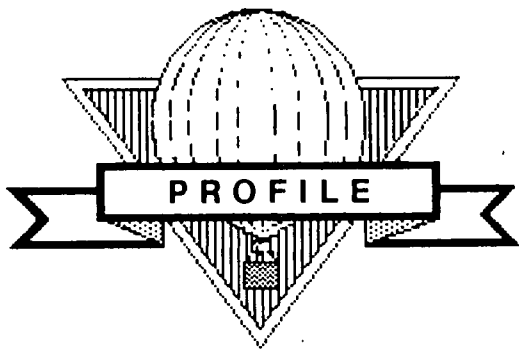
When asked what was the main appeal of Canada as a holiday destination, 33% of Italians identified Canada's outstanding scenery as the appeal for a future trip. It will be interesting to confirm the above perceptions with an Italian market study conducted during 1988 by Tourism Canada. Results are expected in mid-1989.

Preliminary reports from Statistics Canada's International Travel Survey for the first three quarters of 1988 show that Italian visitors to Canada are slightly ahead of the record pace set last year.

Data Sources:

Touriscope, International Travel, 1987, Catalogue No. 66-201 and special tabulations; Market Probe Studies, Vol. 1, Tourism Canada, 1984; Census of Canada, 1986.

John Pachereva is an Analyst with the Education, Culture and Tourism Division.



The Ski Industry

By Laurie McDougall

Skiers, they're an easy breed to identify. Even on the coldest days, they head off to their favourite slope, with skis strapped to the roof of the car. They often frequent hotels and chalets for the weekend or for a week-long ski vacation. After a hard day on the slopes, they enjoy après-ski at a restaurant or a nightclub. It is not surprising that the tourism industry pays close attention to this market.

Ski Ownership on the Rise

While some Canadians prefer sand to snow, thousands don their ski equipment during the winter season and head off to the trails. In 1987, over one-third (3.4 million) of Canadian households owned either downhill or cross-country skis. This represented the largest proportion of ownership over the surveyed years. Over the 1980 to 1987 period, ski ownership has expanded by almost 1 million households.

Cross-country skis remained in the lead with 27% of households owning at least one pair, up from 25% in 1985. The growing popularity in telemarking and skate skiing may be in part responsible for this trend. Downhill ski ownership leveled off over the 1982 to 1985 period. However, in 1987 ownership increased to 19% of households, a record high over the surveyed period.

The last recreation participation survey (1981 Canada Fitness Survey¹) revealed that 11% of the population took to the downhill slopes and 18% had waxed up their cross-country skis at least once during the season. Compared to a previous survey in 1976, the downhill skier population had increased 69%, while the number of cross-country skiers had jumped 142%.

¹ Results of the 1988 Canada Fitness Survey are expected to be published this year.

Albertan Households Lead Skiing Spending

In 1986, approximately 9% of households reported skiing expenses in the family budget, compared to 8% in 1982. They spent on average \$138 per family. Albertans reported ski related spending most frequently (16% of households), followed closely by British Columbians (13%).

Affluent households showed the greatest tendency to spend part of their income on skiing. In 1986, 22% of those earning more than \$60,000 had skiing expenses. This upper income group also had the highest average spending (\$223 per household). Those families with incomes greater than \$40,000 also had higher than average representation. Skiers are also concentrated in the younger age groups. Approximately 11% of households headed by someone aged 25-34 had ski related spending. In contrast, only 5% of households headed by 55-64 year olds reported skiing expenses.

Have Skis Will Travel

Since many ski resorts are in northern locations, or located outside major urban centres, much of the skiing population has to travel at least an hour from home. Throughout the months of January to March of 1986, Canadians reported skiing on close to 2 million overnight trips². That represented 13% of domestic winter travel. The downhill enthusiasts represented two-thirds of the travelling skiers. Skiers typically head out on a weekend: 8 out of 10 trips. Most drive to their destination which is usually within a four hour radius.

Canada has been increasing imports of ski equipment. In 1987 over 700,000 pairs of skis were imported, 6% above 1986 levels. In comparison to 1980 levels, there were three times as many imports of skis. The greatest surge in ski imports occurred between 1983 and 1984, when 60% additional skis came into Canada. Imports of ski boots mirror this pattern.

To the over 200 ski facilities operators alone, skiing is big business. In 1985, ski resorts in Canada reported revenues of \$158 million, an increase of 15% from 1984. Approximately 40% of the skiing facilities in Canada, with revenues exceeding \$250,000, earned more than 90% of the income generated.

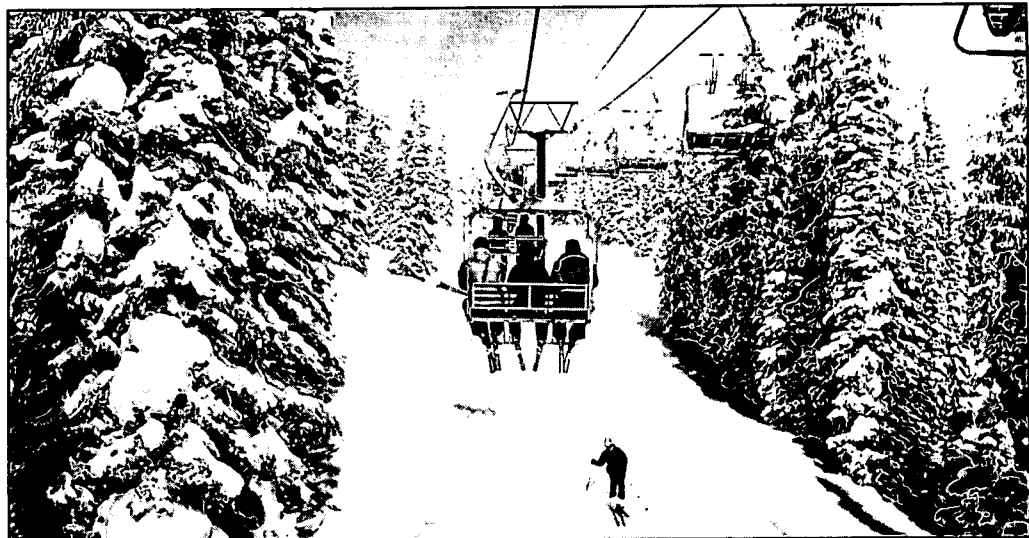
In order to increase their competitiveness, many downhill ski resorts have invested substantial resources in snow making equipment, increasing lift capacity, improving base lodges, accommodation and associated recreation amenities.

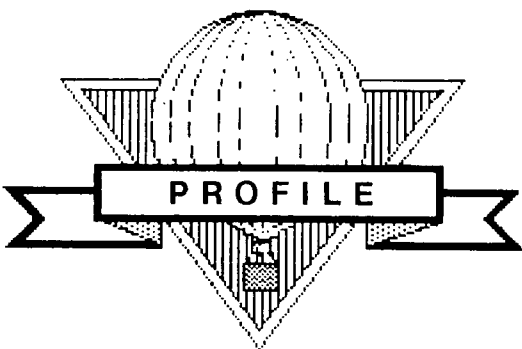
The continuation of increased market share in the ski industry business will be challenging in the years to come. The flattening population growth, particularly among the younger age groups, coupled with competition from other leisure activities, has increased competition within the ski industry.

Data Sources:

Family Expenditure Survey, 1982 and 1986, Catalogue No. 62-555 and special tabulations; Tourism in Canada, A Statistical Digest, 1984 and 1988 Editions, Catalogue No. 87-401; Selected Service Industries in Canada, Catalogue No. 63-231; Canadian Travel Survey, special tabulations.

² Defined as travel to a destination 80 km or more from respondent's home.





To Seasonally Adjust or Not to Seasonally Adjust

"Why complicate life for Tourism Analysts?"

By Lise Beaulieu-Caron

There is no doubt tourism is a seasonal business. Data that demonstrate the effects of winter, summer, school vacations, national celebrations or other regularly recurring phenomena on tourism are critical to any tourism analyst.

In fact, seasonal factors are so intrinsic to tourism that the first thought of "seasonally adjusted data" for tourism may seem almost bizarre. However, those same factors which so markedly and regularly affect the ebbs and flows of tourism throughout the year, can also obscure any early indication of the longer term trends affecting the industry.

Industry planners, investors and marketers need early information not only on the seasonal cycles of tourism but also on its longer term trends in order to make effective decisions in tourism's increasingly competitive world markets.

Statistics Canada has recently adopted a methodology for seasonally adjusting the data on the volume of international travel between Canada and other countries. This indicator, the "seasonally adjusted flows", gives a much more accurate assessment of the underlying movements in tourism activities than had earlier indicators utilized by industry.

In order to get a sense of the longer term trends, past practice has been to compare the activities of the current month to the same one a year earlier: e.g. July to July, or December to December.

This has two weaknesses. Not only do you have to wait a full year before any underlying trends begin to become apparent, but also this comparison can be very misleading if the preceding year's "month" was not a typical month, or that season was not a typical season. For example, the Olympic celebrations in Calgary last February led to much higher volumes of international visitors to Canada for the '88 winter season. To compare the 1989 winter data with that for 1988 would no doubt be misleading.

The seasonally adjusted data also takes into account the variation that can occur in the composition of the months themselves. For example, one less Sunday in a month (and one more Wednesday, say) can account for as

much as a 5% difference in a year-over-year comparison of actual monthly data.

Over the past year, the number of foreign travellers to Canada has been following a downward trend according to seasonally adjusted data. This contrasts with a record number of Canadians travelling outside the country (Chart 5).

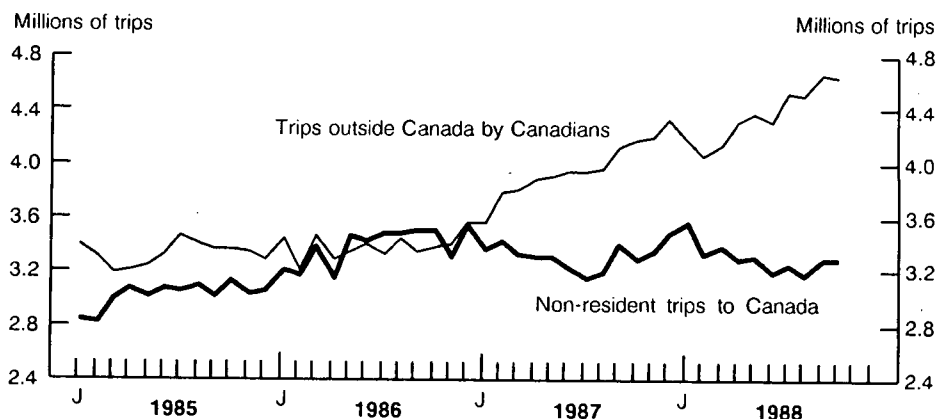
Data Sources:

Seasonally adjusted travel flows, disaggregated by province/territory, are available from the International Travel Section, Education Culture and Tourism Division.

Lise Beaulieu-Caron is a Senior Analyst with the Education, Culture and Tourism Division.

Chart 5

Seasonally Adjusted Monthly International Travel Flows, 1985 to 1988



Source: International Travel Survey, special tabulations.





Edmonton – "Canada's Gateway to the North"

By John Pachereva

Edmonton has grown from a Western boom town to a thriving metropolis of over 700,000 people. In this northerly city, tourists can sample the days of the wild west during Klondike days, sleep in a truck at the Fantasy Land Hotel or ride the waves inside the world's largest indoor mall.

In 1986, Canadians took approximately 3.5 million trips to Edmonton's Census Metropolitan Area. Over 2 million of these trips lasted at least one night. Albertans, not surprisingly, are Edmonton's largest tourist market – accounting for almost three quarters of the overnight trips to Edmonton.

The majority (87%) of Albertans hailed from a 500 km radius. Those living within 150-300 km, which include Calgarians, accounted for over half of the visitors. Residents of neighbouring British Columbia and Saskatchewan provided 10% and 9% respectively to the Edmonton travel flows.

Visiting friends or relatives is a popular reason for travel to Edmonton, accounting for almost 4 out of 10 visitors in 1986. Business drew 27% of travel to the Alberta capital. Pleasure travel was identified by 24% of travellers to Edmonton.

Homes of friends and relatives provided lodging for 57% of the tourist nights spent in this northern Albertan metropolis, while hotels and motels accounted for 33% of the nights.

Over half of Edmonton-bound visitors travel on the weekend. Albertans accounted for almost 9 out of 10 weekend trips. On the other hand, two-thirds of out-of-province visitors travelled during the week or in combination with a weekend.

With no less than 25 shopping malls, including the West Edmonton Mall which spans 48 city blocks (or 115 football fields), it is not surprising that shopping was an activity on over one million trips in 1986. This represented over half of overnight trips to Edmonton that year. In comparison, shopping was an activity on only 30% of all domestic trips in 1986.

The summer quarter is the favourite time for non-Albertans to visit Edmonton: 37% of non-Albertans trips occurred during the third quarter. In contrast, the wintertime is the peak season for Albertan travellers. Approximately 55% of Edmonton-bound Albertans travelled during the first and fourth quarters.

International Visitors

Edmonton is not only a holiday destination for Canadians but also attracts American and Overseas visitors. In 1987, over 63,000 American and Overseas residents touched down at Edmonton International Airport, a modest increase from 60,000 arrivals noted in 1986.

International visitors may also travel to Edmonton via the five regular and one seasonal border crossings between Alberta and the State of

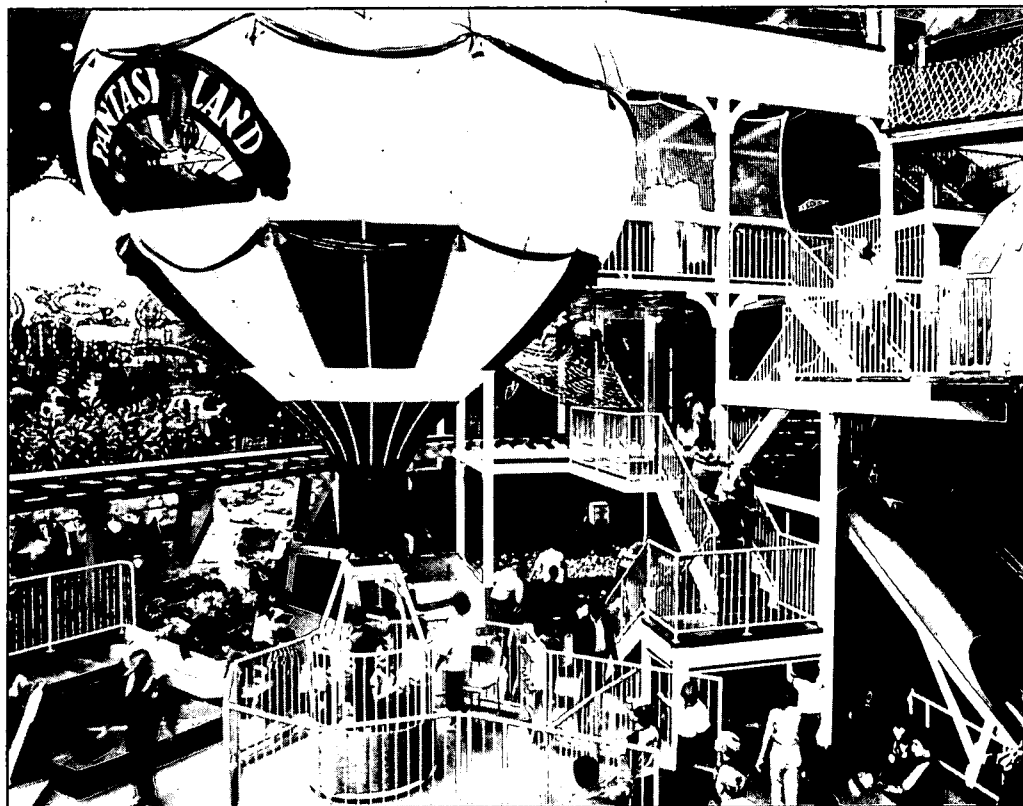
Montana. In 1987, 200,000 Americans and 11,000 Offshore residents crossed the Montana and Alberta border compared to 193,000 Americans and 9,000 Overseas residents in 1986. Some visitors could also travel to British Columbia first and travel through the Rockies to Edmonton.

Edmonton no doubt benefited from the worldwide coverage of the XV Olympic Winter Games in Calgary, in 1988. Some 1.5 billion Olympic viewers worldwide were exposed to scenic Calgary and the picturesque province of Alberta. Travel Alberta ran a series of television commercials in selected U.S. and Canadian cities during the ABC telecasts of the Olympics.

Preliminary figures for the first three quarters of 1988 show arrivals at Edmonton International Airport are up 6% for American and Overseas visitors. Also, traffic across the six border crossings are up 13% to 218,800 land arrivals of both American and Offshore nations.

Data Sources:

Canadian Travel Survey, special tabulations;
International Travel Survey, special tabulations;
Census of Canada, 1986.





Who's Keeping Up With The Jones?

By Laurie McDougall

It is no wonder marketers are starting to focus their efforts on the "gray market" or recently coined "grampies (growing-retired-active-monied-people-in-an-excellent-state)". Older couples were the only family group who saw their incomes grow over 1980-1985 (Table 8).

For Canadian families as a whole, average income (adjusted for inflation) was estimated at \$37,827 in 1985, down slightly (1%) from 1980. However, now that families are smaller, income per family member actually increased 2% to \$12,022 in 1985.

Where one lives in Canada also has a bearing on how well one keeps up with the Jones... Ontarians fared the best in 1985 (\$41,692), in contrast to their fourth position in 1980. Albertans (\$40,740) maintained second place in 1985, followed by Yukon residents (\$40,259).

Working wives helped maintain their families' income. Married couples in which the wife works, pulled in \$46,221, neither a gain nor a loss compared to income levels of 1980. Furthermore, the number of such families increased by nearly 12% between 1981 and 1986 - twice the growth rate of total number of families.

These income trends point to some interesting possibilities for the tourism industry. The older population segment is already an attractive market to the tourism industry because they have more time on their hands for travel. With more money in their pocket, their likelihood to take a holiday is much greater. Since there are more working wives, families have more income, but time is an important factor.

Table 8
Number and Average Income in Constant (1985) Dollars by Type of Family, 1980 and 1985

	Number of families			Average family income		
	1980	1985	% change	1980	1985	% change
	000's		%	000's		%
Total families	6,325	6,734	7	38,276	37,827	-1
Working wives	3,101	3,465	12	46,187	46,221	0
Elderly ¹	704	804	14	27,388	28,921	6

¹ Refers to husband and wife families where the husband is 65 years of age and over.
Source: Census of Canada; Statistics Canada Daily, Catalogue No. 11-001.



Women in the Tourist Industry

By Liz Sayer,

Sayer and Associates

"Equal pay for work of equal value," a phrase that rings in the ears of many employers. Organizations are now required to examine their workers' compensation to ensure equal income earnings between men and women. For workplaces that hire predominately females, this issue is problematic. The Ontario Pay Equity Commission hired researchers to analyse those sectors of the economy where women were known to, or believed to, predominate.

Sayer and Associates conducted a study of the Tourism Industry to establish what parts of the industry employed more women than men, and to describe the nature of the work and compensation packages in such areas.

As Tourism is such a broad area, Statistics Canada was consulted regarding what industries should be included in the study. Also, associations were contacted regarding their views of women's participation in the industry.

Women are becoming more prevalent among Canada's workplace. According to the Census of Canada, 50% more women than men entered the labour force between 1971 and 1986. Their presence is particularly noticeable in the Tourism industry¹, where they hold 58% of the jobs compared to 43% overall. Women made the biggest gains in the Air Transport industry, occupying 34% of the jobs versus 26% in 1971. However, women still hold the majority of jobs in accommodation and food service industries. Toronto is the exception to this trend, where waiters and waitresses have almost equal representation.

From this global approach, general trends were found that indicated which industries required a more in-depth study. Further interviews were conducted with employers, employees and unions in these industries. The report is now with the Commission to assist them in future planning.

¹ Refer to Chapter 7, "The Tourism Labour Force", in *Tourism in Canada, 1988*, Catalogue No. 87-401.





Travel Price Index, Third Quarter 1988

By Jocelyn Lapierre

Third quarter 1988 travel prices recorded a second consecutive increase since the beginning of the year. The Travel Price Index (TPI) indicates that the cost of travel in Canada rose 1.8% over the second quarter of 1988.

Much of the rise in the third quarter TPI was the result of an 8% increase in accommodation prices, combined with a 3% growth in the costs for inter-city transportation. Food prices averaged a 2% growth over the second quarter, while the costs for admission to entertainment and car operation rose less than 1%.

In comparison, the cost of all consumer goods and services as a whole, as measured by the Consumer Price Index, reached 144.8, 1% above the second quarter of 1988.

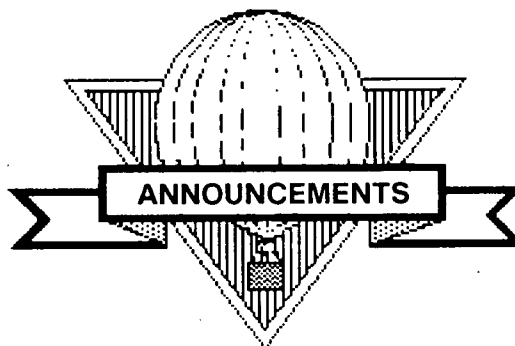
Compared to a year earlier however, the increase in the TPI was much lower at 1%, compared to a 4% growth in the CPI. The small increase in the year-to-year variation of the TPI was mainly due to offsetting movements in its components. In 1988, travellers paid 21% less for inter-city transportation, particularly air fares. On the other hand, higher charges in admission to entertainment (7%), traveller accommodation (5%), food (3%) and operation of automotive vehicles (2%) offset the impact of lower inter-city transportation costs.

Jocelyn Lapierre is a Senior Analyst with Education, Culture and Tourism Division.

Table 9
Travel Price Index and Components
(Not Seasonally Adjusted, 1981 = 100)

TPI components	Third quarter 1988	Per cent change	
		Previous quarter	Previous year
Inter-city transportation	169.2	2.5	-21.0
Operation of automotive vehicles	143.8	0.1	1.8
Traveller accommodation	167.5	7.6	5.0
Food - total	137.6	1.8	3.4
Admission to entertainment	166.1	0.6	7.4
Consumer price index	144.8	1.1	4.0
Travel price index	150.1	1.8	0.6

Source: Consumer Price Index, 1988, Catalogue no. 62-001.



Domestic Travel Surges Ahead in Spring of 1988

Canadians took a record number of domestic trips during the spring of 1988. During the second quarter, Canadians reported close to 20 million overnight trips, an increase of close to 2 million trips compared to 1986 levels. Sameday or excursion travel represented an additional 13 million trips, up 29% from 1986.

Quebeckers led the increase in travel activity with almost 5 million

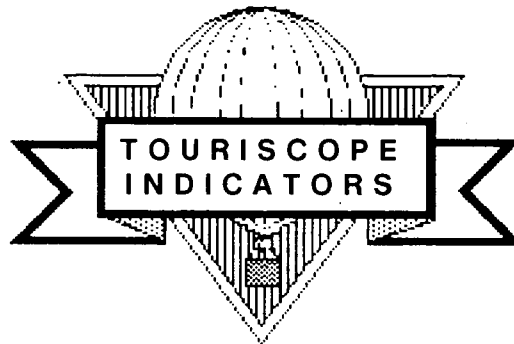
trips reported, up 32% from 1986. This represented a turn-around from the first quarter, when Quebec experienced a substantial decline in winter travel. Ontarians took over 7 million trips in the first quarter, slightly ahead of 1986 volumes. The Western provinces, except Manitoba, exceeded trip levels of most earlier years.

For more information, contact the Travel, Tourism and Recreation Section at (613) 951-9169.

Table 10
Overnight Domestic Travel, Second Quarter, 1986 and 1988

	1986	% Change	1988
	000's	%	000's
Province of Origin:	17,673	10	19,503
Nfld.	244	21	296
PEI.	48	-15	41
N.S.	548	-2	539
N.B.	440	-7	411
Que.	3,602	32	4,747
Ont.	6,905	4	7,184
Man.	1,010	-1	996
Sask.	1,039	13	1,112
Alta.	2,113	7	2,390
B.C.	1,723	13	1,787

Source: Canadian Travel Survey, special tabulations.



		Quarter III 1988	Percentage Change	
			Previous Quarter	Previous Year
VISITORS TO CANADA				
From United States	T	14,519	55.7	-2.5
Overnight visits	T	6,068	85.5	0.3
By auto	T	4,465	101.0	0.8
From Overseas	T	1,269	76.5	19.6
Top Five Countries				
United Kingdom	T	258	75.5	20.6
Japan	T	151	77.6	22.8
West Germany	T	130	73.3	14.0
France	T	116	87.1	19.6
Italy	T	42	110.0	7.7
CANADIANS OUTSIDE CANADA				
To United States	T	16,508	29.4	15.2
Overnight visits	T	5,008	55.8	12.0
By auto	T	4,021	89.7	13.5
To Overseas	T	722	20.9	2.3
INDUSTRY SECTOR				
Airline passengers	T	6,618	11.9	6.6
Airline passenger-km	M	16,365	25.2	13.3
Inter-city bus passengers	T	5,402	22.2	-10.1
Restaurant receipts	M	4,359	7.3	10.2
PRICES				
1981 = 100 (not s.a.)				
Travel price index		150.1	1.8	0.7
Consumer price index		144.8	1.1	3.9
Restaurant meals		145.1	1.5	5.1
Inter-city transportation		169.2	2.5	-21.0
Gasoline		136.7	0.7	-1.2
ECONOMIC				
1981 = 100 (s.a.)				
Gross domestic product	M	397,738	0.8	4.2
Amusement and recreation	M	2,508	-0.5	1.8
Accommodation and food services	M	8,787	0.8	6.6
Personal disposable income per capita		15,026	2.0	5.4
LABOUR FORCE				
Labour force(s.a.)	T	13,427	0.5	2.2
Unemployed	T	1,058	3.1	-7.7
Employed	T	12,369	0.3	3.1
Accommodation and food services	T	760	5.6	4.0
EXCHANGE RATES				
In Canadian Dollars:				
American Dollar		1.2194	-0.8	-7.8
British Pound		2.0669	-8.7	-3.4
Japanese Yen		0.009122	-6.8	1.3
German Mark		0.6532	-9.4	-9.2
French Franc		0.1929	-9.4	-10.5
Mexican Peso		0.000526	-1.7	-42.3

(M) Millions. (T) Thousands. (s.a.) seasonally adjusted.