VISITORS' WELCOME
TRENDING

TRENDING

Global and domestic visitor trends will affect market segments over the next decade and are accelerating trends for an expanding travel-ready audience, including the rise of millennials as the biggest age-based category. The rising propensity for travel by people who are seeking more in the way of immersive, active, eco-nature, authentic and experiential travel, all with the age of digital innovation will drive our focus - while still drawing attractions that are safe, sustainable, environmentally friendly.

Our industry understands that the tourism sector is undergoing a transformation of consumer behaviours and the values shift. Destination Canada launched the 'Tourism Big Shift' report that highlights how we need to respond to the changing visitor values and where visitors will spend their time and money for the next one to three years. At the same time, there is a lasting impact due to the global pandemic.

As we work to maximize market opportunities to what we are facing with current trends, we are helping our sector emerge stronger and more resilient to the now and tomorrow consumer. Recommendations of the key immediate changes Destination Canada and Skift's Megatrends have identified as anticipated and long-term implications, where we aim to provide you a hint of those trends with your homework for a deeper dive to adapt relevancy to your operations.

There is a legitimate demand for experiential tourism, responsible travel, especially for the slow-travel movement tourist that are driving the market shift to stay longer in a destination and explore and discover deeper and more meaningfully. They want to truly immerse, gain appreciation for culturally authentic experiences that make an impression, a memory, impact them through a deeper connection to the people and the land.

Today's Reality, Tomorrows Future

Destination Canadas Tourism's Big Shift

This report identifies the key trends that will have the greatest impact on Canada's travel and tourism industry in the next one to three years.

Methodology

This assessment, in partnership with Resonance Consultancy, has helped Destination Canada evaluate the impact of the pandemic on the industry as well as identify and understand potential key trends and changes in both the industry and the marketplace. Trends likely to affect the Canadian tourism industry were identified through a review of existing relevant research, interviews.

The scan takes a strategic approach modelled around a STEEP (social, technological, economic, environmental, political) framework, with consideration of trends within the supply side of the industry, changes in consumer behaviours and responses from other competing international organizations. While more than 40 trends were identified, each trend was assessed based on its impact on the tourism industry and its anticipated timeframe. This framing allowed the scan to identify trends that are most likely to have the greatest impact in the next one to three years.

- **Impact –** Low impact or high impact as defined by the contribution of tourism to the Canadian economy through increases, decreases or changes in patterns of visitation, expenditure, and employment
- **Timeframe –** Near-term (one to three years) or long-term (more than three years) trends and issues as defined by those that will most impact the tourism industry as well as Destination Canada's strategies and operations over the next three years.

Tourism's Big Shift report provides a summary of the key trends expected to have the greatest impact on travel and tourism in Canada in the near term.

Hamilton Halton Brant will refer to Destination Canada's Tourism's Big Shift as a benchmark and roadmap to assert our navigation into recovery. We have referenced intelligence points from the document, to assist industry a breakdown.

> "The pandemic has resulted in accelerated profound socioeconomic changes that have and will continue to affect businesses and communities of all kids. At the same time, the effects of long term issues, such as climate change are becoming more apparent. At a macro level, five key drivers will affect not only travel and tourism but Canadian society as a whole in both the short and long term."
>
> Destination Canada

Tourism's Big Shift Objectives:

1. **Assess the impact of the COVID-19 pandemic on the industry**

   While the pandemic brought Canada's tourism sector to a virtual standstill, there are signs that it has triggered an acceleration of future trends, previously considered long term, to a closer timeframe.

2. **Identify the key trends and changes**

   Observe market dynamics, traveller preferences, supply-side realities competitors' strategies and other factors in both the Canadian and global environment.

3. **Scan the competition**

   Understand responses from key national tourism organizations competing for travellers from the US, UK, France, Germany, Australia, Mexico, China, and Japan.

4. **Adjust the organization's strategy to mitigate risks**

   Validate or adjust Destination Canada's strategy and understand the key immediate changes anticipated from COVID-19.

5. **Inform industry partners of the changes**

   Identify changes that will impact travel and tourism in the next one to three years and communicate the various implications for the tourism industry.

Macro Trends

The profound socio-economic changes that will affect businesses and communities of all kinds, including climate change and accelerated digitalization.

COVID-19 Uncertainty

- Future travellers are more likely to gravitate toward destinations perceived to be clean, healthy, and safe.
- Early visitor sentiment suggest that health and hygiene will strongly influence booking behaviour, altering the competitiveness of individual destinations based on how the country in managing the pandemic.
- A surge in travel within and between countries with manageable and moderate COVID-19 caseloads and vaccine access is expected in the short term as people feel safe enough to travel again both domestically and international – especially with the introduction of safety measures and health certifications.

Observation:

Canada's high vaccination levels combined with many destinations offering unique nature-related experiences may provide a competitive edge in this difficult new operating environment.

HHB Advantage and Opportunity:

1. As a strong nature-based with elevated experiences and offers, our region is prime for the demands presented for the post-pandemic travel audience.
2. Nearby Toronto and Niagara Falls, our region is a destination of safe hospitality, less mass tourism, providing room to roam.

Call To Action Recommendations:

1. Promote your health, hygiene, and safety measures on your website, in your business location and in your marketing and communication. This will give travellers confidence that your business is looking after your customer's personal needs by putting travellers and the business staff team first.
2. WTTC in conjunction with the industry, including TICO's Safe Travel Stamp, has created a self-certified Safe Travels Stamp Based on worldwide industry protocols the WTTC has put together for every aspect of the hospitality and tourism sector. Eligible companies will be able to use the stamp once the health and hygiene protocols, outlines by WTTC, have been implemented. Get certified, display your stamp! https://www.tiaontario.ca/cpages/safetravelsstamp
3. We will continue to promote our region as a safe destination, building consumer confidence, as well as nature-bound travellers will know we are a destination that has open spaces, roam-friendly, and plenty of outdoor experiences to book.

Economic Change

- With the enormous impact on the tourism sector, it cannot go without mentioning the almost 900,000 jobs that were lost at the height of the crisis. This represented 43% of all tourism employment. In 2021, tourism employment over the first 10 months of the year remained 21% below pre-pandemic 2019 levels.
- The length of the pandemic and continued operating uncertainty has left many tourism businesses with depleted reserves, limited access to capital and liquidity challenges to support operations. The economic impact of COVID-19 on the tourism sector has clearly been unequal compared to others.
- Prices for airline, hotel stays, food and car rentals have all soared over the past several months as part of a larger inflation trend amid supply chain issues and an economic reopening.

Year of the GOAT: Greatest of all Trips

"Travel is no longer just about 'going somewhere'. Coming out of such a long period of constraints and limitations, 2022 will be the year we ring every bit of richness and meaning out of our new experiences. Whether it's going somewhere new, being more spontaneous or treating yourself, it's clear that a new wave of exicement is bubbling as travellers chase travel greatness to get their GOAT."

Christie Hudson, Senior PR Manager for Brand Expedia

Observation:

Studies show that Canadian household savings have risen an average of $5,800 per household in 2020 (more than $180 billion), largely because many high-contact services, such as travel and entertainment, were shut down and people are being more cautious about both their finances and their health. As more people get vaccinated, travel spending in North America has witnessed an accelerating increase since the beginning of 2021. Increased spending is evident across multiple income tiers. The way income and prices play together in the future will determine overall travel demand.

HHB Advantage and Opportunity:

1. Revenge Travel or Reconnection Travel is a real thing. Tourism businesses need to be ready and able to accommodate the surge of experience-driven and capacity needs. Value-add, and an assertation that supply will be available for all consumer markets. Many travellers experienced outright cancellations and vacation alternations due to lockdowns and shutdowns. Now, they want their vacation back! The other argument is that many people were not able to get together with family or friends outside of their local or domestic location circle and now they want to make up for lost time.
2. According to research from Expedia, "nearly three in five travellers are willing to pay more fees to make a trip sustainable, and about half will choose a less crowded destination to reduce effects of over-tourism."

Call To Action Recommendations:

1. As a tourism business, you need to ask yourself, how can I attract the revengers or the reconnectors to my business – what are they looking for?
2. Family and Friends Re-union experiences – luxury, sustainable, eco-friendly.
3. Reconnection accommodation packages with value-added features, focus on customer service and family-friendly.

Social Change

- The need for diversity and inclusion is key to building a more sustainable equitable and representative society that the tourism industry must embrace the future. While the pandemic exposed systemic racism and structural inequities around the globe, a newfound awareness is providing a unique opportunity to catalyze real change and work towards genuine reconciliation.
- By building a culture of equity that promotes inclusion and diversity, the tourism sector can drive innovation, creativity and competitive advantage in the workplace and across the supply chain, while making the tourism sector meaningful to current and future employees.
- While the discovery of unmarked graves at the sites of residential schools confirmed what Indigenous communities have long known, the discovery had a profound impact in Canada and around the world. In the light of awareness and in the spirit of true reconciliation, Canadian tourism organizations have a renewed sense of commitment to take actions that are meaningful to Indigenous communities, their tourism businesses, and the visitors eager to connect with them.

"Destinations International recognizes and advocates the importance of cultivating a unified travel industry where everyone is welcome, where there is equitable access for all, and to help reshape existing power structures to that systemically marginalized voices and perspectives are heard and valued."

Destinations International, Equity, Diversity & Inclusion (EDI)

Observation:

As members of ITO, TIAO, ITAC, and TIAC, HHBRTA recognizes our unique ability to continue to create new opportunities, expand tourism infrastructure and economic development projects that helps to cultivate a unified tourism industry for not only our region, but provide leadership and support on a provincial and national scale.

HHB Advantage and Opportunity:

1. Seen as an ongoing opportunity, we work to support tourism development for Indigenous communities in our region.
2. Promote women-owned tourism businesses, culturally diverse tourism businesses, LGBTQ+ tourism businesses, Indigenous tourism businesses through content development, marketing, B2B engagement strategies, product development, investment attraction, and training and workshops.

Call To Action Recommendations:

1. Establish an actionable leadership pledge for your tourism business and destination partners, setting industry best practices and standards.
2. To drive awareness on the position that HHBRTA has identified as a priority, we aim to develop and implement an advocacy and communications strategy that establishes an industry standard and promote accountability for Equity, Diversity and Inclusion best practices and initiatives.
3. Tourism businesses participate in training and workshops that promote equity, diversity, and inclusion topics.

Climate Change

During the summer of 2021, the climate crisis also made itself increasingly visible through a torrent of extreme weather events across the world. The increasing frequency of intense or extreme weather events negatively impacts tourism, an industry that will rely on a sense of security in order to recover. The intensity and frequency of events will further impact insurance premiums for operators in high-risk areas, indirectly increasing operating costs and prices for consumers. More frequent extreme weather, such as fires, storms, floods, and hurricanes will lead to increased concern among consumers. This could deter future travel, especially for destinations like Canada, which are founded on the natural beauty of the environment.

Observation:

Our industry is highly vulnerable to the global climate change matter and at the same time tourism contributes to the emissions of greenhouse gases. HHBRTA supports our position in accelerating climate action that align with the Government of Canada. Along with UNWTO, we are committed to working with industry to accelerate progress towards low carbon tourism development and the contribution of our sector to international climate goals that are in line with the recommendations of the One Planet Vision for a Responsible Recovery of the Tourism Sector from COVID-19.

> "There is a growing consensus among tourism stakeholders as to how the future resilience of tourism will depend on the sector's ability to embrace a low carbon pathway and cut emissions by 50% by 2030."
>
> United Nations Tourism Organization (UNWTO)

HHB Advantage and Opportunity:

1. Support tourism industry in their assessment for a sustainable tourism business and help tourism businesses measure and improve their sustainability performance.
2. Work to support industry to identify opportunities with product development and engage industry through training and workshops to build actions plans for the reduction the carbon footprint.
3. Take the Sustainable Tourism 2030 Pledge, which aligns with UNWTO 2030 Journey for Sustainable Development and the 17 Sustainable Development Goals (SDGs); and support actions of the Glasgow Declaration: A Commitment to a Decade of Climate Action in Tourism. www.unwto.org

Call To Action Recommendations:

1. Align with the UNWTO 2030 Journey for Sustainable Development and the Sustainable Development Goals (SDGs) initiative for the promotion of responsible sustainable and universally accessible tourism geared towards the achievement of the goals.
2. Encourage tourism businesses to take the Sustainable Tourism Pledge 2030 and take the free Sustainability Score by Greenstep Sustainable Tourism. www.greensteptourism.com

"The Glasgow Declaration signatories support the global commitment to achieve a 50% emissions reduction in tourism operations by 2030 and to reach Net Zero emissions as soon as possible before 2050. To achieve these overarching goals, signatories are expected to publish a climate action plan, or to update an existing plan by integrating climate action elements or aligning its targets with those in the Glasgow Declaration."

Accelerated Digitalization

The latest McKinsey Global Survey suggests that companies have accelerated the digitalization of their customer and supply-chain interactions by three or four years. Consumer adoption of technology has generated vast volumes of data over time, making it possible for operators to capitalize on data analytics to map consumer behaviours and make informed decisions around pricing, marketing, and product development.

Geo-targeting and localization are becoming more prevalent, and data can be used as a solution in near-real time to monitor the pandemic, airport capacity, source markets, booking trends, impacts of programs, jobs, and sentiment analysis. As part of this transformation, governments have an opportunity to reimagine their roles in providing data infrastructure and capabilities to the tourism sector. Data will give destinations a greater understanding of their visitors and allow them to see trends, make predictions and enhance experiences. Further, better data on customer journeys and preferences, coupled with insights on products, experiences and infrastructure, mean destinations can be more strategic in making demand-informed investments in destination development and stewardship.

Observation:

Building digital knowledge, developing skills, and creating new products are some of the biggest challenges of today's tourism businesses. Consumers are using digital, and we need to know, more than ever, how we use the data to be better informed when applying this new infrastructure. Becoming digitally capable defines how you will not only grow your business but how you can sell your services and experiences online. Post-pandemic realities are driving digitalization demands, especially in the tourism industry to help to be more agile and resilient moving forward. Rural communities require reliable broadband connectivity and is deemed as equal importance as roads and bridges to the sustainability of remote locations.

Having your own website and using technology to assess performance, monitor your business' health and optimise it for your target market, while ensuring all your products and services are available via mobile devices will move your business into the age of smart tourism.

The rise of OTAs are technologically advanced e-commerce platforms have captured an estimated 40% of the total global travel market. OTAs like Booking.com and Expedia offer price comparisons and booking facilities across a range of suppliers. OTAs that specialize in selling trips, tours and experiences are another growth area and include Viator (a TripAdvisor company) and GetYourGuide.

Adopting new technologies like virtual reality (VR), augmented reality (AR)m and Artificial Intelligence (AI) for virtual tours, livestreaming (for YouTube, for example), contributes to stimulating interest of travellers and building product awareness. Imagine livestreaming via a nature webcam wildlife or nature where potential visitors can witness live activity 24 hours of the day. Chester Zoo in Chester, UK and San Diego Zoo offer best practices of allowing visitors for all over the world to meet the animals. Machu Picchu's You Visit platform invites potential tourists to take a peak. Google's Tour Creator and AirPano are platforms to build virtual tours and industry specific.

HHB Advantage and Opportunity:

1. HHBRTA builds relationships with some of the major OTAs through B2B initiatives.
2. Workforce Development Training programs support digital transformation development and learning.
3. HHBRTA has identified the "broadband gap" and advocates to address lower average speed and limited connectivity to remote and rural communities.

Call To Action Recommendations:

1. Establish a digital marketing strategy for your business, identifying an essential business toolkit to maximize the efficiency and success of your marketing and sales campaigns. Elements in the toolkit include website management, search engine optimization, email marketing, social media, content generation including UGCs.
2. Make your website mobile friendly.
3. Make your website SEO-friendly. Good content is the most important aspect to consider when developing or enhancing your website. Good content means visually appealing, engaging, inspiring and informative.
4. Focus on content, gather images and videos to showcase and sell your products and services. Tell your story through visual medium. It is estimated that 90% of information transmitted to the brain is visual and it processes images several thousand times faster than words.
5. Write blogs and work with influencers. It is worth developing relationships with bloggers and/or travel influencers who will be able to help raise brand awareness, increase traffic to your website and drive your message to your target market.
6. Embed sustainability into your tourism business is fast becoming essential to attracting tourists. Brag about how you preserve and protect your community, lead with fair treatment of people model, work to protect the environment through your services and products.

Key Market Trends

Changes in consumer behaviour and values that will influence tourism businesses operational models, product and service development, channel marketing budgets, and focus for the future, including trends such as responsible travel, health and wellbeing and Indigenous connection – these emerging consumer preferences align with a more aspirational level of tourism.

Tourism's Big Shift's Key Industry Trends:

Key challenges that will impact Canadian tourism businesses, such as reduced transport connectivity and labour shortages.

1. Lack of Access and Reduced Transport Connectivity
2. Labour & Skills Shortage
3. Higher Costs
4. Reduced Business and Travel & Events
5. Product Degradation
6. Reduced Access to Capital & Limited Liquidity
7. Shift in Capacity & Role of DMOs

"Around the world, the tourism sector is undergoing a transformation as consumer behaviors and values shift. What visitor value and where by spend their time and money is changing in response to the lasting impact of the pandemic. Destinations and businesses that explore and understand these shifts can act now to adapt operational models, improve product and service development, channel marketing budgets and prepare for what's next."

Destination Canada

Frictionless Travel:

- Increasing the need for less human interaction throughout the consumer journey, due to COVID-19
- Frictionless travel has been accelerated and implemented with the rise of new technology providers – 2021 travel is going to be a bumpy ride as visitors adapt to continuous uncertainty and change brought by the pandemic.
- During re-opening, the different national travel regulations, and vaccine passports, as well as COVID-19 testing requirements, add to the initial challenges of navigating border crossings upon entry.
- The anticipated volume of travellers, with reduced capacity in the system, will also bring new challenges to maintain a high standard for experiences.
- The customer experience is shaped across the entire end-to-end journey, from booking to travel to the return home. Travellers now need more, not less, assistance with journeys carrying a disproportionate weight in consumers' minds when they plan their next trip.
- Even seasoned travellers will have to adapt to new protocols, such as digital health certificates and safety measures.
- Much like we have seen in retail sectors, as digital solutions replace services that can be easily automated, close operational gaps and streamline the customer journey, there will be greater emphasis placed on those services where personalized human interaction is more highly valued by travellers and which provide a differentiator for tourism operators.
- Technology is moving the travel industry to a place where seamless travel experiences with limited, and even no, pain points are a reality. Destinations are using digital technology to increase connection, improve security and help drive a better experience for users. With disruption-predicting artificial intelligence (AI), personalized value-adds and real-time customer-centric technology, destinations can streamline the overall travel experience while introducing new solutions to collect data and better understand visitor behaviours in real time.
- The digitalization of the industry is placing more emphasis on customer experience – putting the user's needs front and center – and raising the profile of the digital divide in Canada between highly connected urban centres and rural destinations.
- Canada's plan for expanding communications infrastructure will greatly benefit rural and remote communities and tourism operators.

Domestic Travel

- In the context of growing uncertainties overseas and restrictions on international travel, Canadians have been taking more trips within their own provinces and territories.
- Early travellers will be highly motivated to re-connect with family and friends after an extended time apart. This will be evident in both short-haul and long-haul domestic travel.
- While there's much pent-up demand for travel, there's also a significant portion of the population that's not entirely comfortable straying far from home, creating opportunities for drive destinations and the creation of road trip itineraries for travellers willing to explore more deeply in a regional, provincial, territorial, or national context. And, while they're not the biggest spenders, these travellers are potential long-term loyalists and ambassadors and could be enticed to places that visitors from afar wouldn't consider.
- All of Canada is "local" to Canadian tourists and renewed sentiments of pride in the country could fuel enthusiastic travel in the short term.

Responsible Travel

- In the context of growing uncertainties the pandemic has enhanced the desire to connect in meaningful ways with places visited and to encourage local economies, while socio-environmental consciousness towards travel is also on the rise.
- Awareness of a traveller's impact – on urban and wilderness environments and on local populations – has led to reflection on the part of both destinations and those who enjoy them. In sensitive environments, tourism operators are clear in their desire for balanced growth that also promotes local cultures, preserved the heritage, and supports community economic development.
- From smaller communities with stretched infrastructures in the north and rural areas, to issues of overcrowded destinations and bad behaviour, people and places are rethinking the impact of visitation and how effects can be mitigated.
- Travelling less often, but longer and deeper, is at the forefront of traveller mindsets today, but it is still a little early to see whether it will translate into meaningful action.
- There is growing consumer research supporting the idea of "responsible travel" which predicts travellers will want to lighten their footprint on destinations – supporting local economies, engaging with local cultures, reducing carbon emissions, and enabling environmental conservations.
- Correspondingly, progressive destinations are examining the idea of "regenerative travel" wherein tourism contributes net benefits to its host communities – economically, socio-culturally, and environmentally. Destinations are taking action by creating a symbiotic engagement between the host community and the visitors they want to attract. As the pandemic wanes and visitors return, the tourism industry will need to re-establish its social license with residents.

Ascendance of Communities

- Pure growth in visitation can no longer be the primordial goal and the shift in focus towards the wellbeing and safety of local communities – urban, rural, and Indigenous – has taken on new urgency.
- Destinations increasingly belong to the people who call them home.
- Large and small municipalities are now taking a proactive approach to harness the benefits of tourism while minimizing its pressures. Pre-pandemic, we saw several international destinations 'uninvite' tourists as visitor volumes made life for locals untenable. The COVID-19 pandemic has accelerated the need for broader alignment with the community. In 2021, global DMO leaders identified the need for greater industry, community, and government alignment to drive destination competitiveness and brand as a priority in the DestinationNEXT Futures Study.
- To develop long-term solutions, the true metric for tourism development must reflect an improved quality of life – creating economic prosperity, developing sociocultural vibrancy, and growing environmental thrivibility.
- A locals-first approach is shifting destination development and tourism marketing toward more sustainable goals, filtered through a lens of resident quality of life.

Indigenous Connection

- Indigenous experiences are of growing interest to Canadian and international travellers, which helps create sustainable employment for Indigenous communities while enriching travellers' experiences through the sharing of culture, history, and tradition.
- Research conducted by the Indigenous Tourism Association of Canada (ITAC) and Destination Canada shows that one in three Canadians are interested in Indigenous experiences and that historically, international visitors have an even higher level of interest (37%).
- With domestic travel on the rise, there's an opportunity to build stronger connections with Indigenous Peoples, their communities, and cultures through Indigenous tourism experiences.
- Indigenous tourism has growth potential, but support will be required for businesses to recover and meet growing demand. ITAC reports that at least, 1,889 Indigenous-owned businesses participate in the Indigenous tourism sector in Canada but that an estimated 674 businesses are at risk of closure in 2021 and 2022 due to the impact of COVID-19. According to Conference Board of Canada estimates, prior to March 2020, Indigenous tourism had generated an estimated $1.9 billion in annual revenue supporting 40,000 jobs.
- Today, revenue and jobs are reduced by more than half. With a great many Indigenous tourism businesses relying on international visitation, the pain of the pandemic has been deep. Rebuilding of this segment of the tourism sector will take years of concerted effort.

Wild for Wilderness

- For many travellers, the freedom of wild and wide-open spaces has been the perfect antidote to confinement, driving visitation to national parks and other nature-based destinations, even in traditional off-seasons.
- Many travellers and nature-explorers seek physically challenging adventures and retailers and other outfitters have created trips tailored to their customers' tastes and experience.
- Others are looking for a more passive way to engage with the natural world, seeking easy day trips or trails they can visit with children.
- Canada is understood to be a place closely connected to the wild and can authentically tout the benefits of contact with nature, which have been much documented. The natural world's ability to enhance wellness and provoke awe in visitors reduces anxiety and stimulates a sense of belonging to a grander story – even if, for some, that means "glamping" on the edge of a city. These are stories in Canada's sweet spot.

Health & Wellbeing

- While safety and hygiene took center stage early in the pandemic, the growth of wellbeing and personal enrichment is one of many trends COVID-19 accelerated. After obsessing about health, hygiene, epidemic-level loneliness, decreased mental health and lack of connection – not to mention being collectively witness to an incomprehensible amount of death and loss – people are hungry for a sense of wellbeing and good feelings associated with travel, escape, rejuvenation, and nature-based healthfulness.
- According to the Global Wellness Institute, the wellness travel market is now estimated at $639 billion, with a pre-pandemic growth rate of 6.5% a year, which was more than twice the growth rate of tourism overall.
- Post-COVID concerns with health and wellness will grow opportunities for destinations to capture part of a rapidly growing industry and the broad definition of wellness is an opportunity for destinations to define it on their terms.

Affluent Travel Boom

- Affluent travellers are eager to spend their money on leisure trips, leading to a rebound of this segment. At the same time, the increase in savings is driving demand for legendary experiences in many demographics.
- The affluent travel boom is one of the clearest signs of a spending surge by the wealthy that is likely to tilt the balance of recovery.
- In 2021, Google's search interest in the phrase "luxury hotels" is a its highest since before 2006. In the US, high-income consumer spending rebounded fully in March and is now 11% above pre-COVID levels, according to data from Opportunity Insights, this finding is unsurprising, since high-income earners did not lose their jobs, and the savings rate among this demographic is 10-20% higher now than before the pandemic.
- To meet the demands of high-value travellers, the development of unique high-quality tourism attractions and destinations in both cities and the wilderness is needed. The needs of affluent leisure travellers have evolved during the pandemic; while proper health protocols were considered a luxury early on, more sophisticated desires for well-being and other experiences are emerging.
- Bespoke, personalized travel experiences, including those that provide a sense of wellbeing and personal growth or enrichment and high "badge-value," will be increasingly important to this market.

Great Resignation & Retirement

- Affluent travellers are eager to spend Post-pandemic, more people are rethinking their work-life balance than ever before. Younger and older generations have been quitting situations they find unsatisfactory, seeking new employment in companies that better support employees confronted with multiple demands that have been amplified by the pandemic.
- The pace of boomer retirements has accelerated in 2020. In the first quarter of 2021, 30.3 million US baby boomers reported they were out of the labour force because of retirement, according to the Pew Research Center's analysis of government data. That is 2.7 million more people than in the first quarter of 2020, a much bigger increase than the average growth of roughly 2 million retired boomers annually over the last decade.
- By 2025, people aged 65 and older will account for 11% of the world's population and their international travel – the number of cross-border trips they take per year – will more than double. With time and money for travel, this segment remains a key audience for travel operators to consider.

Remote Work & Residential Tourism

- The office environment reality has radically shifted since the onset of the pandemic.
- Remote work has worked well for many companies and employees, providing an easy and less expensive means to conduct meetings and to avoid health concerns associated with travelling during the pandemic.
- May become a way of life for some. People are not just working from home but working from a variety of what might be considered vacation destinations, using innovative platforms to adapt. The divide between live, work and play is smaller than ever.
- Remote workers are increasingly a new visitor segment in many regions. Destinations need to be prepared for this new traveller and partner with other industries to provide a different kind of visitor experience beyond what's offered for short-term stays.
- Remote visas and other programs have been implemented by destinations (at the country, but also city-level) to attract remote workers or so-called digital nomads to visit, work, play – and spend – for extended periods.

Planning for What's Next

Destination Canada suggests, "In 2022, as COVID-19 progresses into an endemic, the industry must start shaping its future. While the 'next normal' will evolve quickly in the short and medium terms, the outlook for our industry presents new opportunities to create a path towards economic recovery and prosperity. As a result of these trends, we expect to see the following implications in the near term for the Canadian tourism industry."

- **More Domestic** – With more barriers to travel and more travellers staying put, domestic visitation will prevail, with all generations and demographics seeking to explore the country. Residential tourism and long-term stays will also be favoured in the short term as locals seek to explore and discover their city or region differently.
- **More Leisure** – The proportion of leisure travel will grow to become more important in the industry and will shift pre-existing business models. Leisure time will only rise with the democratization of remote work on a global scale.
- **More Digital** – The Industry has become more digital in its approach. Faster connectivity and smart data will give destinations a greater human understanding and allow them to see trends, make predictions and enhance experiences.
- **More Competition** – While governments invest heavily in the tourism industry's recovery and competitiveness, the volume of international tourists from source markets will be limited, creating a highly competitive landscape in the short term – especially as destination simultaneously open their borders.
- **More Change** – As more uncertainty is expected, operators and destinations will need to be future-facing and flexible in order to proactively adapt to a new reality rather than wait for the industry to rebound to pre-COVID-19 levels.

"The next few years, means travel and tourism will be more local and domestic, focusing principally on leisure travellers, facing increased completion, adapting to a digitalized society, and continuously evolving."

Steep Framework

Social & Ethical	Key social and ethical trends in each of Canada's key markets shifting consumer sentiment and aspirations that could affect interest and desire to visit Canada in a positive or negative way.
Technological	Technology could continue to affect and shape the industry as it recovers, both in terms of how travel is marketed and sold and in how experiences are delivered and accessed within the destination itself.
Economic	Understanding the nuances of how COVID-19 has affected different markets, and the different segments of travellers with each of these markets is key and the realignment of Destination Canada's marketing strategy moving forward.
Environmental	Insights of potential environmental policy and regulations, both domestically and internationally, that could affect the future of Canada's travel and tourism industry.
Political & Regulatory	Insights on potential policy department, both domestically and in Canada's key markets, to understand how future regulations could increase or constrain demand for travel to Canada.

Additional Considerations

Industry	Key supply-side trends within Canada and the destination development strategies.
Competition / Market	Analysis of what other competing national tourism organizations are doing from sales, marketing, destination development and operational point of view.

Download the report:
https://www.destinationcanada.com/en/news/new-research-identifies-top-drivers-recovery-trends-canadas-tourism-sector

Skift's Megatrends: Defining the Future of Travel

Megatrends is Skift's annual report forecasting top trends that will define the travel industry for 2022.

14 Skift 'Takes' on the trends of a post-pandemic tourism recovery, in a social changing, digital-driven and planet-first world.

1. Uncertainty is the New Certainty

Skift Take: *"If you believe the people who tell you when and how the travel recovery will take shape, be assured that no one has precise answers right now. Pandemics and crises aren't new, of course, but companies are taking uncertainty into more of their future forecasting. Those that are flexible with a greater diversity of business lines with perform the best against unknowns."*

2. Climate Resilience is the New Return on Investment

Skift Take: *"Cutting carbon and greenhouse gas emissions aren't new corporate priorities, but an urgency is taking hold. There will be more crossover between climate change action and advertising, but investors are demanding more than greenwashing. New models are emerging with a keen eye on boosting the bottom line."*

3. Travel's Super Mobility Collides with Deepening Social Divide

Skift Take: *"The world is on the move, aided by digitalization, remote work and fierce competition for skilled labour, all of which present enormous growth opportunities for the travel industry. But this travel evolution will come amid heightened global inequalities post-pandemic that will point to travel's ability, or failure, to narrow the social rift."*

4.

The Financialization of Travel

Skift Take: *"There's very little that's seamless about travel payments and fintech services given the complexity of myriad currencies, ever-fluctuating exchange rates, and varied regulation. Making purchases easier for travellers is a wonderful development but burdening them with consumer debt is a drag."*

5.

The Great Upskilling of Labor

Skift Take: *"The divide between available workers and open positions in travel is too great to overcome. Educating a smaller labour pool with new skills is the only way to overcome the labour shortage crisis."*

6.

Communities Move Beyond Spectator Role for Travel's Future

Skift Take: *"Tourism boards embracing a "locals first" approach post-pandemic is here to stay, as is the imperative of having residents' input on tourism management to ensure the industry's future success. That's because locals will become increasingly engaged in the future of their home, just as travellers will continue to seek sustainable, inclusive options."*

7.

Travel's Last Mile Sparks a New Wave of Innovation

Skift Take: *"A new consciousness about green travel is making the last mile of travel fertile territory for new investment and innovations. Airlines, in particular, are seeing it finally as a boost to the top line."*

8.

Corporate Travel is Now in the Firm Grip of the CFOs

Skift Take: *"Many organizations experienced a revelation in the pandemic – yes, it is possible to function as a viable business without travelling. Now travel managers must prove its worth again."*

9.

Unbundling of Services Spreads Across All of Travel

Skift Take: *"Travellers may balk at another sector of travel unbundling services and amenities. But it can provide struggling travel companies with revenue during the recovery, especially if other tactics like resort fees face legal challenges."*

10. New Booking Patterns Create Novel Opportunities

Skift Take: *"Volatile booking patterns will give fits to travel demand forecasters and revenue managers, but the slice of remote working that endures could expand the addressable travel market and provide plenty of upside."*

11. Remote Work is Defining a New Socialization for Business Travel

Skift Take: *"It's the beginning of an entirely new industry, based around places and spaces that turbocharge employee gatherings."*

12. The Rapid Ruralization of Travel

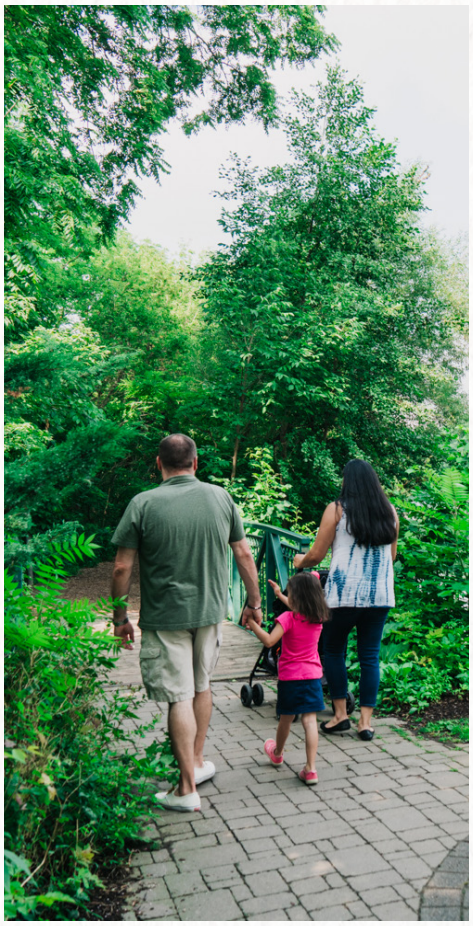
Skift Take: *"The ongoing urge for nature and for rural escapes post-pandemic has created a new kind of overcrowding. As the travel industry taps into this huge business opportunity, the need to craft innovative solutions to manage the impact on communities and the environment is now urgent."*

13. The Resizing of Global Events

Skift Take: *"As business become more selective about event attendance, the mid-sized market may lose out to the biggest players. Companies will prioritize the events they can't afford to miss and skip the rest. Smaller, community-based events will also survive."*

14. The Rise of Premium Leisure Air Travel

Skift Take: *"A lot has changed for airlines since 2019. One big shift is more vacationers are flying in the front of the plane, and these 'premium leisure' travellers are prompting airlines to make some big investments to make a buck."*



Access the full report: Skift.com/megatrends-2022

Explorer Quotient Market Segments

DC's rich social values-based market research to enhance your customer targeting, product development and marketing efforts.

Developed in 2012, formerly Canadian Tourism Commission and now Destination Canada identified market segment profiles of target the CTC's, now DC's three key Global Explorer Quotient types:

- Free Spirits
- Cultural Explorers
- Authentic Experiencers

Free Spirits

13% of the Global Market

Demographics

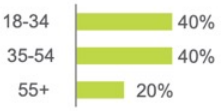
46% 54%

Education: Average

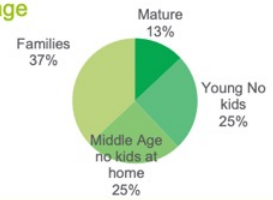
Employment: FT; above avg. % are students

Household Income: Higher than average

Age:



Lifestage



Free Spirits are highly social and open-minded. Their enthusiasm for life extends to their outlook on travel. Experimental and adventurous, they indulge in high-end experiences that are shared with others.

Personality traits: Extroverted, driven, open, fun-loving, adventurous

Social Values

Top defining Values

Joy of Consumption: Free Spirits find shopping highly gratifying. A brand name on a product or service is an indicator of quality, style and status.

Social Mobility: Possessing the skills and education to make it happen, Free Spirits are highly motivated to advance in life and work.

Attraction for Crowds: Free Spirits are one of the most social of all EQ types. Adept at networking, they enjoy large group atmospheres (as well as one-on-one conversations). Interacting with others gives them the chance to learn about themselves.

Penchant for Risk: They are confident risk-takers, secure in their ability to reach their goals no matter what obstacles they may face .

Happiness: Free Spirits consider themselves happy and full of vitality for life.

Need for Status Recognition: They want to show their success off to the world.

Bottom defining Values

Buying on Impulse: They love to shop but they are not impulsive - they'll shop around to get exactly what they're looking for.

Skepticism Towards Advertising: Free Spirits have confidence in advertising and will entrust professionals to help them with major purchases or planning.

Aversion to Complexity: Free Spirits have a zest for life and are not intimidated by changes or complexities in society. Being spontaneous is thrilling and fun for them.

Travel Values

The Free Spirit is the traveller's traveller…they seem to love everything about travel and as in life, they embrace the experiences it offers with arms wide open.

A Free Spirit will seek:

Constant Comparison Travel: Love to travel – and brag about the superiority of the places they have visited

Luxury: Often aspire to stay in the most luxurious accommodations and venues.

Hedonistic Rejuvenation: Vacation is a time to be carefree and indulge – they will enjoy spa, nightlife and great cuisine and other opportunities for a little pampering.

Checklist Samplers: Want to see all the main attractions, but not in depth – they will employ detailed itineraries, ensuring that they don't miss anything !

Shared Experiences: Attracted to groups where they can socialize and share the experience with others – using social media for sharing during and after the trip.

A Free Spirit will avoid:

Comfort-Seeking: Free Spirits have a higher penchant for risk, so they are not afraid to try something new or have an adventure

Reluctant travel: Not content to experience the world through the Internet or TV.

Experience Appeal

Following their energized approach to life and their enthusiasm for travel, Free Spirits are more likely to find many activities appealing to do on a long-haul vacation that most other types.

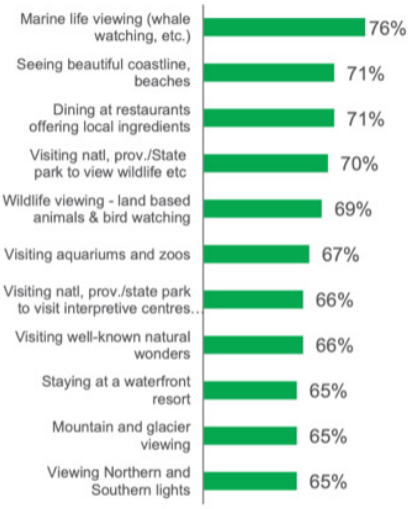
Free Spirits are more likely than other travellers to be interested in:

1. Shopping, Dining and Other Food-related Activities
2. Entertainment, Performing Arts and Amusement Parks
3. Accommodation-related Activities
4. Water-based Outdoor Activities
5. Festivals, Events & Spectator Sports
6. Outdoor/Nature Sports & Activities
7. Winter Outdoor Activities

Free Spirits are also interested in:

1. Nature Observation Activities
2. Exhibits, Architecture, Historic Sites/Buildings, Museums
3. Sightseeing Activities
4. Cruises & Touring
5. Hands-on Learning Activities

Top 10 Most Appealing Activities Among Free Spirits:



Cultural Explorers

12% of the Global Market

Cultural Explorers are defined by their love of constant travel and continuous opportunities to embrace, discover and immerse themselves in the culture, people and settings of the places they visit.

Personality traits: Open, accepting, non-traditional, enthusiastic, creative

Demographics

43% 57%

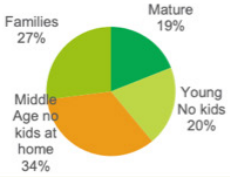
Education: Higher than average

Employment: FT, lower than avg. % are retirees

Household Income: Average

Age:

Lifestage



Social Values

Top defining Values

Importance of Spontaneity: They enjoy an element of surprise and welcome unexpected circumstances that enrich their lives.

Cultural Sampling: They believe that other cultures have a lot to teach them.

Adaptability to Complexity: They are not threatened by the changes and complexities of society. In fact, they embrace complexity as a learning experience and a source of opportunity.

Pursuit of Novelty: Trying out new things is thrilling!

Personal Control: They feel in control of their lives and not afraid to take on moderate risk if it means they can learn something new.

Personal Escape: They long for that which is beyond the practical and they want to be transported from their everyday life.

Personal Challenge: They set difficult personal goals for themselves at work and at play and will finish what they start.

Bottom defining Values

Confidence in Big Business: Their tendency to reject authority leads them to question those in leadership positions, including big businesses which they do not believe have better quality simply because they are larger/better known.

Conformity to Norms: They like to be unique, different from others and love to share their ideas and creativity.

Ostentatious Consumption: They are not highly materialistic and are offended by ostentatious consumption.

Travel Values

The Cultural Explorer is an avid traveller who values learning and discovery while travelling. They don't want to feel like a "tourist," preferring just to blend in and have the most authentic experience possible rather than being confined to group tours and schedules.

A Cultural Explorer will seek:

Constant Travel: Always excited about the next trip.

Living History/Culture: Love to learn about and absorb themselves in the ancient history, as well as the modern cultures of the places they visit.

The Beauty of Nature: Will choose destinations that provide opportunities to experience natural beauty.

Fun, Shared Experiences: Travel is a journey, not the destination, and is best experienced with like-minded companions who like to have fun while learning.

Going with the Flow: Prefer a free and spontaneous approach to seeing the sights.

A Cultural Explorer will avoid:

Luxury/Comfort-seeking: This EQ type seeks an authentic experience and doesn't need to be pampered in commercial hotels and have experiences just like home.

Group/Checklist Travel: Prefer not to be constrained to "tourist" schedules or destinations, and will chart their own courses..

Experience Appeal

Like their Free Spirit counterparts, Cultural Explorers are more likely to find many activities appealing to do on a long-haul vacation.

Cultural Explorers are more likely than other travellers to be interested in:

1. Nature Observation Activities
2. Exhibits, Architecture, Historic Sites/Buildings, Museums
3. Sightseeing Activities
4. Accommodation-related Activities
5. Water-based Outdoor Activities
6. Hands-on Learning Activities
7. Festivals, Events & Spectator Sports
8. Outdoor/Nature Sports & Activities
9. Winter Outdoor Activities

Cultural Explorers are also interested in:

1. Shopping, Dining and Other Food-related Activities
2. Entertainment, Performing Arts and Amusement Parks
3. Cruises & Touring

Top 10 Most Appealing Activities Among Cultural Explorers:

Authentic Experiencers

9% of the Global Market

Demographics

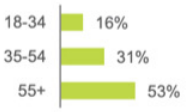
54% 46%

Education: Higher than average

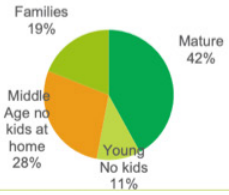
Employment: FT – more likely than avg to be retired

Household Income: Average

Age:



Lifestage



Authentic Experiencers are typically understated travellers looking for authentic, tangible engagement with destinations they seek, with a particular interest in understanding the history of the places they visit.

Personality traits: Steadfast, understated, responsible, interested, rational

Social Values

Top defining Values

Personal Control: They focused on maintaining a sense of autonomy and self-direction in their lives. Many are retired, with time to do the things they want to do.

Importance of Spontaneity: They enjoy surprises and the unexpected – they will welcome those that help them learn more about themselves and the world.

Culture Sampling: They show a tendency to incorporate foreign cultures into their lives, like going to an Inuit art gallery or dining at a Thai restaurant.

Everyday Ethics: They feel it's important to be responsible, upstanding citizens.

Skepticism towards Advertising: Their tendency to question authority, extends to commercials trying to sell something. They believe that individuals are responsible for their own decisions.

Ecological Concern: They are concerned about the health of the planet and what that means to future generations.

Bottom defining Values

Joy of Consumption: Although they are relatively affluent and confident financially, they are not avid consumers.

Living Virtually: They want to connect with the real world authentically and are not content to do so by way of TV, computers or the internet.

Importance of Brand: They care little about brands – but they're not afraid to pay for quality if it matches their values.

Travel Values

The Authentic Experiencer is a more learned, understated traveller. Travel is not their only interest in life, but they certainly appreciate it when they go. They prefer to do their own thing while at a destination, having control over what they see and when they see it.

An Authentic Experiencer will seek:

Living History/Culture: Love to learn about and absorb themselves in the ancient history, as well as the modern cultures, of the places they visit.

To Understand Cultural Differences: While they are not high on the trend Comparison Travel, they love to observe the difference between destinations.

An Authentic Experiencer will avoid:

Hedonistic Rejuvenation/Comfort-seeking: This EQ type does not shy away from living like the locals do. They like to be in control while they vacation, and don't need to be pampered and have everything taken care of for them.

Escape: These travelers do not feel overwhelmed by life. Travel is not about escape for them, but about personal development and learning instead.

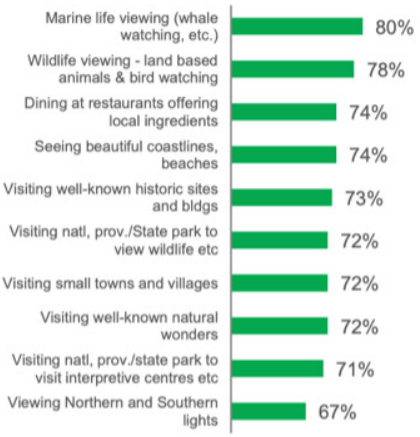
Experience Appeal

Authentic Experiencers are more selective in the experiences they find appealing to do on a long-haul trip.

Authentic Experiencers are more likely than other travellers to be interested in:

1. Exhibits, Architecture, Historic Sites/Buildings, Museums

Authentic Experiencers are also interested in:

1. Nature Observation Activities
2. Sightseeing Activities
3. Shopping, Dining and Other Food-related Activities
4. Entertainment, Performing Arts and Amusement Parks
5. Accommodation-related Activities
6. Cruises & Touring
7. Water-based Outdoor Activities
8. Hands-on Learning Activities
9. Festivals, Events & Spectator Sports
10. Outdoor/Nature Sports & Activities
11. Winter Outdoor Activities

Top 10 Most Appealing Activities Among Authentic Experiencers: