NORTHERN BRITISH COLUMBIA TOURISM

Snapshot | 2019 – 2021

A Picture of Tourism in Northern British Columbia

bcrts British Columbia Regional Tourism Secretariat

SNAPSHOT
2019 - 2021

NORTHERN BC TOURISM ASSOCIATION

bcrts British Columbia Regional Tourism Secretariat

Executive Summary

IMPACT OF COVID-19 [1]

- The majority of firms are **operating at reduced capacity**
- Firms were more likely to report **business as usual** compared to the rest of BC
- Food & Beverage firms were least affected
- Activity firms were the most affected

OPEN

Effect of Health & Safety Protocols

Firms were most concerned about their ability to provide:

- numerous offerings
- enjoyable experiences for their customers

CEWS [1]

Received 38% | 52%

Not eligible 29% | 26%

Didn't need it 23% | 15%

NBC | BC

OCCUPANCY & ROOM RATES [2]

2021 experienced a dual shock to both supply and demand. Lower demand caused by the pandemic has been counterbalanced by lower supply of hotel rooms, due to labour shortages and COVID-19 compliance.

4.89 DAYS
2021 Average length of stay
(4.39 days in 2019)

$114-$124
2021 Average Daily Rate

- Until August 2021, the occupancy rate has remained lower than in 2019
- 2021 group occupancy is far below normal levels, whereas transient occupancy has fully recovered
- Lower occupancy and lower supply of rooms available has kept ADR stable

REVENUE & CASHFLOW [1]

The change in revenue year over year has been less severe in NBC than in BC

38% of firms were unable to pay all of their bills in Summer 2021

A decrease from April 2020 which was at **62%**

Remote firms hit the hardest—NBC has **18% more than the rest of BC**

STAFFING CAPACITY [1]

Dropped to a low 38% in May 2021

Increased to 50% in August 2021

Executive Summary

SNAPSHOT
2019 - 2021

NORTHERN BC TOURISM ASSOCIATION

bcrts British Columbia Regional Tourism Secretariat

VISITORS [3]

Top 3 Annual Visitors by City from outside of NBC

2021
1. Edmonton
2. Grand Prairie
3. Calgary

2020 & 2019
1. Edmonton
2. Calgary
3. Grand Prairie

Top 3 Annual Visitors by City from within NBC

2021
1. Prince George
2. Fort. St. John
3. Prince Rupert

2020 & 2019
1. Prince George
2. Fort. St. John
3. Terrace

81,000

The average of the best 3 weeks of visitors in 2021

5% from 2020

6% from 2019

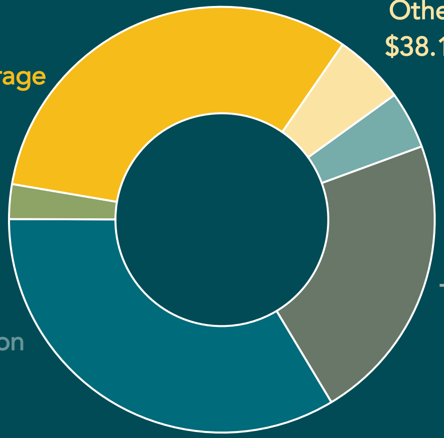
Top PRIZM Segments

25% Country & Western
14% Suburban Sports
10% Indigenous Families

Top EQ Segments

31% Rejuvenators
20% Gentle Explorers
12% Free Spirits

2019 Top Visitor Spending by Category (Millions) [4]



2019 Top Visitor Spending by Origin (Millions) [4]

CANADA	
British Columbia	$323.45M
Ontario	$124.86M
Alberta	$87.81M
New Brunswick	$17.14M
Northwest Territories	$12.92M

US	
Washington	$15.62M
California	$14.34M
Texas	$5.06M
Oregon	$3.07M
Florida	$2.96M

GLOBAL	
Germany	$4.24M
United Kingdom	$3.79M
Australia	$2.24M
South Korean	$1.50M
China	$1.02M

Sources: 1. BCRTS COVID-19 Impact Report; 2. STR; 3. Environics Analytics; 4. Destination Canada

Weekly Domestic Overnight Visitors

SNAPSHOT
2019 - 2021

NORTHERN BC TOURISM ASSOCIATION

bcrts British Columbia Regional Tourism Secretariat

Visits from January 10, 2021 – September 26, 2021 are:

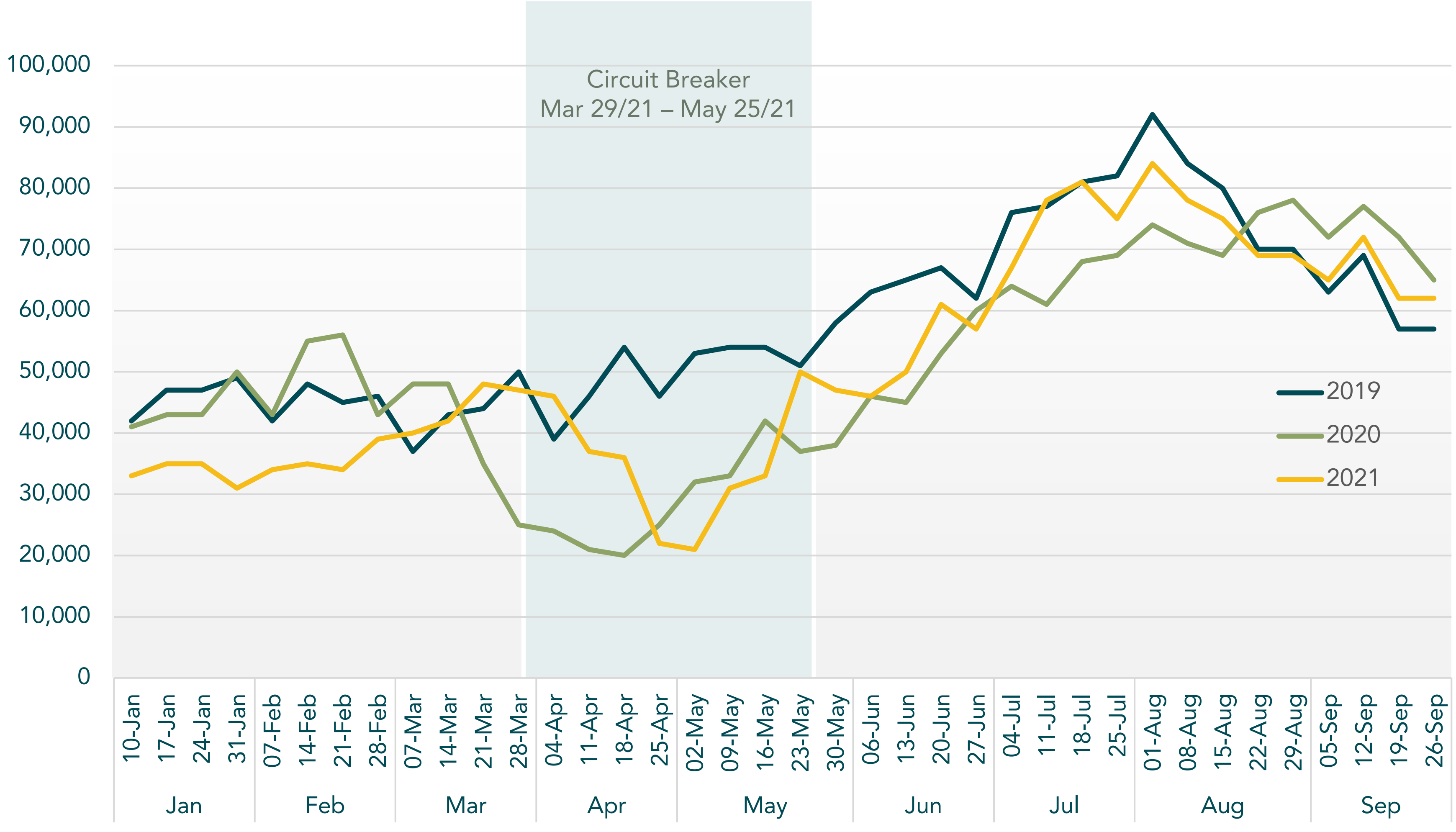
Up 0.3% from 2020

Down 12.8% from 2019

The average of the best 3 weeks of visitors in 2021 is **81,000.** This is:

Up from 77,000 visitors in 2020

Down from 86,000 in 2019



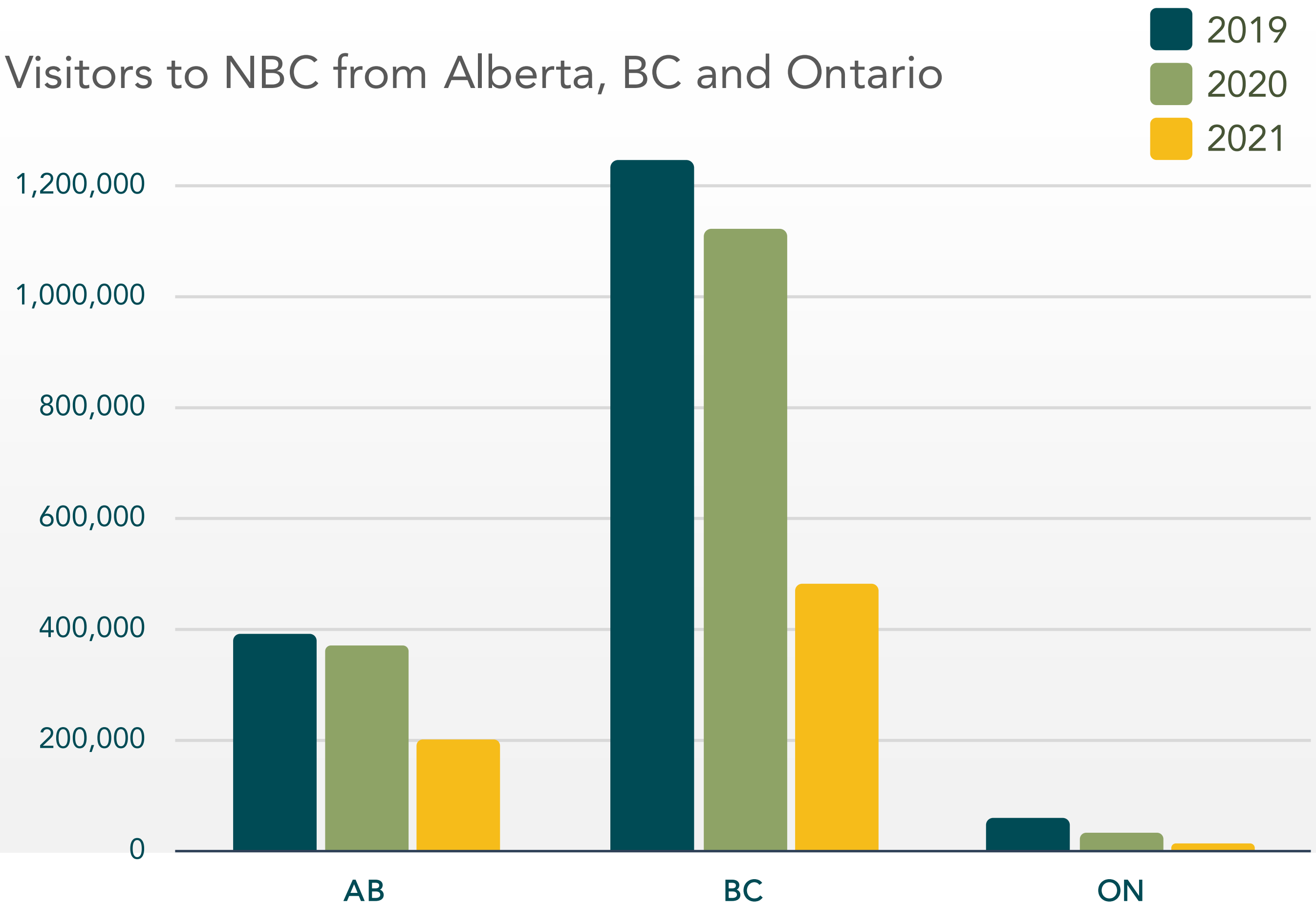
Source: Environics Analytics

Domestic Overnight Visitors

SNAPSHOT
2019 - 2021

NORTHERN BC TOURISM ASSOCIATION

bcrts British Columbia Regional Tourism Secretariat



Source: Environics Analytics

The three largest markets for visitors to NBC, by province, are **Alberta, BC, and Ontario.**

When excluding Alberta, BC, and Ontario, the largest number of visitors by province to NBC tends to be the prairie provinces, particularly **Saskatchewan**.

Comparing 2020 to 2019, there was a drop in visitors of:

- **5% from AB**
- **10% from BC**
- **45% from ON**

The lower drop in Alberta visitors is likely due to non-leisure, natural resource workers.

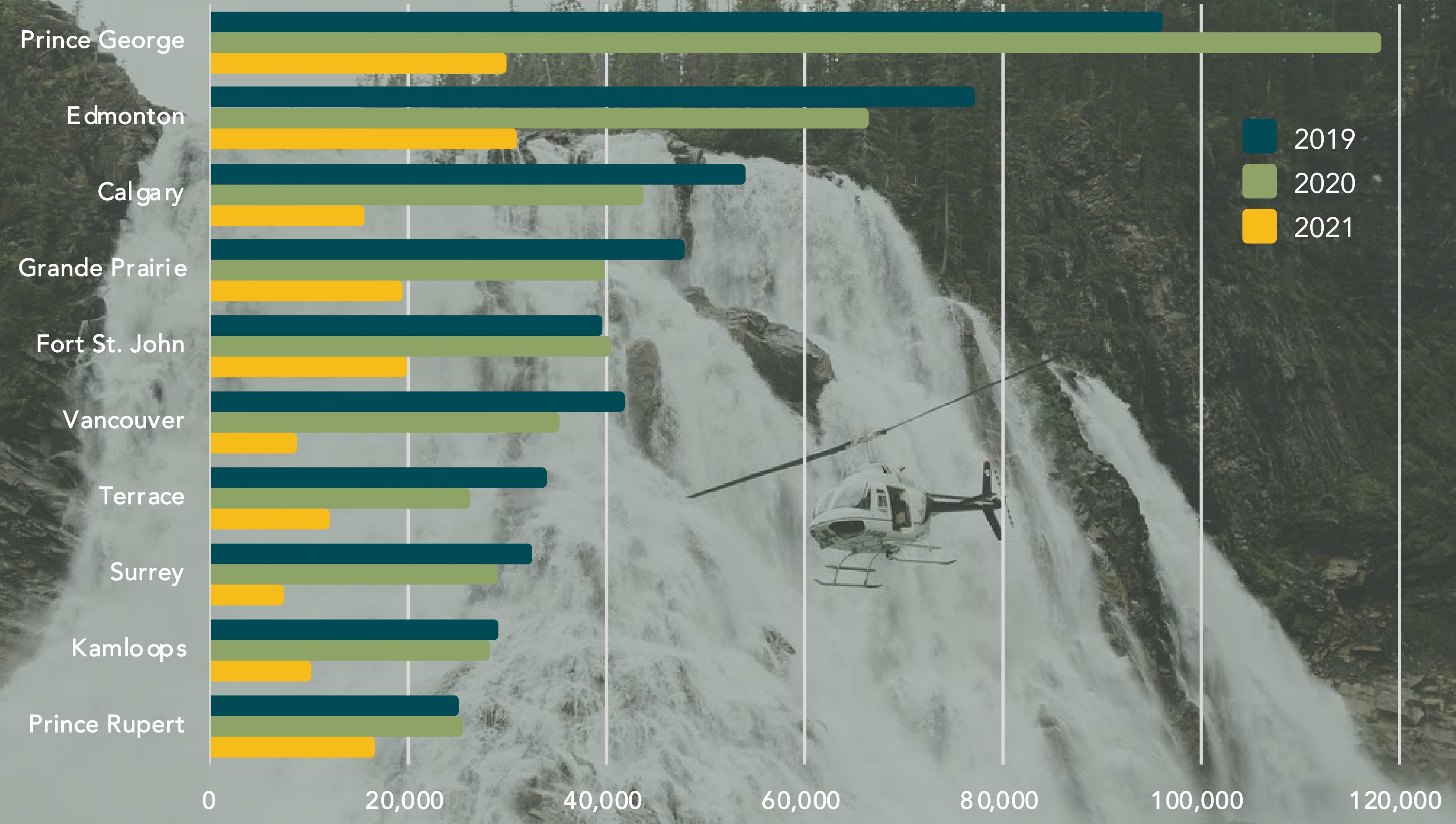
NOTE: Data for 2021 is from January-June

Annual Domestic Visitors by City

SNAPSHOT
2019 - 2021

NORTHERN BC TOURISM ASSOCIATION

bcrts British Columbia Regional Tourism Secretariat



Source: Environics Analytics

Most visitors are coming from within the NBC region, principally **Prince George,** whose residents' visits in 2020 was

Up 23% from 2019

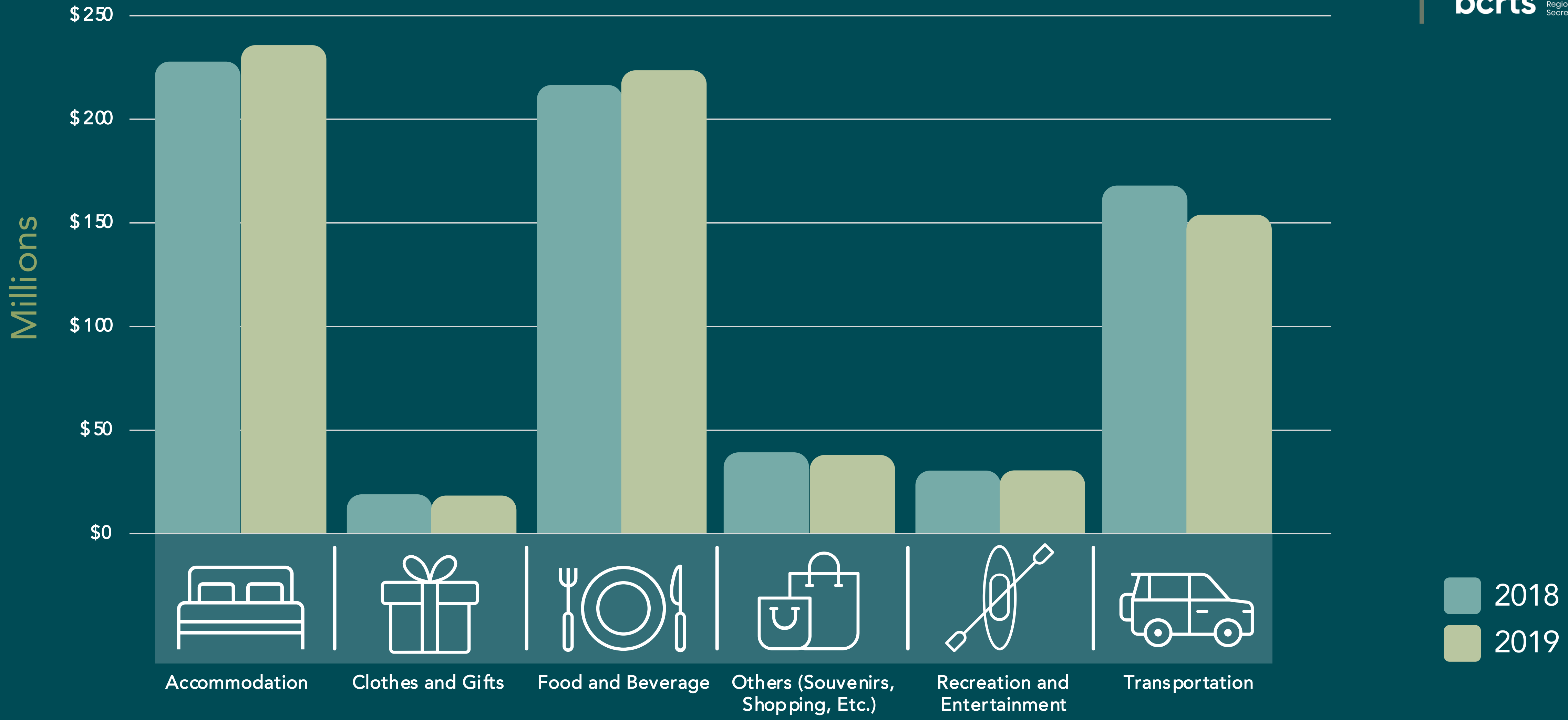
Additionally, there are more visitors to the region from the major Albertan cities of **Calgary and Edmonton** than there are visitors from Vancouver in any given year.

This could suggest that the region is particularly vulnerable to inter-provincial travel restrictions.

NOTE: Data for 2021 is from January-June

SNAPSHOT
2019 - 2021

Visitor Spending



Source: Destination Canada

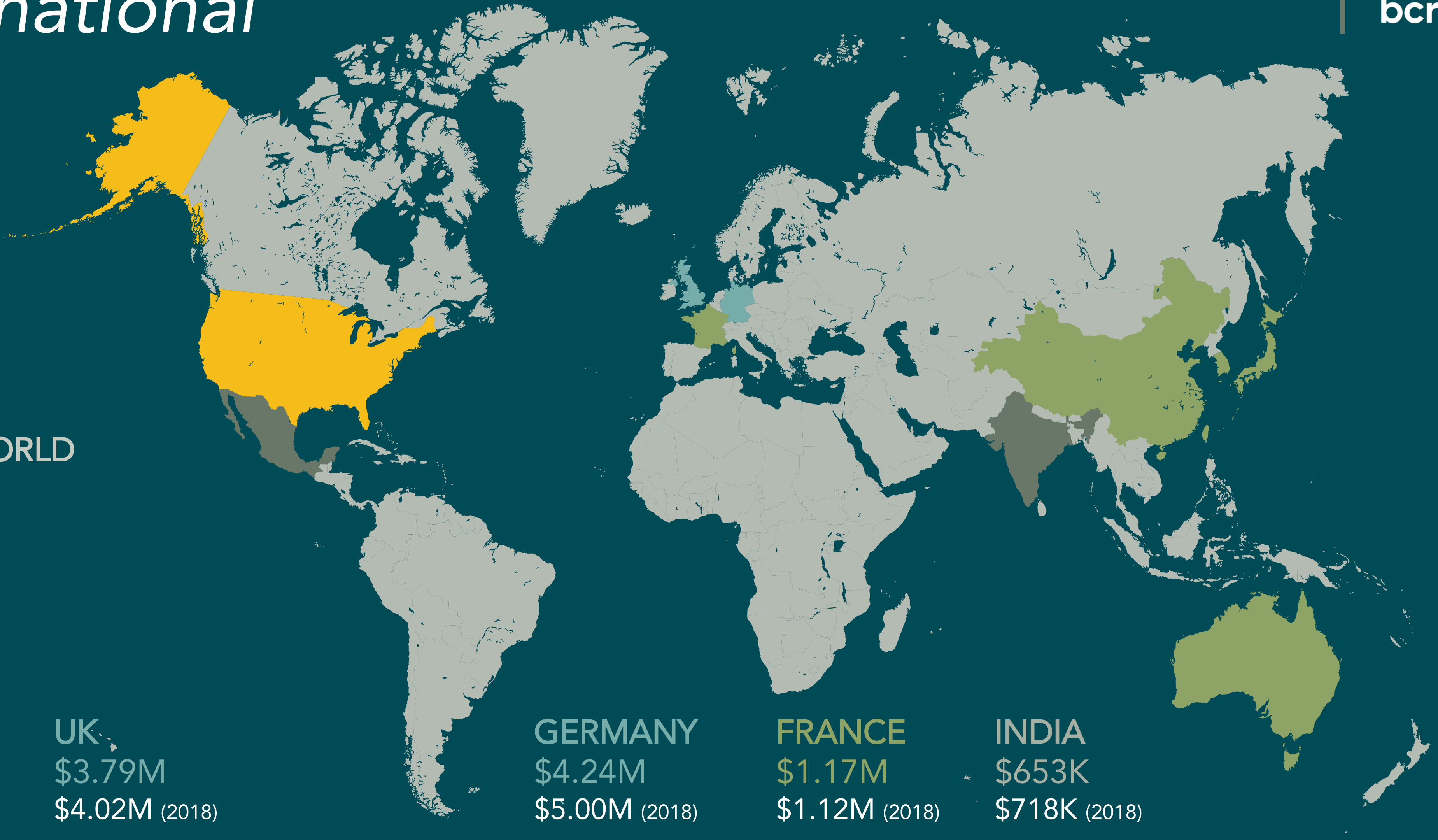
SNAPSHOT
2019 - 2021

NORTHERN BC
TOURISM ASSOCIATION

bcrts British Columbia Regional Tourism Secretariat

2019 Top Visitor Origin by Spending
-International

- $5M+
- $3-5M
- $1-3M
- < $1M



REST OF WORLD
$11.64M
$13.42M (2018)

US
$74.6M
$85.7K (2018)

MEXICO
$551K
$766K (2018)

UK
$3.79M
$4.02M (2018)

GERMANY
$4.24M
$5.00M (2018)

FRANCE
$1.17M
$1.12M (2018)

INDIA
$653K
$718K (2018)

AUSTRALIA
$2.24M
$2.76M (2018)

CHINA
$1.02M
$2.28M (2018)

JAPAN
$1.06M
$1.14M (2018)

S. KOREA
$1.50M
$1.05M (2018)

Source: Destination Canada

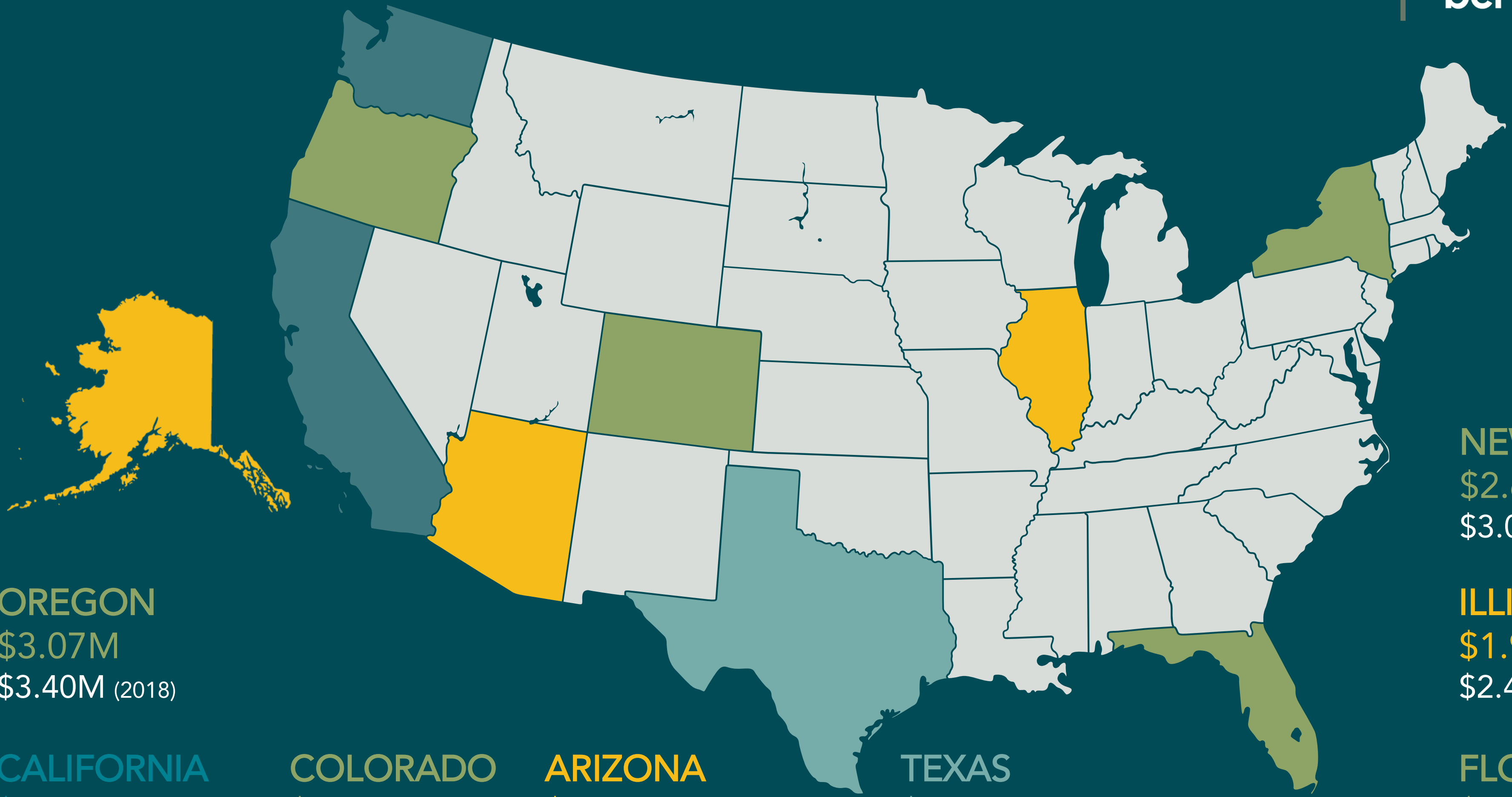
2019 Top Visitor Origin by Spending
-US

SNAPSHOT
2019 - 2021

NORTHERN BC
TOURISM ASSOCIATION

bcrts British Columbia Regional Tourism Secretariat

- $10M +
- $5-10M
- $2-5M
- $1-2M



ALASKA
$1.78M
$2.23M (2018)

OREGON
$3.07M
$3.40M (2018)

WASHINGTON
$15.62M
$17.37M (2018)

CALIFORNIA
$14.34M
$16.49M (2018)

COLORADO
$2.23M
$2.74M (2018)

ARIZONA
$1.85M
$1.97M (2018)

TEXAS
$5.06M
$5.95M (2018)

NEW YORK
$2.67M
$3.00M (2018)

ILLINOIS
$1.92M
$2.40M (2018)

FLORIDA
$2.96M
$3.40M (2018)

Source: Destination Canada

2019 Top Visitor Origin by Spending -*Canada*

SNAPSHOT
2019 - 2021

NORTHERN BC TOURISM ASSOCIATION

bcrts British Columbia Regional Tourism Secretariat

NOVA SCOTIA
$762K
$799K (2018)

PEI
$93K
$127K (2018)

NEW BRUNSWICK
$17.14M
$25.51M (2018)

Source: Destination Canada

Top PRIZM Market Segments

SNAPSHOT
2019 - 2021

NORTHERN BC TOURISM ASSOCIATION

bcrts British Columbia Regional Tourism Secretariat

Country & Western

Average Household Income $95,438

- Older, middle-income rural westerners
- Occupation: Primary/Blue Collar
- Sample Social Value: Skepticism Towards Advertising
- Post-pandemic are looking forward to travelling within Canada and getting back to old habits

Suburban Sports

Average Household Income $127,534

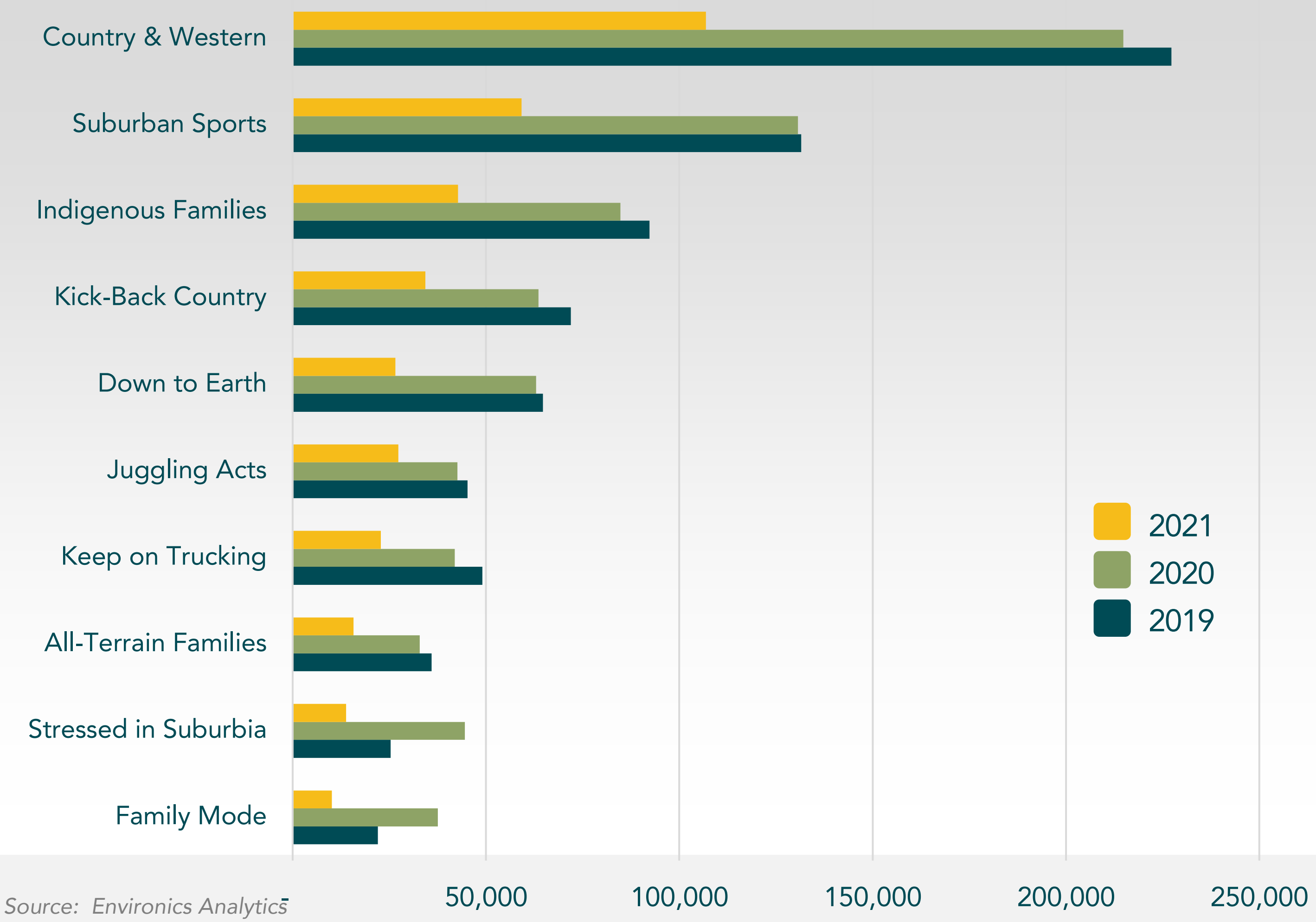
- Upper-middle-income, younger and middle-aged suburbanites
- Occupation: Service Sector/Blue Collar
- Sample Social Value: Rejection of Order
- Post-pandemic are looking forward to travelling within Canada and attending professional sports events/games

Indigenous Families

Average Household Income $81,938

- Younger and middle-aged First Nations, Inuit and Métis families living in remote communities
- Occupation: Mixed
- Sample Social Value: Multiculturalism
- Post-pandemic are looking forward to travelling within Canada (lower than the national average)

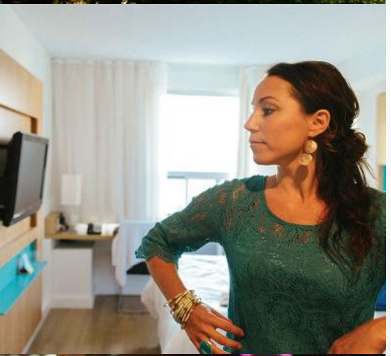
NOTE: Data collected for 2021 is from January-July.



Source: *Environics Analytics*

NORTHERN BC TOURISM ASSOCIATION
bcrts British Columbia Regional Tourism Secretariat

Top EQ Traveller Types



Rejuvenators

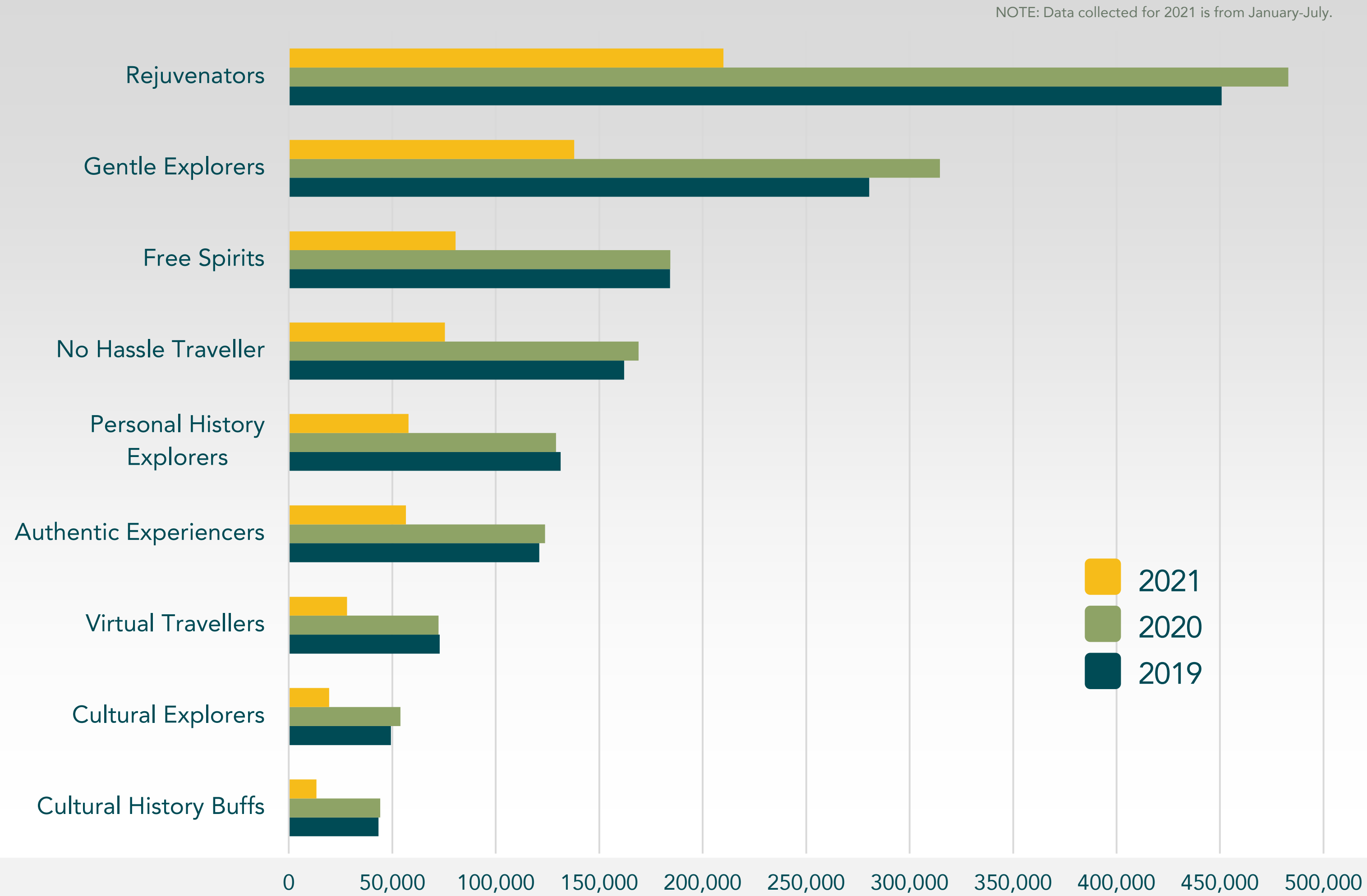
- Middle-aged, lower middle-income and family-oriented
- Travel with others to escape everyday life
- Want their travel experiences to be as comfortable and relaxing as possible, yet carefree and indulging
- Being awestruck by nature holds great appeal in their vacations

Gentle Explorers

- Like to travel with others and return to past destinations
- Averse to experiencing new locations, food and people
- Demand the very best and most comfortable environments
- Not as enthusiastic about experiencing nature as other travellers

Free Spirits

- Adventurous and like to see all the top attractions (but not in depth)
- Aspire to stay at luxury accommodations and venues
- Vacation is a time to be carefree and indulge
- Attracted to groups where they can socialize and share the experience with others



Source: *Environics Analytics*

Average Length of Stay

SNAPSHOT
2019 - 2021

NORTHERN BC TOURISM ASSOCIATION

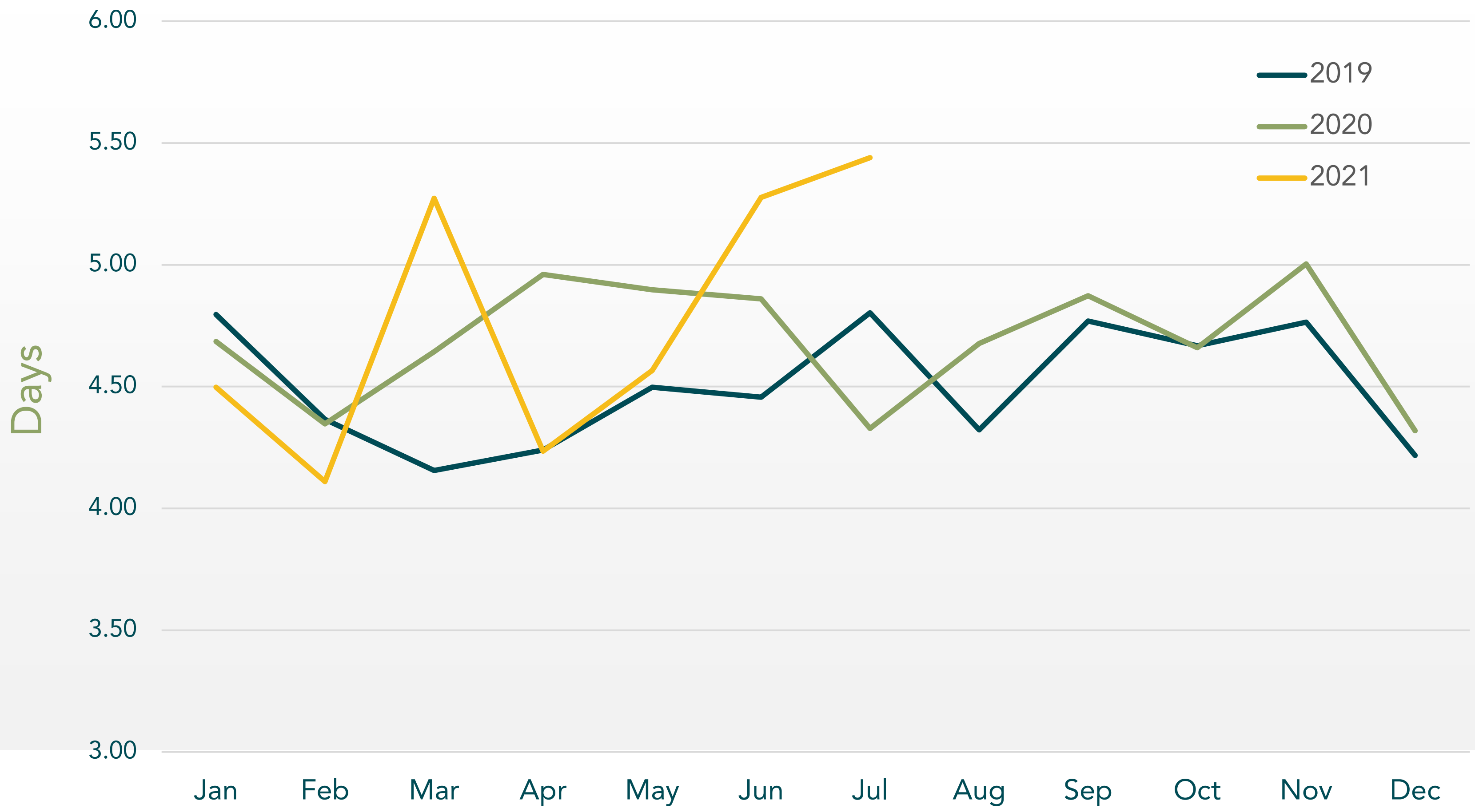
bcrts British Columbia Regional Tourism Secretariat

With data available until July, it appears that the average length of stay for visitors to NBC during the busier months is longer than previous years.

4.89

The average length of stay increased from 4.39 days in 2019 to **4.89 days in 2021.**

This is an **increase of 11%** and is likely due to an increase in self-guided visitors from the surrounding region.



Source: Environics Analytics

Occupancy Rate

SNAPSHOT
2019 - 2021

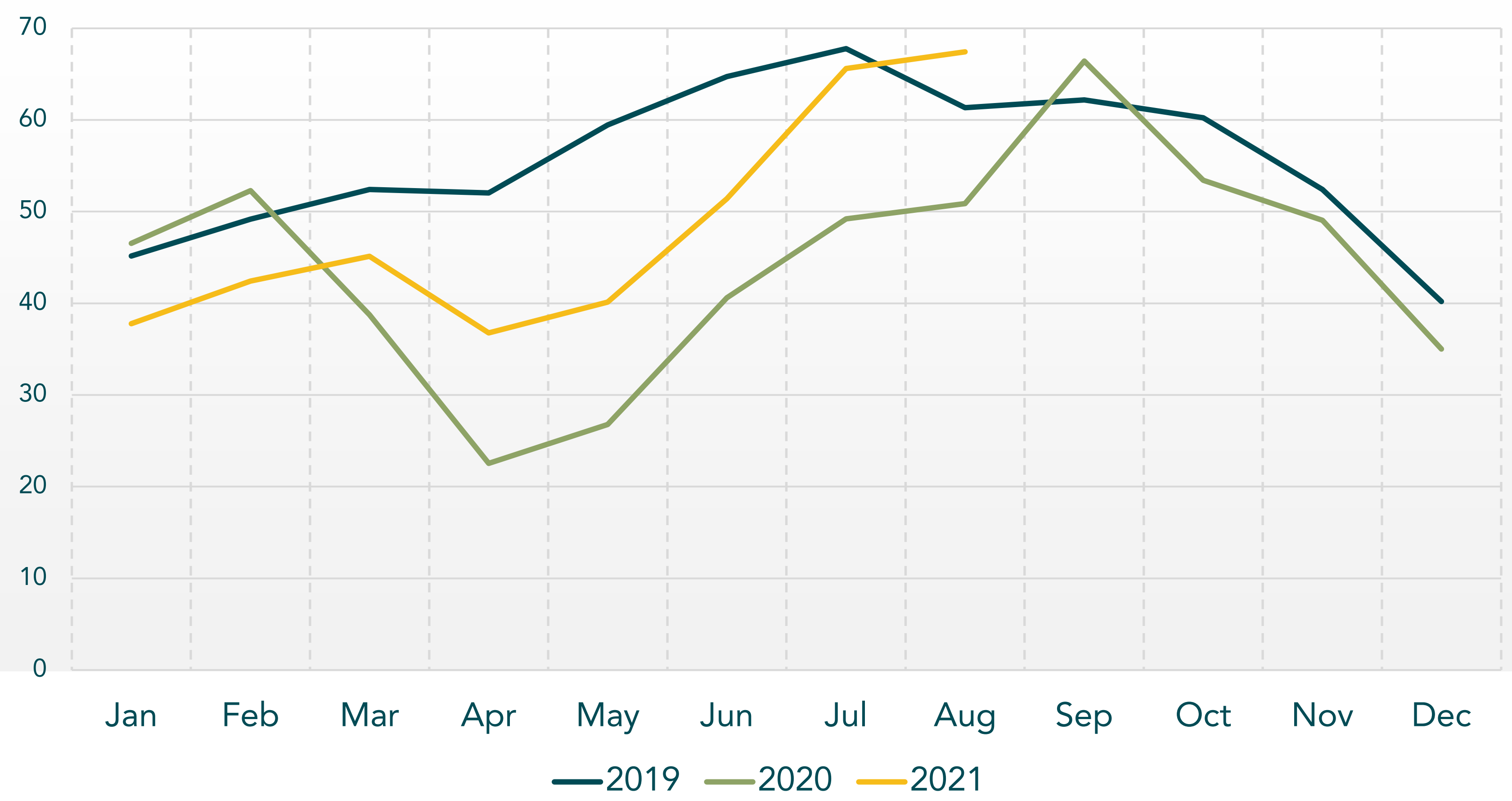
NORTHERN BC
TOURISM ASSOCIATION

bcrts British Columbia Regional Tourism Secretariat

Until August 2021, the occupancy rate has remained **lower than in 2019.**

The gap between 2019 occupancy and 2021 occupancy has decreased.

NOTE: One caveat of this data is that it mostly comes from large chain hotels and may not be representative of the region as a whole.



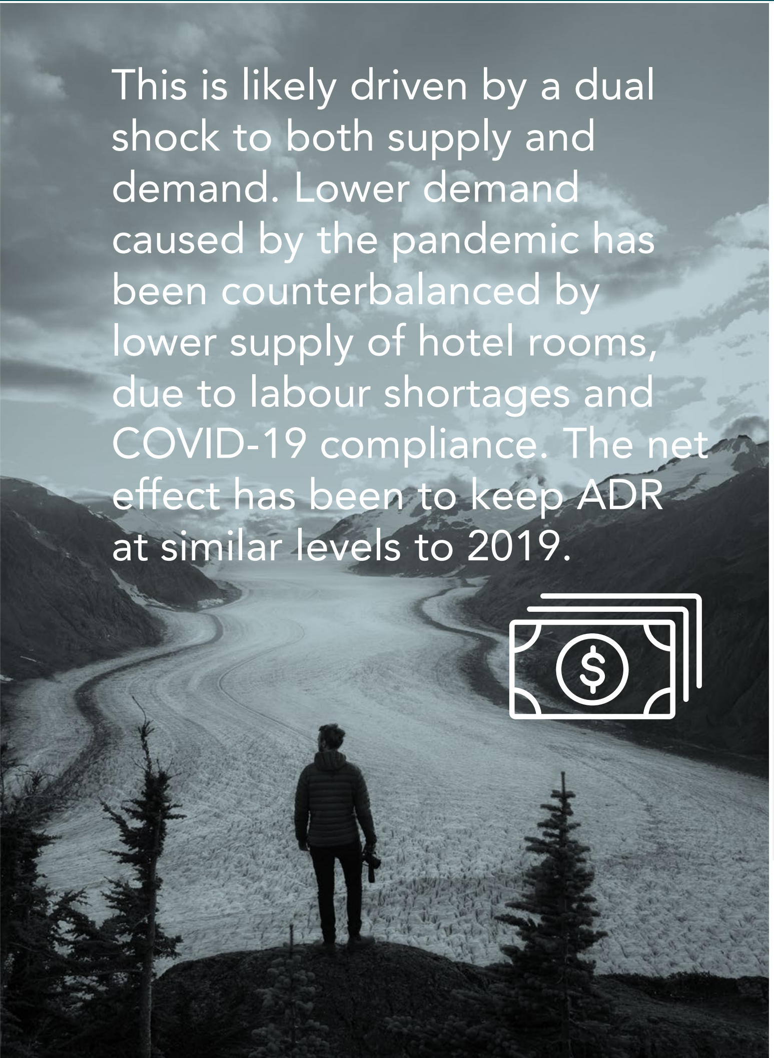
Source: STR

Average Daily Rate

SNAPSHOT
2019 - 2021

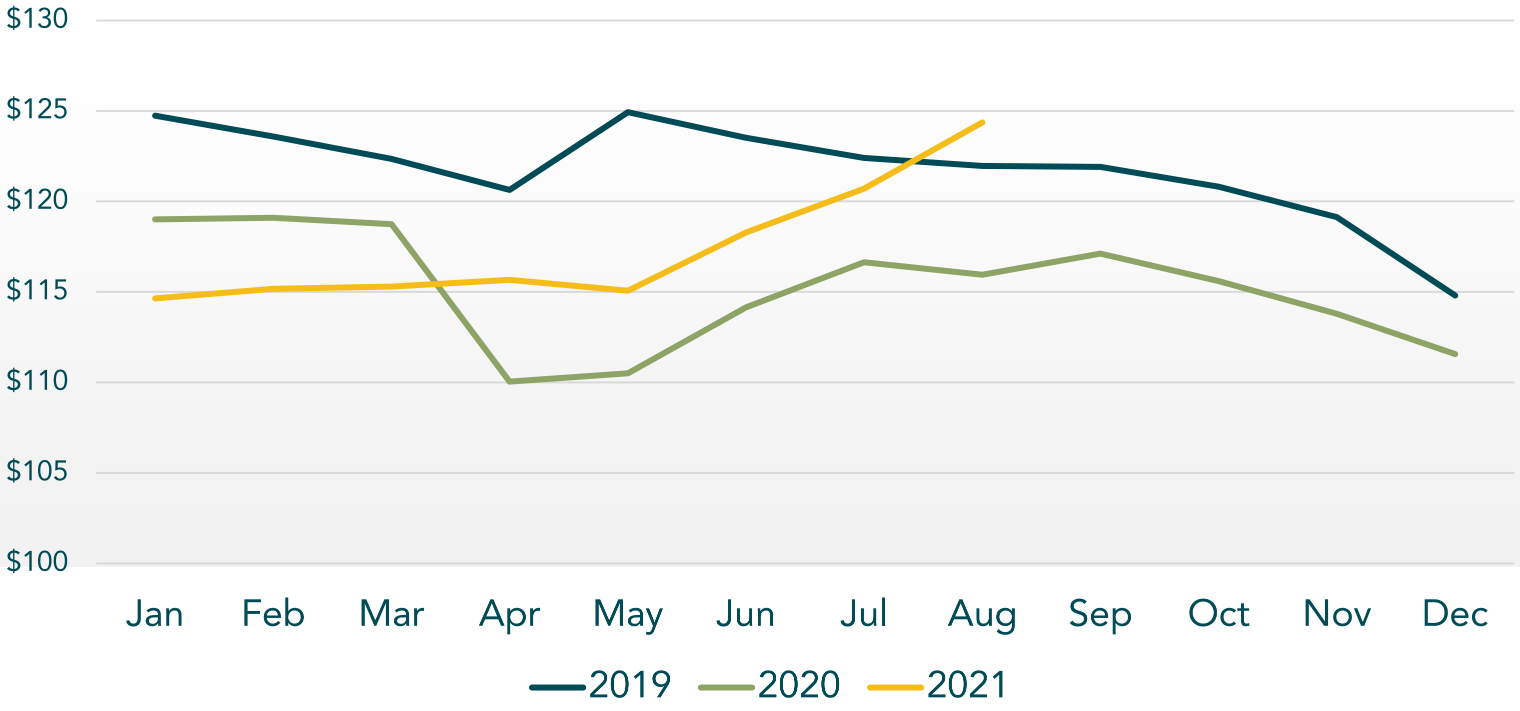
NORTHERN BC TOURISM ASSOCIATION

bcrts British Columbia Regional Tourism Secretariat



This is likely driven by a dual shock to both supply and demand. Lower demand caused by the pandemic has been counterbalanced by lower supply of hotel rooms, due to labour shortages and COVID-19 compliance. The net effect has been to keep ADR at similar levels to 2019.

Despite sharp declines in occupancy levels between 2019 and the two pandemic years, there has been relatively little movement in the average daily rate in the region.



Source: *STR*

Transient & Group Room Occupancy

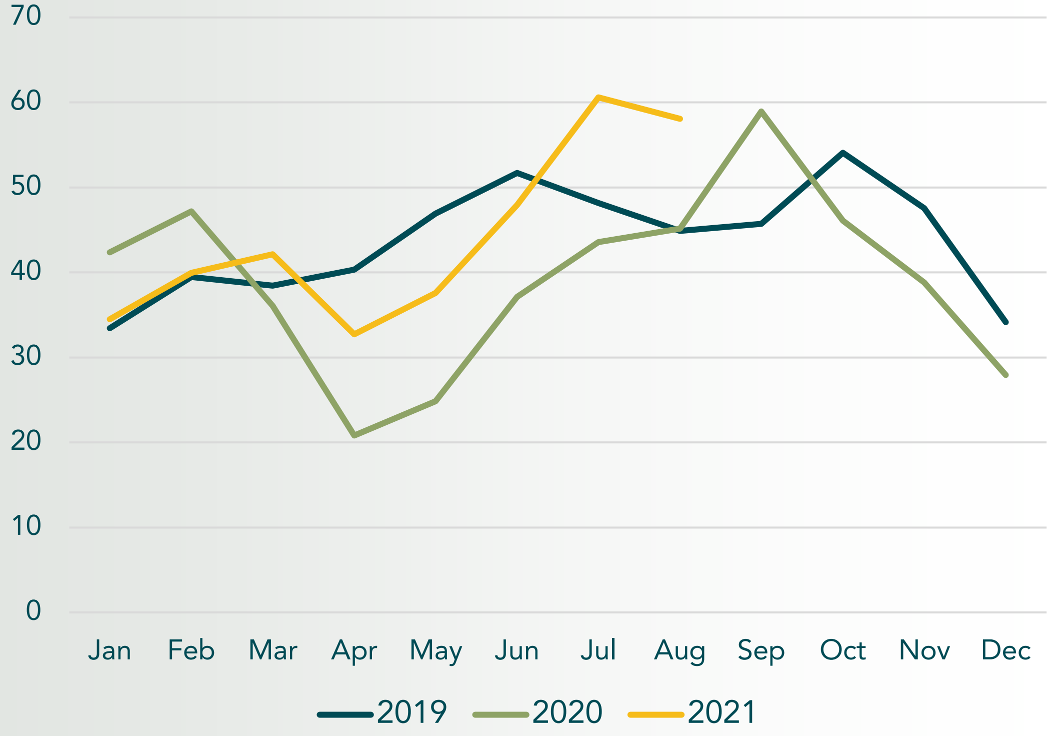
SNAPSHOT
2019 - 2021

NORTHERN BC TOURISM ASSOCIATION

bcrts British Columbia Regional Tourism Secretariat

Transient Room Occupancy Rate

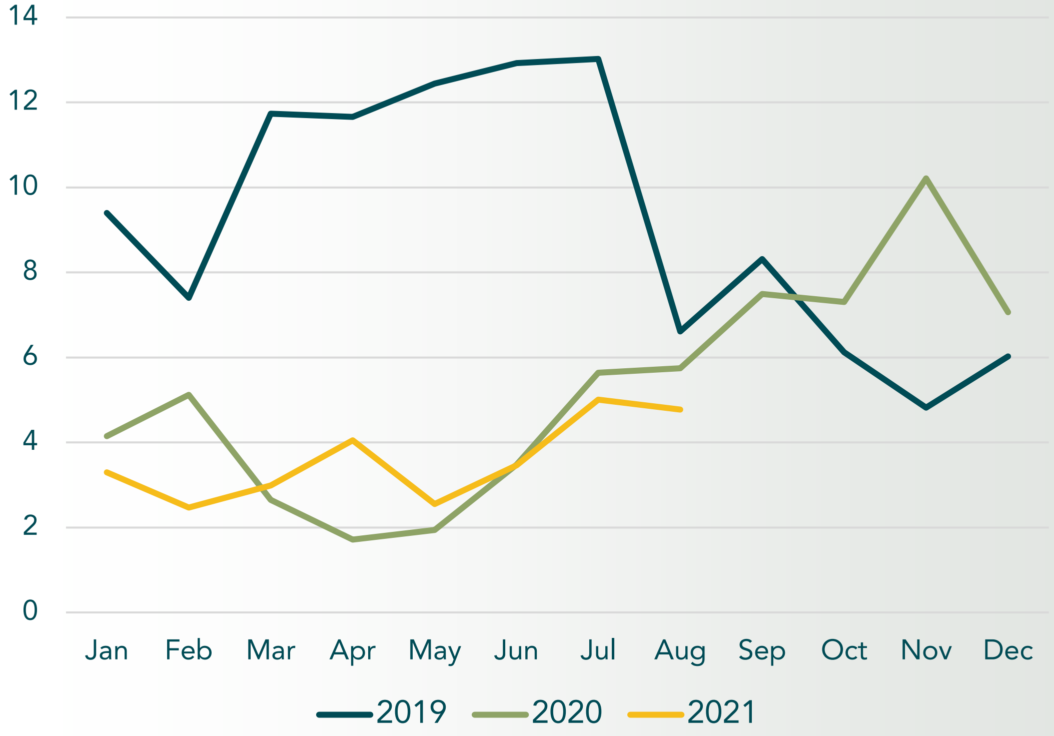
Rooms sold to individuals or groups occupying **less than 10 rooms per night**.



Transient room occupancy has fully recovered.

Group Room Occupancy Rate

Defined as **10 or more rooms per night**, sold pursuant to a signed agreement.



Group occupancy is far below normal levels, which is likely due to the lack of international tour groups.

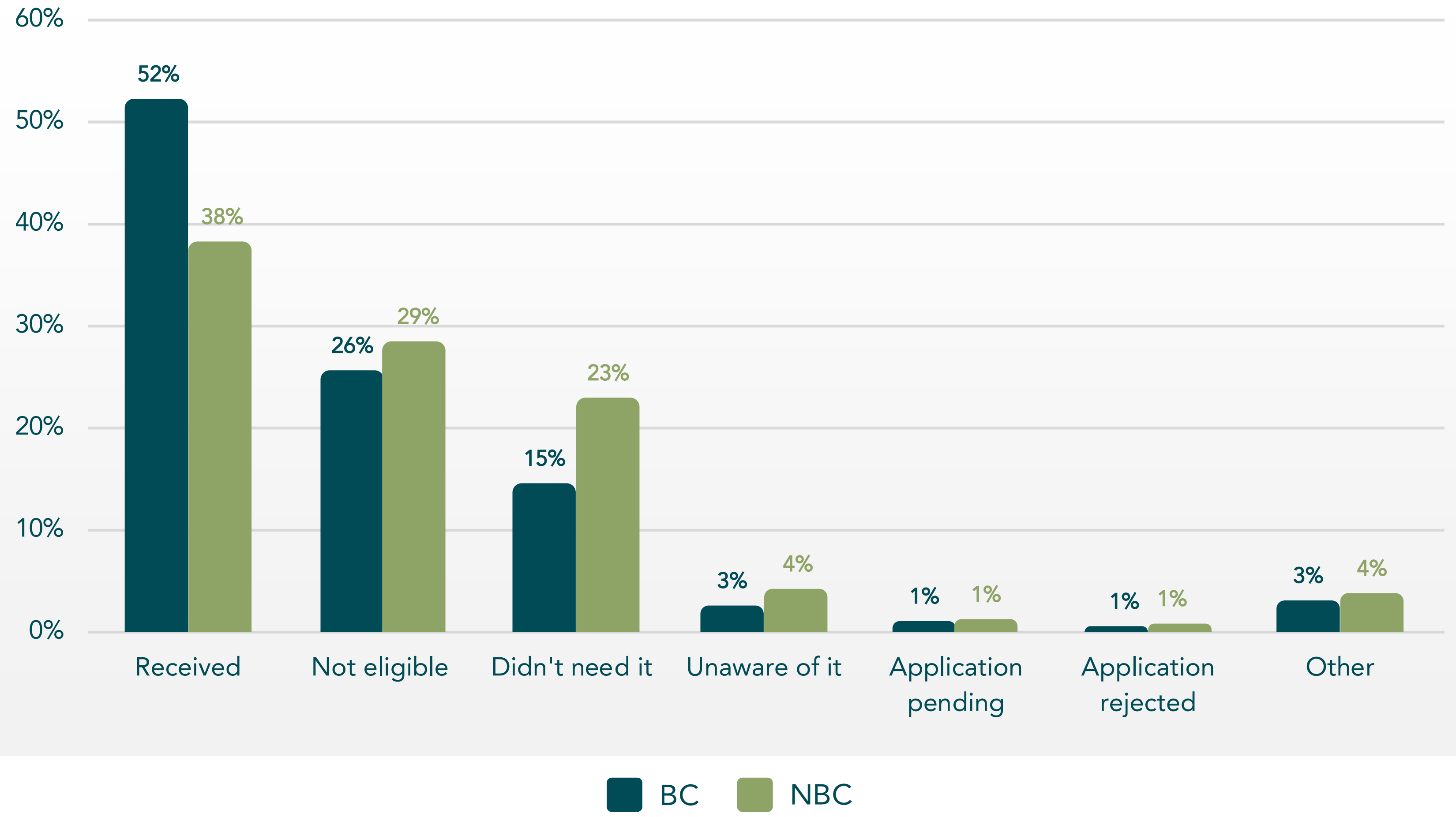
Source: STR

Government Program Access: CEWS

SNAPSHOT
2019 - 2021

NORTHERN BC TOURISM ASSOCIATION

bcrts British Columbia Regional Tourism Secretariat



Firms in NBC, no matter the size, **were less likely to have received government relief** programs and were generally more likely to feel that they didn't need it, or were unaware of the program's existence.

Other government programs followed a similar pattern, with NBC firms utilizing government relief less often than in other regions.

Source: BCRTS COVID-19 Impact Report

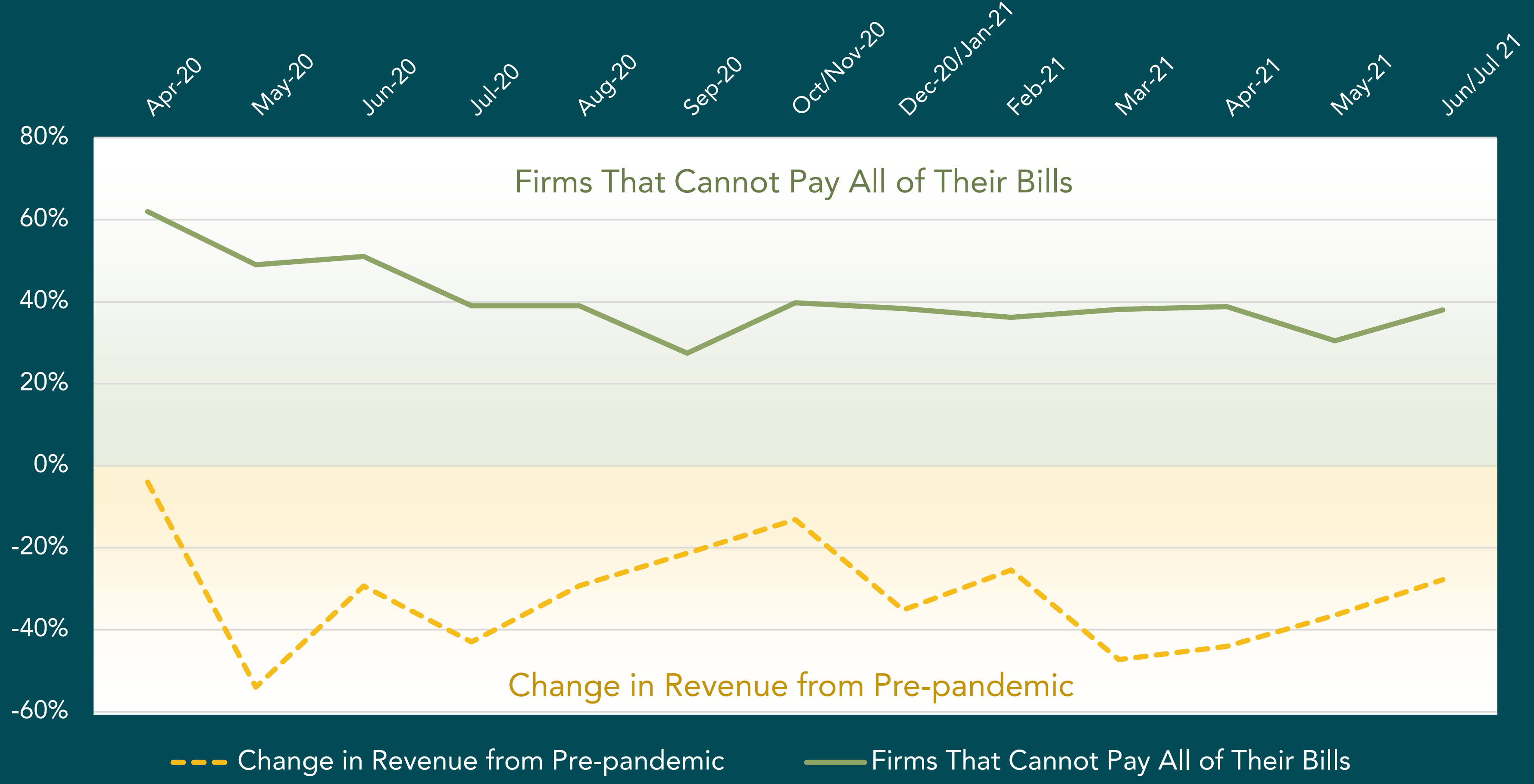
Change in Revenue & Ability to Pay Bills

SNAPSHOT
2019 - 2021

NORTHERN BC TOURISM ASSOCIATION

bcrts British Columbia Regional Tourism Secretariat

The percentage of firms who **cannot pay all of their bills is higher in NBC** than in BC as a whole.



However, it appears that the change in revenue from one year to the next has been less severe in NBC than in BC as whole. This is likely due to seasonality and remote firms relying on international visitors.

In the summer months (May to August), firms in NBC tended to experience a 37% average decrease in revenue compared to an average decrease of 27% in the rest of the year.

Source: BCRTS COVID-19 Impact Report

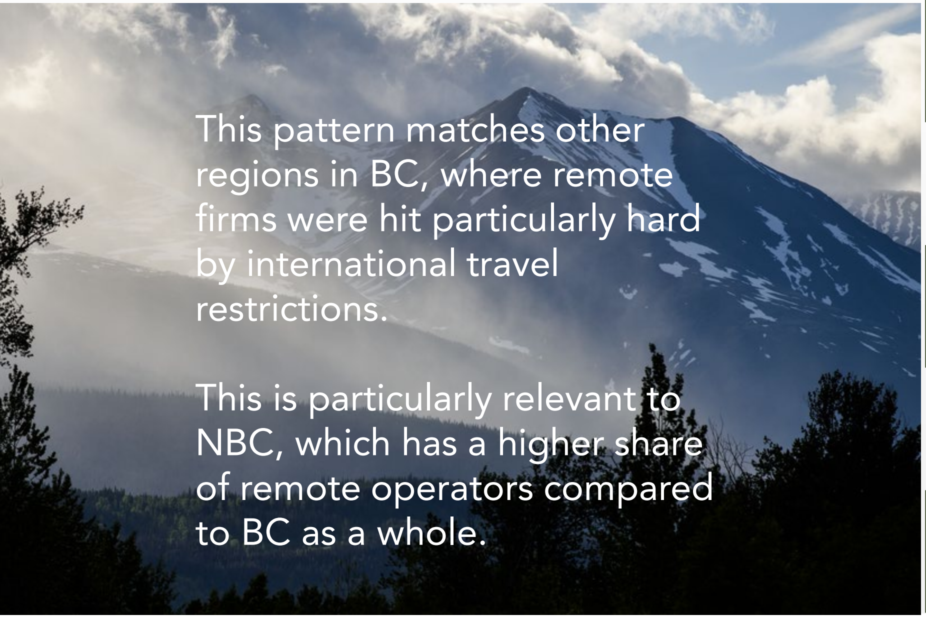
Ability to Pay by Firm Location

SNAPSHOT
2019 - 2021

NORTHERN BC TOURISM ASSOCIATION

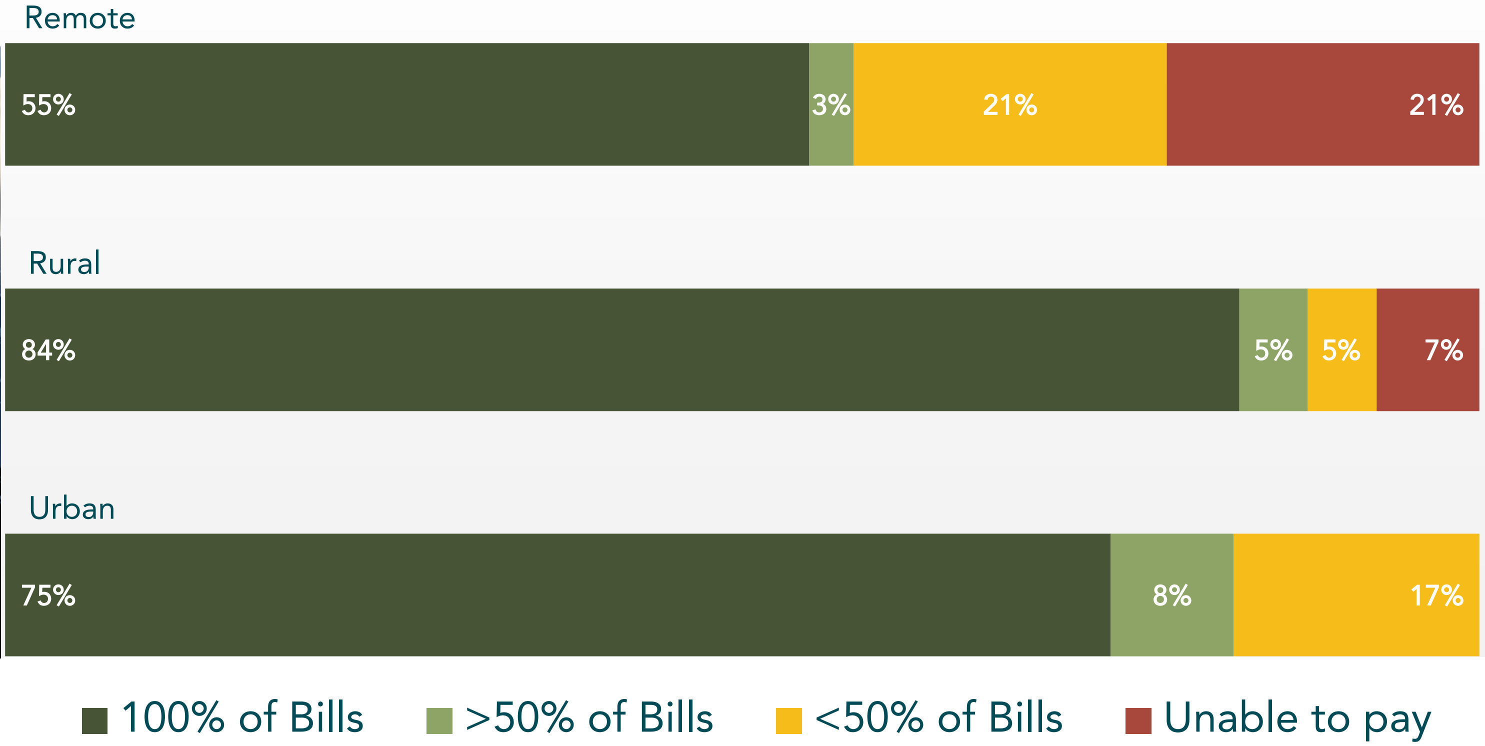
bcrts British Columbia Regional Tourism Secretariat

Rural and urban firms were more likely to feel that they could pay their bills when compared to remote firms in NBC, where **only 55% of respondents felt that they had the ability to pay their bills in full.**



This pattern matches other regions in BC, where remote firms were hit particularly hard by international travel restrictions.

This is particularly relevant to NBC, which has a higher share of remote operators compared to BC as a whole.



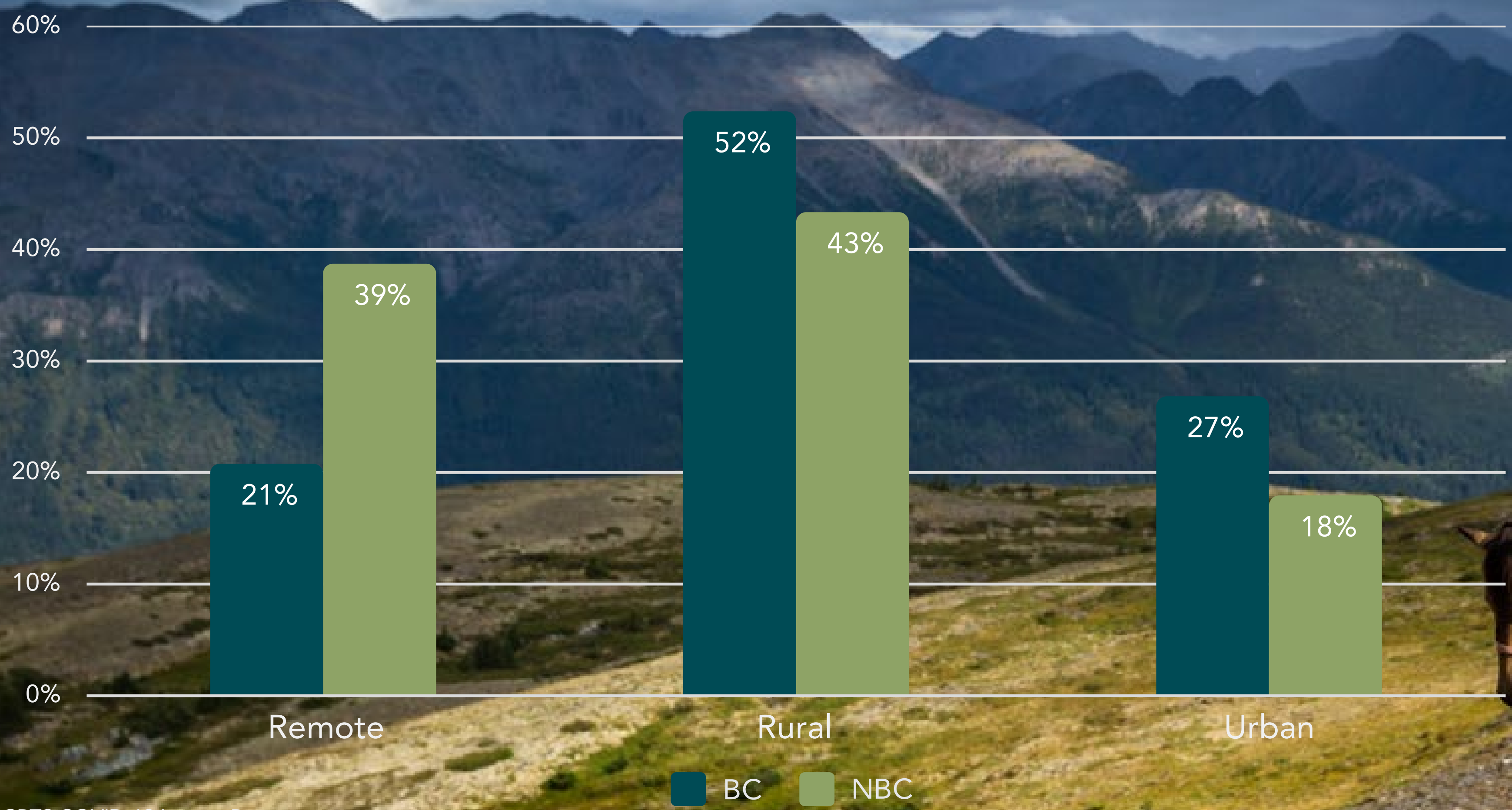
Source: BCRTS COVID-19 Impact Report

Percentage of Firms by Location

SNAPSHOT
2019 - 2021

NORTHERN BC
TOURISM ASSOCIATION

bcrts British Columbia Regional Tourism Secretariat



NBC has an **18% higher proportion of remote firms** than the rest of BC.

Source: BCRTS COVID-19 Impact Report

Impact of COVID-19 by Firm Type

SNAPSHOT
2019 - 2021

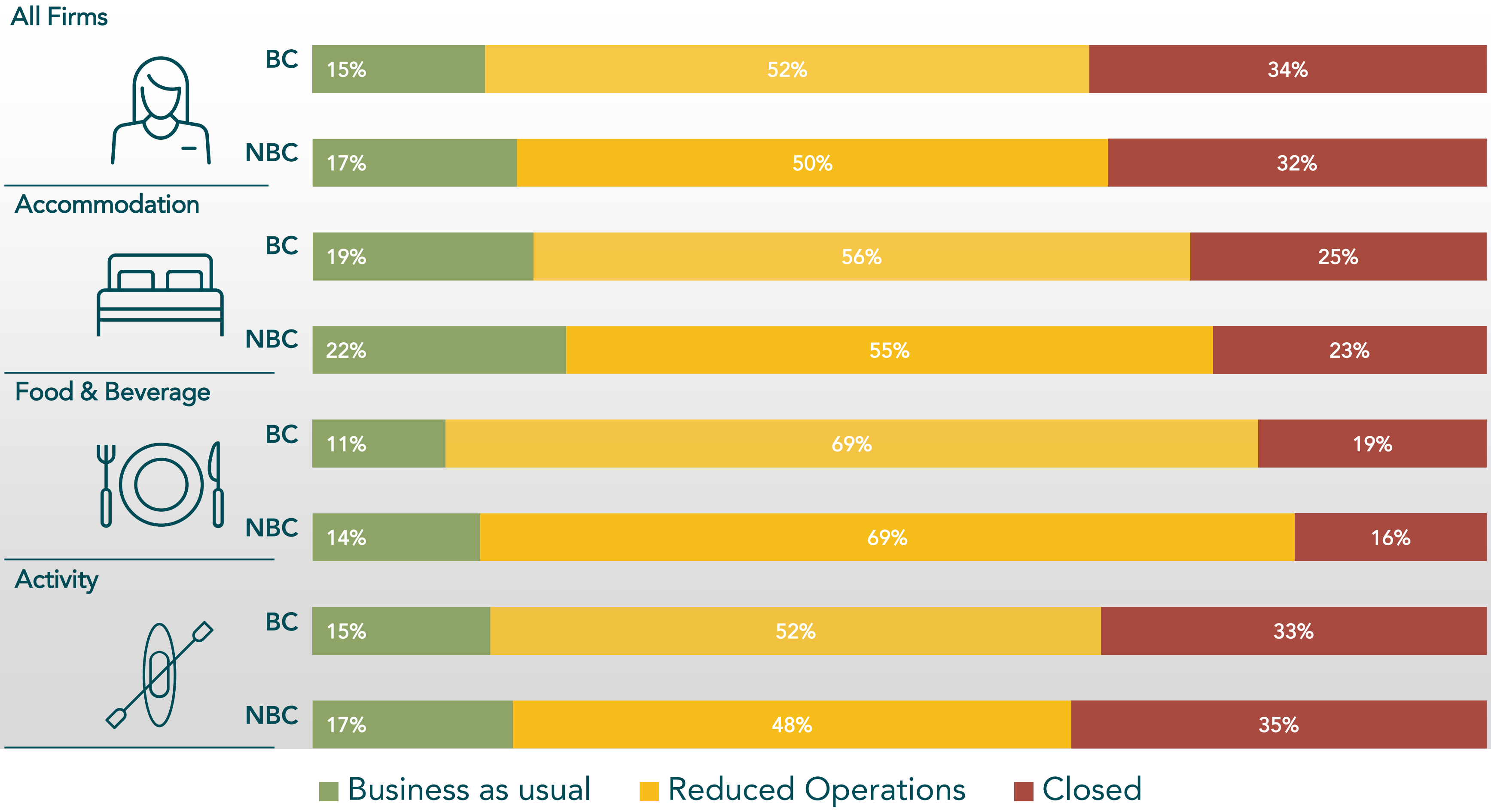
NORTHERN BC TOURISM ASSOCIATION

bcrts British Columbia Regional Tourism Secretariat

Firms were likely to report **business as usual in NBC** than in BC overall, based on the last time they were contacted by our survey.

Across all firm types, the majority of firms are **operating at some form of reduced operations.**

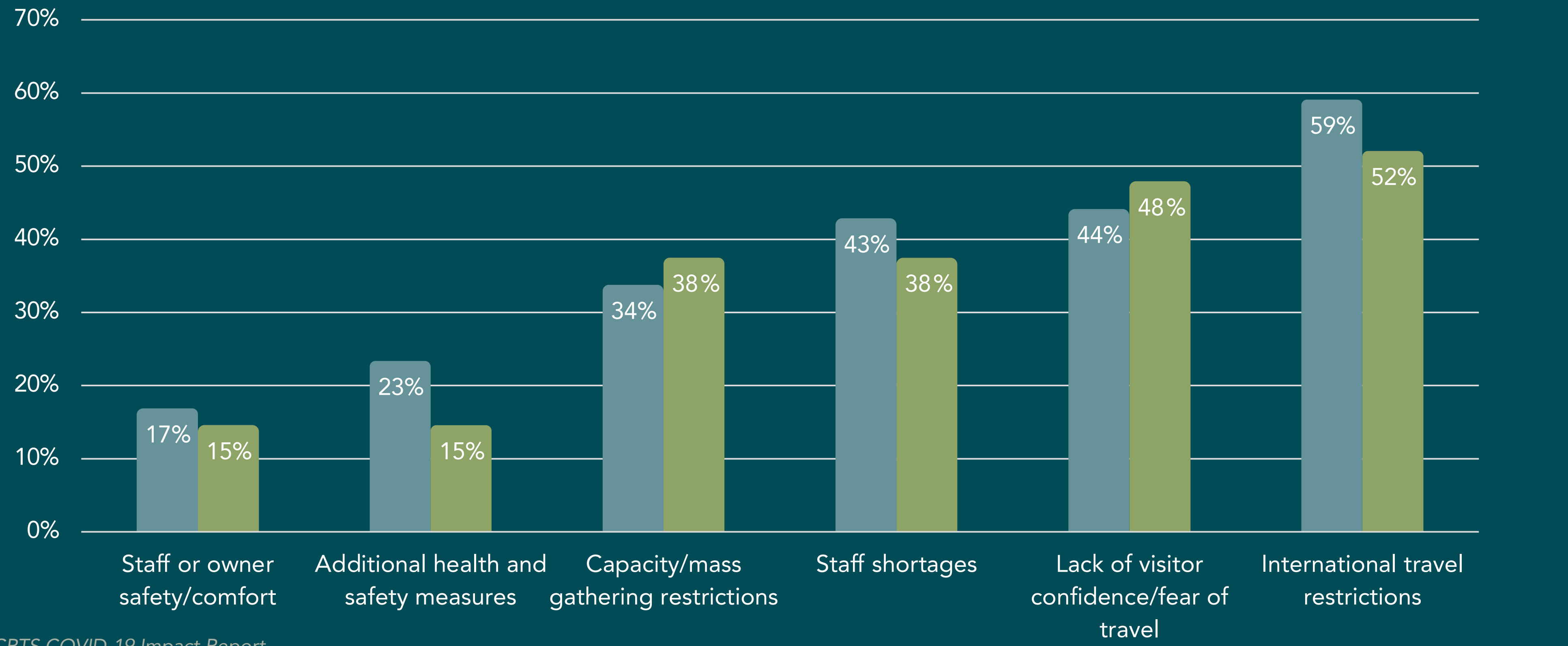
Activity firms in NBC were more likely to be closed than in BC overall, due to the impact of COVID-19.



Source: *BCRTS COVID-19 Impact Report*

Concerns About the Summer Re-opening

We asked firms during July and August 2021 to share their concerns about re-opening. Similar to other firms in the province, businesses from NBC were most concerned about international travel restrictions.



The ranking and pattern of concerns largely mirrored that of the rest of the province, with visitor confidence, staff shortages, and capacity restrictions also important.

Source: BCRTS COVID-19 Impact Report

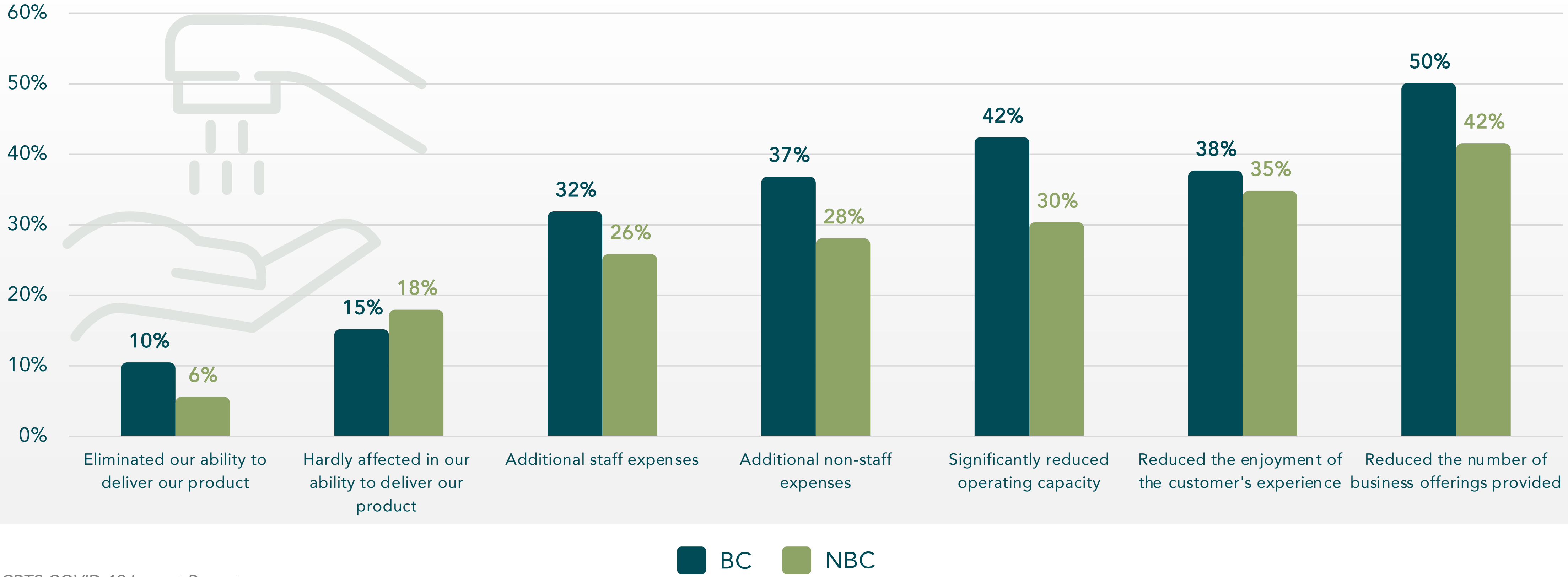
Effect of Health and Safety Protocols

SNAPSHOT
2019 - 2021

NORTHERN BC
TOURISM ASSOCIATION

bcrts British Columbia Regional Tourism Secretariat

When asked about the effects of health and safety protocols on their business, firms in NBC were most concerned about their ability to provide numerous offerings as well as enjoyable experiences for their customers.



Source: BCRTS COVID-19 Impact Report

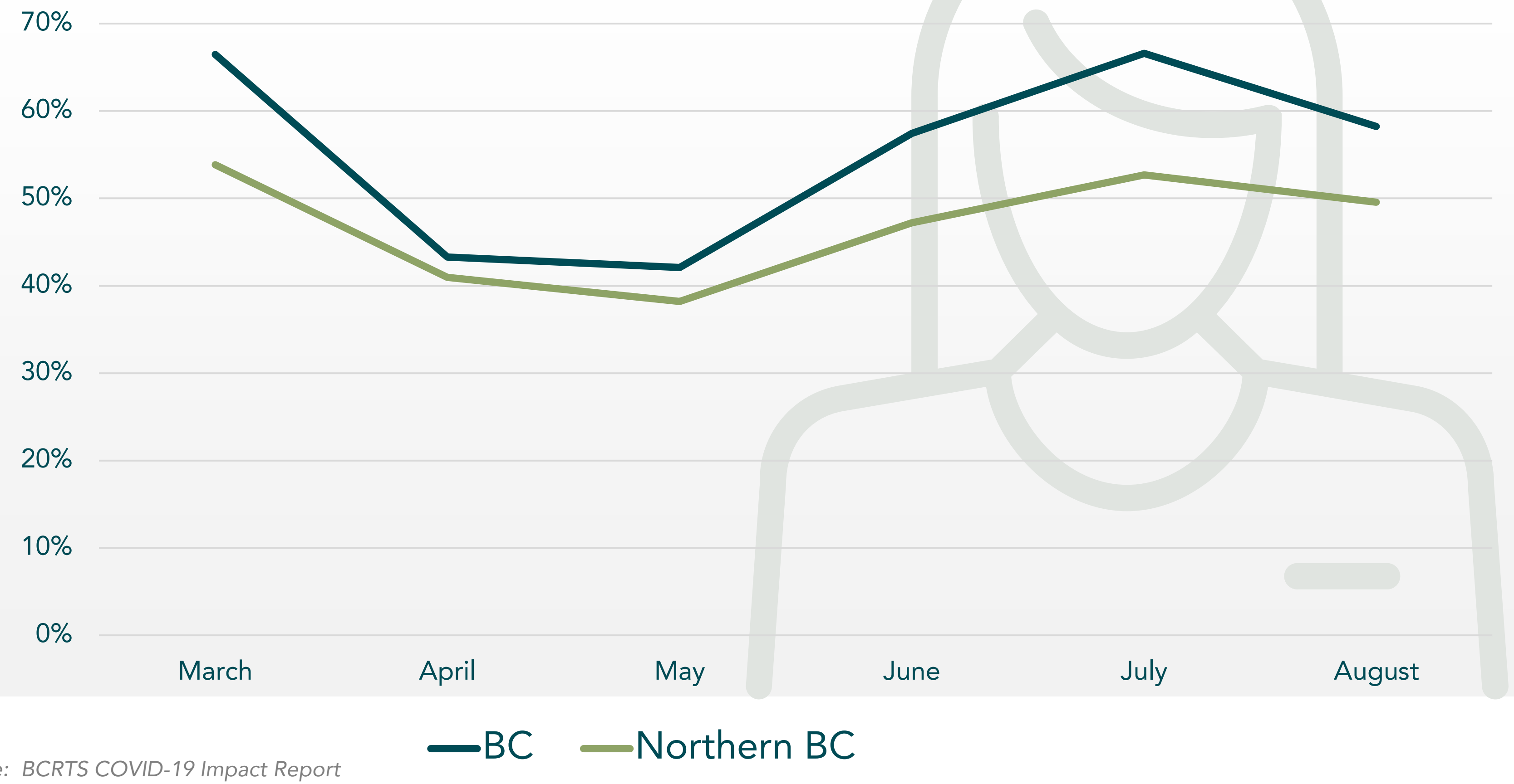
Staffing Capacity

SNAPSHOT
2019 - 2021

NORTHERN BC TOURISM ASSOCIATION

bcrts British Columbia Regional Tourism Secretariat

Usual staffing capacity, March-August 2021



The significant drop in usual staffing capacity coincides with the third COVD-19 wave in April and the ensuing travel restrictions between health regions that was put in place on April 23rd.

NBC experienced the same trend as the rest of BC but was more affected overall:

Dropped to a low 38% in May

Increased to 50% in August

Source: BCRTS COVID-19 Impact Report