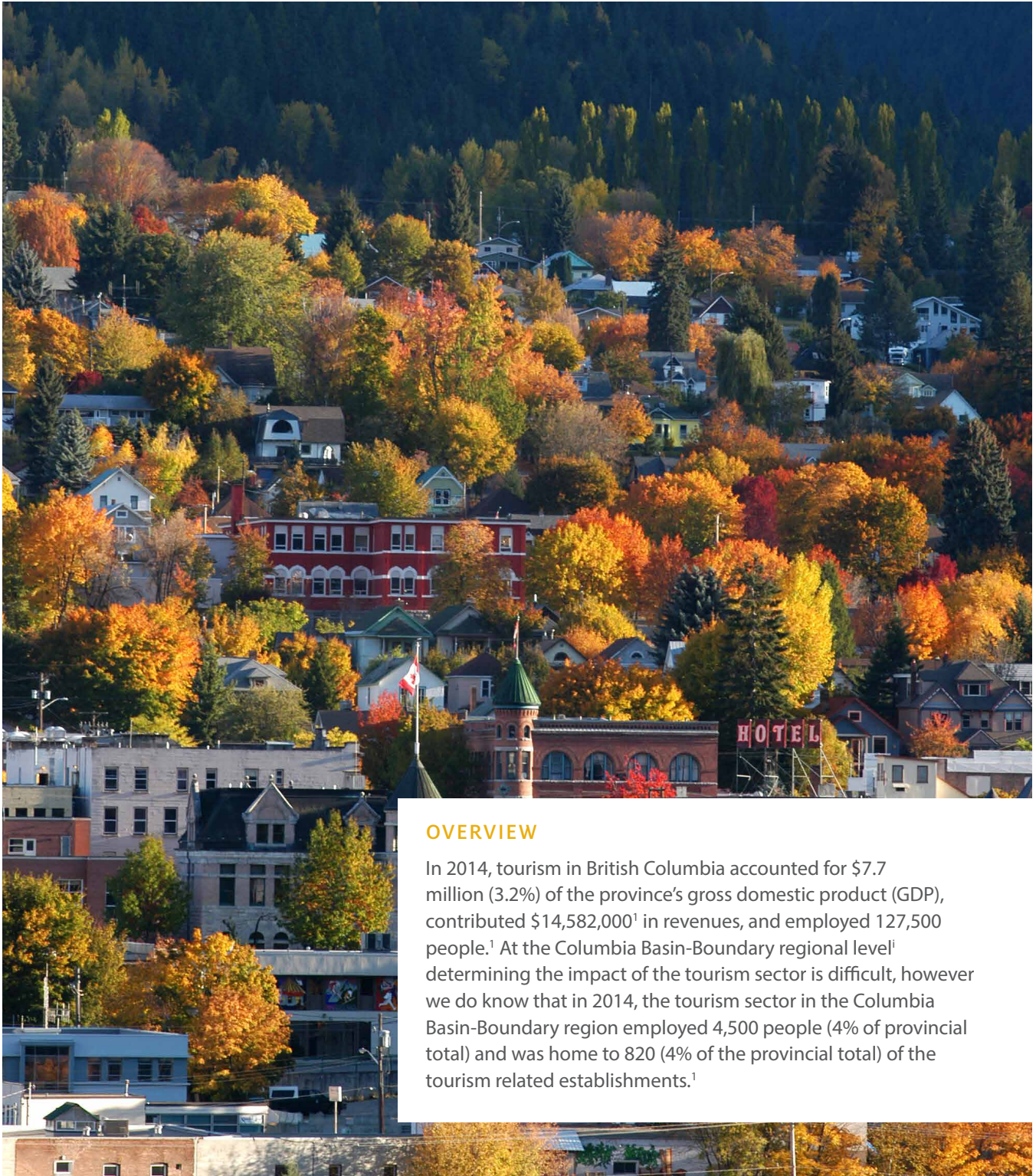


# Trends Analysis: Tourism



## OVERVIEW

In 2014, tourism in British Columbia accounted for \$7.7 million (3.2%) of the province's gross domestic product (GDP), contributed \$14,582,000<sup>1</sup> in revenues, and employed 127,500 people.<sup>1</sup> At the Columbia Basin-Boundary regional level<sup>1</sup> determining the impact of the tourism sector is difficult, however we do know that in 2014, the tourism sector in the Columbia Basin-Boundary region employed 4,500 people (4% of provincial total) and was home to 820 (4% of the provincial total) of the tourism related establishments.<sup>1</sup>

<sup>1</sup>Statistics for the Columbia Basin-Boundary region are typically divided into three regional groups making it difficult in some instances to report on statistics. The area of the Boundary region (Christina Lake west to Big White) is included in the Thompson Okanagan, and Valemount is included in the Northern BC region.

## OVERVIEW CONTINUED

Indicators that shine a light on the state of tourism in the Columbia Basin – Boundary region include:

- Provincial Resort Municipality Status;
- Annual Room Revenues Generated By The Hotel Room Tax;
- Number of Tourists That Visit Visitor Centres;
- Number of Passengers That Pass Through Local Airports;
- Number of Vehicles Travelling The Local Highways;
- Number of Tourism Related Businesses;
- Employment In The Tourism Sector; and
- The Activities And Alternative Accommodations That Exist.

These indicators are presented in detail below, including a description of what is measured and its importance, as well as current data and trends where available.

## RESORT MUNICIPALITY STATUS

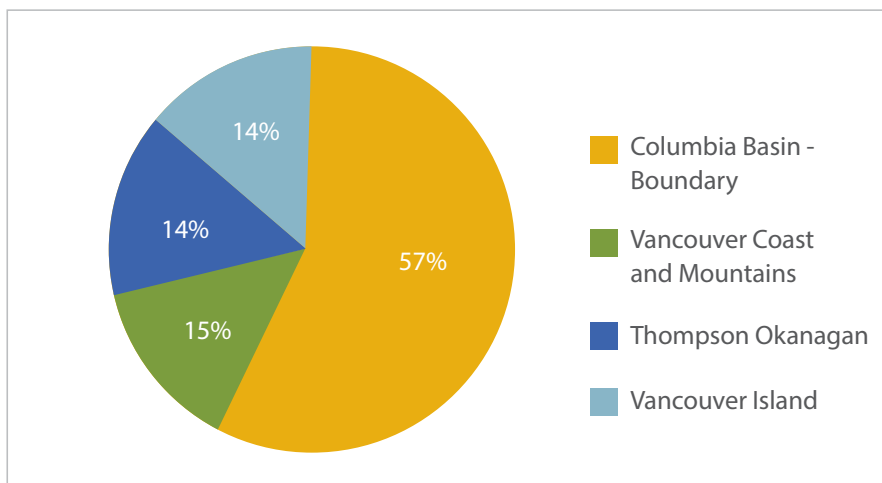
### WHAT DOES THIS MEASURE & WHY IS IT IMPORTANT?

The Resort Municipality Initiative (RMI) is a provincial program that provides additional funding to municipalities that have Resort Municipality Status. There are 14 resort municipalities that are eligible to participate in RMI.

### WHAT ARE THE TRENDS & CURRENT CONDITIONS?

Currently, eight of 14 Resort Municipalities (57%) are in the Columbia Basin-Boundary region (**Figure 1**), providing a good indication of the importance tourism plays in the region. These municipalities include:

- City of Fernie
- Town of Golden
- District of Invermere
- City of Kimberley
- Village of Radium Hot Springs
- City of Revelstoke
- City of Rosland
- Village of Valemount



Participating resort municipalities in the Columbia Basin-Boundary region received a total of \$1,622,100 in funding for the fiscal year 2014/2015 (16% of the provincial RMI funding) and \$1,920,682 in 2015/2016 (18% of the provincial RMI funding).<sup>3</sup>

**Figure 1:** Resort municipalities in BC<sup>2</sup>

## ROOM REVENUES

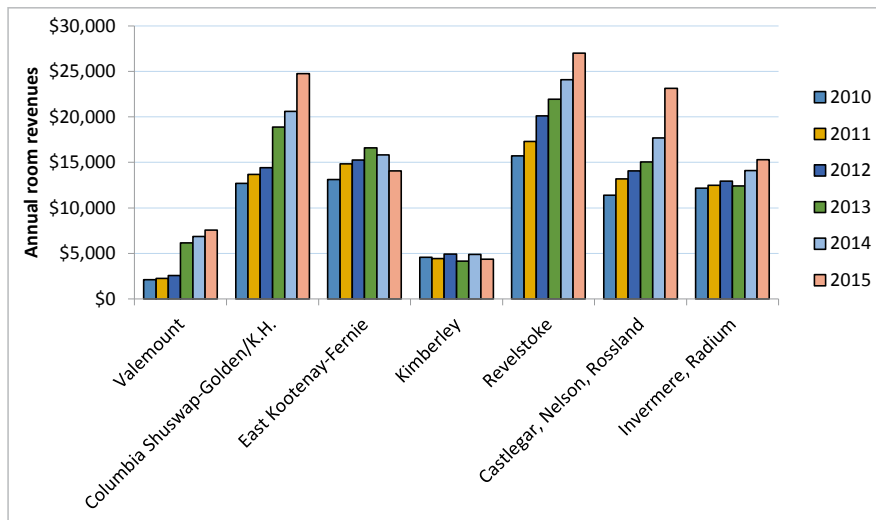
### WHAT DOES THIS MEASURE & WHY IS IT IMPORTANT?

This indicator measures annual hotel room revenues, reported by community. Data are gathered from [BC Stats](#) and are based on revenues reported for tax purposes. The data only includes communities where accommodation sales are subject to a Municipal and Regional District Tax (MRDT), and may not therefore be reflective of actual total revenues. However, the data does allow for assessment of general trends from year to year.

Room revenues provide a measure of the financial activity in the accommodation sector, which is a large component of the tourism industry and therefore an important economic driver in the Columbia Basin-Boundary region. Trends in room revenues can be used as a barometer for the performance of the larger tourism sector.

### WHAT ARE THE TRENDS & CURRENT CONDITIONS?

Data shows that there is a continued upward trend in room revenues in almost all of the region's tourism clusters (see **Figure 2**). The stability in Kimberley's room revenues is in contrast to the increase in other communities ranging from 7% to 261%. Valemount, the Columbia Shuswap-Golden / Kicking Horse, and



Revelstoke all show the largest gains in room revenues, with increases of 261%, 95%, and 72% respectively, from 2010 to 2015. The sharp increase in Castlegar, Nelson and Roseland between 2014 and 2015 is attributed to the fact that Castlegar joined the MRDT program on January 1, 2015.

**Figure 2:** Columbia Basin-Boundary region room revenues<sup>4</sup>

## VISITORS TO THE COLUMBIA BASIN-BOUNDARY REGION

### WHAT DOES THIS MEASURE & WHY IS IT IMPORTANT?

The complexities involved with measuring the tourism sector mean that it is difficult to determine the exact number of tourists that are enjoying the Columbia Basin-Boundary region. It is estimated that in 2012, there were a total of 1,815,000 overnight visitors to the Kootenay Rockies.<sup>5</sup> Travellers that are considered 'tourists' come from within the Columbia Basin-Boundary region, travel here from other parts of the province, the country and the world.

In 2012, an in-market survey was conducted of recent visitors to the region and this provided valuable insights into the demographic makeup and motivations driving tourists. In addition to this type of survey there are a number of indicators available to provide insight into the number of tourists that visit the region each year, including the number of people that visit visitor centres, the number of passengers that pass through local airports, and the number of vehicles travelling local highways.

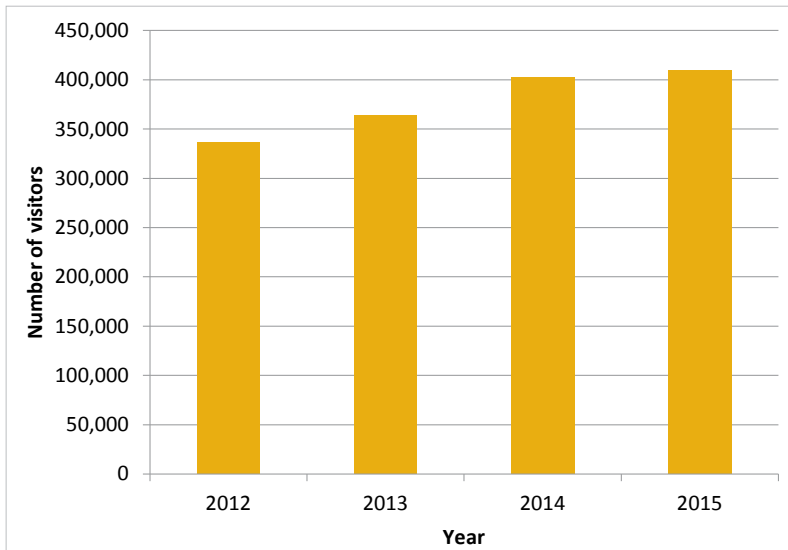


## WHAT ARE THE TRENDS & CURRENT CONDITIONS?

Research conducted in 2012<sup>6</sup> found that visitors represented in the survey were more likely to be female (55%), and the female visitors were younger than male visitors. Visitors who responded to the survey were most commonly from Alberta (38%), followed by the Lower Mainland (34%), Eastern Washington State (21%), and other parts of BC (8%). Visitors predominantly had some level of post-secondary education (37% some college/university, 27% university/bachelor, 12% graduate), and the majority of household income reported was between \$40,000 and \$100,000.

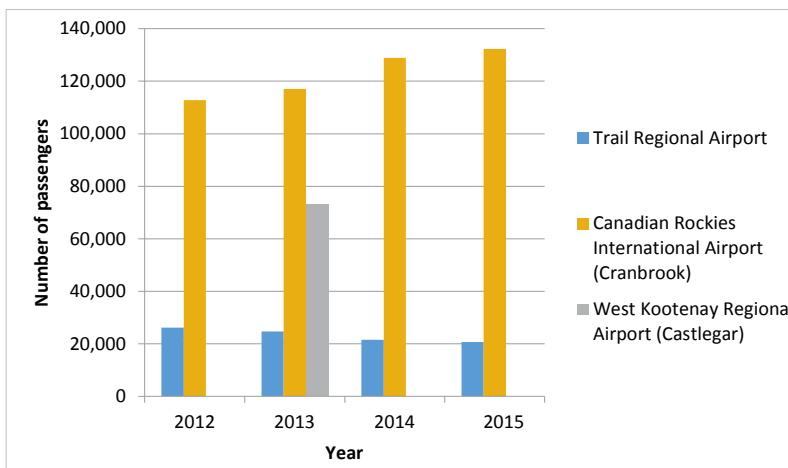
Visitor centre data statistics are gathered for Destination BC, and are therefore only available for the Kootenay Rockies region, excluding Christina Lake west to Big White, and Valemount<sup>ii</sup>.

The data shows that visitor traffic is growing and stable, with moderate growth between 2012 and 2013 of 8.3% and 10.4% between 2013 and 2014, and stability between 2014 and 2015 of 1.7% (see **Figure 3**).



**Figure 3:** Kootenay Rockies visitor statistics - total visitors<sup>7</sup>

Another measure is the number of airport passengers that pass through airports. There are three airports in the Columbia Basin–Boundary: Trail Regional Airport, Canadian Rockies International Airport (Cranbrook), and the West Kootenay Regional Airport (Castlegar). It is important to note that this data does not capture tourists who access the Columbia Basin–Boundary region from other airports such as the Kelowna International Airport, Calgary International Airport, or the Spokane International Airport.



**Figure 4:** Airport passenger use<sup>5,8,9,iii</sup>

The Canadian Rockies International Airport in Cranbrook is by far the most used airport in the Columbia Basin–Boundary region (see **Figure 4**). However, when tourism related businesses were asked which airport service they used the most, 41% of respondents said they used the Kelowna International Airport, and 39% used the Calgary International Airport.

<sup>ii</sup>Counsellors at each of the visitor centres throughout the province collect statistics on the number of visitors they speak with. It is important to note that these statistics do not account for all visitors of the area or visitor centre. Only the visitors that enter a visitor centre and speak with a counsellor are included in these statistics.

<sup>iii</sup>Data from West Kootenay Regional Airport (Castlegar) is not publicly available. Data from 2013 was taken from Destination British Columbia's Regional Tourism Profile: Kootenay Rockies.

The Canadian Rockies International Airport (Cranbrook) was used by 21%, the West Kootenay Regional Airport (Castlegar) was used by 18% and the Trail Regional Airport was used by 11% (Columbia Basin Rural Development Institute, Business Retention and Expansion Report on Tourism Sector, 2016).

A third measure of visitors is the highway traffic volumes. The provincial Ministry of Transportation and Infrastructure provides traffic counts at various highways in the Columbia Basin–Boundary region. This measure also illustrates the seasonality of the tourism sector, with high variations during the peak summer months of July and August.

The traffic counts show high seasonal variations with peaks on all routes during the months of July and August, tapering off throughout the rest of the year (see **Figure 5**). Highway 1, east of Revelstoke had the highest monthly average traffic volumes in August of 2014, with 11,682. The lowest traffic volume recorded was in January along Highway 3 near Yahk of 1,941.

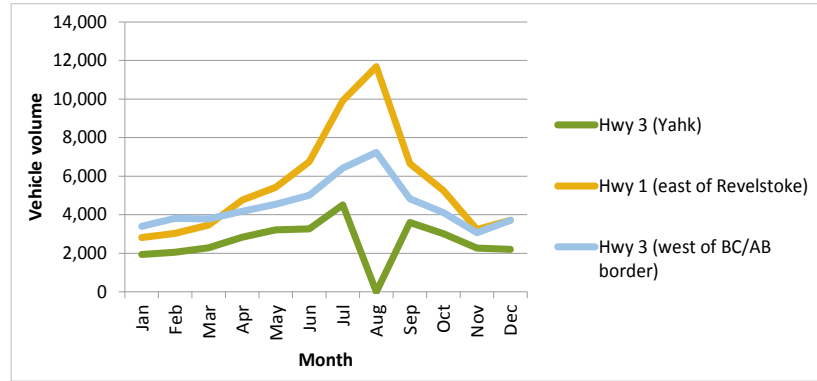


Figure 5: Monthly average daily traffic volumes for 2014<sup>10,iv</sup>

## BUSINESSES IN THE TOURISM SECTOR

### WHAT DOES THIS MEASURE & WHY IS IT IMPORTANT?

The number of establishments in business within the tourism sector can help to give an indication of the overall size of the tourism sector in a given region. The measure is not refined enough to discern the size of the establishments, only the overall number.

### WHAT ARE THE TRENDS & CURRENT CONDITIONS?

In the case of the BC Rockies region<sup>v</sup> the data presented here indicate that the number of business establishments participating in the tourism sector is currently relatively stable, but has been declining since 2006 when there were 882 establishments (see **Figure 6**). In 2014, the lowest number of 820 was reported, a decline of 7% since 2006. Provincially, in 2014, the BC Rockies region comprised 4% of all tourism related establishments, the second smallest after the Cariboo Chilcotin Coast region with 2% of all tourism related establishments. The Cariboo Chilcotin Coast region also saw the largest decline of 17% since 2006.

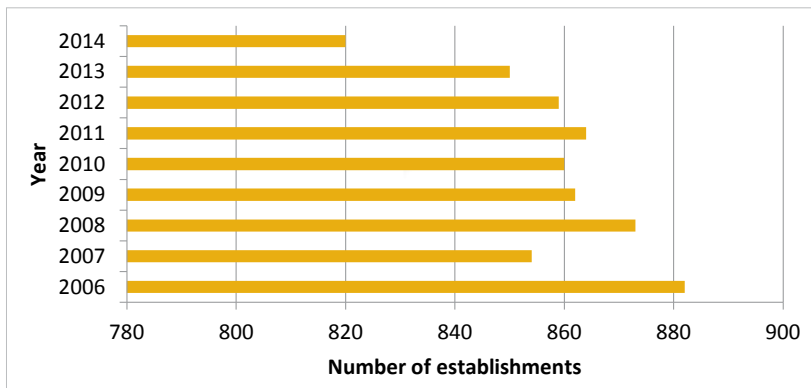


Figure 6: Number of business establishments – BC Rockies Region<sup>1</sup>

Declines were also seen in the Vancouver Island region (1%) and the Thompson Okanagan region was static with 0% change. At a provincial level, the number of establishments increased by 3% between 2006 and 2014, with that growth occurring in the Vancouver, Coast and Mountains region (5%) and Northern BC (1%), all other regions saw declines over that time period.

<sup>iv</sup>Data is not available for the month of August along Highway 3 (Yahk) resulting in breaks in the graph.

<sup>v</sup>The BC Rockies region as defined by Destination BC and BC Stats, does not include a portion of the Boundary region (Christina Lake west to Big White) or Valemount.

The [Business Retention and Expansion Report of the Tourism Sector](#) in 2016, looked at 152 companies in the tourism sector and found that the majority of businesses (64%) have been in business for over 10 years.<sup>11</sup> 58% also report businesses have nine employees or less.<sup>11</sup>

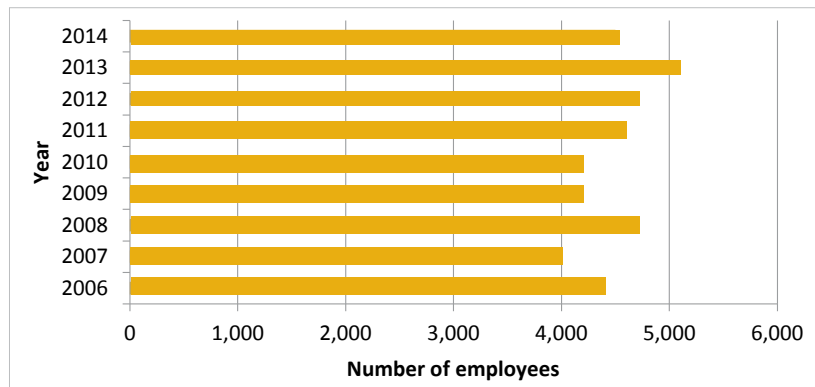
## EMPLOYMENT IN THE TOURISM SECTOR

### WHAT DOES THIS MEASURE & WHY IS IT IMPORTANT?

The number of people employed within the tourism sector is an indicator of the size and activity of the tourism sector.

### WHAT ARE THE TRENDS & CURRENT CONDITIONS?

The number of employees engaged in the tourism sector has remained relatively constant since 2006, with a recent peak of 5,100 employees recorded in 2013 (see **Figure 7**). Overall there was a 2% increase in the number of employees between 2006 and 2014. Provincially, the number of employees in the tourism sector



increased by 11% between 2006 and 2014. Across the province Vancouver Island saw the largest decline of 13% in the number of employees, while Cariboo Chilcotin Coast also saw a decline of 6%. The Thompson Okanagan saw the largest increase of 27%, followed by Vancouver, Coast and Mountains with 18% and Northern BC with 7%.

**Figure 7:** Number of employees – BC Rockies Region<sup>1</sup>

A recent study completed by RKA Inc. found that overall labour demand in the tourism and hospitality sector is projected to grow an average compound rate of 1.3% per year between 2010 and 2020, with a total of 1,210 new full-year jobs expected within the region as a result of increased tourism activities.<sup>12</sup>

The majority of businesses surveyed in the Columbia Basin–Boundary region as part of the Business Retention and Expansion Report on the Tourism sector anticipate that employment will stay the same over the next three years. However, the RKA Inc. report indicates that businesses in the region can expect to see steady employment growth in the tourism and hospitality sector. Businesses surveyed anticipate that staffing for part-time and full-time employment will see the highest increase over the next three years.

## TOURIST ACTIVITIES & ALTERNATE ACCOMMODATIONS

### WHAT DOES THIS MEASURE & WHY IS IT IMPORTANT?

There is no single and consistent source for what activities visitors to the region engage in, however research conducted in 2012<sup>6</sup> found that the top four activities visitors participated in were:

- 53% - sightseeing / nature / wildlife viewing
- 44% - visited national and / or provincial parks
- 44% - hiking
- 41% - shopping

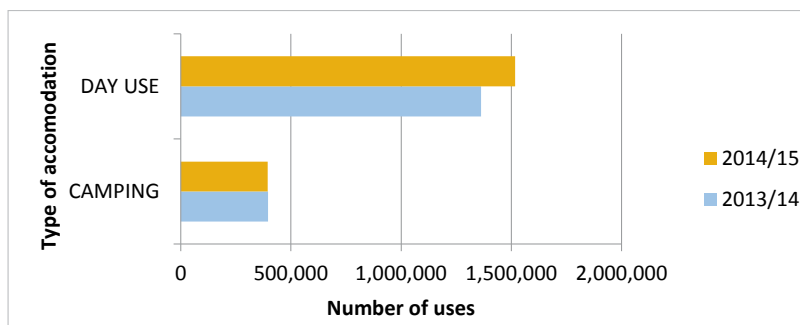
It is possible to collect data for individual activities such as camping and park use through the data collected by BC Parks. This can provide insight into the total numbers of people accessing the region for outdoor and recreational pursuits.

Data is also available to provide a snapshot of the number of campgrounds in the region as well as the number of alternative accommodations. This assists in providing a sense of the vibrancy of the sector.

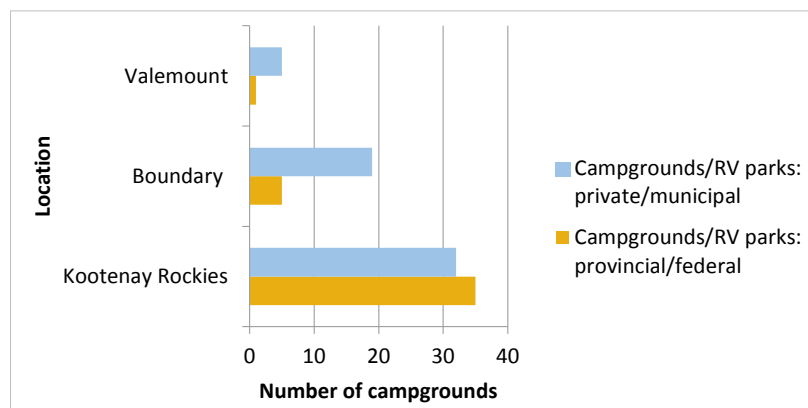
**WHAT ARE THE TRENDS & CURRENT CONDITIONS?**

A breakdown for the Columbia Basin–Boundary region shows that camping activity saw a slight decline in 2014/2015 from 2013/2014, while day use activity had a significant increase of 11% over that same period (see **Figure 8**). However, it is not feasible to collect this level of detail for all activities across the region.

Traditional hotel use is captured within the room revenue indicators. We are also able to estimate that in 2016, there were a total of 565 traditional tourist accommodations in the entire Columbia–Basing Boundary region.<sup>14</sup> Alternate accommodations also provide some information as to the visitors in the region. Two examples, campgrounds and Airbnb, are detailed below.

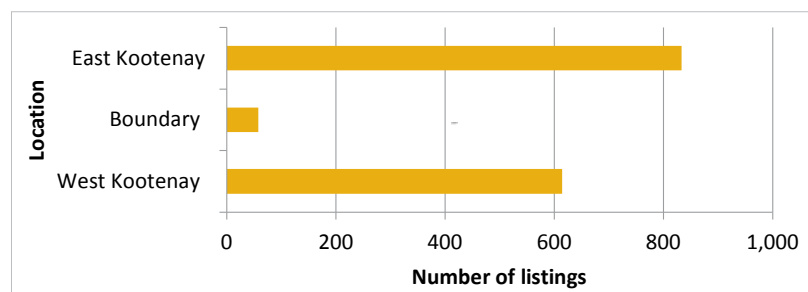


**Figure 8:** Activity use in BC parks<sup>13</sup>



**Figure 9:** 2016 number of campgrounds<sup>15</sup>

There are numerous types of campgrounds available: private, municipal, provincial and federal, with a total of 97 campgrounds within the Columbia Basin–Boundary (see **Figure 9**).



**Figure 10:** 2016 Airbnb listings<sup>16</sup>

A review of the Airbnb website found that there are approximately a total of 1,512 accommodations listed within the Columbia Basin–Boundary region (see **Figure 10**).

## SUMMARY

Based on a review of the indicators, the tourism sector in the Columbia Basin–Boundary region appears to be relatively stable, with some moderately positive signs of growth in recent years when looking at room revenues and visitors to the visitor centres. The opportunity to study the sector in more detail could be valuable to gain insight into the demographics of the visiting populations, the activities most in demand, and the motivations behind traveling to this part of the world. Destination BC has developed a program that provides the opportunity to increase the knowledge of the tourism industry in the Columbia Basin–Boundary. The Value of Tourism Model can assist a community to develop credible estimates of visitor volume and tourism expenditures within a community. Additional research and indicator development could provide support to efforts of tourism marketing and business development.

Destination BC is a provincial crown corporation that works collaboratively with tourism stakeholders across BC to coordinate tourism marketing at the international, provincial, regional and local levels, and to support regions, communities and Aboriginal people in developing or expanding tourism experiences, businesses and jobs. In 2015, they published the [Kootenay Rockies Regional Tourism Profile](#) that presented data from 2011, 2012 and 2013. An update will be published in 2016 to incorporate data from 2014, which will use proprietary data from Statistics Canada to provide analysis of a wide variety of indicators including: the origin of travellers, the activities undertaken, the seasonality of the industry, the type of accommodations used, and the amount of spending.

## TOURISM TRENDS ANALYSIS DETAILS:

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External Review: Wendy Vanpuymbroeck, Kootenay Rockies Tourism

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*The Columbia Basin Rural Development Institute, at Selkirk College, is a regional research centre with a mandate to support informed decision-making by Columbia Basin-Boundary communities through the provision of information, applied research and related outreach and extension support. Visit [www.cbrdi.ca](http://www.cbrdi.ca) for more information.*