QUARTERLY BUSINESS CONDITIONS SURVEY -- TRAVELLER ACCOMMODATIONS

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*Exploratory Data – not for citation

Why a Quarterly Survey for the Traveller Accommodation Industry?

Context

Tourism in Canada

- 2001: 9/11 attack, bursting of IT bubble
- 2003: SARS, War in Iraq, Mad Cow Disease, B.C. forest fire, Hurricane Juan
Goals of Business Conditions Survey for Traveller Accommodation

- Publish a relevant leading indicator for the tourism sector, specifically the Traveller Accommodation industries
- Ensure that this indicator is comparable with the Manufacturing Business Conditions Survey
- Obtain evidence-based information for policy/marketing

Partnership for Feasibility Study

Partners
- Canadian Tourism Commission
- Statistics Canada

Pilot Period
- 6 quarters
- Q4 2003 to Q1 2005

Business Conditions Survey (BCS) for Traveller Accommodation Industries

- Quarterly
- Qualitative, but based on informed opinion
- Focus on results expected in next quarter
- Short questionnaire, easy to complete
- Voluntary survey
BCS Sample

- BCS: a subsample of the annual Traveller Accommodation (TA) survey sample
- Subsample renewed annually

BCS Questionnaire

- Business Impediments
  - 12 items

- Recent Business Conditions — past 3 months
  - Occupancy rates

- Future Business Conditions — next 3 months
  - Number of room nights booked
  - Occupancy rates
  - Number of corporate/commercial travellers staying at this business
  - Average daily room rate
  - Total number of hours worked by employees

Pilot Period Results -- Highlights

- After a year of "annus horribilis" in 2003, the mood in 2004 has been cautious but hopeful amongst the Canadian hotel industry
- 2005 Q1 predictions are considerably more optimistic than they have been for a while
- Since 1st Quarter of 2004, balance of opinion for future occupancy and average daily room (ADR) rates have been consistently less negative
- 'Public health and safety concerns' have diminished
Balance of Opinion

- Like the Manufacturing BCS, we have used the “Balance of Opinion”

- Basic definition
  - “higher than normal” – “lower than normal”
Occupy rates?

- Q. Over the **past 3 months** compared with the **same period last year**, occupancy rates for this business unit have been:

- Q. During the **next 3 months** compared with the **same period last year**, is it the opinion of the management of this business unit that the occupancy rate will be:
  - Higher
  - about the same
  - lower
  - no opinion

Canada, Current and Future Occupancy Rates,
Balance of Opinion
2003 Q3 to 2005 Q1

![Chart showing balance of opinion from 2003 Q3 to 2005 Q1]

Outlook for occupancy rates seems brighter

- Balance of opinion for both current and future occupancy rates is less and less negative over time

- Expectations of higher occupancy rates for Q4 of 2004 (first time)

- For Q1 of 2005, response is neutral for future rates
Data Quality Measures

- Data confrontation confirms validity of results
- Quality measures look good:
  - Response rates: overall, by province and by industry, weighted by business size
  - Standard error of all estimates produced.
  - Standard error calculation based on ratio estimate and two-phase survey design
Response Rates

Milestones

- Quarter 1 – January to March
  - Publish results – second week of February
- Quarter 2 – April to June
  - Publish results – second week of May
- Quarter 3 – July to September
  - Publish results – second week of August
- Quarter 4 – October to December
  - Publish results – second week of November

Next steps

- Partnership renewal/extension
- Upgrade systems to production standards
- Release Q2 2005 estimates in mid-May
- Explore feasibility of a BCS for other industries:
  - Tour operators
  - Performing arts and museums
  - Amusement/recreation