



Canada-Market Update- Q2 2023

Canada Highlights

In March 2023, the overall number of non-resident visitors to Canada and returning Canadian residents remained at over three-quarters (77.0%) of the level seen in March 2019, before the COVID-19 pandemic.

In March 2023, residents of overseas countries took 281,400 trips to Canada, and US residents took 1.1 million trips to Canada. Canadian residents returned from 4.2 million trips abroad.

[Virtuoso®](#), the leading global network specializing in luxury and experiential travel, has identified when, where and why upscale Canadians will be venturing in 2023. In Virtuoso's 2022 Brand and Travel Trends Research, conducted in collaboration with YouGov, more than 500 Canadian travellers were surveyed. The majority – 75 percent – listed relaxation and disconnecting as the primary incentive for taking a leisure trip, followed by adventure, which is almost twice as important for Canadians than for global travellers (41 percent versus 25 percent). Additional revelations include an affinity for sunny destinations, expedition cruises and a willingness to spend big and stay longer.

Warm-Weather Getaways

Virtuoso's study showed 61 percent of travellers preferred beach vacations, followed by city exploration (47 percent). Canadians are equally as likely to travel to Europe as they are to travel within their own country, and they showed a preference for the Caribbean or West Indies (36 percent versus 20 percent globally) and Mexico (30 percent versus 16 percent globally), which is likely due to a desire to escape to warmer climates during the winter months.

Family Travel: Exploration Boosts Child Development

Canadians indicated the most popular ways to travel are with a spouse or significant other and multi-generational family travel. Travelling with school-age children is consistently popular. Interestingly to note while heading into March Break, over half of those surveyed believe travel is important to the development of children under 18.

Spending Big and Staying Longer

Relative to 2019, travellers plan to spend 12 percent more in 2023 and the anticipated annual spend for Virtuoso-advised travellers in 2023 is even higher at \$20,000 CAD per person. While Virtuoso clients took about the same number of trips in the past year as other travellers,

Virtuoso-advised travellers took longer trips, spent more nights in hotels, rentals and cruises, and skewed more towards international trips.

Travel Advisors vs. DIY: No Contest

Canadians favour using travel advisors more than other travellers globally, and 73 percent of those surveyed typically research a trip two to eight months in advance. They are also twice as likely to care about creating a travel experience that best fits their expectations over price (66 percent Virtuoso-advised travellers versus 33 percent DIY). Non-advised travellers spent \$8,400 CAD per person on travel in 2022, while Virtuoso's Canadian clients spent \$19,600 CAD per person – proving they prioritize travel more than others and also highly value their travel advisor. Surveyed travellers cite special benefits and values, complimentary perks and upgrades, VIP treatment and rare access, advisors' firsthand expertise and a global network of agencies as the top reasons for booking with a Virtuoso travel advisor.

"Virtuoso has more than 2,300 travel advisors in Canada located coast-to-coast, and this number has grown by 13 percent since 2019," said General Manager, Virtuoso Canada Úna O'Leary. "Travellers look to advisors to save them time, provide expert guidance and offer an extra layer of protection if something goes wrong."

Top Travel Destinations for 2023

Virtuoso tapped into its data warehouse of more than \$63.6 billion (USD) in transactions to determine the top destinations of 2023, as determined by Canada-based travellers:

1. **Mexico** - Cancun, Puerto Vallarta, Los Cabos
2. **Canada** - Toronto, Vancouver, Calgary
3. **United States** - Orlando, Fort Lauderdale, Las Vegas
4. **Dominican Republic** - Punta Cana, Puerto Plata
5. **United Kingdom** - London
6. **Jamaica** - Montego Bay
7. **Italy** - Rome, Venice
8. **France** - Paris, Nice
9. **Australia** - Sydney
10. **Portugal** - Lisbon, Faro

In Airline News – Emirates if offering daily service from Dubai Intl Airport to Montreal

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Highlights from GBTA Canada conference I attended in Toronto – May 2023:

- Canada's business travel forecast
 - Spending forecast to eclipse \$20 billion in 2025, exceeding pre-pandemic levels.

- Top growing sectors in Canada 2023
 - Arts, entertainment & recreation (16%); construction (7.6%); and accommodation & food services (7.6%) forecast for most growth vs. 2022.
- Sectors forecast for lowest growth
 - 2023; manufacturing (1.7%) and utilities (0.7%) sectors expected to experience the lowest spending growth in Canada.
- 63% of Travel Managers expect the number of business trips taken by employees will be **higher** than it was this year.
- 32% of Travel Managers expect the number of business trips taken by employees will be **much higher** than it was this year.
- Canada is still experiencing recruitment challenges led by job attractiveness and qualifications.

Trends to watch in 2023

- Economy is a wild card....along with China travel.
- Sustainable choices are front and center.
- Human connection in business is back.
- Travelers are in the driver's seat. Or are they?

2023 Event Trends (GBTA is including more meetings and events initiatives since the pandemic)

- Events Designed with ESG In Mind – ESG (Environmental, Social and Governance) factors increase in importance in every aspect of event design.
- Internal Events step into the spotlight Connecting, training and motivating distributed employees becomes mission critical to build and maintain company culture.
- Race for Space – Searching for quality venues will be more complicated due to venue supply and demand imbalance. Ongoing staffing challenges and high costs.
- Rebuild Partner and Supplier Relationships – Faced with staffing shortages and more complex event requirements, event organizers increasingly rely on extended teams of suppliers and partners to help deliver their events.

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