



BRITISH COLUMBIA REGIONAL TOURISM SECRETARIAT

COVID-19 TOURISM IMPACT REPORT

With a focus on British Columbia outside the Lower Mainland and Whistler
September 7th- November 4th 2021

FOR QUESTIONS CONTACT

Anthony Everett

Chair, BC Regional Tourism Secretariat



Opening message

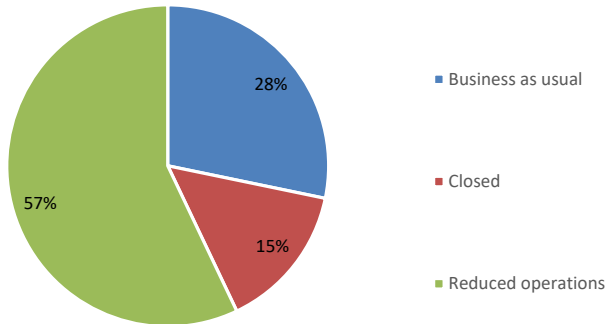
The British Columbia Regional Tourism Secretariat, British Columbia Hotel Association, the British Columbia Destination Marketing Organizations Association, and Tourism Industry Association of BC are continuing to leverage a collective business network to collect, collate and report on the impact of the COVID-19 pandemic on tourism businesses and to gather feedback on potential response and recovery measures. This business intelligence was gathered through online and telephone surveys, based on a randomly selected list, with firms in four tourism regions of British Columbia from **September 7th to November 4th 2021**. A response rate of 20% yielded 141 responses. A parallel survey conducted by Cariboo Chilcotin Coast Tourism Association yielded 40 additional responses, for a pooled total of 181 responses. Due to uneven response rates, we have not stratified the survey responses by region, and instead report a simple average across surveyed firms. The results may not be directly comparable with previous surveys.

We asked a wider range of questions to selection of firms in the two surveys. This longer survey yielded 103 responses, the results of which are included on pages seven and eight.

Key issues for consideration:

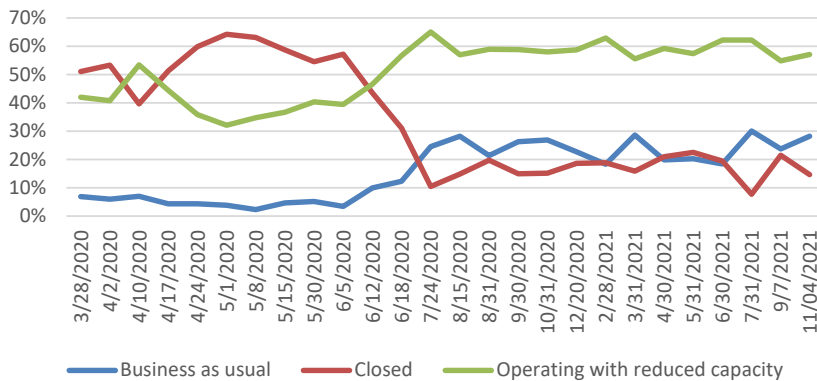
- The number of firms reporting business as usual has increased to a **near pandemic high of 28%**.
- **Hotels and resorts** had the highest proportion of closed firms (27%) while also having the highest proportion of firms reporting business as usual (31%)
- **58% of firms** saw a decrease of **at least 25%** in year-over-year revenue.
- **Staff shortages and capacity restrictions** have disproportionately affected food & beverage businesses, while **international travel restrictions** have had the largest impact on hotels and resorts as well as remote businesses.
- **Seasonal businesses** suffered greater decreases in revenue and were less likely to be able to pay all of their bills.
- **Staff shortages** were the number one concern for surveyed businesses, followed by a lack of visitor confidence / fear of travel.

Please indicate the impact of COVID-19 on your operations



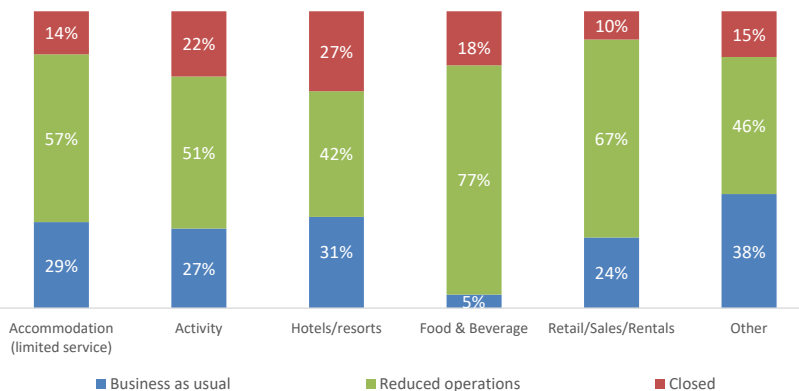
Across the tourism regions of Cariboo Chilcotin Coast, Kootenay Rockies, Northern BC, Thompson Okanagan, and Vancouver Island, the percentage of firms operating with a reduction in hours, staff, and/or services due to COVID-19 in September and October combined was 57%, while the percentage reporting business as usual was 28%, unchanged from July and August. 15% of firms reported being closed due to COVID-19 in September and October, an increase of 2 percentage points from the summer months of July and August.

Impact of COVID-19, share of responses since start of survey (excl. VCM)



Comparing the results of the survey over time, the percentage of firms reporting business as usual is 1 percentage point below the survey period high of 29%. The percentage of surveyed firms that are currently closed due to the COVID-19 pandemic is currently 7 percentage points above the survey period low of 8%.

Impact of COVID-19, by subsector

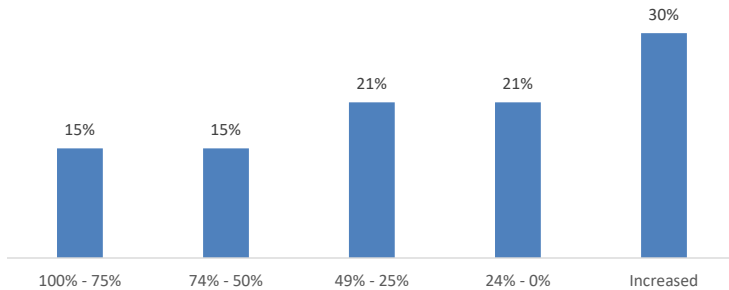


Hotels and resorts had the highest proportion of closed firms (23%) while limited service accommodation firms had the highest proportion of firms operating with business as usual (36%) out of defined categories.

Food & beverage firms had the lowest proportion of firms that were operating with business as usual (5%), however, they had the highest proportion of firms operating with reduced operations (77%).

All findings are based on member surveys collected by the BC Regional Tourism Secretariat during September 7th – November 4th 2021 except where otherwise noted. Survey firms were drawn from a randomized list of firms that had “opted in” to communication under the CASL. Responses to multiple choice questions at the sample-wide questions are within a margin of error of +/- 6%, 9 times out of 10, assuming the simple average of surveyed firms is representative of businesses across all of the surveyed regions. Standard errors may be larger for numerical answers, i.e. change in revenue compared to two years prior and will be larger when data are reported at the regional or other subsample level. Data and figures represent a subset of regional tourism operators and are subject to change with changes in coverage, data cleaning, weighting and other statistical correction and/or as data become more complete. Some quotes edited for brevity. Photo credits: Cover: Experience Tahsis/Peter Dick. Page 2: Northern BC Tourism/Marty Clemens.

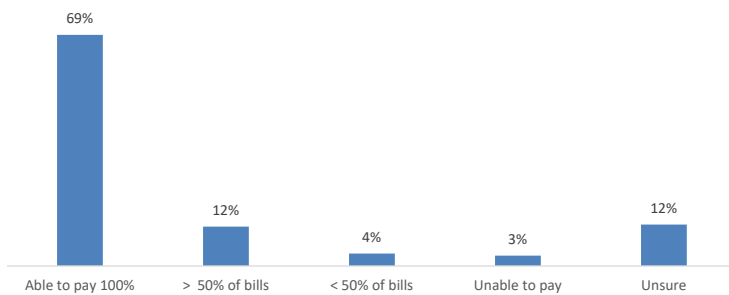
Compared to August/September 2019, by how much did your revenue fall in August/September 2021?



Roughly 30% of surveyed firms reported that their previous month's revenue fell by more than 50% relative to the same month in 2019. This is a 8 percentage point improvement compared to firms surveyed during July and August.

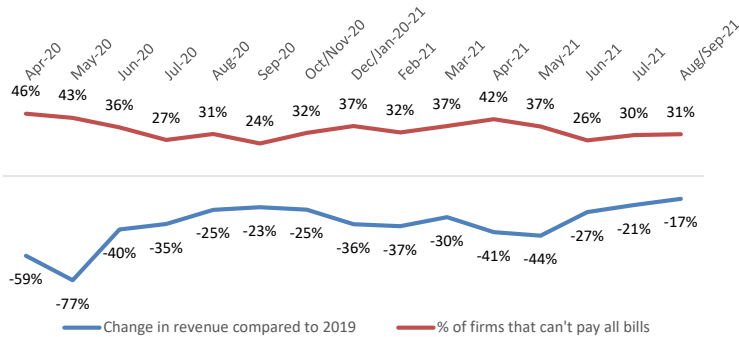
30% of surveyed firms reported that their previous month's revenue increased relative to the same month in 2019, an improvement of 3 percentage points compared to firms surveyed in July and August.

Do / Did you have the cashflow to pay your August / September bills?



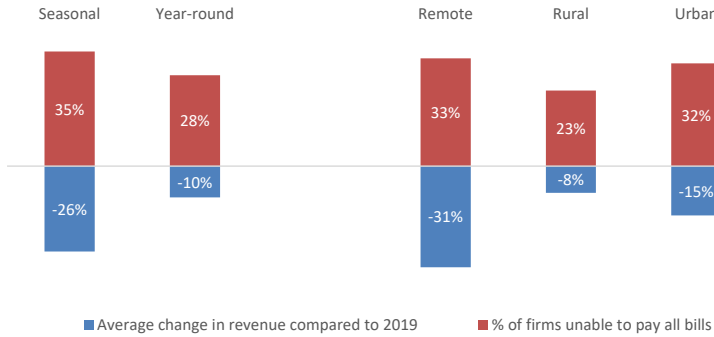
The proportion of surveyed firms that were unable to pay 100% of their August / September bills was 31%, an increase of 2 percentage points compared to the firms surveyed in July and August.

Change in revenue compared to pre-COVID and percentage of firms without the cashflow to pay all of their bills (excl. VCM)



The average change in revenue across all five regions relative to the same month in 2019 was -17%, an improvement of 10 percentage points relative to June and 4 percentage points relative to July.

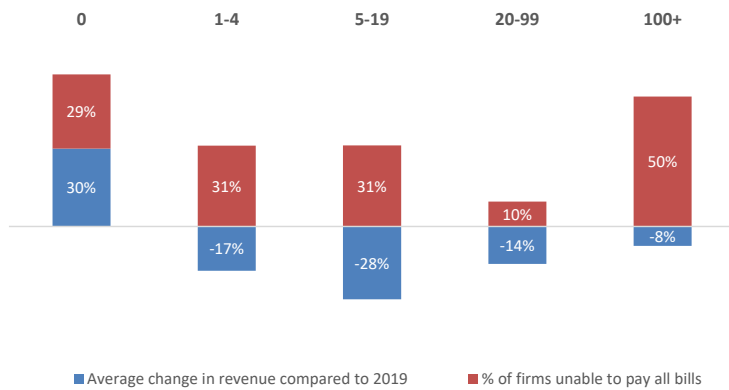
Change in revenue relative to 2019 and percentage of firms unable to pay 100% of bills, by firm characteristics



Seasonal businesses were more likely to have difficulty paying all of their bills over August and September, and faced sharper declines in revenue relative to 2019 when compared to year-round businesses.

Remote firms were most likely to have difficulty paying all of their bills, while also suffering the sharpest decline in revenue relative to 2019.

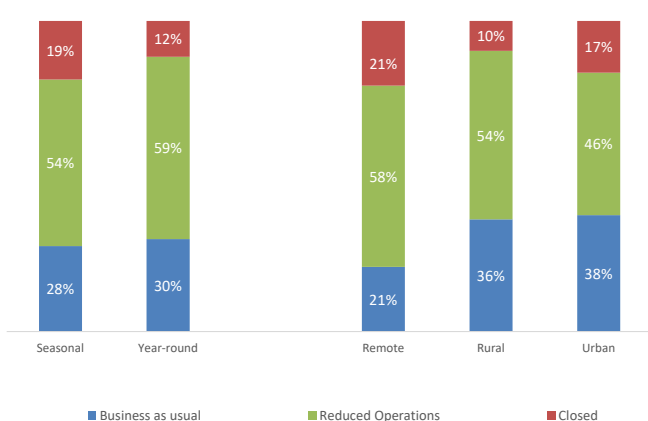
Change in revenue relative to 2019 and percentage of firms unable to pay 100% of bills, by firm size



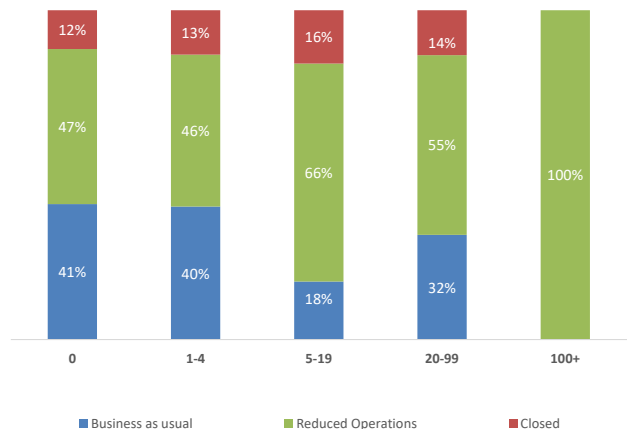
Firms with no employees (owner-operated businesses) experienced an increase in revenue relative to 2019 over the survey period, while firms with 5-19 employees experienced the most severe declines in revenue (-28%) when compared to 2019. Firms with 100 employees or more had the most difficulty paying 100% of their bills, however this should be interpreted with caution due to a small sample size.

Urban firms were most likely to be operating with business as usual, while remote firms were most likely to currently be closed due to reasons related to COVID-19.

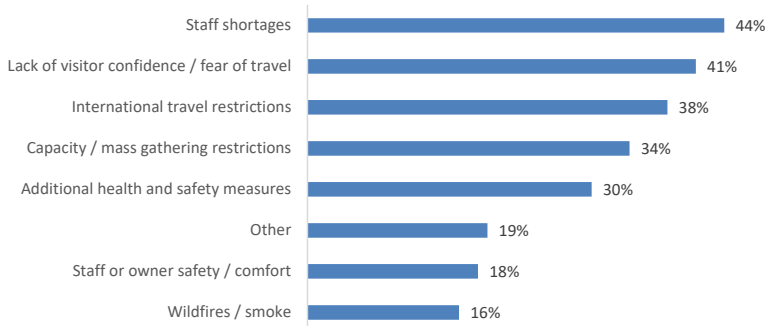
Impact of COVID-19, by firm characteristics



Impact of COVID-19, by firm size



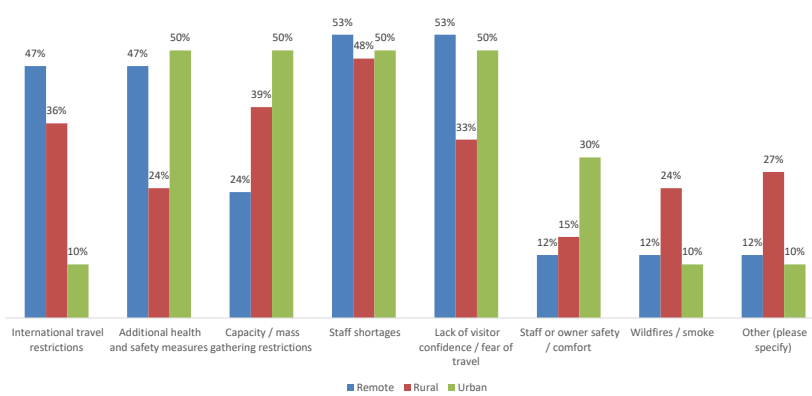
Main issues preventing businesses from fully reopening



*CCC not included

We asked firms in the four tourism regions of KRT, NBC, TOTA and TVI that were not operating at business as usual what was preventing them from fully reopening. The top reason businesses cited was staff shortages (44%) followed by lack of visitor confidence / fear of travel (41%).

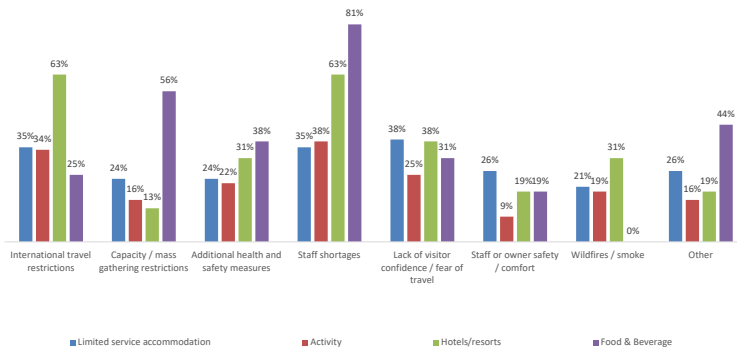
Main issues preventing businesses from fully reopening



*CCC not included

Staff shortages was consistently the top issue preventing firms from reopening across remote, rural, and urban firms. Urban firms were more likely to be concerned about capacity and mass gathering restrictions, while remote firms were more likely to be concerned about international travel restrictions.

Main issues preventing businesses from fully opening, by subsector



*CCC not included

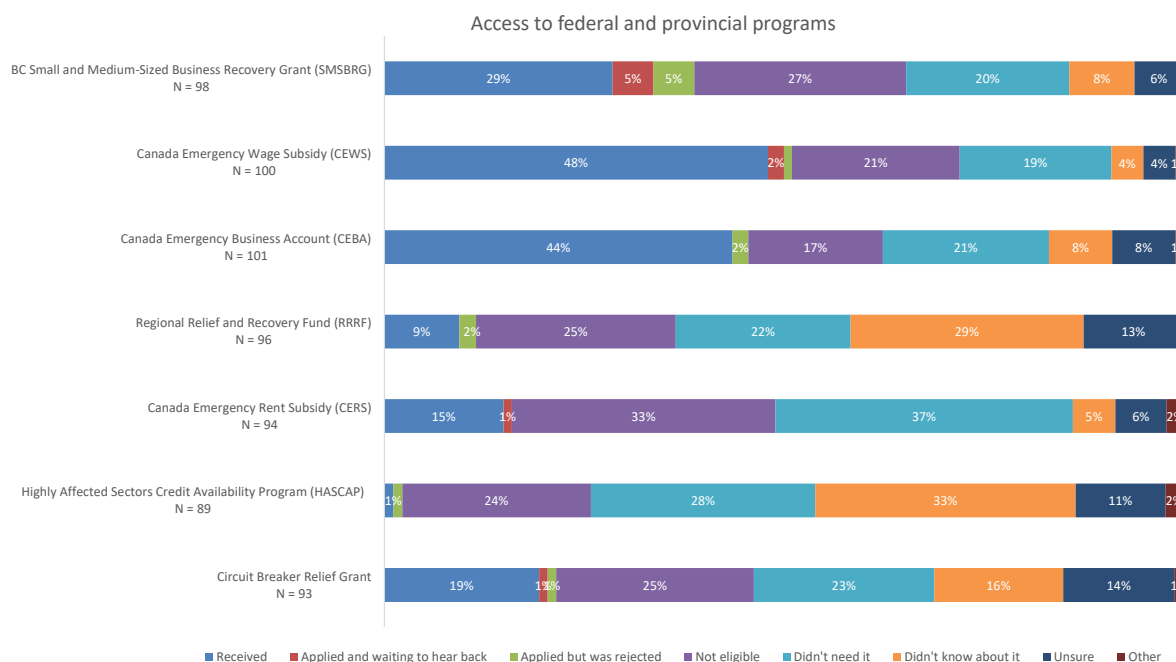
Food & beverage firms were most concerned about staff shortages, followed by hotels and resorts. For limited accommodation firms, the most cited reason was lack of visitor confidence / fear of travel.

We asked an expanded set of questions to a selection of the firms that responded to the survey. The following two pages (pages 7 and 8) come from a selection of 102 out of 181 firms that responded to the two surveys. Unless otherwise noted, responses come from firms in KRT, NBC, TOTA and TVI.

Similar to previous surveys, the government program with the highest percentage of firms receiving funds was the Canadian Emergency Wage Subsidy (CEWS) with 48% of firms having received funds. This was followed by the Canadian Emergency Business Account (CEBA) with 44% of surveyed firms having received funds from this program.

The Canadian Emergency Rent Subsidy (CERS) had the highest proportion of firms that were ineligible for the program (33%), and also had the highest proportion of firms that felt that they did not need the program.

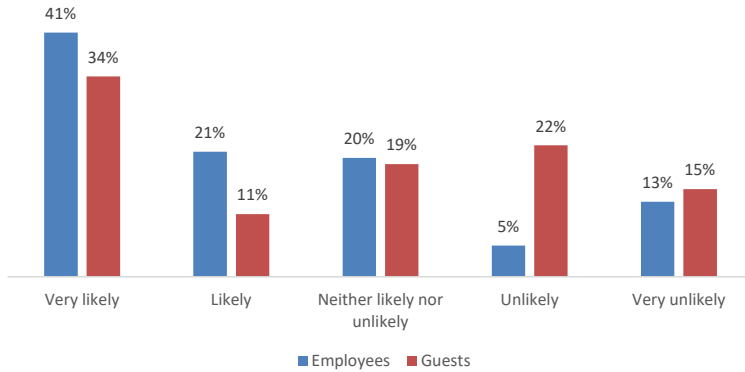
The Highly Affected Sectors Credit Availability Program (HASCAP) had the highest proportion of firms that did not know about the program, followed by the Regional Relief and Recovery Fund (RRRF).



When asked to list reasons why firms were ineligible or did not apply to particular programs, a few key themes emerged:

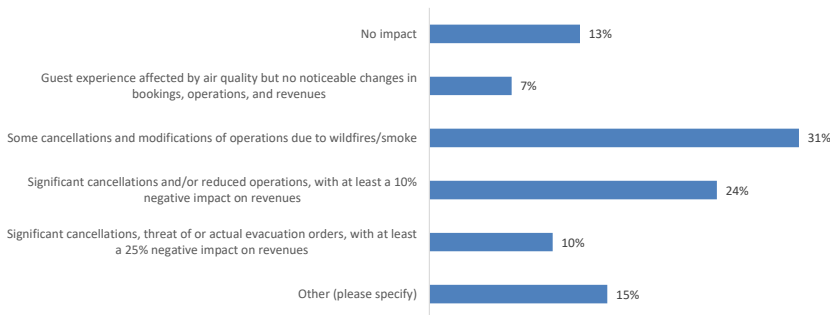
- Firm ownership were non-Canadian and therefore ineligible for government assistance
- The application process was confusing, and circumstances surrounding COVID-19 made the process emotionally overwhelming
- Business structure (seasonal, non-incorporated) made certain firms ineligible for programs

How likely are you to require vaccines for the following groups?



When asked about mandatory vaccinations for guests and employees, the majority of firms felt that it would be very likely (41%) or likely (21%) that they would require employees to be vaccinated. With respect to guests, 45% of surveyed firms felt that it would very likely (34%) or likely (11%) that they would require guests to be vaccinated.¹

Please rate the impact of wildfires / smoke on your business

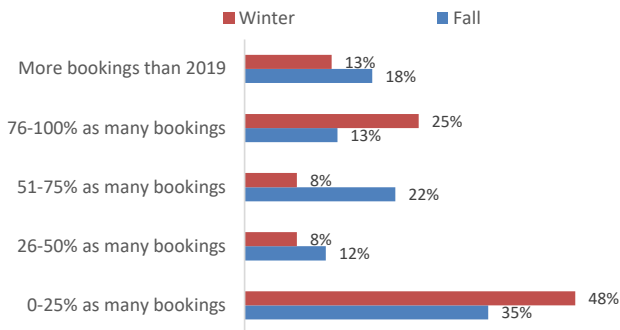


When asked about the impact of wildfires or smoke on their business, nearly 65% of surveyed firms experienced some form of cancellations and/or modifications of operations due to wildfires or smoke this summer. Approximately 34% of surveyed firms experienced a 10% or greater decrease in revenue as a result of wildfires or smoke.

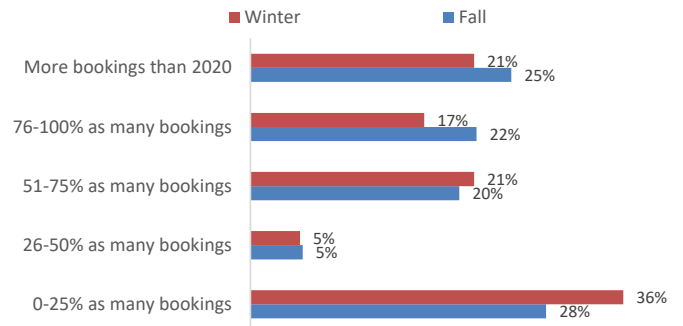
*CCC included

Firms that take bookings are still receiving far fewer bookings when compared to 2019 or 2020. For the winter season, nearly 50% of firms have received a quarter or less than their 2019 bookings.

Bookings this year compared to 2019



Bookings this year compared to 2020



¹We note this question was mostly asked before public health orders went into effect requiring certain businesses to ask for proof of vaccination, so some of this reply may be firms anticipating the order going into effect rather than their own view.

Additionally, firms highlighted a few other concerns and observations

- Difficulty and discomfort surrounding enforcement of health restrictions
- Frustration around restrictions on guests and staff
- Concerns around mental health support
- Frustration around grant application process

We asked businesses to share their experiences and challenges:

“The hardest issue is capacity issues in the winter. Keeping the 6-foot spacing as well as requiring double vaccinations and masks seems redundant” - Remote food & beverage business

“The grants being offered would have helped my business weather the storm, however the qualifications are too narrow for my young business” - Urban transportation business

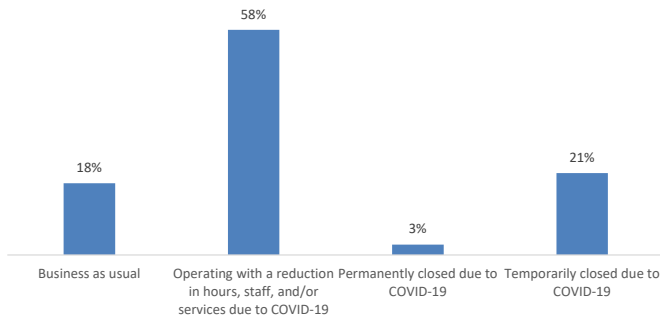
“Having the government put out an announcement asking people to not come to our area due to evacuation needs due to wildfires has a major impact on our business. It would have been nice to see them communicate to that same public that it was okay to travel to our area again.” - Rural limited service accommodation business

“We have lost customers over the vaccine passport. It is not fair that we are the ones that have to enforce this requirement. If it were an outside party in charge of enforcement, it would not be seen as our choice and we would not lose business.” - Rural winery, brewery or distillery

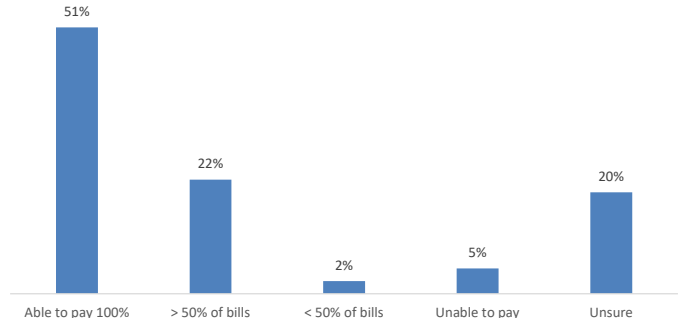
“Vaccination passports are imperative for accommodations such as our’s financial survival. How can we make overseas and US visitors comfortable without their knowing that all Canadians who are staying in accommodation are fully vaccinated?” - Rural limited service accommodation

“Staffing is the biggest issue right now” - Rural retail/sales/rental business

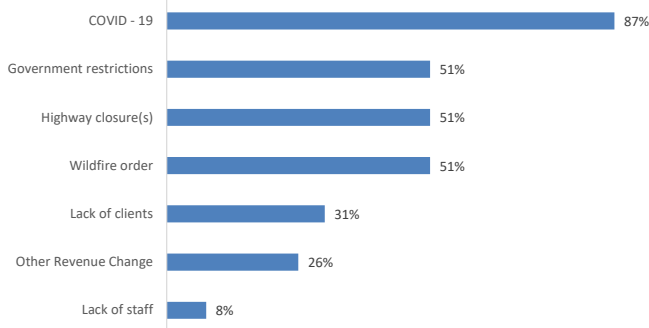
Please indicate the impact of COVID-19 on your operations



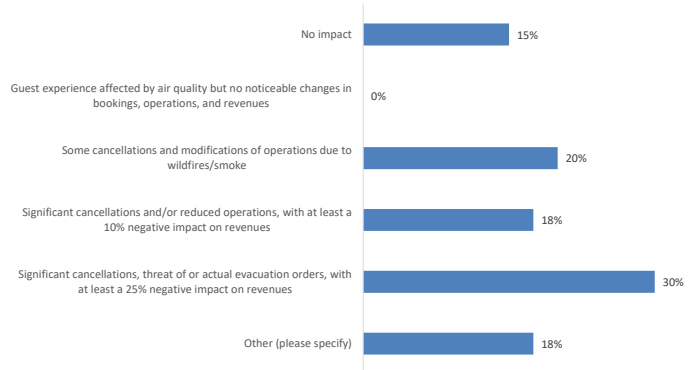
Ability to pay bills, August /September



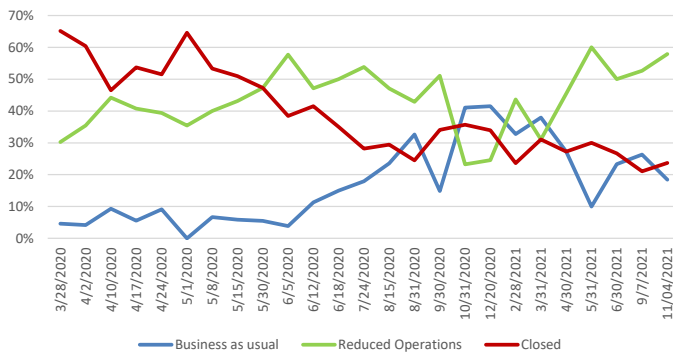
Main reasons for drop in revenue



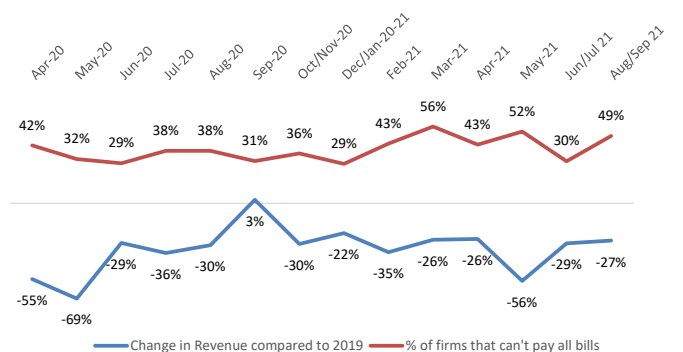
Impact of wildfires / smoke on business operations



Impact of COVID-19, share of responses since start of survey



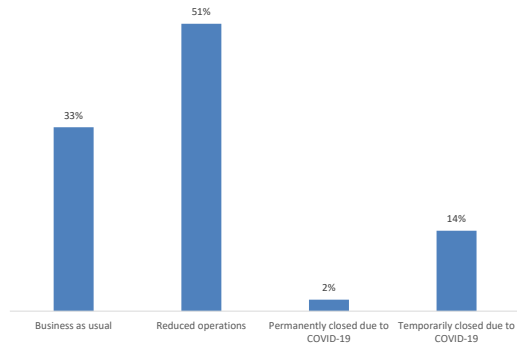
Year-over-year change in revenue and percentage of firms without the cashflow to pay all bills



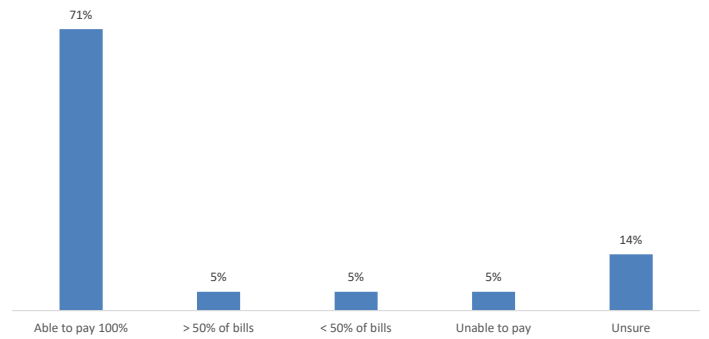
Amy Thacker
CEO, CARIBOO CHILCOTIN COAST TOURISM

Results come from survey conducted by CCC. A response rate of 17% yielded 40 tourism businesses, representing a margin of error for the regional questions of +/- 12%, 9 times out of 10.

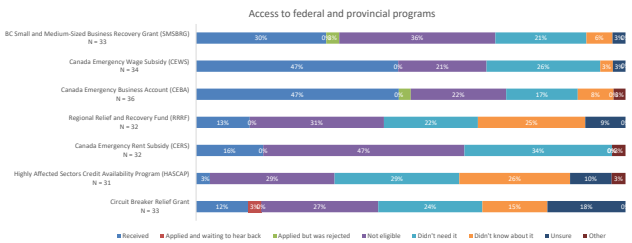
Please indicate the impact of COVID-19 on your operations



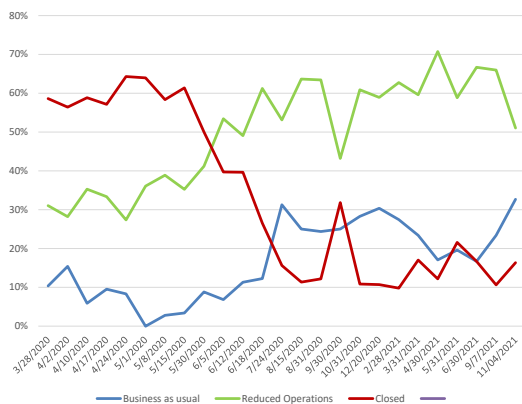
Ability to pay bills, September /October



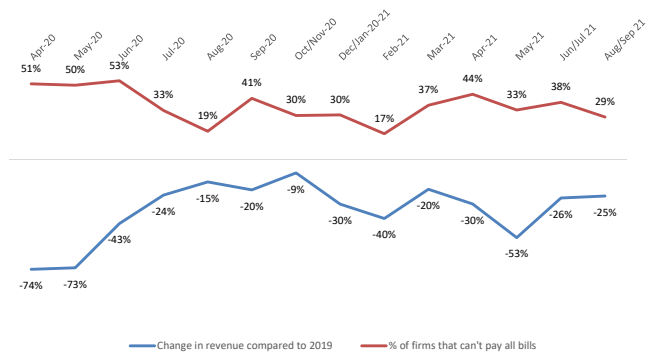
Main issues preventing businesses from fully reopening



Impact of COVID-19, share of responses since start of survey

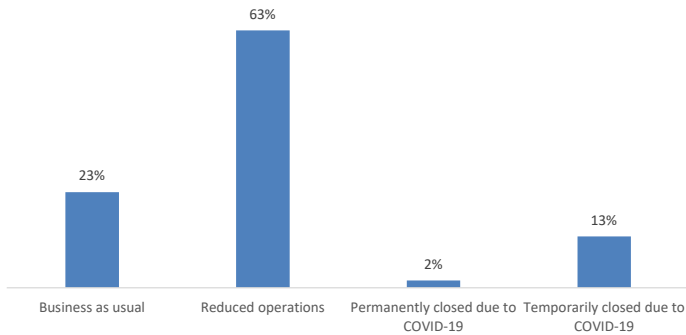


Year-over-year change in revenue and percentage of firms without the cashflow to pay all bills

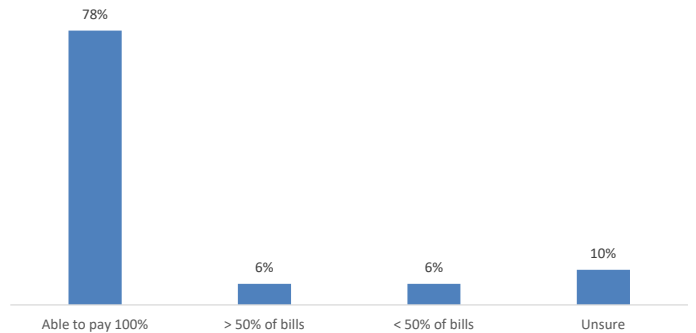


Kathy Cooper
CEO, KOOTENAY ROCKIES TOURISM

Please indicate the impact of COVID-19 on your operations



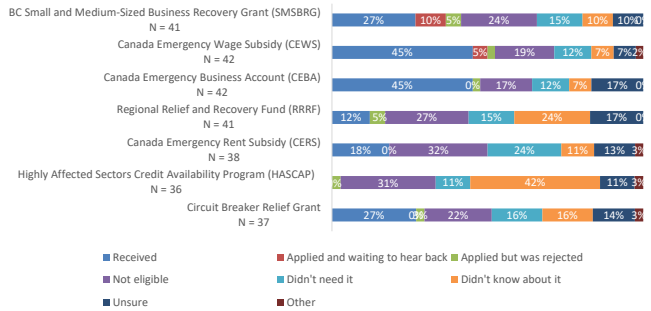
Ability to pay bills, August /September



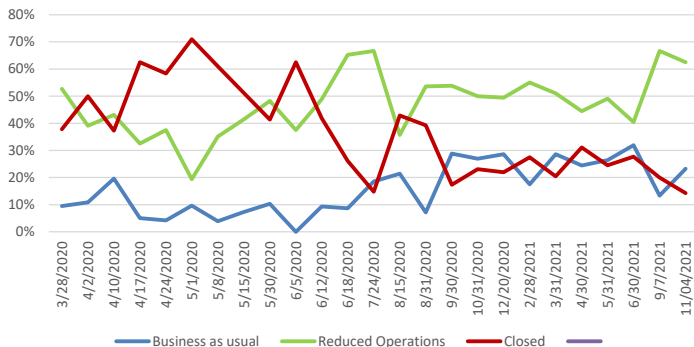
Main issues preventing businesses from fully reopening



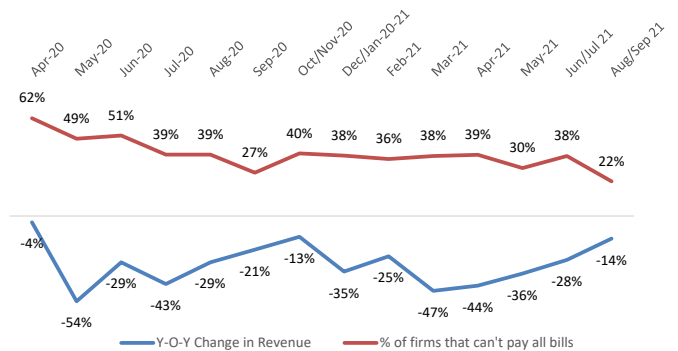
Access to federal and provincial programs



Impact of COVID-19, share of responses since start of survey



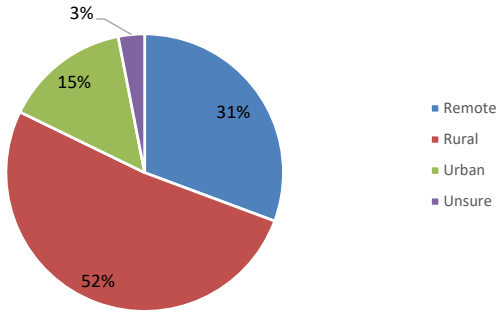
Year-over-year change in revenue and percentage of firms without the cashflow to pay all bills



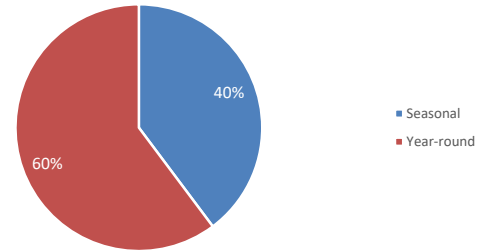
Clint Fraser
CEO, NORTHERN BC TOURISM

A response rate of 24% yielded 57 tourism businesses, representing a margin of error for the regional questions of +/- 10.5%, 9 times out of 10

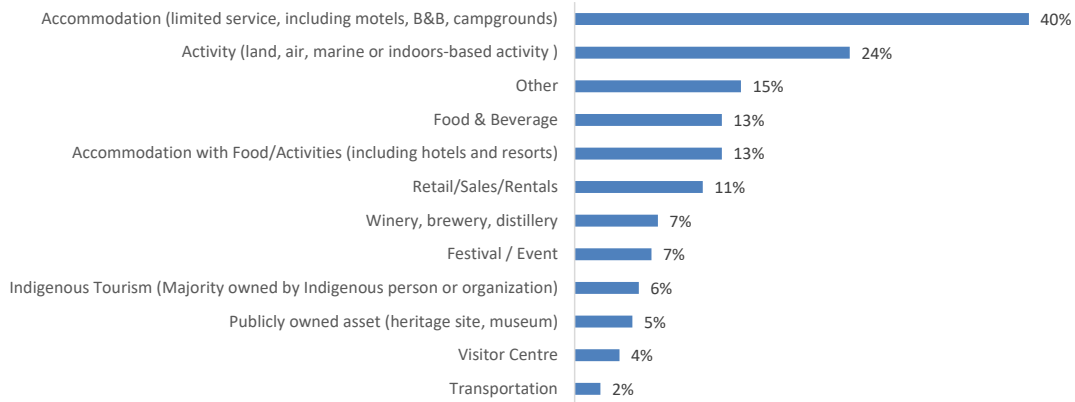
Do you consider the area in which your business operates to be urban, rural, or remote?



Is your business seasonal?

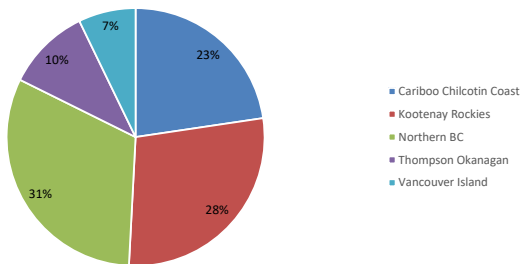


Proportion of firms by business type



* Total may sum to larger than one as firms were able to identify as multiple categories.

Proportion of respondents by region



*Due to small number of responses from the largest tourism regions (TVI and TOTA), reporting BC-wide averages weighted by region becomes challenging.