
Traveller Accommodation Survey

A Report for the Year 2004



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As with any endeavour of this nature, a large number of people are involved both directly and indirectly in its completion. The following individuals from Service Industries Division are responsible for the management of the survey, processing of the data, analysis and the preparation of this report; Veronica Utovac, Irene Ross, Roland Boudreau, Trisha Stewart, and Aline Diotte.

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Introduction

The traveller accommodation industry thrives on strategically located and efficiently managed establishments. This report analyzes the economic performance and operating characteristics of business establishments in the traveller accommodation industry for 2004. The Annual Survey of Traveller Accommodation provides important supply-side data for tourism research, analysis and policy-making by government agencies, trade associations and business operators.

This report is based on a survey panel of Statistics Canada respondents from the 2004 Annual Survey of Traveller Accommodation. The traveller accommodation industry includes three sub-groups: hotels¹; motels²; and other accommodations³.

The report is divided into the following topics:

■ The Performance of Accommodations in 2004

■ The Impact of Reservation and Marketing Methods on Accommodations

The 2004 report also provides tables of data (by province and size dimensions) for each of the three sub-groups (hotels and motor hotels, motels, and other accommodations). These tables are found in Appendix A.

For a description of the panel of surveyed establishments, please refer to Appendix E (page 40).

¹ Includes the following North American Industry Classification System: Hotels (NAICS 721111), Motor Hotels (NAICS 721112), Resorts (NAICS 721113), Casino Hotels (NAICS 721120) and All Other Accommodations n.e.c (NAICS 721198).

² Motels Industry (NAICS 721114).

³ Includes the following industries: (NAICS 721191) Bed and Breakfast, (NAICS 721192) Cottages and Cabins, (NAICS 721211) RV Parks and Campgrounds, (NAICS 721212) Hunting and Fishing Camps, (NAICS 721213) Recreational and Vacation Camps, and Rooming and Boarding Houses (721310).

2004 Annual Survey of Traveller Accommodation

National Highlights

- Tourism in 2004 grew at a faster rate than the rest of the economy. After 2 years of decline, 2004 was a good year for the tourism industry as spending grew by 4.8%. Tourism spending on air transportation soared 10.3% in 2004 which helped the industry rebound.
- Overall, the traveller accommodation industry saw increases in revenues and higher operating profits compared to the year before.
- Estimates for all traveller accommodation industries indicate that almost 16,000 establishments generated \$13.2 billion in operating revenue in 2004. In current dollars, this is an increase of 7.5% from 2003.
- Hotel occupancy rates finally advanced in 2004 reaching 63%. This is a notable jump from 59% in 2003.
- Hotels, regardless of where they are located, had an increase in their occupancy rates in 2004.
- Airport hotels experienced the largest gains in the demand for their rooms as occupancy rates jumped to 67% in 2004, up from 61% the year before. This could partly be explained by the general recovery of long-haul traffic as well as the strong demand for air transport and accommodations.

Provincial Highlights

- Hotels and motels in Quebec, Ontario and the Western Provinces experienced an increase in their operating revenues in 2004 compared to 2003.
- British Columbia (12.7%) and Alberta (7.7%) had the highest increase in operating revenues. These provinces also experienced an increase in the number of trips made by Canadian residents compared to 2003.
- Most provinces realized double-digit profits. Alberta led the way with operating profits of 19.1%.

Selected Financial Statistics for Traveller Accommodation, Canada and Provinces, 2004

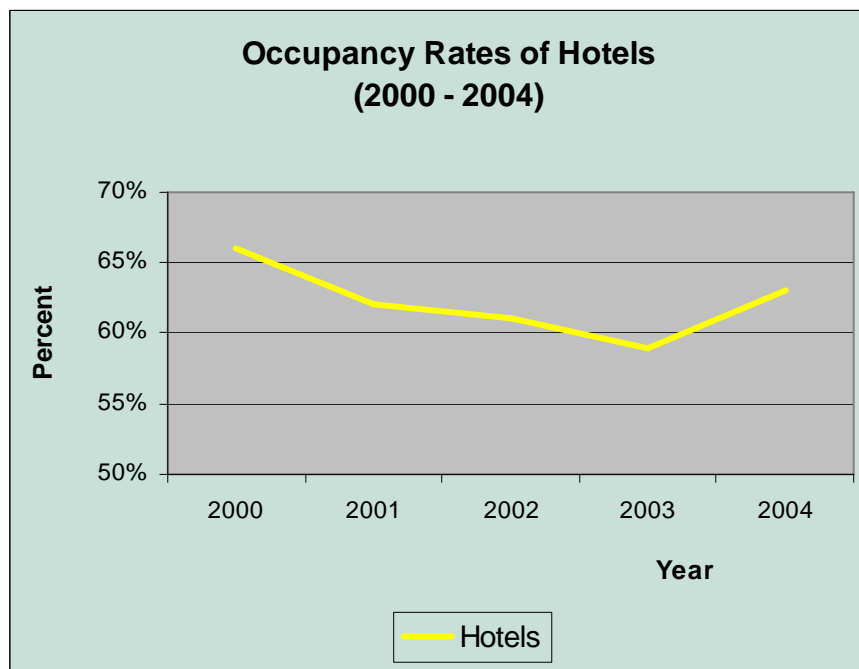
	NUMBER OF ESTABLISHMENTS	OPERATING REVENUE (\$000,000)	SALARIES, WAGES AND BENEFITS (\$000,000)	OPERATING EXPENSES (\$000,000)	OPERATING MARGIN (%)
Newfoundland	425	164.7	62.6	138.7	15.8
Prince Edward Island	220	84.6	28.0	74.3	12.1
Nova Scotia	571	327.9	106.5	279.2	14.8
New Brunswick	487	221.8	73.1	185.3	16.5
Quebec	2,965	2,346.2	784.7	2,025.5	13.7
Ontario	4,302	3,986.9	1,279.8	3,437.0	13.8
Manitoba	664	647.8	159.5	570.4	12.0
Saskatchewan	831	489.6	137.3	420.2	14.2
Alberta	1,569	2,214.4	705.7	1,791.5	19.1
British Columbia	3,277	2,591.1	860.7	2,215.0	14.5
Yukon	167	73.1	25.2	66.3	9.3
Northwest Territories	99	53.4	15.8	44.9	15.9
Nunavut	37	32.6	7.5	28.2	13.2
Canada	15,613	13,233.9	4,246.4	11,276.4	14.8

Estimates for 2004 are preliminary. Preliminary data are subject to revision. Due to rounding, components may not add to total (where applicable).

The Performance of Accommodations in 2004

Tourism in 2004 grew at a faster rate than the rest of the economy. After 2 years of decline, 2004 was a good year for the tourism industry, as spending grew by 4.8%. A contributing factor in the recovery of tourism activity is an 8.9% increase in overnight visits from abroad, which resulted in an 8.4% rise in international visitors spending. Tourism spending on air transportation soared 10.3% in 2004 which helped the industry rebound. Also, accommodation spending gained notably at 4.7%⁴.

Figure 1.1 Hotels finally experience an increase in demand in 2004



The demand for hotels finally advanced in 2004 (Figure 1.1) reaching 63%. This is a notable jump from 59% in 2003. The occupancy rate of hotels had been following a downward trend since the beginning of the millennium until it reached an all-time low in 2003.

⁴ The GDP of the rest of the economy grew by 2.8%. National Tourism Indicators, *Statistics Canada*.

The gain in tourism was also reflected internationally in 2004. The number of tourists rebounded from the SARS-related decline in 2003. Results were positive for all regions, especially Asia and the Pacific⁵ and the Middle East⁶. For the first time in 3 years, North America experienced an increase in the number of tourists (12%)⁷.

Hotels, regardless of where they were located, had an increase in their occupancy rates in 2004. Airport hotels had the largest gain in their demand for rooms as their occupancy rate jumped to 67% in 2004 from 61% the year before (Table 1.1). This could be explained in part by the general recovery of long-haul traffic as well as the strong demand for air transport and accommodations. The number of international travellers entering Canada grew for the first time since the year 2000⁸.

⁵ *Hardest hit by the SARS outbreak in 2003 they had an exceptional increase of 37% in the first 8 months of 2004. World Tourism Organization, November 8, 2004.*

⁶ *After the 2003 Iraq war, the Middle East experienced a growth of 24% in the number of tourists in the first 8 months of 2004. World Tourism Organization, November 8, 2004.*

⁷ *World Tourism Organization, November 8, 2004.*

⁸ *The number of international travellers entering Canada grew by 3.2%. International Travel Survey, Statistics Canada.*

Table 1.1 Summary of the Panel of Surveyed Hotels by Location, 2003, 2004

	AVERAGE NUMBER OF ROOMS	AVERAGE DAILY RATE (ADR)	REVENUE PER AVAILABLE ROOM (REVPAR)	OCCUPANCY RATE
ALL HOTELS				
2003	161	\$ 119	\$ 70	59%
2004	148	\$ 120	\$ 77	63%
AIRPORT HOTELS				
2003	225	\$ 110	\$ 67	61%
2004	192	\$ 106	\$ 72	67%
DOWNTOWN HOTELS				
2003	197	\$ 128	\$ 77	60%
2004	181	\$ 130	\$ 85	65%
HIGHWAY HOTELS				
2003	99	\$ 86	\$ 47	55%
2004	94	\$ 89	\$ 52	58%
RURAL HOTELS				
2003	70	\$ 114	\$ 61	53%
2004	63	\$ 116	\$ 65	56%
SUBURB HOTELS				
2003	110	\$ 110	\$ 110	58%
2004	105	\$ 100	\$ 60	60%

Hotels located in the suburbs experienced the lowest increase in their occupancy rates despite having the largest drop in their room rates.

On the other hand, there was less demand for motel rooms in 2004 compared to the previous year as shown in Table 1.2. Moreover, the average daily room rate for all motels increased by \$6. Rural motels experienced the largest drop in occupancy rates. This may be due to the large increase in the average daily room rate.

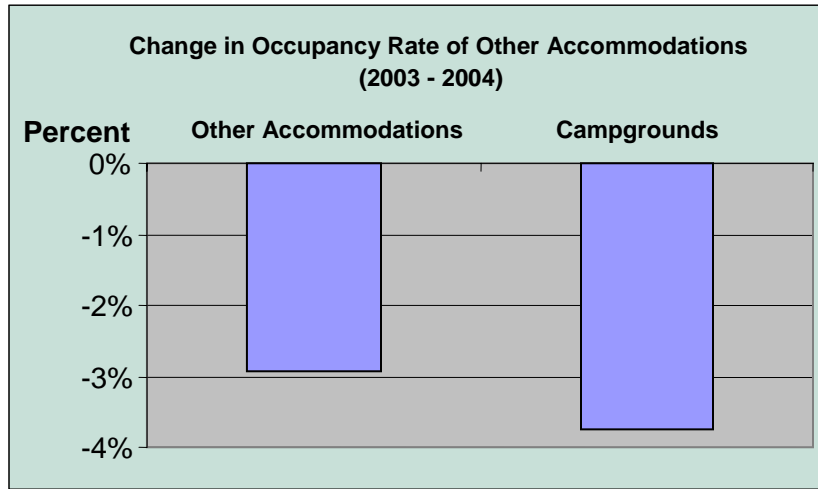
Table 1.2 Summary of the Panel of Surveyed Motels by Location, 2003 to 2004

	AVERAGE NUMBER OF ROOMS	ADR *(\$)	REVPAR *(\$)	OCCUPANCY RATE
ALL MOTELS				
2003	57	71	42	59%
2004	51	77	44	57%
DOWNTOWN MOTELS				
2003	58	68	39	57%
2004	55	76	43	56%
HIGHWAY MOTELS				
2003	57	74	44	59%
2004	50	76	44	59%
RURAL MOTELS				
2003	29	61	31	51%
2004	21	78	34	43%
SUBURB MOTELS				
2003	59	71	43	61%
2004	53	78	44	57%

Other accommodations⁹ evidenced another year of lower occupancy rates, especially campgrounds experienced a drop in their demand as shown in Figure 1.2.

⁹ Other accommodations include RV parks and campgrounds (721211), recreational and vacation camps (721213), outfitters (721212), cottages and cabins (NAICS 721192), bed and breakfast (NAICS 721191) and rooming and boarding houses (NAICS 721310)

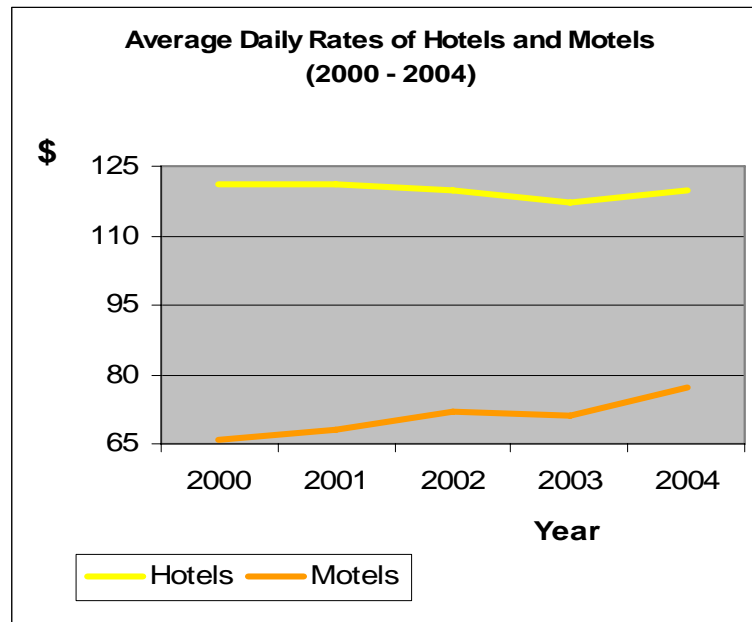
Figure 1.2 Other Accommodations experience another year of lower occupancy rates



The drop in the demand for these recreational accommodations can be explained, in part, by the weather during the peak summer holiday months. From May to October, across most of the country, it was too cool, too wet or too cloudy as many wondered what happened to summer, as 2004 was “the summer that never was”¹⁰.

¹⁰ Top Canadian Weather Stories for 2004, *Environment Canada*.

Figure 1.3 Hotels Room Rates finally increase in 2004



In 2004, room rates increased for both hotels and motels (Figure 1.3). This is the case particularly for hotels, as they had experienced a decline in their room rates from 2000 to 2003 as a result of the “merchant model”, an approach where hoteliers depend on third-party distributors to unload excess rooms on-line¹¹. However, as more and more hoteliers have their own websites they have also gained more control of their reservations and bookings allowing them to regain their room rates and market share.

From a regional perspective, hotels in Ontario, Quebec and the Western provinces experienced an increase in their occupancy rates in 2004 compared to 2003

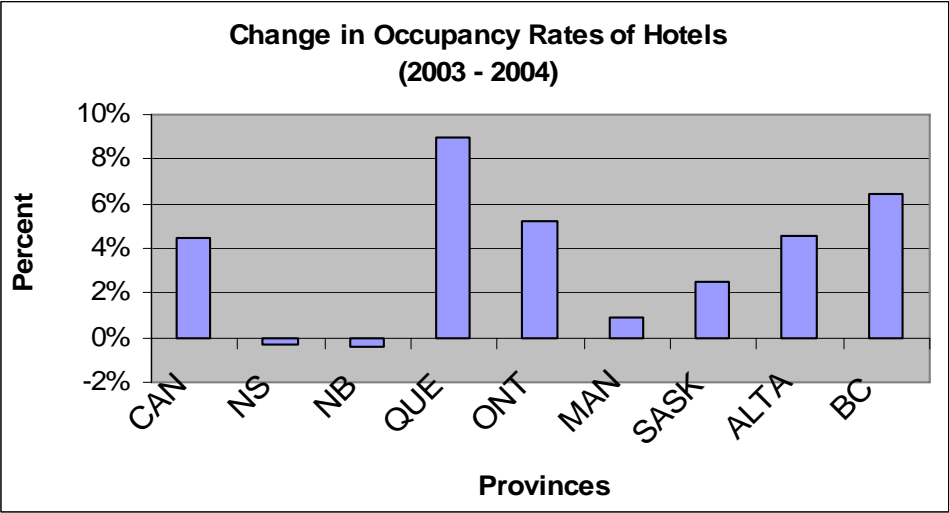
(Figure 1.4). These provinces also experienced an increase in the number of trips made by Canadian residents compared to 2003.¹² As well, the number of international travellers entering Montreal, Toronto, Niagara Falls and Vancouver showed a notable increase in 2004 following declines the year before. Toronto posted the strongest gain in the number of international travellers at 15.5% in 2004.¹³

Figure 1.4 Demand for Hotel Rooms increases in Central Canada and the West

¹¹ *Traveller Accommodation Survey: A Report for the Year 2003, Canadian Tourism Commission.*

¹² *Canadian Travel Survey, Statistics Canada.*

¹³ *International Travel Survey, Statistics Canada.*



Nova Scotia and New Brunswick, on the other hand, experienced a decline in their hotel occupancy rates as shown in Figure 1.4. This could be explained, in part, by the overall drop in the number of domestic trips¹⁴ made to these regions by Canadians.

SUMMARY

Growth in the travel industry in Canada and the rest of the world had been stimulated by a more stable political situation and a general economic recovery in 2004. Overall, the occupancy rates increased as did operating revenues and profits. Consumer and business confidence had returned, as leisure and business travel began to rebound. This followed one of the worst years experienced in the tourism industry, as traveller accommodations had been significantly impacted by consumer uncertainty related to worldwide events, economic conditions and the weather.

¹⁴ Canadian Travel Survey, *Statistics Canada*.

The Impact of Reservation and Marketing Methods on Accommodations

Background

The Internet's increased popularity has had a major impact on the travel industry over a relatively short period of time. Major on-line travel sites are much more likely to offer Internet-savvy consumers booking options which can go beyond simple transactions such as point-to-point air and hotel reservations. The "do-it-yourself" or independent traveller is becoming more prevalent in the Internet age. Consumers can take greater control over their travel plans if they are on-line. Not only is the Internet a useful tool for information gathering, it also allows people to compare prices and options to locate the best deals available.

Analysis on the performance of accommodations in 2004 using reservation and marketing methods is presented in this section. The question for many establishments becomes whether or not establishments that offer central reservation systems (CRS), global distribution systems (GDS) or their own Internet websites perform better than their counterparts that do not use these reservation and marketing services nor use the Internet. This section will attempt to answer this question.

Earlier reports¹⁵ have shown that establishments that have brand name affiliations perform better than those that were not part of a chain. Hotels and motels that are part of a franchise likely benefit from brand recognition. The greater demand for these affiliated establishments could be due to the various reservations and marketing methods they use.

Affiliated accommodations had more rooms, charged higher room rates and generally had higher occupancy rates than independently owned establishments. Data for 2004 was no exception; affiliated establishments on average had twice as many rooms, charged approximately \$20 more per night and had higher occupancies than independently owned accommodations (Table 2.1). Being part of a central reservation system (CRS) may explain the greater demand for these affiliated establishments.

¹⁵ *Traveller Accommodation Survey: A Report for the Years 2003, 2002 and 2001.*

Table 2.1 Summary of the Panel of Surveyed Hotels and Motels, by Affiliation, 2004

	AVERAGE NUMBER	ADR *(\$)	REVPAR (\$)	OCCUPANCY RATE
ALL HOTELS	148	120	77	63%
Affiliated Hotels	191	125	82	66%
Non-Affiliated Hotels	92	105	62	59%
ALL MOTELS	51	77	44	57%
Affiliated Motels	74	84	50	60%
Non-Affiliated Motels	33	65	34	52%

The rest of this section will present more detail on the performance of establishments that offer the following reservation and marketing methods: CRS, GDS as well as whether or not they have their own Internet website.

Central Reservation Systems (CRS)

The central reservation system (CRS) enables reservations and confirmations to be made through a toll-free owner-operated call centre or a website which is more convenient for travellers. A CRS also helps travellers find a hotel or motel that meets their criteria with respect to location, quality and other characteristics.

Table 2.2 Summary of the Panel of Surveyed Hotels and Motels, by CRS, 2004

	AVERAGE NUMBER OF ROOMS	ADR (\$)	REVPAR (\$)	OCCUPANCY
ALL HOTELS	148	120	77	63%
With CRS	184	125	82	65%
No CRS	79	93	53	57%
ALL MOTELS	51	77	44	57%
With CRS	67	81	49	60%
No CRS	37	70	37	53%

Accommodations that have a central reservation system offer more rooms, charge more per night and were in greater demand than those that did not have a CRS

(Table 2.2). The occupancy rate of hotels that had a CRS was 65% instead of 57%, for the hotels that did not offer this service. As well, motels with a CRS had an occupancy rate of 60% compared to 53% for those without.

Another interesting difference between accommodations that have a CRS and those that do not, is their source of revenues. Hotels and motels with central reservations systems derive proportionately more of their revenues from room sales, while the accommodations not having a CRS obtain proportionately more from the sale of goods (meals, alcohol and merchandise) as shown in Table 2.3.

**Table 2.3 Revenue Distribution of Surveyed Hotels and Motels,
by CRS, 2004**

	ROOMS	MEALS	ALCOHOL	MERCHANDISE	SERVICE
ALL HOTELS	62%	19%	10%	1%	8%
With CRS	64%	19%	8%	0%	8%
No CRS	50%	19%	22%	2%	8%
ALL MOTELS	76%	10%	3%	4%	7%
With CRS	85%	6%	2%	3%	4%
No CRS	64%	14%	6%	5%	11%

Hotels and motels that had no CRS earned slightly higher profit margins than those that had a CRS. A closer look at the expense distribution of these establishments can help explain the differences in profits (Table 2.4).

**Table 2.4 Expense Distribution as a Share of Revenue of Surveyed Hotels and Motels,
by CRS, 2004**

	LABOUR	COST OF GOODS	OCCUPANCY COSTS	ADVERTISING	DEPRECIATION	OTHER EXPENSES	OPERATING PROFIT
ALL HOTELS	34%	11%	16%	3%	6%	22%	7%
With CRS	34%	10%	17%	4%	5%	23%	6%
No CRS	31%	20%	14%	3%	6%	21%	7%
ALL MOTELS	28%	9%	17%	3%	8%	23%	11%
With CRS	27%	5%	16%	4%	10%	26%	11%
No CRS	29%	16%	17%	2%	5%	20%	12%

Hotels that are part of a CRS had a proportionately greater share of labour expenses (34%), occupancy costs (17%), advertising (4%) and other expenses (23%) than the hotels that do not offer this service. These hotels had an operating margin of 6%, slightly lower than 7% realized by the hotels with no CRS. As well, hotels with no CRS had a cost of goods of 20%, twice that of the hotels that were part of a CRS. This was not surprising, since hotels that do not have this service derived a greater share of their revenues from the sale of goods than those that do.

As in the case of hotels, motels with a CRS also had slightly lower operating margins (11%) than those that did not (12%). Motels having this service had proportionately greater advertising (4%), depreciation (10%) and other expenses (26%) than motels without a CRS.

Global distribution system

Global distribution system (GDS) is a worldwide reservation system that works like a third party distributor for excess rooms or guest units. GDS makes it possible to book reservations on-line for accommodations, airline tickets, and other travel products.

Establishments offering rooms or guest units have made use of GDS. Of the surveyed hotels, 62% were part of this system in 2004, which represents 392 hotels. Less than half of motels (45%) and resorts (42%) surveyed used a third party distributor like GDS. This accounts for 145 motels and 45 resorts in our survey panel.

GDS was less popular for other accommodations such as campgrounds and outfitters. The majority of these establishments did not use a GDS. In fact, only 1 in 5 of these recreational accommodations used a global distribution system, accounting for 35 campgrounds and 31 outfitters in the surveyed panel of establishments.

Accommodations, for the most part, that were part of GDS had more rooms than those that did not use a third party distributor. Moreover, hotels, motels and resorts with GDS had more than twice the number of guest units than those that did not. While the average outfitter had 6 more guest units if they belonged to GDS, only campgrounds that were not part of GDS offered more guest units than those that belonged to this system (Table 2.5).

Table 2.5 Summary of the Panel of Surveyed Hotels and Motels, by GDS, 2004

	AVERAGE NUMBER OF ROOMS	ADR (\$)	REVPAR (\$)	OCCUPANCY RATE
ALL HOTELS	148	120	77	64%
With GDS	194	125	81	65%
No GDS	81	99	58	59%
ALL MOTELS	51	77	44	57%
With GDS	74	81	49	61%
No GDS	35	70	35	51%
ALL RESORTS	113	164	91	55%
With GDS	174	184	103	56%
No GDS	68	120	63	53%
ALL CAMPGROUNDS	201	not applicable	not applicable	60%
With GDS	174	not applicable	not applicable	50%
No GDS	207	not applicable	not applicable	61%
ALL OUTFITTERS	26	not applicable	not applicable	66%
With GDS	31	not applicable	not applicable	82%
No GDS	25	not applicable	not applicable	61%

Accommodations that were part of GDS were in greater demand than those that were not part of this system. The only exception was for campgrounds, there are more campgrounds that are not part of a GDS than those are. Table 2.5 shows that hotels, motels, resorts and outfitters that belonged to GDS had higher occupancy rates than if they did not.

Accommodations that belonged to GDS charged more per night and had higher revenues per available room (RevPAR) than those that did not use third party distributors. For example, resorts that used a GDS charged \$64 more per night for their guest unit than the average resort that was not part of this system. As well, hotels that were part of GDS, also charged notably higher at \$125 for a room per night compared to \$99 for those that did not belong to this system.

Internet Websites

Accommodations that have their own websites have become widespread and very popular. The surveyed establishments in 2004 showed that over 3 in 4 hotels and, 2 out of 3 motels had their own website. In addition, a significant portion of the other accommodations surveyed also had their own Internet sites. Three-quarters of the campgrounds surveyed had their own web pages as did 4 in 5 outfitters.¹⁶

Table 2.6 Summary of the Panel of Surveyed Hotels and Motels, by Website, 2004

	AVERAGE NUMBER OF ROOMS	ADR *(\$)	REVPAR *(\$)	OCCUPANCY RATE
ALL HOTELS	148	120	77	63%
With Website	162	122	78	64%
No Website	103	112	70	62%
ALL MOTELS	51	77	44	57%
With Website	59	78	46	59%
No Website	32	73	37	51%
ALL CAMPGROUNDS	203	not applicable	not applicable	60%
With Website	215	not applicable	not applicable	61%
No Website	167	not applicable	not applicable	58%
ALL OUTFITTERS	26	not applicable	not applicable	66%
With Website	29	not applicable	not applicable	65%
No Website	16	not applicable	not applicable	72%

Table 2.6 indicates that accommodations that had their own website had more guest units available. These establishments were also more expensive and had higher occupancy rates.

Interestingly, outfitters that had no website had a higher occupancy rate (72%) than those that did not (65%). This could be due, in part, to the fact that these hunting and fishing camps are relatively expensive and cater to a specific market that does not require advertising through Internet. Many of these hunting and fishing lodges are found in remote areas that can only be accessed by fly-in. Typically, these outfitters derive a significant portion of their revenues through packaged vacations (Table 2.7).

¹⁶ In the 2004 surveyed panel of establishments, 485 hotels, 222 motels, 151 campgrounds and 31 outfitters indicated they had an Internet Website. Moreover, 152 hotels, 105 motels, 47 campgrounds and 121 outfitters stated they did not have a website.

Hotels and motels that operate a website derive significantly more of their revenues from the sale of guest units than their counterparts having no website. On the other hand, campgrounds with their own website generate a smaller share of their revenues from guest units and more from packaged vacations than those that do not have their own web page (Table 2.7).

Table 2.7 Revenue Distribution of Surveyed Hotels and Motels, by Website, 2004

	ROOMS	PACKAGE VACATIONS	MEALS	ALCOHOL	MERCHANDISE	SERVICE
ALL HOTELS	62%	not applicable	19%	10%	1%	8%
With Website	63%	not applicable	19%	9%	1%	8%
No Website	56%	not applicable	19%	15%	1%	9%
ALL MOTELS	76%	not applicable	10%	3%	4%	7%
With Website	81%	not applicable	9%	2%	2%	6%
No Website	62%	not applicable	12%	6%	10%	10%
ALL CAMPGROUNDS	27%	53%	4%	2%	7%	7%
With Website	26%	54%	4%	2%	7%	7%
No Website	32%	45%	3%	1%	13%	6%
ALL OUTFITTERS	6%	81%	4%	2%	4%	3%
With Website	6%	81%	5%	2%	4%	2%
No Website	4%	88%	2%	1%	4%	1%

For the most part, accommodations that had websites realized higher operating profits than those that did not as shown in Table 2.8. Motels were the exception. Those not having their own sites had slightly higher operating profits at 12% compared to those that did have their own web site (11%). The average motel, without its own website, had proportionately lower advertising, depreciation, labour and other expenses than the motel with its own web site.

**Table 2.8 Expense Distribution as a Share of Revenue of Surveyed Hotels and Motels,
by Website, 2004**

	LABOUR	COST OF GOODS	OCCUPANCY COSTS	ADVERTISING	DEPRECIATION	OTHER EXPENSES	OPERATING PROFIT
ALL HOTELS	34%	11%	16%	3%	6%	22%	7%
With Website	34%	11%	16%	3%	6%	22%	7%
No Website	31%	16%	16%	3%	4%	25%	5%
ALL MOTELS	28%	9%	17%	3%	8%	23%	11%
With Website	28%	8%	16%	4%	9%	24%	11%
No Website	27%	17%	18%	1%	4%	22%	12%
ALL CAMPGROUNDS	31%	20%	14%	2%	6%	20%	7%
With Website	30%	20%	14%	2%	6%	20%	7%
No Website	38%	17%	16%	2%	4%	18%	6%
ALL OUTFITTERS	26%	24%	12%	4%	6%	21%	7%
With Website	27%	24%	11%	4%	6%	20%	8%
No Website	23%	20%	14%	4%	9%	30%	0%

SUMMARY OF FINDINGS

Certain reservation and marketing methods such as CRS, GDS and websites have been presented. For the most part, accommodations that employed reservation and marketing methods performed better than their counterparts that did not make use of these techniques. As in the case of affiliated establishments, hotels and motels that made use of these reservation tools to confirm their room bookings enjoyed a greater demand for their rooms. These accommodations also offered more rooms, had higher occupancy rates, cost more per night and generated more revenues per available room than their counterparts that did not make use of these marketing and reservation tools. Other economies of scale and scope that include broader marketing and advertising campaigns may also help explain the success of these reservation tools for these accommodations.

Appendix A: Tables

Characteristics of the Hotels and Motor hotels, by Size

Overview of the panel of hotels and motor hotels, by size, 2004

SIZE	SURVEY PANEL	AVERAGE NUMBER OF ROOMS	AVERAGE NUMBER OF EMPLOYEES	OCCUPANCY RATE	ADR *(\$)	REVPAR *(\$)	OPERATING PROFIT
CANADA	759	142	105	63%	122	77	7%
Small	23%	26	34	52%	84	44	3%
Medium	55%	102	75	60%	100	59	8%
Large	22%	350	247	66%	138	91	7%

Distribution of revenue by type of service for hotels and motor hotels, by size, 2004

SIZE	ROOMS	MEALS	ALCOHOL	MERCHANDISE	SERVICE
CANADA	60%	20%	10%	1%	10%
Small	27%	24%	34%	3%	12%
Medium	59%	18%	13%	1%	8%
Large	63%	21%	6%	1%	10%

Selected expenses as a percentage of total revenue for hotels and motor hotels, by size, 2004

SIZE	LABOUR	COST OF GOODS	OCCUPANCY COSTS	ADVERTISING	DEPRECIATION	OTHER EXPENSES	OPERATING PROFIT
CANADA	34%	12%	16%	3%	6%	22%	7%
Small	30%	30%	11%	3%	4%	19%	3%
Medium	32%	14%	15%	3%	6%	22%	8%
Large	36%	9%	17%	3%	6%	22%	7%

Distribution of the accommodation revenue by type of client for hotels and motor hotels, by size, 2004

SIZE	DOMESTIC	HOUSEHOLDS	BUSINESS	GOVERNMENT	FOREIGN
CANADA	79%	31%	40%	9%	21%
Small	87%	44%	34%	9%	13%
Medium	86%	36%	39%	11%	14%
Large	75%	28%	40%	8%	25%

Overview of the panel of motels, by size, 2004

PROVINCE	SURVEY PANEL	AVERAGE NUMBER OF ROOMS	AVERAGE NUMBER OF EMPLOYEES	OCCUPANCY RATE	ADR *(\$)	REVPAR *(\$)	OPERATING PROFIT
CANADA	328	51	21	57%	77	44	14%
Small	51%	24	12	49%	68	33	12%
Medium	40%	68	25	58%	78	46	16%
Large	9%	122	52	63%	83	52	13%

Distribution of revenue by type of service for motels, by size, 2004

	ROOMS	MEALS	ALCOHOL	MERCHANDISE	SERVICE
CANADA	77%	10%	3%	4%	7%
Small	56%	19%	7%	9%	8%
Medium	81%	7%	2%	3%	7%
Large	88%	6%	2%	0%	3%

Selected expenses as a percentage of total revenue for motels, by size, 2004

	LABOUR	COST OF GOODS	OCCUPANCY COSTS	ADVERTISING	DEPRECIATION	OTHER EXPENSES	OPERATING PROFIT
CANADA	28%	9%	16%	3%	8%	20%	14%
Small	29%	19%	14%	1%	4%	21%	12%
Medium	27%	7%	16%	4%	9%	21%	16%
Large	29%	4%	19%	4%	11%	19%	13%

Distribution of the accommodation revenue by type of client for motels, by size, 2004

	DOMESTIC	HOUSEHOLDS	BUSINESS	GOVERNMENT	FOREIGN
CANADA	90%	41%	41%	8%	10%
Small	89%	48%	35%	6%	11%
Medium	91%	38%	45%	9%	9%
Large	90%	35%	42%	12%	10%

Characteristics of Other accommodations, by Size

Overview of the panel of other accommodations, by size, 2004

SIZE	SURVEY PANEL	AVERAGE NUMBER OF GUEST UNITS	AVERAGE NUMBER OF EMPLOYEES	OCCUPANCY RATE	OPERATING PROFIT
CANADA	434	116	26	62%	9%
Small	53%	16	17	62%	8%
Medium	28%	107	24	60%	10%
Large	19%	403	53	63%	10%

Distribution of revenue by type of service for other accommodations, by size, 2004

SIZE	ROOMS	PACKAGED VACATIONS	MEALS	ALCOHOL	MERCHANDISE	SERVICE
CANADA	27%	53%	4%	2%	7%	7%
Small	14%	64%	3%	3%	11%	5%
Medium	26%	49%	9%	2%	4%	10%
Large	46%	42%	1%	0%	5%	6%

Selected expenses as a percentage of total revenue for other accommodations, by size, 2004

SIZE	LABOUR	COST OF GOODS	OCCUPANCY COSTS	ADVERTISING	DEPRECIATION	OTHER EXPENSES	OPERATING PROFIT
CANADA	28%	20%	14%	3%	6%	20%	9%
Small	26%	24%	12%	3%	5%	22%	8%
Medium	30%	20%	12%	3%	6%	19%	10%
Large	29%	13%	19%	2%	6%	21%	10%

Distribution of the accommodation revenue by type of client for other accommodations, by size, 2004

SIZE	DOMESTIC HOUSEHOLDS	BUSINESS AND GOVERNMENT	FOREIGN
CANADA	87%	58%	29%
Small	77%	70%	7%
Medium	82%	72%	10%
Large	93%	47%	46%

Overview of the panel of hotels and motor hotels, by province, 2004

PROVINCE	NUMBER OF ESTABLISHMENTS IN SURVEY PANEL	TOTAL NUMBER OF ROOMS	AVERAGE NUMBER OF ROOMS	OCCUPANCY RATE	ADR (\$)	REVPAR (\$)	OPERATING PROFIT
CANADA	759	111,784	142	63%	122	77	7%
NF	23	1,892	82	57%	101	57	9%
PE	15	1,099	64	50%	127	63	0%
NS	48	5,778	110	64%	117	74	10%
NB	34	3,219	92	58%	96	56	11%
QC	95	16,885	168	65%	138	89	2%
ON	204	37,012	176	63%	126	80	6%
MN	63	4,798	75	62%	83	51	4%
SK	46	4,801	105	60%	84	50	7%
AB	106	17,496	163	64%	120	78	14%
BC	101	17,557	168	63%	129	81	5%
YT	13	976	52	60%	85	51	5%
NT	x	x	x	x	x	x	x
NN	x	x	x	x	x	x	x

x Confidential data

Canada totals include all provinces and territories

Overview of the panel of motels, by province, 2004

PROVINCE	NUMBER OF ESTABLISHMENTS IN SURVEY PANEL	TOTAL NUMBER OF ROOMS	AVERAGE NUMBER OF ROOMS	OCCUPANCY RATE	ADR (\$)	REVPAR (\$)	OPERATING PROFIT
CANADA	328	16,565	51	57%	77	44	14%
NF	x	x	x	x	x	x	x
PE	12	329	27	41%	65	26	9%
NS	33	1,163	35	56%	77	43	5%
NB	24	1,174	49	57%	72	41	15%
QC	54	3,189	59	56%	86	48	12%
ON	95	5,758	61	61%	77	47	10%
MN	x	x	x	x	x	x	x
SK	17	716	42	59%	59	35	11%
AB	27	1,422	53	57%	76	43	16%
BC	41	1,822	44	52%	74	39	13%
YT	x	x	x	x	x	x	x
NT	x	x	x	x	x	x	x
NN	x	x	x	x	x	x	x

x Confidential data

Canada totals include all provinces and territories

Overview of the panel of other accommodations, by province, 2004

PROVINCE	NUMBER OF ESTABLISHMENTS IN SURVEY PANEL	TOTAL NUMBER OF GUEST UNITS	AVERAGE NUMBER OF ROOMS	OCCUPANCY RATE	OPERATING PROFIT
CANADA	434	50,129	116	62%	9%
NF	40	1,066	27	61%	8%
PE	x	x	x	x	x
NS	23	3,049	133	46%	11%
NB	29	2,087	72	65%	4%
QC	77	12,627	164	61%	6%
ON	108	15,654	145	74%	9%
MN	33	1,755	53	57%	-2%
SK	28	1,048	37	68%	0%
AB	27	5,248	194	73%	19%
BC	45	5,129	114	39%	16%
YT	x	x	x	x	x
NT	x	x	x	x	x
NN	x	x	x	x	x

x Confidential data

Canada totals include all provinces and territories

Distribution of revenue by type of service for hotels and motor hotels, by province, 2004

	ROOMS	MEALS	ALCOHOL	MERCHANDISE	SERVICE
CANADA	60%	20%	10%	1%	9%
NF	62%	22%	7%	1%	8%
PE	73%	17%	5%	0%	5%
NS	69%	17%	5%	1%	8%
NB	68%	23%	4%	0%	5%
QC	62%	22%	7%	1%	8%
ON	63%	20%	5%	0%	12%
MN	36%	18%	34%	3%	9%
SK	52%	19%	20%	2%	7%
AB	57%	21%	12%	1%	9%
BC	61%	19%	11%	1%	8%
YT	51%	26%	13%	3%	7%
NT	x	x	x	x	x
NN	x	x	x	x	x

x Confidential data

Canada totals include all provinces and territories

**Distribution of expenses as a share of revenue for hotels and motor hotels,
by province, 2004**

	LABOUR	COST OF GOODS	OCCUPANCY COSTS	ADVERTISING	DEPRECIATION	OTHER EXPENSES	OPERATING PROFIT
CANADA	34%	12%	16%	3%	6%	22%	7%
NF	37%	11%	12%	3%	7%	19%	9%
PE	35%	9%	22%	3%	5%	25%	0%
NS	33%	9%	17%	3%	6%	21%	10%
NB	33%	11%	14%	3%	6%	22%	11%
QC	39%	10%	15%	3%	7%	24%	2%
ON	34%	9%	17%	4%	7%	24%	6%
MN	24%	28%	14%	4%	4%	22%	4%
SK	30%	19%	16%	3%	4%	20%	7%
AB	31%	13%	14%	3%	6%	18%	14%
BC	37%	12%	16%	3%	6%	21%	5%
YT	37%	17%	11%	2%	11%	17%	5%
NT	x	x	x	x	x	x	x
NN	x	x	x	x	x	x	x

x Confidential data

Canada totals include all provinces and territories

**Distribution of revenue by type of service for motels,
by province, 2004**

	ROOMS	MEALS	ALCOHOL	MERCHANDISE	SERVICE
CANADA	77%	10%	3%	4%	6%
NF	x	x	x	x	x
PE	72%	13%	6%	0%	9%
NS	78%	14%	3%	2%	3%
NB	75%	18%	1%	1%	5%
QC	85%	6%	2%	3%	4%
ON	80%	7%	1%	5%	7%
MN	x	x	x	x	x
SK	55%	14%	13%	12%	6%
AB	72%	16%	5%	0%	7%
BC	71%	6%	3%	1%	19%
YT	x	x	x	x	x
NT	x	x	x	x	x
NN	x	x	x	x	x

x Confidential data

Canada totals include all provinces and territories

**Distribution of expenses as a share of revenue for motels,
by province, 2004**

	LABOUR	COST OF GOODS	OCCUPANCY COSTS	ADVERTISING	DEPRECIATION	OTHER EXPENSES	PROFIT
CANADA	28%	9%	16%	3%	8%	25%	11%
NF	x	x	x	x	x	x	x
PE	28%	8%	15%	3%	9%	28%	9%
NS	29%	10%	16%	3%	7%	30%	5%
NB	29%	10%	15%	3%	8%	20%	15%
QC	31%	6%	17%	3%	9%	22%	12%
ON	26%	7%	19%	4%	9%	25%	10%
MN	x	x	x	x	x	x	x
SK	29%	22%	12%	2%	6%	18%	11%
AB	32%	8%	13%	2%	6%	23%	16%
BC	28%	15%	15%	2%	7%	20%	13%
YT	x	x	x	x	x	x	x
NT	x	x	x	x	x	x	x
NN	x	x	x	x	x	x	x

x Confidential data

Canada totals include all provinces and territories

**Distribution of revenue by type of service for other accommodations,
by province, 2004**

	GUEST UNITS	PACKAGE VACATIONS	MEALS	ALCOHOL	MERCHANDISE	SERVICE
CANADA	27%	53%	4%	2%	7%	7%
NF	37%	57%	2%	1%	3%	0%
PE	x	x	x	x	x	x
NS	62%	15%	4%	1%	5%	13%
NB	28%	47%	14%	2%	4%	5%
QC	24%	58%	7%	1%	3%	7%
ON	20%	57%	2%	1%	11%	9%
MN	10%	72%	2%	3%	9%	4%
SK	11%	72%	2%	2%	6%	8%
AB	74%	13%	5%	1%	3%	4%
BC	14%	63%	4%	2%	9%	8%
YT	x	x	x	x	x	x
NT	x	x	x	x	x	x
NN	x	x	x	x	x	x

x Confidential data

Canada totals include all provinces and territories

**Distribution of expenses as a share of revenue for other accommodations,
by province, 2004**

	LABOUR	COST OF GOODS	OCCUPANCY COSTS	ADVERTISING	DEPRECIATION	OTHER EXPENSES	PROFIT
CANADA	28%	20%	14%	3%	6%	20%	9%
NF	33%	15%	15%	4%	7%	18%	8%
PE	x	x	x	x	x	x	x
NS	36%	9%	16%	3%	6%	19%	11%
NB	24%	35%	13%	1%	10%	13%	4%
QC	32%	21%	12%	3%	7%	19%	6%
ON	25%	23%	14%	3%	6%	20%	9%
MN	29%	21%	15%	4%	7%	26%	-2%
SK	36%	27%	12%	4%	6%	15%	0%
AB	24%	6%	21%	2%	4%	24%	19%
BC	27%	19%	12%	3%	4%	19%	16%
YT	x	x	x	x	x	x	x
NT	x	x	x	x	x	x	x
NN	x	x	x	x	x	x	x

x Confidential data

Canada totals include all provinces and territories

**Distribution of the accommodation revenue by type of client for hotels
and motor hotels, by province, 2004**

	DOMESTIC	HOUSEHOLDS	BUSINESS	GOVERNMENT	FOREIGN
CANADA	80%	31%	40%	9%	20%
NF	93%	22%	55%	16%	7%
PE	89%	49%	28%	12%	11%
NS	94%	34%	47%	13%	6%
NB	94%	34%	43%	17%	6%
QC	69%	26%	36%	7%	31%
ON	83%	33%	41%	9%	17%
MN	95%	33%	50%	12%	5%
SK	97%	34%	49%	14%	3%
AB	80%	31%	44%	5%	20%
BC	66%	27%	29%	10%	34%
YT	63%	31%	14%	18%	37%
NT	x	x	x	x	x
NN	x	x	x	x	x

x Confidential data

Canada totals include all provinces and territories

**Distribution by type of employment for hotels
and motor hotels, 2003 and 2004**

CANADA	2003	2004
Full Time	70%	70%
Full Year	59%	58%
Part Year	11%	12%
Part Time	30%	30%
Full Year	23%	23%
Part Year	7%	7%

**Distribution of the accommodation revenue by type of client for motels,
by province, 2004**

	DOMESTIC	HOUSEHOLDS	BUSINESS	GOVERNMENT	FOREIGN
CANADA	90%	41%	41%	8%	10%
NF	x	x	x	x	x
PE	95%	61%	29%	5%	5%
NS	91%	34%	47%	10%	9%
NB	97%	31%	56%	10%	3%
QC	93%	61%	29%	3%	7%
ON	87%	44%	35%	8%	13%
MN	97%	65%	21%	11%	3%
SK	99%	39%	52%	8%	1%
AB	82%	32%	43%	7%	18%
BC	89%	40%	41%	8%	11%
YT	x	x	x	x	x
NT	x	x	x	x	x
NN	x	x	x	x	x

x Confidential data

Canada totals include all provinces and territories

Distribution by type of employment for motels, 2003 and 2004

CANADA	2003	2004
Full Time	65%	63%
Full Time Full Year	46%	46%
Full Time Part Year	19%	17%
Part Time	35%	37%
Part Time Full Year	24%	25%
Part Time Part Year	11%	12%

**Distribution of the accommodation revenue by type of client for
other accommodations, by province, 2004**

	DOMESTIC	HOUSEHOLDS	BUSINESS AND GOVERNMENT	FOREIGN
CANADA	88%	58%	30%	12%
NF	84%	56%	28%	16%
PE	x	x	x	x
NS	84%	79%	5%	16%
NB	76%	68%	8%	24%
QC	88%	78%	10%	12%
ON	81%	78%	3%	19%
MN	99%	96%	3%	1%
SK	97%	88%	9%	3%
AB	96%	20%	76%	4%
BC	73%	70%	3%	27%
YT	x	x	x	x
NT	x	x	x	x
NN	x	x	x	x

xConfidential data

Canada totals include all provinces and territories

**Distribution by type of employment for other accommodations,
2003 and 2004**

CANADA	2003	2004
Full Time	79%	80%
Full Time Full Year	13%	11%
Full Time Part Year	66%	69%
Part Time	21%	20%
Part Time Full Year	2%	4%
Part Time Part Year	19%	16%

Appendix B

Concepts and Methods

Background

The annual survey of traveller accommodation, conducted by Statistics Canada for over fifty years, has undergone a number of important changes in methodology. It started as a census survey for hotel businesses and eventually the remaining traveller accommodation industries were added to provide a census survey for all accommodation business establishments. In 1985, the survey unit was changed to the company level (i.e. legal entity) and a sample of the larger size segment of the business population by type of industry was introduced.

In 1992, to make the survey outputs more relevant and useful, a redesign of the survey was undertaken to convert it back to an establishment base. At the same time, the survey was expanded to collect new data elements including the number of guest-room units, average occupancy rates, business market locations and facilities. To complete the annual picture, the non-surveyed businesses continue to be measured using administrative sources of data.

In order to have a more effective survey instrument, two separate questionnaires were developed for the survey. The first is sent to the Hotel and Motor Hotel and to Motel establishments; the second is sent to the remaining six industries (see *Appendix C*). However, the questionnaires are conceptually similar and have been designed to allow for an aggregation of common data elements.

With the cooperation and support of Tourism Canada, and later the Canadian Tourism Commission, questions were added on reservation and rating systems, market classes, capital spending, type of employment, country origin of foreign clientele, packaged vacations and advertising practices. Additional questions on revenue from vacation packages, the cost of sales breakdowns and on monthly occupancy rates are asked for the first time with the 1996-97 survey.

Methodology

Commencing with the 1998 survey year, the methodology is no longer a cut-off sample of large establishments. Rather, the new methodology is a random sample stratified by type of industry, province, and establishment revenue size, designed to achieve a balanced representation of establishments from across accommodation services (NAICS 721). While larger establishments continue to be represented, smaller establishments are selected randomly. To contribute to industry total estimates, these sampled units are then multiplied by a sampling factor (i.e., “weighted up”) to represent all the smaller units in the stratum. For purposes of this report, however, all data are unweighted (each survey establishment represents only itself).

For national accounting purposes, the original sample is drawn to obtain a significant coverage of total revenue. Support from the Canadian Tourism Commission allows for additional questionnaires to be mailed to establishments beyond the number required for national accounting.

Appendix C

Analytical Notes

The 2004 Traveller Accommodation Survey achieves a significant degree of coverage for the hotels, motels and other accommodation industry groups by province. The panel survey data in this report are presented to emphasize relative rather than absolute measures of the industries’ business performance, structure and characteristics. However, in interpreting these data, the following considerations should be taken into account:

- For statistical purposes, the stratification of the survey sample ensures that maximum coverage by revenue of the total industry is obtained. The reporting establishments included in the 2004 panel for this Report represent almost 50% of the Hotel, Motor Hotel and Motel Group (NAICS 721111, 721112, 721113, 71114, 721120 and 721198) and almost 50% of total Accommodation Services (NAICS 721) based on the 2004 industry aggregate revenue estimates.
- Commencing with the 1998 survey year, the sample design changed from a strictly top-down approach to a probability sample stratified by industry type, province and revenue. As a result of this change, the survey panels after the 1997 reference year contain fewer hotels (Part I), fewer motels (Part II) and more other accommodation services establishments (Part III). As well, the coverage of smaller-sized businesses has increased relative to the large establishments in the surveys subsequent to 1997.

- Please note that while the majority of establishments report a December fiscal year end, establishments with a fiscal year reporting period ending anytime between April 1st, 2004 and March 31, 2005 are also included in the 2004 survey data. The data for fiscal year end other than December is not ‘calendarized’.
- In preparing this report based on the panel data, Statistics Canada follows a thorough editing procedure with respondent follow-up for reported data but does not undertake any imputation for non-responding survey units. Therefore, panel data is compiled based only on reporting businesses. Year-to-year comparisons are made between survey panels that are not statistically identical.
- In an establishment-based survey, some expenditure categories may be understated because of the expenses incurred by head office. For example, a portion of expenditures on advertising and marketing in the case of affiliated properties is indirectly included in the management fees paid by the franchisee.

Appendix D

Sample and Coverage

The traveller accommodation survey covers establishments assigned to Major Group 721 – Accommodation Service Industries – of the North American Industry Classification System (NAICS), which contains the following twelve industries:

- **721111**⁶²: *Hotels* – These establishments provide suites or guest rooms within a multi-story or high rise structure, accessible from the interior only, and they generally offer guests a range of complementary services and amenities, such as food and beverage services, parking, laundry services, swimming pools and exercise rooms, and conference and convention facilities.
- **721112**⁶³: *Motor Hotels* – These establishments are designed to accommodate clients travelling by motor vehicle and provide short-stay suites or guest rooms within a low-rise structure, characterized by ample, convenient parking areas, interior access to rooms, and their location along major roads. Limited complementary services and amenities may also be provided.
- **721113**⁶⁴: *Resorts* – These establishments feature extensive indoor and/or outdoor leisure activities on the premises on a year-round basis. Resorts are designed to accommodate vacationers and provide full-service suites and guest rooms, typically in a non-urban setting next to lakes, rivers or mountains. Establishments of this type often provide access to conference facilities.

⁶² Formerly part of SIC 9111 under the Standard Industrial Classification System – Hotels and Motor Hotels

⁶³ Formerly part of SIC 9111 under the Standard Industrial Classification System – Hotels and Motor Hotels.

⁶⁴ Formerly part of SIC 9111 under the Standard Industrial Classification System – Hotels and Motor Hotels.

- **721120**⁶⁵: *Casino Hotels* – The casino operation includes table wagering games and may include other gambling activities, such as slot machines and sports betting. These establishments generally offer a range of services and amenities, such as food and beverage services, entertainment, valet parking, swimming pools, and conference and convention facilities.
- **721198**⁶⁶: *All Other Traveller Accommodations* – These establishments are not classified to any other industry and are primarily engaged in providing short-term lodging. Guest Houses, tourist homes and youth hostels are included in this category.
- **721114**⁶⁷: *Motels* – These establishments are designed to accommodate clients travelling by motor vehicle, and provide short-stay suites or guest rooms, within a one or two story structure, characterized by exterior access to rooms and ample parking areas adjacent to the room entrances. Limited complementary services and amenities may also be provided.
- **721192**⁶⁸: *Housekeeping Cottages and Cabins* – These establishments are designed to accommodate vacationers and may include access to private beaches and fishing.
- **721191**⁶⁹: *Bed and Breakfast* – These establishments provide guest rooms in private homes or in small buildings converted for this use, and they often possess a unique or historic character. Bed and Breakfast homes are characterized by a highly personalized service, and the inclusion in the room rate, of a full breakfast, served by the owner or owner-supervised staff.
- **721310**⁷⁰: *Rooming and Boarding Houses* – These establishments provide temporary or longer-term accommodation, which for the period of occupancy, may serve as a principal residence. These establishments may also provide complementary services, such as housekeeping, meals and laundry services.
- **721211**⁷¹: *RV (Recreational Vehicle) Parks and Campgrounds* – These establishments are primarily engaged in operating serviced or unserviced sites to accommodate campers and their equipment, including tents, tent trailers, travel trailers and RVs (recreational vehicles). These establishments may provide access to facilities, such as washrooms, laundry rooms, recreation halls and facilities, and stores and snack bars.

⁶⁵ Formerly part of SIC 9111 under the Standard Industrial Classification System – Hotels and Motor Hotels.

⁶⁶ Formerly part of SIC 9114 under the Standard Industrial Classification System – Guest Houses and Tourist Homes.

⁶⁷ Formerly SIC 9112 under the Standard Industrial Classification System – Motels

⁶⁸ Formerly SIC 9113 under the Standard Industrial Classification System - Tourist Courts and Cabins

⁶⁹ Formerly SIC 9114 under the Standard Industrial Classification System – Guest Houses and Tourist Homes.

⁷⁰ Formerly SIC 9121 under the Standard Industrial Classification System – Lodging Houses and Residential Clubs.

⁷¹ Formerly SIC 9131 under the Standard Industrial Classification System – Camping Grounds and Travel Trailer Parks

■ **721212**⁷²: *Hunting and Fishing Camps* – These establishments provide a range of services, such as access to outpost camps or housekeeping cabins, meals and guides, and they may also provide transportation to the facility, and sale of food, beverages, and hunting and fishing supplies.

■ **721213**⁷³: *Recreational (except Hunting and Fishing) and Vacation Camps* – These establishments are primarily engaged in operating overnight recreational camps, such as children’s camps, family vacation camps, and outdoor adventure retreats that offer trail riding, white-water rafting, hiking and similar activities. These establishments provide accommodation facilities, such as cabins and fixed campsites, and other amenities, such as food services, recreational facilities and equipment, and organized recreational activities.

The target population consists of all statistical establishments classified as traveller accommodation services according to the North American Industrial Classification System (NAICS 721) during the reference year 2004. Data users who wish to learn more about NAICS, its underlying principles, and many of the other statistical concepts discussed in this brief summary, are referred to the Introduction section of the Statistics Canada publication “North American Industrial Classification System: Canada 1997” (catalogue number 12-501).

The objective of the Traveller Accommodation Survey is to provide estimates for the whole industry. The portion of the population eligible for sampling was defined as all statistical establishments with revenue above \$50,000. The main motivation for the exclusion of unincorporated firms and incorporated firms below \$50,000 from direct data collection was to achieve major reductions in the response burden. The excluded portion represents a substantial proportion of the whole industry in terms of number, but its contribution to the overall estimate is modest at under 10%. Firms below the exclusion thresholds are still part of the universe, but their contribution is accounted for in the final estimates through the use of administrative records as proxy data. Only basic information can be obtained from this source, including: total revenue, expenses, depreciation, and wages, salaries and benefits.

⁷² Formerly SIC 9141 under the Standard Industrial Classification System – Outfitters (Hunting and Fishing Camps)

⁷³ Formerly SIC 9149- under the Standard Industrial Classification System – Other Recreation and Vacation Camps.

The frame is the list that identifies the firms classified to the industry in question. The frame is maintained by Statistics Canada's Business Register, using taxation account information (i.e. income tax, goods and services tax and payroll deductions records) submitted to Canada Customs and Revenue Agency. Provincial tourist accommodation guides and other directories, and internet newswire services are also used to ensure establishments are correctly identified prior to sample selection and survey mailout.

Table I

COVERAGE RATE BY INDUSTRY, 2004	2004 SURVEY SAMPLE SIZE	2004 REPORT PANEL	2004 PANEL COVERAGE RATE
Hotel and Motor Hotel	1,425	759	53.3%
Motel	747	328	43.9%
Other Accommodation	1,138	434	38.1%
Total Establishments	3,310	1,521	46.0%

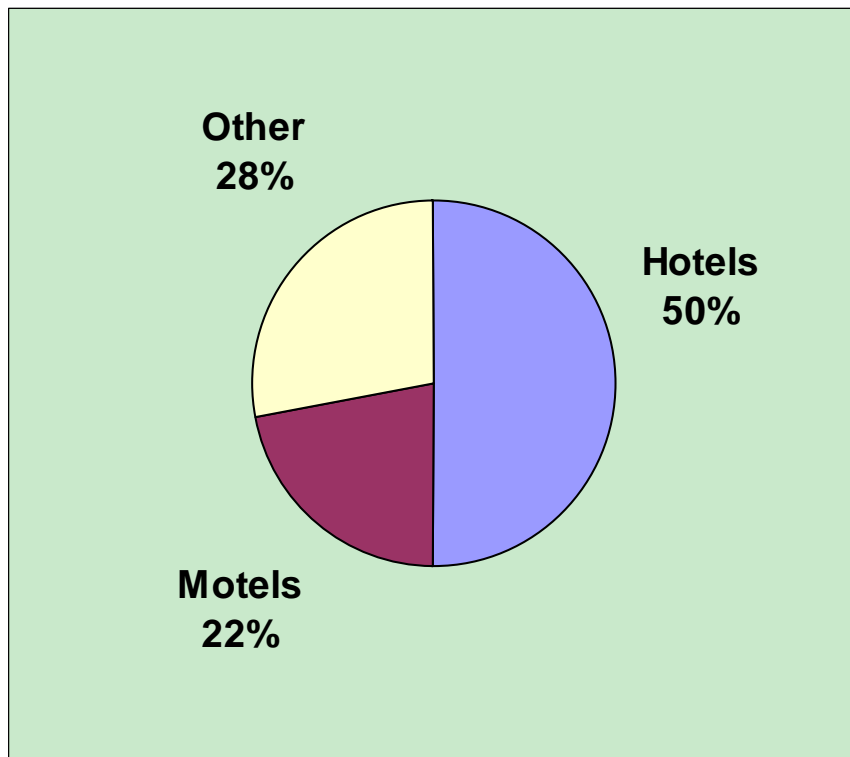
Note: Panel coverage rate equals questionnaires mailed back and accepted as complete divided by the total number of establishments sampled.

Appendix E

Description of the Panel of Surveyed Establishments

In 2004, there were 1,521 respondents in the survey panel. Figure 1 shows that hotels accounted for 50% of the survey respondents, motels 22% and the other accommodation group accounted for 28% of the panel. This reflects a similar percentage share of hotels, motels and other accommodations in the 2003 survey panel.¹⁷

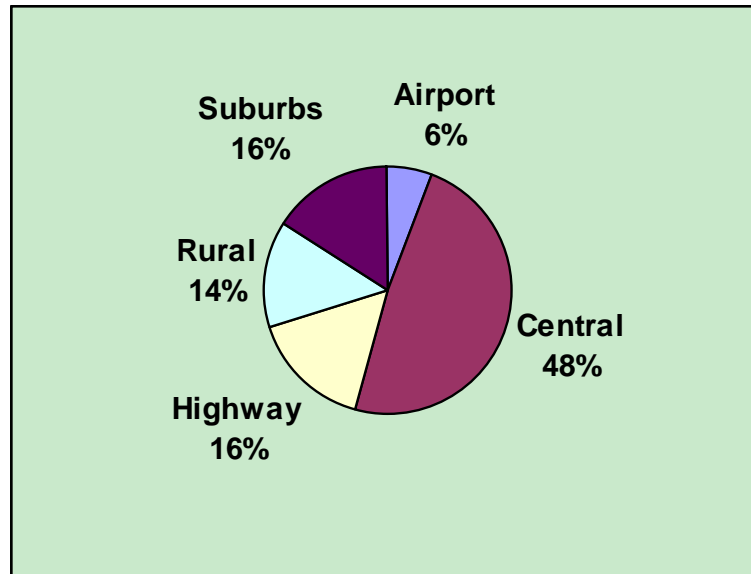
Figure 1 The Percentage Share of Hotels, Motels and Other Accommodations in the Survey Panel, 2004



¹⁷ In 2003, 50% of the survey respondents in the panel were hotels, motels accounted for 20% and the other accommodation group accounted for 30% of the panel.

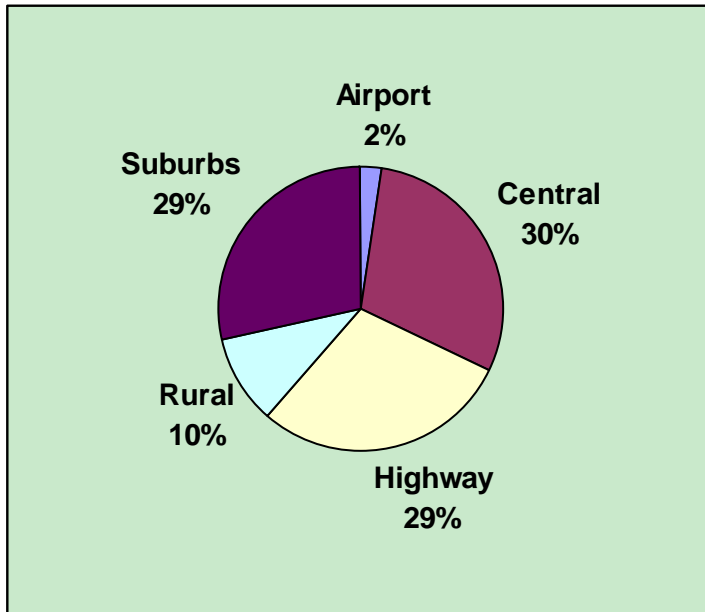
Figure 2 shows that almost half of the hotels (48%) in the 2004 survey panel were located centrally, and another 46% of the hotels in the panel were either located along the highway or in a rural or a suburban setting. Only 6% of the hotels in the survey panel were located near an airport.

Figure 2 Location (Percentage Share) of Hotels in the Survey Panel, 2004



The majority of motels (88%) on the other hand were located along a highway or downtown or in the suburbs as shown in Figure 3. Only 10% of the motels in the survey panel were located in a rural setting and 2% near an airport.

Figure 3 Location (Percentage Share) of Motels in the Survey Panel, 2004



In 2004, 60% of the “other accommodations” industry group was made up of campgrounds while outfitters made up 15% of the establishments in the survey panel and cottages and cabins (NAICS 721192) made up 11% (Figure 4). The remaining 14% of the establishments in this industry group include bed and breakfasts (NAICS 721191) and rooming and boarding houses (NAICS 721310). The majority of these establishments are located in either a rural or a remote setting.

Figure 4 Other Accommodations in the Survey Panel, 2004

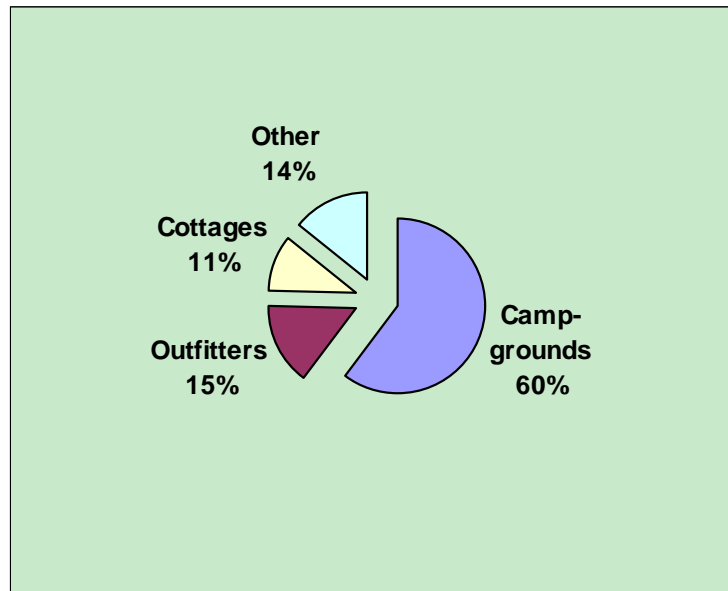


Table 2 indicates the portion of total revenue covered by the 2004 survey panel based on the 2004 accommodation services industry aggregates. The unweighted survey panel covers close to half of the total revenues of the traveller accommodation industry, at 43.4%

Table 2

INDUSTRY COVERAGE By REVENUE, 2004	2004 PANEL	2004 PANEL REVENUE (MILLIONS \$)	2004 TOTAL INDUSTRY REVENUE (MILLIONS \$)	ESTIMATED PANEL COVERAGE
Hotels, Motor Hotels and Motels ¹⁸	1,087	5,382.1	11,528.4	46.7%
Other Accommodations	434	357.2	1,705.5	20.9%
Accommodation Total	1,521	5,739.3	13,233.9	43.4%

¹⁸ In 2004, there were 759 hotels and 328 motels in the survey panel. These two industry groups are combined because the 2004 Total Industry Revenue was published as an aggregate of hotels, motor hotels and motels.

Appendix F

Glossary of Terms

Affiliation

Association with a brand name chain through the use of market operating name and management techniques and services, marketing practices, reservation system, quality standards and training, etc. A business may be operated as a franchise with an owner-manager or a franchise-manager.

Accommodation Revenue per Room

The annual accommodation revenue received divided by the total number of available rooms.

Average Daily Rate (ADR)

A calculation of accommodation revenue per day divided by the total number of rooms sold.

Central Reservation System

A guest booking system using a centralized computer or telephone answering system. This is usually found in establishments affiliated with a chain or franchise.

Depreciation

The proportion of the book value of tangible fixed assets that are charged to the current year for bookkeeping purposes. This would include any amortization of leasehold improvements.

Economy Accommodation

Basic accommodation provided with minimal or no facilities, amenities and guest services.

Establishment

A statistical concept used to denote the smallest business unit capable of providing a basic set of industrial statistics (e.g. a mine, store, factory, hotel, farm, airline).

Full-time, Full-year Employee

A regular employee who worked more than 30 hours per week for a full year as observed by the business.

Full-time, Seasonal Employee

A regular employee who worked more than 30 hours per week for only part of the year (seasonal) as observed by the business.

Gross Operating Profit per Available Room (GOPPAR)

This is calculated by dividing an establishment's total gross operating profit (GOP) by the total number of rooms available per year.

Large Size Properties

Properties with 200 or more rooms (units) for hotels and motor hotels, and 100 or more rooms (units) for motels and other accommodation.

Luxury Accommodation

The highest standard of accommodation that offers an extensive range of facilities, amenities and guest services.

Meals & Alcoholic Beverages per Room

Total annual revenue received from meals and alcoholic beverages divided by the total number of available rooms.

Medium Size Properties

Properties with 50 to 199 rooms (units) for hotels and motor hotels, and 50 to 99 rooms (units) for motels and other accommodation.

Mid-scale Accommodation

Basic accommodation provided with some amenities, but limited facilities and guest services.

Occupancy Expenses

The total cost of rent or lease of land and buildings, heat, hydro, water, insurance, taxes, permits and licenses.

Occupancy Rate

The total number of units occupied divided by the total number of units available for a given reporting period, normally expressed as a percentage.

Operating Margin

A financial performance measure calculated by dividing the difference between operating revenue and operating expenses (operating profit/loss) by total operating revenue. Interest (both long-term and short-term) and depreciation are excluded from operating expenses.

Part-time, Full-year employee

One who is employed for less than 30 hours per week for a full-year as observed by the business.

Part-time, Seasonal employee

One who is employed for less than 30 hours per week for only part of the year (seasonal) as observed by the business.

Profit

A financial performance measure calculated by dividing the difference between total revenue and total operating expenses (gross profit/loss) by total revenue. Depreciation and interest expense on short-term loans are included. (Interest on long-term loans and mortgages are excluded as well as other non-operating expenses such as write-offs, valuation adjustments and capital losses).

Rating System

Quality rankings of accommodation, based on the range and the standard of its amenities, facilities and services using a star or other similar rating system.

Reference Year

For the 2004 Annual Survey of Traveller Accommodation, businesses are asked to report for the calendar year or for the most recently completed fiscal year ending no later than March 31, 2005.

Revenue per Available Room (RevPAR)

A calculation of accommodation revenue per day divided by the total number of available rooms. It is also calculated by multiplying the occupancy rate by the average daily room rate (ADR).

Salaries, Wages and Benefits

Include the commissions, bonuses, vacation pay, and employers' contributions to pension, medical, unemployment insurance and worker's compensation plans.

Salary Dollars per Room

The annual labour costs divided by the total number of available rooms.

Small Size Properties

Properties with up to 49 rooms (units) for all types of accommodation.

Total Revenue per Room

Total annual operating revenue received divided by total available rooms.

Upscale Accommodation

More comfortable and attractive accommodations provided along with a broad range of facilities, amenities and services.