

SPECIAL FOCUS: REGIONAL ROOM REVENUE – SEASONALLY ADJUSTED

What is seasonal adjustment?

The tables and charts on pages 4 - 7 of the *Tourism Room Revenue* Report show seasonally adjusted data. These series have been adjusted to remove regular fluctuations that come with the passing seasons so that other trends in room revenue can be identified. The seasonal adjustment of room revenue is calculated using X-11-ARIMA, which is also used by Statistics Canada for all their seasonal adjustment calculations.

As shown in the chart below, there is a regular peak in room revenue during the summer months, with a trough that extends through the autumn, winter and spring. This fluctuation appears because most travel occurs during the summer when the weather is better and students enjoy summer vacation. There is also a regular peak in March associated with spring break and, during some years, Easter.

Regional trends

Seasonal variations differ in BC's eight development regions. Vancouver Island/Coast and Thompson/Okanagan are the most affected by seasonal variations. The winter trough is deeper in the former, while the summer peak is higher in the latter. A stronger shoulder season (March - June and September - November) in Vancouver Island/Coast helps dampen the summer peak.

The regions showing the lowest amount of seasonal variation are the Mainland/Southwest and the Northeast. In the Northeast Development Region, oil and gas exploration and construction workers staying in hotels and motels while working in the area offset the usual declines in the winter months. The Mainland/Southwest is the beneficiary of a strong winter season, aided by the ability of Vancouver to attract visitors all year round and Whistler's position as a major winter resort.

Trends since 1989

Since 1989, seasonally adjusted room revenue in the Thompson/Okanagan and Nechako regions in June 1996 has increased 90%. Much of this growth has occurred in recent months, as shown in Chart 2 and Table 2 (pages 6 and 7). The Thompson/Okanagan led year-over-year growth in seasonally adjusted revenue, and Nechako was a strong third.

The development regions showing the slowest long-term growth were Kootenay and North Coast, with roughly 40% increases over the 1989 average.

Three regions showed a decline in seasonally adjusted revenue between May and June: Mainland/Southwest (down 1.0%), Cariboo (-0.6%), and Northeast (-1.5%). The Northeast region, along with North Coast, both recorded lower seasonally adjusted revenue than in June 1995.

