



This summer edition newsletter, covering July and August, will focus on how demand for workable spaces creates blended accommodation in the hospitality sector and how local operators can meet the demand of visitors.

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The Rise of Blended Travel

In the dynamic landscape of travel, a new trend has been gathering momentum: blended travel, which combines business trips with elements of leisure travel. As the lines between work and leisure blur, travellers are increasingly combining business trips with leisure experiences.

Data collected from over a thousand travellers in the U.S. and the U.K. by Crowne Plaza Hotels & Resorts reveals the scale and depth of this shift:

- **Increasing Demand for Flexibility and Remote Work:** Remote work has opened a plethora of opportunities for travel. Approximately 66% of U.S. travellers agree that working remotely has broadened their travel horizons. In fact, 72% find pleasure in working from locations other than their hometowns. This demand for flexibility and remote work opportunities has a significant influence on younger generations, specifically Gen Z and Millennials. The tourism industry must adapt to cater to this rising demand and exploit the potential it carries.
- **The Changing Landscape of Work Priorities:** The pandemic has triggered a noticeable shift in work priorities. More workers now value work-life balance over a high salary. With an increasing number of the

workforce turning remote, the practices and expectations around business travel are evolving. About 30% of American travellers believe that blending leisure and business travel could boost their productivity, and a striking 83% feel they will appreciate vacations more than before the pandemic.

- **Personal Growth and Family Time through Blended Travel:** The rise of blended travel offers opportunities for personal growth and family reconnection. Remote work makes it easier than ever to learn new things, start new hobbies, or create additional income streams. About 58% of remote workers use part of their day to learn new skills, and 34% have a side hustle. With a significant 36% of travellers highlighting reconnecting with friends and family as a primary reason for travel, the blending of business and leisure travel opens new avenues for tourism development.

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Blended Travel: A Booming Trend Shaping the Future of Tourism

As a dynamic shift from the traditional 'bleisure' concept, blended travel is becoming a core focus for the travel industry, warranting attention. The blended travel market reached a staggering value of \$497.5 billion in 2022, reflecting its

massive potential. With 2 in 5 employees requesting blended travel, major airlines and hotels are now seeing blended trips as a vital revenue source. American Airlines, for instance, reported that half of its revenue now originates from blended trips, indicating that this trend is no passing phase.

In response to this paradigm shift, renowned hotel groups and lifestyle brands are revising their offerings to suit the needs of blended travellers. Accor and Marriott have respectively expanded their co-working spaces and launched extended-stay products, reflecting the impact of remote and hybrid working styles. Other brands like Ennismore are incorporating workspaces into their properties, recognizing the potential of this burgeoning market.

Although the significance of the blended traveller is evident, the challenge lies in accurately identifying and catering to this growing segment. Many blended travellers are from small and medium-sized businesses that may not use traditional corporate travel agencies, making it difficult to track and understand their specific needs and travel patterns. Moreover, given the broad spectrum of blended travellers, including remote workers, digital nomads, families booking workcations, and corporate retreats, crafting suitable marketing strategies and loyalty programs is essential yet complex. Such strategies may need to encompass elements of cross-channel advertising, personalized content, and revised relationships with online travel agencies.

As we navigate through 2023, it's clear that embracing blended travel is not an option but a necessity for the growth and sustainability of our tourism sector. By understanding the motivations and needs of blended travellers, we can adapt our offerings and marketing strategies to this evolving market.

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Market Insights

Laws of Attraction for High-Value Guests

[Destination Canada](#), in partnership with [FT Longitude](#), has conducted research on the global high-end travel market. As this market is projected to exceed \$2.6 trillion in value by 2030, understanding the shifting preferences of high-value guests is crucial. Here's what was revealed:

- High-value guests are increasingly interested in international travel and adventure while also focusing on safety and minimizing their carbon footprints.
- They seek unique and exclusive experiences, and their choice of destination is greatly influenced by the type of accommodation available. The concept of 'high-value' accommodation is no longer exclusively linked to luxury, but also to unique experiences.
- They are influenced by their social networks, so it's vital for the industry to craft compelling social media strategies.
- High-value guests appreciate personalized advice and recommendations and the ability to make last-minute changes to their plans.
- The trend towards blended travel is growing. Accommodations that offer the opportunity to work as well as to engage in leisure activities are highly sought after.
- There is a need for the industry to increase knowledge about Canada's unique selling points and boost its visibility among high-value guests.
- High-value guests perceive Canada as a family-friendly winter destination with stunning natural attractions and a welcoming culture.

[READ THE FULL REPORT](#)



Image credit: Armands Lazdiņš on [Unsplash](#)

Canada's Tourism Businesses at Risk of Shutting Due to High Debt and Slow Recovery

The Tourism Industry Association of Canada has raised concerns about the potential for numerous shutdowns in the country's tourism sector due to high levels of debt accrued during the pandemic. A survey of 149 financial controllers and accountants of tourism businesses revealed that about 55% of businesses lacked confidence in their ability to service debt repayments in the next two years. This is largely due to the slow recovery of international travel, a labour shortage, and rising operational costs.

Many of these businesses, including hotels, tour operators, and guides, are small and medium-sized entities. Of those surveyed, about one-third reported having over \$250,000 in outstanding debt, while 22% reported having between \$100,000 and \$250,000. A significant portion of these debts is owed to the Canadian government, which provided loans during the pandemic to support businesses and maintain payrolls.

Now, with around 45% of businesses suggesting they are likely to close within the next three years without further government intervention, the tourism sector is asking for leniency. Major issues such as lack of profitability due to higher labour costs, broken supply chains, and increased food costs are hindering the recovery of these businesses. International travel into Canada is expected to fully recover only by the end of 2025. In contrast, American travel to Canada, which forms Canada's largest tourism market, is still at only 74% of its March 2019 level.

The Tourism Industry Association of Canada is urging the government to modify loan conditions, including adjusting payment deadlines and offering some degree of loan forgiveness. Without government assistance, the consequences could include loss of jobs, income, and businesses, resulting in reduced options for travellers in terms of accommodations, dining, and experiences.

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Indigenous Tourism is Booming in Canada

Indigenous tourism, which highlights sustainability and cultural connections, is seeing a significant boom in Canada. The sector, which reached a peak contribution of \$1.9 billion to the GDP in 2019, was severely impacted by the pandemic, dipping to under \$500 million. However, it has rebounded faster than expected and is projected to generate \$1.5 billion in 2023. If the current demand from domestic and international travellers continues, revenues could triple by 2030.

This rising interest in Indigenous tourism is being attributed to a surge in tourist preference for sustainability and learning about Indigenous culture and history. The sector is experiencing a trend towards offering 'authentic experiences', such as guided hikes, ceremonies, and storytelling sessions which allow visitors to connect more deeply with the land and its indigenous heritage.

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Opportunities



Image credit [@Lee Ladouceur Photo](#)

Government of Canada Supports Indigenous Economic Development in Southern Ontario

The Government of Canada is emphasizing its support for Indigenous economic development in Southern Ontario through multiple initiatives. Indigenous businesses and organizations have significant roles in driving local economies, job creation, and supplying distinctive products, services, and experiences. The government aims to support these entities to flourish as part of its commitment to walking the path of reconciliation with First Nations, Métis, and Inuit Peoples. Since November 2015, FedDev Ontario, the Federal Economic Development Agency for Southern Ontario, has injected more than \$70 million into over 240 Indigenous-led and Indigenous-focused projects. This investment has created and maintained over 4,500 jobs.

The Government of Canada has invested over \$1 million in the Pinnguaq Association to work with a network of Indigenous communities and organizations in Southern Ontario, offering digital literacy training tools, internship opportunities, job placements, and recruitment activities targeted at Indigenous-led businesses and underrepresented job-seekers. The project aims to assist 60 Indigenous businesses through 120 internships and job placements. Additionally, a \$5 million investment is being made towards the Indigenous Centre for Innovation and Entrepreneurship (ICIE) in the City of Toronto. This is the first Indigenous business incubator of its type in Southern Ontario. The ICIE will offer business skills training, collaborative workspaces, access to funding, mentorship, and peer support networks developed by the Indigenous community. It's expected to generate hundreds of jobs for Indigenous Peoples across Southern Ontario, enabling them to partake in and benefit from economic opportunities throughout the region.

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Canada Investment of Over \$20 million Supports Tourism Recovery in Niagara, Hamilton, Halton, Brantford and Surrounding Regions

The Government of Canada has invested over \$20 million to support the tourism sector's recovery in Niagara, Hamilton, Halton, Brantford, and surrounding regions. This investment is part of the near \$140 million allocated by the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) through the Tourism Relief Fund (TRF) between 2022 and 2023 to assist businesses and organizations in southern Ontario, reeling from the impacts of the pandemic. In the mentioned regions, over \$20 million has been directed to 192 tourism businesses and organizations, supporting them in offering memorable experiences to visitors and preparing the region for success.

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Government of Canada investment of over \$15 million supports tourism recovery in Southwestern Ontario

The Government of Canada has invested over \$15 million to support the recovery of the tourism sector in Southwestern Ontario. The investment is a part of a nearly \$140 million fund delivered by the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) between 2022 and 2023 through the Tourism Relief Fund (TRF). The fund aimed to help tourism businesses and organizations recover from the pandemic's impacts and welcome back visitors safely.

Of this investment, over \$18.4 million was allocated to 180 tourism businesses and organizations in southwestern Ontario. The aim is to provide memorable experiences for visitors and position the region for a successful future.

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Workforce Development

TIAO Tourism Workforce Sustainability Program

The Tourism Industry Association of Ontario (TIAO) has initiated a new project known as the Tourism Workforce Sustainability Program, aimed at creating a diverse and sustainable workforce for the tourism industry. The association will host four regional information sessions to introduce this program, which will provide direct support to tourism employers to hire 200 new employees across the province.

The main objective of the program is to change the negative perceptions about working in the tourism sector and to make it a more attractive industry for potential employees. The program provides tools to attract new talent, retain existing employees, and offer access to training and development resources for teams. Moreover, the program encourages tourism employers to stand out in the labor market by offering competitive wages, opportunities for advancement, and helping employees see long-term career prospects in tourism.

Dates:

Wed, 5 July 2023, 11:00am - 12:00pm EDT

Thu, 6 July 2023, 3:00pm – 4:00pm EDT

Location: Online

Select a date below to register.

[JULY 5TH](#)

[JULY 6TH](#)

Featured Operators



Image credit: Crane's Lochaven Wilderness Lodge

Northern Ontario Tourism Operators Getting Creative to Stay Fully Staffed

Tourism operators in Northern Ontario have been devising innovative strategies to tackle staffing shortages they faced during the pandemic. Several businesses had to turn away customers in the past due to lack of personnel.

Kevin Wyer, the general manager of Delta Hotel in Sault Ste. Marie, which struggled with an insufficient workforce in 2021, says they now have a full team of 175 employees for this season. In previous years, the hotel had to restrict selling all its rooms and limit service on its patio due to the lack of culinary and service staff. They've now hired a recruiting firm and are also employing newcomers through the Northern Ontario Immigration Pilot, a program that matches new Canadians with jobs.

Frank O'Connor, who runs the Voyageur's Lodge and Cookhouse in Batchewana Bay, said his establishment always had challenges staffing its 50 positions due to its remote location. They've had to adapt their business model, switching their restaurant to takeout only, which helped reduce their staffing needs.

Crane's Lochaven Wilderness Lodge in the French River, a business running for over 50 years, has also had trouble attracting enough staff in recent years. The lodge had a particularly difficult time during 2021 when many potential workers were receiving Canada Emergency Response Benefit (CERB) payments. However, things are improving, with government programs helping match hospitality students with jobs and agencies providing visas to international workers, which enabled the lodge to hire a couple from Wales for the next two years.

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New Summer Campaign Alliance de l'industrie touristique du Québec: 'We Summer All Out'

The Alliance de l'industrie touristique du Québec has introduced its new summer campaign, "We Summer All Out," aiming to capture the free-spirited, vibrant, and diverse essence of the province during the summer months. The campaign, created by Cossette, uses an emotive and evocative approach, straying away from traditional tourism advertisements and aiming to encapsulate the unique vibe of Québec.

The campaign features visuals of fireside dances, jacuzzi chillouts, and locals enjoying various summer activities. A cover of Marjo's "Chats sauvages" by Mayfly, available in French and bilingual versions, complements the visuals, embodying the emotional sense of summer freedom the campaign aims to highlight. This 360 campaign targets all aspects of the Canadian media ecosystem, including TV, audio, and online platforms, and is supported by Hearts & Science. It aims to create a sense of excitement about Québec as a destination, mainly targeting traditional core of American, Canadian, and French travellers planning their summer vacations.

In addition, the campaign is gaining traction with Mexican travellers, now an increasingly important market. Specific campaign adaptations tailored to the Mexican audience have been created. The Alliance's previous work involved a documentary-style approach, where cameras were given to international visitors.

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Media Spotlight



Image credit: Travelpress.com - Travel Alberta's David Goldstein and Canada's Minister of Tourism and Associate Minister of Finance, Randy Boissonnault.

Rendez-vous Canada 2023 Sparks Over \$150m in Tourism Deals

The 2023 edition of Rendez-vous Canada (RVC), a prominent event in the Canadian tourism industry, proved to be a success, generating over \$150 million in deals for Canadian businesses and \$90 million in future tourism revenue for Québec. The event, which connected over 400 international buyers with more than 800 Canadian tourism operators, saw every Canadian province and territory gain exposure to global opportunities. Overall, the event was attended by over 1,500 delegates who participated in more than 51,000 meetings and networking opportunities. It was announced that the next year's host for RVC would be Edmonton, Alberta. The organizers expressed confidence that delegates would enjoy the experience of exploring Edmonton's urban center amidst the stunning Canadian wilderness.

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Destination Canada Launches New Tourism Corridor Strategy

Destination Canada has initiated a new Tourism Corridor Strategy Program aimed at accelerating the intentional development of tourism corridors throughout the country. This strategy involves the creation of tourism 'corridors' or clusters of connected tourist attractions, such as historical sites, natural landscapes, and cultural events. The goal is to encourage travellers to explore multiple destinations within a single journey, benefiting local communities and enhancing Canada's competitiveness in the global tourism market. Three pilot corridors have been selected for this program:

1. Atlantic Canada UNESCO Tourism Corridor: This corridor links 13 UNESCO-designated sites in Atlantic Canada, showcasing unique landscapes, rich cultural history, and diverse offerings.
2. Sustainable Journey from Prairies to Pacific: This corridor will leverage Highway 3, a significant interprovincial route connecting large urban hubs in Southern Alberta and British Columbia's lower mainland. It aims to integrate key strategies and themes, creating potential investment opportunities and infrastructure enhancements for long-term tourism growth
3. Northern Indigenous Tourism Lodge Network: This project aims to engage First Nations communities across Yukon, western Northwest Territories, and Northern BC to establish a network of small-scale, Indigenous-owned tourism lodges. It aims to cater to the growing demand for authentic Indigenous tourism experiences and products, thus creating employment and business opportunities in remote northern communities.

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The Culinary Tourism Alliance Launches the Great Taste of Canada

The [Culinary Tourism Alliance](#) (CTA) has announced the launch of the [Great Taste of Canada](#). Supported by the [Tourism Industry Association of Canada](#) (TIAC), this initiative is an ultimate guide to food and drink experiences across the country. It collaborates with over 40 destinations, sector organizations, and tourism stakeholders nationwide to share the rich and diverse stories of Canadian foodways and culinary experiences.

The goal of this initiative is not only to enhance Canada's global competitiveness as a gastronomic destination but also to celebrate the country's diverse culinary heritage. It is viewed as a catalyst for exploration, cultural exchange, and economic growth, appealing not just to food enthusiasts but also to those interested in learning more about Canada's culinary treasures.

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Every month, we'll be sending you the latest insights, research and thoughtful perspectives on the issues that matter most to tourism businesses and operators in RTO 9.

If there are any topics you want to read about in a future newsletter, please email Lesley McDougall lmcdougall@region9tourism.ca with your ideas.

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