

2024 SUMMER TRAVEL OUTLOOK

Canadian destinations in the spotlight



Deloitte.

Summer's almost here—and Canadians are ready for some R&R



When we set out to discover how Canadians are feeling about summer vacations this year, we wondered if sky-high costs would dampen the mood. Apparently not.

Our 2024 summer travel survey finds them eagerly making plans. They're ready to spend and experience the very best our incredible country has to offer. Whether they're heading to the lake or the big city, wine country or back country, they'll be hitting the road with friends and family in search of good times and great memories.

This outlook is based on an online survey, conducted between March 28 and April 3, 2024, of 1,064 Canadians aged 18 and above who had plans to travel between May 24 and September 30. Asked where they plan to spend their "big trip," an impressive 81% of respondents said within Canada. Most of the rest plan to visit Europe or the United States.





SUMMER TRAVEL SPENDING IS ON THE RISE



Summer travel spending is on the rise

The tourism industry should get ready for business to increase with last-minute bookings this summer. Canadians are eager to take the trips they put off last year and most are ready to spend—now they just need to firm up their plans.





Sun's up, funds up

Canadians are realistic about costs this year.

77%

expect to spend the same as or more on summer travel than they did in 2023. While rising prices explains a lot of this increase (**49%** cited that as a reason), other factors include taking a bucket-list trip (**24%**), making up for missed travel (**25%**), or having foregone trips altogether last year (**35%**). This anticipated spending aligns with Deloitte's *ConsumerSignals* data from April 2024, which has shown Canadians' preference for relatively more expensive travel options.

It's important for tourism businesses to remember that travellers will still be price-sensitive.

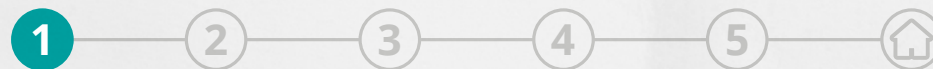
23%

of Canadians will be spending less—most often because of concerns about finances (**62%**), but also because they're taking more but shorter trips (**22%**) or are cutting back on their big-trip budget (**38%**).

A fifth (**18%**) of Canadians say they won't be travelling this summer, for a variety of reasons. Among these,

14%

think travel is too expensive right now, **17%** would rather spend the money on other things, and one in three (**35%**) say they can't afford it.





Making plans for a good time

Three in 10 Canadians have fully booked their big trip (**32%**), with millennials (**36%**) and Generation Zs (**43%**) being much more likely to have everything sorted.

Geographic definition

- **Eastern Canada:** New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador
- **Central Canada:** Ontario, Quebec
- **Western/Northern Canada:** British Columbia, Alberta, Saskatchewan, Manitoba, Yukon, Northwest Territories, Nunavut



Others are in various stages of planning: **29%** overall have decided on the destination but made no bookings, while another **19%** know they want to travel but that's as far as they've got. Boomers are especially likely (**23%**) to be in the latter category.

Generations legend

- **Generation Z:** Ages 19-27
- **Millennials:** Ages 28-43
- **Generation X:** Ages 44-59
- **Boomers:** Ages 60-78
- **Silent generation:** Ages 78 and up

Growth of hospitality and tourism sectors depends on attracting and retaining talent

Summer 2024 marks the beginning of a new normal for Canada's hospitality and tourism sectors. Domestic leisure travellers drove their recovery from the hardships of the pandemic, and today, even amid economic uncertainties, Canadians remain eager to visit friends and family, enjoy restful escapes, and explore new destinations within their own borders.

The sectors' biggest challenge now is to grow their workforce to meet this increase in demand. Despite welcoming back over one million tourism workers after the pandemic, labour shortages remain a concern. To address this, the Hotel Association of Canada (HAC) worked with Deloitte to develop a comprehensive workforce strategy, including actions for both industry and government to consider.¹

"Attracting talent to the hotel industry has never been more important, particularly since competition for labour is global," says Susie Grynol, HAC's president and CEO. "To bolster its reputation as an employer of choice, the hotel sector needs to deliver an elevated work experience that reflects the needs and desires of the current and future talent market."

Grynol notes that improving retention will also be an important factor to stabilize the sector, which has one of Canada's highest staff turnover rates, for future growth. "Understanding employees' perceptions and needs, and finding ways to fulfill those needs, can help strengthen the relationship between employers and their workforce," she says. "By closely examining talent value propositions across the industry, employers can bolster employee retention rates and help position the hotel and hospitality sector as a best-in-class career destination."

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It's time for a treat



Overall, Canadians plan to spend an average of

\$2,405

on transportation and lodging costs for their major summer trip. That doesn't include ice cream, fishing tackle, theatre tickets, sunglasses, or pints of beer at that cozy craft brewery.

Generationally speaking, Generation X plans to spend the most on travel (**\$2,671**) and Gen Z the least (**\$2,100**). Travellers from Central Canada will spend more than those from the rest of the country (**\$2,459** on average), and Canadians with annual incomes below \$50,000 will spend the least (**\$1,669**).

Tourism region sees 15% bump in sales

Algoma Country, one of Northern Ontario's leading destination marketing organizations, has equipped its tourism businesses to accept online booking from visitors with support from Deloitte, which helped the organization finetune its e-commerce strategy. Cottage resorts, lodges, hotels/motels, and campgrounds that have been using Algoma Country's system to attract new clients, track return visitors, and record offline bookings saw their sales rise 15% year over year between 2022 and 2023.

"Most operators agree that the online booking system creates efficiencies for the business and helps them reach new geographic markets, identify new guests, and retain customers," says Heather Bot, Algoma Country's executive director.



Travellers prioritize safe, welcoming, and accessible experiences

Fun in the sun isn't the only thing Canadians consider when planning a trip: **88%** think about whether they'll be safe and secure at their destination. Just over half (**52%**)—with **64%** of millennials and

80%

of Gen Zs— think about whether they or their travel companion(s) might feel unwelcome because of language, race, sexual orientation, or religion. And half (**49%**) of all Canadians—jumping to **60%** of Gen Zs and **62%** of millennials—also think about whether destinations and experiences will be accessible to them or their travel companion(s), and look for wheelchair access, aids for those with sight or hearing loss, or other supports.

For restaurants, retailers, and accommodation providers, the eve of high season is the time to ensure managers and frontline staff are trained on the most current diversity, equity, and inclusion practices. They should review entrances, public areas, amenities, and signage, and consider whether these are accessible to customers with disabilities. Businesses with questions can connect with industry associations and local tourism offices for guidance, resources, and referrals.



Nova Scotia's accessibility state of readiness

Travellers with disabilities who want to visit the Atlantic destination will find it easier: the provincial government's new built-environment accessibility standards will soon be in effect. To help tourism operators prepare, the Tourism Industry Association of Nova Scotia (TIANS) and Tourism Nova Scotia sought to understand the industry's current levels of accessibility and assess its overall readiness to implement the new accessibility measures. Deloitte's Economic Advisory team was engaged to consult with the associations and conduct a statistically valid survey of the province's tourism operators. The resulting report, which has yet to be released, also considers potential supports for operators.



Time for a quick getaway

Over half (**56%**) of Canadians are planning one summer trip of six nights or less in length.

33%

have their eye on a longer vacation, aiming to spend seven to 13 nights away. Gen X will enjoy both long vacations (**33%**) and quick getaways (**57%**). A fortunate few are looking forward to extended trips of 14 nights or more, and include vacationers from Western/Northern Canada (**13%**), Gen Zs (**15%**), and those with annual incomes over \$150,000 (**18%**).



Amenities need improvement

The facilities and services provided by hotels, resorts, and vacation rentals play an important part in traveller decisions. And while Canadians are satisfied with many of those on offer, there's room for improvement. Free Wi-Fi and good customer service are no longer good enough—tourists want to know about specific fitness and sports activities that are nearby, as well as nightlife.

What do Canadian travellers find lacking in Canadian destinations?

- 1. Fitness/sports options**
- 2. All-inclusive packages**
- 3. Nightlife options**
- 4. Beach/pool access**
- 5. Personalized customer service**

Improving or adding these experiences could make them key differentiators for lodging operators, who may also want to review what's currently available outside their doors so that they can provide recommendations to their guests. The interest in all-inclusive packages is admittedly something of a puzzle since such packages are far more common for Caribbean destinations. This could be considered an opportunity for Canadian accommodation providers, local restaurants, and fitness centres to partner to provide special deals for visitors. Industry associations, local tourism offices, and economic development professionals should take note of this emerging consumer trend—it could be a source of new business or economic growth for the local community or the wider region.



School's out—let's go!



37%

of Canadians plan to take their big trip in July. August (**27%**) is the second most popular month, followed closely by May/June (**22%**). Some would rather avoid the heat and the crowds; Canadians aged 60 and up are more likely than other generations—

44%

—to wait until September to take their big trip. Gen X is less likely than other generations to travel in May/June (**19%**).



How many in your party?



44%

plan to spend their one big trip with one other adult. This bumps up to **52%** of those with incomes over \$150,000 and **58%** of boomers.



32%

will travel with family, rising to **45%** of Gen Zs and **47%** of millennials. Gen Zs are more likely than other generations to travel in a small group of three to five people (**20%**).



23%

of Canadians with incomes under \$50,000 will travel solo, as will those aged 60 and up (**41%**).

A capital effort to improve nightlife

The survey revealed that Canadians want to see more options for nightlife activities when they travel. Having such a scene is a challenge for communities, both large and small, where retail and hospitality often go dark at night.

Ottawa is among a small group of world cities to recognize the economic opportunity of growing the nightlife economy by assigning a leader to develop attractions and experiences for their night-owl visitors. According to a study the City of Ottawa commissioned from Deloitte, \$1.5 billion is spent annually on nightlife activities in the nation's capital—which boasts 4,600 nightlife-related businesses that employ 38,000 workers. The city recently approved a nightlife strategy² and is recruiting for its first “nightlife commissioner” to help promote Ottawa as a destination of choice for residents, visitors, businesses, and investors alike.





STAYCATIONS AND ROAD TRIPS DOMINATE TRAVEL PLANS



Staycations and road trips dominate Canadians' travel plans

Canadians want to hit the road but also vacation close to home this summer—and understanding their plans and preferences can help tourism businesses and destination marketing organizations make better decisions on how best to target their marketing efforts. Teaming up with car and RV rental agencies, for example, could help better attract millennial and Gen Z travellers. Leveraging relationships with nearby outdoor activity centres could enable marketing organizations for smaller destinations capitalize on travellers' shifting interests. And provincial and regional tourism agencies could collaborate to promote inter-provincial or inter-territorial travel.



Where are Canadians travelling this summer?

63%

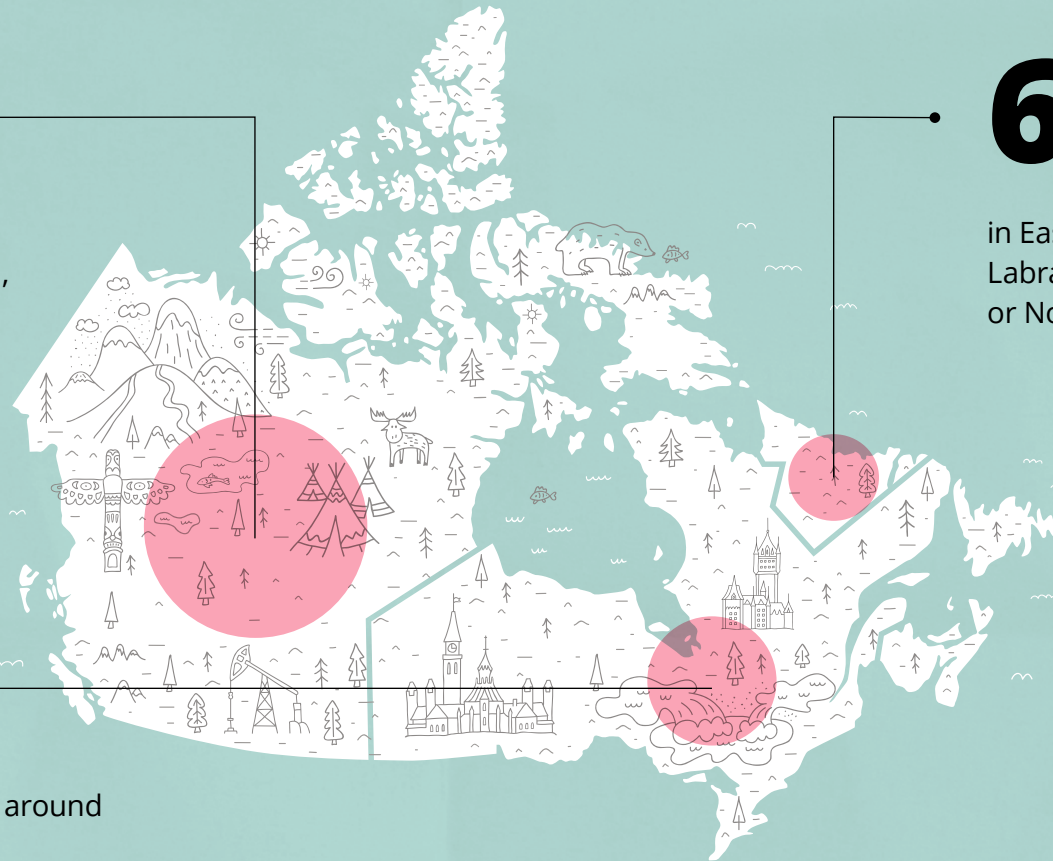
in Western/Northern Canada named British Columbia, Alberta, Saskatchewan, Manitoba, Northwest Territories, Yukon or Nunavut as their main vacation destination.

64%

in Eastern Canada list Newfoundland and Labrador, New Brunswick, Prince Edward Island or Nova Scotia as their primary pick.

72%

in Central Canada plan to stay around Ontario and Quebec.





It's Canada. Why go anywhere else?

74%

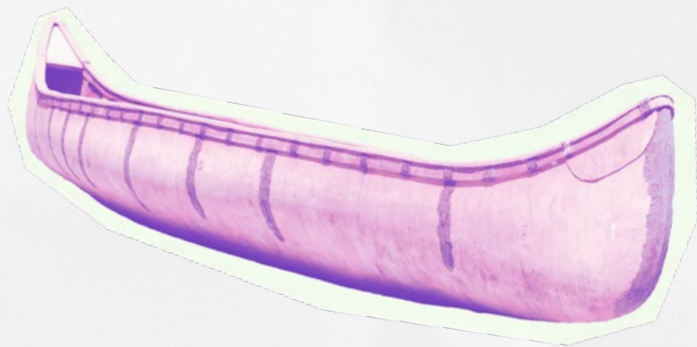
of Canadians plan to stay in the country for their big summer vacation this year—and most plan to stay within their home region rather than make long treks.

Here are places Canadians mentioned most often as destinations, starting with the most popular:

Northern Ontario, Toronto, Vancouver, Okanagan, Niagara, Quebec City, Ottawa, Montreal, Victoria, Calgary, Banff/Jasper, St. John's, Gaspé, Whistler, Winnipeg, Edmonton, Saguenay/Tadoussac, Cape Breton, Saskatoon, Regina, Bay of Fundy, Moncton, Saint John, Halifax, and Charlottetown.

Northern Ontario: a top destination

Our survey found that Northern Ontario is as popular a destination as Toronto for Ontario travellers, which echoes the trend of people seeking experiences in the great outdoors. Over the years, Deloitte has worked with Destination Northern Ontario—the official tourism authority there—to build resilience in the region's tourism businesses and communities. Our work in Sault Ste. Marie, Dryden, Manitoulin Island and the La Cloche Mountains as well as Thunder Bay has helped DNO prepare for more interest—and more bookings.



Carefree highway

Two-thirds of Canadians (**65%**) are planning a road trip this summer.

59%

expect to drive two to eight hours to reach their destination.

Most of the road trippers will use their personal vehicle (**55%**), with **61%** of boomers driving their own wheels. Another **10%**—rising to **16%** of millennials—will rent a car. Gen Zs are most likely to pack the group into an RV (**9%**, vs. **3%** overall) or head out on the highway on a motorcycle (**4%**, vs. **2%** overall).

Only **6%** of Canadians will take a train or bus to get to their destination, with the biggest partakers being millennials (**10%** of them). The majority (**65%**) of those going by public transport will travel two to eight hours.

Flights will serve

36%

of all Canadians. Among those, **52%** will fly to international destinations, **22%** with layovers and **30%** directly. Those flying within Canada (**48%** of all flights this summer) are most likely to take a direct flight less than four hours in length (**24%**), followed by those longer than four hours (**15%**) and then domestic flights with layovers (**9%**).



Taking it outside

Almost six in 10 (**58%**) Canadians say they'd prefer to hit a non-urban destination this year: lakes, oceans, beaches, parks and wilderness areas, and small towns and rural areas. The big city is the main destination for **40%**, while a few thrill-seekers (**1%**) plan to visit theme or amusement parks.



Together time



Canadians' main motivation for going on a trip this summer? Spending time with friends and family, say

63%

of those surveyed. Getting some of that sweet rest and relaxation is next, at **56%**.

Tradition drives **27%** of Canadians, who regularly get away in summertime.

25%

say they travel as a way to spend time with their partner or spouse and kindle some romance; this rises to **35%** of Canadians with household incomes of \$150,000 or more.



CANADIANS CRAVE INDIGENOUS TRAVEL EXPERIENCES



Canadians crave Indigenous travel experiences

Interest in Indigenous travel experiences—and in getting outdoors and supporting local and independent businesses—is poised to drive opportunities for Indigenous tourism businesses and communities. Indigenous tourism associations, in collaboration with national and provincial governments, are well positioned to help support destinations and tourism offices in developing new travel experiences. Non-Indigenous marketing organizations and economic development professionals may want to consider reaching out to their Indigenous counterparts and offer to serve as allies in helping these new ventures flourish.

A bold vision

The Indigenous Tourism Association of Canada (ITAC) aims to significantly expand Indigenous offerings across Canada this decade. The association's *Vision 2030* aims for:



60,000

jobs in Indigenous tourism
(2019: 39,000)



2,700

Indigenous-owned and -operated
tourism businesses (2019: 1,900)



\$6 billion

in contributions to Canada's GDP
(2019: \$1.9 billion)



Awareness is rising



58%

of Canadians are cognizant of the many Indigenous (First Nations, Inuit, and Métis) travel experiences on offer across the country, from pow wows and other festivals to crafting workshops, overnight stays in traditional lodgings, and hunting or fishing expeditions. Awareness of these travel opportunities was higher among Gen Z (**68%**) Canadians as well as those in Eastern (**60%**) and Western/Northern (**61%**) Canada.

Paddle and learn about Indigenous history on Manitoulin Island

Wikwemikong Tourism offers many authentic experiences that reflect the cultural lifestyles and traditions of the Anishinaabek people on Manitoulin Island and Killarney. As Manitoulin Island's largest First Nation community and Canada's only officially recognized Unceded Territory, Wikwemikong welcomes visitors to its nature-based and cultural tourism experiences. They can, for example, take a guided paddling tour on Georgian Bay while learning the stories and history that connect Indigenous people to the land. Wikwemikong Tourism recently received the Exceptional Industry Leader Award from the Indigenous Tourism Association of Canada.



Interest in taking part is up, too

57%

of respondents say they're likely to take part in Indigenous travel experiences in the future. Gen Zs are most eager to participate (**75%**), followed by millennials (**68%**), Gen Xs (**55%**), and boomers (**41%**).

Those from Central Canada were slightly more likely to participate (**58%**) than their counterparts elsewhere in the country, and those with incomes of \$200,000 or more were less likely to take part (**49%**) than those in other income ranges.

Canadians are considerably more interested in Indigenous travel experiences than travellers from other countries. In 2021,

31%

(down from 37% in 2018) of international visitors said they were interested, according to research by ITAC and Destination Canada.³





GEN ZS, MILLENNIALS ARE THE BIGGEST FANS OF SUSTAINABLE TOURISM



There are trailblazing opportunities for those destinations and tourism businesses devoted to sustainable travel experiences, as Canadians' interest in them mounts. Persuading travellers to pay for such experiences is a big challenge, to be sure. But leaders who can overcome greenwashing-related skepticism, demonstrate genuine positive outcomes, and explain the value of participating in sustainable travel will position themselves at the leading edge of this burgeoning trend.



Sustainability matters to many travellers

Overall, **57%** of Canadians say it's important that their travel destinations and experiences demonstrate environmental sustainability in some form—such as low carbon footprints, renewable energy sources, and EV charging stations. Sustainability is especially important to millennials and Gen Zs (**63%** and **64%** respectively), while Gen X is least likely to see sustainability as important (**52%**).



Tourism organizations need to be prepared to back up any sustainability claims. Deloitte research found that

57%

of Canadian consumers don't believe most "green" or sustainable claims that brands make. Nearly half (**49%**) are skeptical of the claims' authenticity, and **23%** are frustrated by how hard it is to separate authentic claims from those made to sell products and services.

Sharing facts to back up sustainability claims—and pursuing third-party certification of those claims—can give Canadians the certainty they seek.⁴





They're interested—but are they willing to pay?

Are Canadians interested in travel experiences that leave a place better than they found it—such as habitat cleanup projects or helping local non-profits and charities? Sort of. Overall,

60%

of Canadians would take part if the experience was free—but this drops to **14%** if there was a cost.

Gen Zs and millennials are most willing to participate in such travel experiences (**66%** and **63%** respectively) and most willing to pay (**22%** and **19%**). Boomers and silents were the least willing to take part (**54%**) or pay (**8%**) for such an experience. And while

62%

of Canadians with incomes of \$200,000 or higher were willing to participate in travel that contributed to improving their destination, only **13%** would pay for the experience.





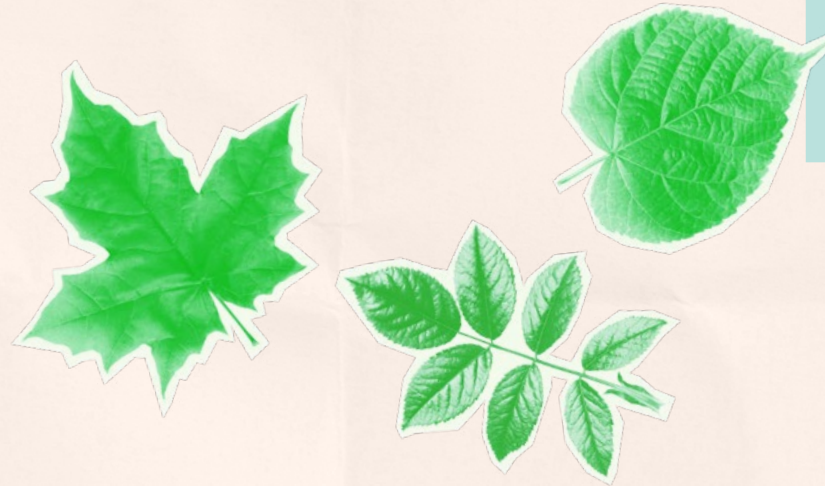
The rise of regenerative tourism

It's natural to think about sustainable travel in terms of environmental impact. Yet it's important to view sustainability through a wider lens—one that has us also consider sustained, long-term social and economic success. It's about whether travellers can help the communities they visit prosper socially, economically, and environmentally.

"Tourism thrives in every corner of Canada, from the most remote places imaginable to beautiful, bustling downtowns," says Marsha Walden, president and CEO of Destination Canada. But the industry's success doesn't necessarily lead to the communities' success. That's why Destination Canada champions regenerative tourism—an approach that focuses on communication, collaboration, and a shared understanding of place to regenerate and enliven communities, businesses, and environmental ecosystems alike.

"Regenerative tourism isn't about managing tourist destinations," says Walden. "It's about cultivating the communities that host tourists and ensuring everyone benefits from those who visit. It's about coming together to deliver unforgettable experiences to visitors, while strengthening our ecosystems and our communities' bonds, resilience, and potential."

"Tourism thrives in every corner of Canada, from the most remote places imaginable to beautiful, bustling downtowns," says Marsha Walden, president and CEO of Destination Canada.





CANADIANS FAVOUR SMALL, LOCAL BUSINESSES



The “shop small, local, and independent” trend still has lots of momentum—and it’s become an enduring foundation of tourism experiences across Canada. Retailers, restaurants, and experience developers must now look for new ideas and fresh takes on how to promote local food, drink, crafts, and activities.

Industry associations, destination marketing organizations, and larger tourism companies can help attract travellers by building on past efforts to boost such businesses. Maybe it’s time for a major hotel chain to develop a B2B concept that adds value for tourists and independent entrepreneurs alike. Perhaps a savvy point-of-sale company can create new service offerings targeted for smaller local businesses. There are opportunities to bring big-business know-how to small-town enterprise—just as long as the experiences stay authentic.



They're big indie fans



When they travel, Canadians would much rather support local, independent, and family-owned businesses. In fact,

79%

prefer them to chains, multinationals, big box retailers, and large corporations (**21%**). Millennials and Gen Zs were even more likely (**80%** and **82%**, respectively).

Would they make a special effort to support independent businesses? Certainly, say

16%

overall. It's slightly more for annual incomes above \$150,000 (**19%**) and those bringing home less than \$50,000 a year (**20%**).



And they want to eat like the locals

80%

of Canadians say they'd prefer the food and drink available from the farmers, chefs, wineries, and breweries of the destination over those of restaurant chains, with a quarter (**24%**) willing to go out of their way to eat and drink local. The younger generations also prefer local food and drinks (**82%** of millennials and **85%** of Gen Zs).

24%

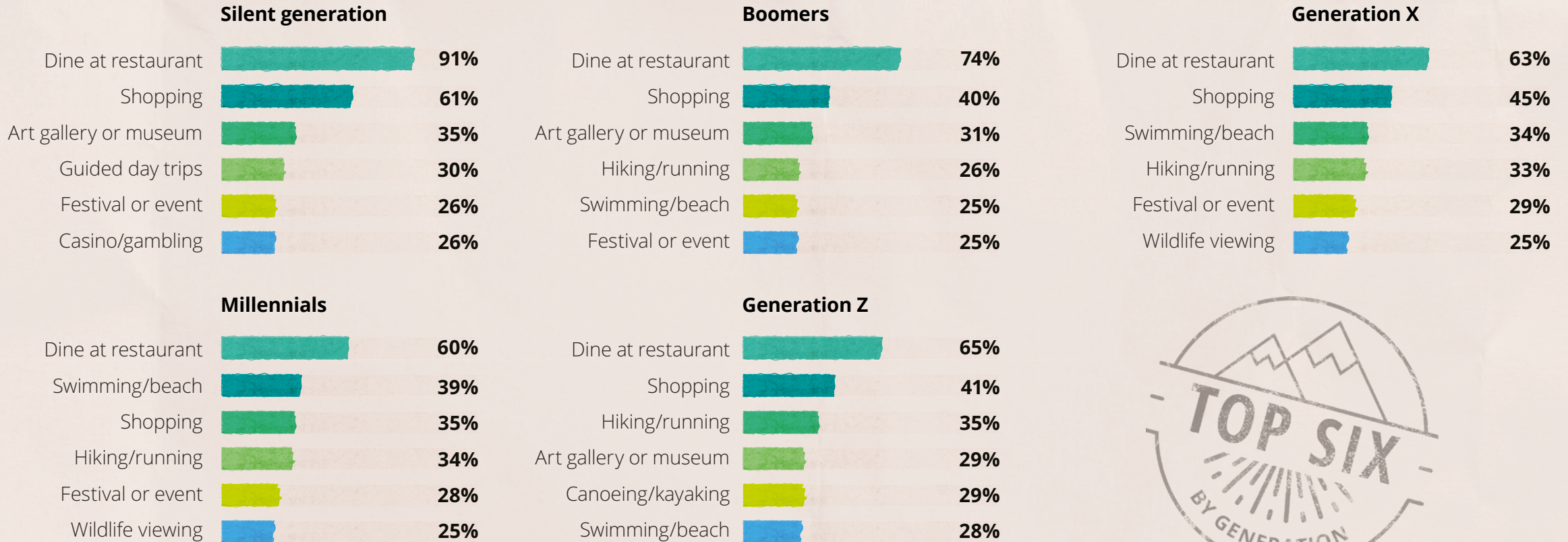
of those from Western/Northern Canada and **26%** of travellers from Central Canada say they'll make a special effort to eat and drink local, only **15%** of those from Eastern Canada say they'd do so.

Canadians with incomes over \$150,000 eat and drink local when they can, and those earning \$200,000 or more are most likely (**36%**) to go out of their way to do so.



What will you do on your vacation?

Preferred summer travel leisure activities



Leave a positive trace—and have fun!

We also asked Canadians if they felt the benefits of tourism outweighed the negative impacts to the communities where they live. Altogether, 86% said the benefits did outweigh the costs (43%) or were neutral on the topic (43%).

This summer, Canadians can have a positive impact on local economies across this beautiful country. By supporting our own tourism and hospitality businesses, Canadian dollars are more likely to stay within our communities to generate important spin-off benefits: jobs, entrepreneurs, capital investment, resilient supply chains, and property taxes directed to new and improved local amenities.

Where are *you* going this summer? Where will you make an impact?



Find out more

Contact a member of our team to discuss our findings.

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Endnotes

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3. Destination Canada, *Global Tourism Watch*, October 2021.
4. Deloitte, *Creating value from sustainable products: How business purpose and brand trust can make a difference*, 2023.



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