A Snapshot of the Canoeing & Kayaking Travel Market in North America

Prepared for the:

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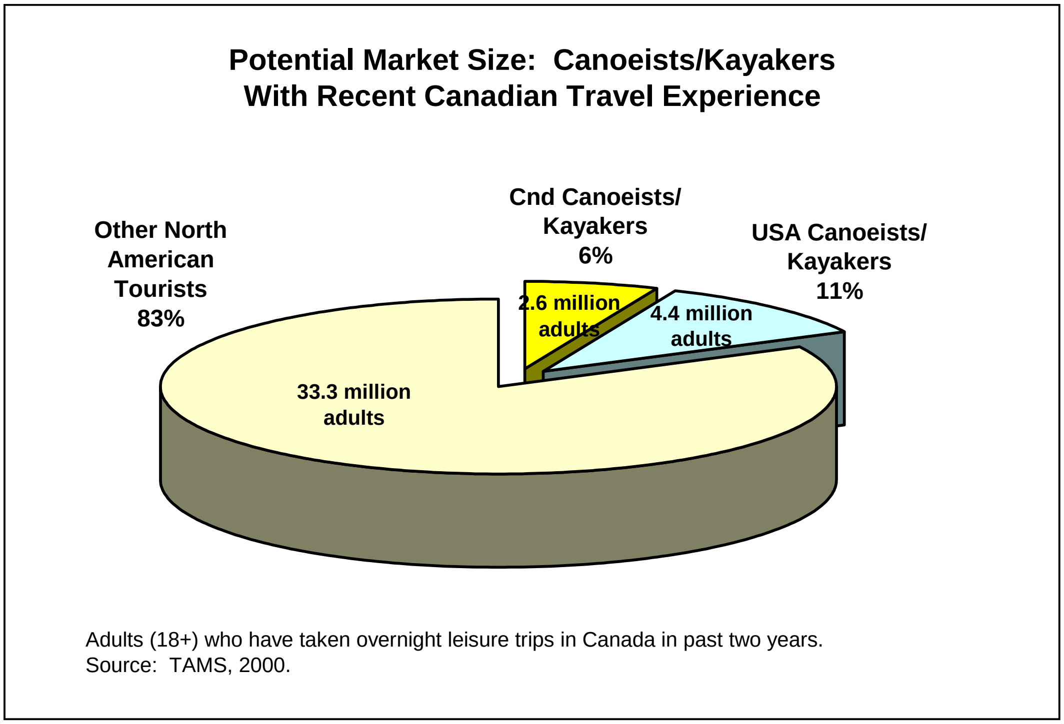
Market Size – 7.0 million North Americans

The Travel Activities and Motivation Study (TAMS) – a large-scale survey of consumers in Canada and the United States – provides a *broad strokes* measure of the size and characteristics of the North American canoeing and kayaking tourist market.[i] It tells us that there are approximately 7.0 million North American potential customers for Canada's canoeing and kayaking experiences. These consumers represent almost 2-in-10 of the 40.3 million North Americans who have travelled in Canada over a two year period.



The 7.0 million canoeing and kayaking tourists identified in TAMS likely constitute the outside limits of this market segment and undoubtedly span a considerable range of skills and specific outdoor interests. Consequently, the market for an individual Canadian operator offering canoeing and kayaking experiences will be a subset of this larger market – depending on many factors including where in Canada the operator is located and the type of outdoor experiences offered.[ii]

Of the seven million potential tourists in the North American canoeing/kayaking market segment, 2.6 million are Canadians (37%) and 4.4 million are Americans (63%).

The TAMS survey measures the number of tourists who say that they have included *canoeing or kayaking* as an activity while on an overnight trip in the past couple of years. TAMS does not provide information about the duration of the canoe/kayak trip, the skill level of the consumer, the risk level sought by these canoeists and kayakers, or how they purchase their canoeing or kayaking experiences. The Canadian Tourism Commission is exploring options for supplementary sources that could provide operators with more detailed information about this market.

Outdoor Segments

2.6 million Canadian Canoeists & Kayakers

Compared to some other Canadian outdoor tourist segments, canoeists/kayakers are a *niche market.* At 2.6 million, this market is appreciably smaller than some other outdoor tourist market segments including Canadians who view wildlife while on trips (4.9 million), hikers and backpackers (4.5 million), fresh water anglers (3.8 million), wildflower/flora viewers (3.6 million), and cyclists (3.0 million). The segment is, however, somewhat larger than bird watchers (2.2 million) and appreciably larger than the market for white water rafting (0.7 million).[iii]

Outdoor Market Segments

# of Activity Participants with Destinations in Canada in Past Two Years	Canadians	Americans
Wildlife Viewers	4.9	11.8
Hikers/Backpackers	4.5	6.7
Anglers (Fresh Water)	3.8	7.2
Wildflower Viewers	3.6	8.9
Cyclists	3.0	5.6
Canoeists/Kayakers	**2.6**	**4.4**
Bird Watchers	2.2	4.6
White Water Rafters	0.7	2.3

Numbers in millions of overnight leisure travellers with destinations in Canada and participation in specific activities while on a leisure trip in the past couple of years. Source: TAMS, 2000. Note: groups are ***not*** mutually exclusive.

4.4 million American Canoeists & Kayakers

At 4.4 million American travellers, the canoeing/kayaking market for Canada is smaller than many other USA outdoor market segments who travel to Canada: wildlife viewers (11.8 million), wildflower/flora viewers (8.9 million), fresh water anglers (7.2 million), hikers/backpackers (6.7 million), and cyclists (5.6 million). The canoeing/kayaking market is, however, about the same size as the bird watching segment (4.6 million) and appreciably larger than the white water rafting market segment (2.3 million). As with Canadian canoeists/kayakers, Americans who go canoeing/kayaking *also* participate in many of these other outdoor activities while on trips. For market segment overlaps, see Section D.

What works for one may not work for all!

Tourism operators and outfitters interested in reaching and satisfying the interests and expectations of North American canoeists/kayakers may require separate strategies for Americans and Canadians because potential customers on each side of the border are quite different.

Demographics: Above Average Americans and Canadians

By virtue of having come to Canada on an overnight leisure trip in the past couple of years, *Americans* in the canoeing/kayaking market segment are international travellers. As such, they represent a relatively affluent, educated, older and experienced tourist base. They are more affluent and better educated than the average American . . . and than Canadians who go canoeing or kayaking while on their trips.

Demographic Profiles of Canoeists/Kayakers

	Canadians	Americans
Gender		
Males	54%	55%
Females	46%	45%
Age (18+)		
18 – 34 years	46%	29%
35 – 54 years	46%	48%
55+ years	8%	18%
Average age	36 years	43 years
Education		
University grad	29%	42%
Household Income	Cnd$	US$
Under $60,000	59%	43%
$60,000 - $99,999	27%	33%
$100,000+	14%	23%
Average income	$59,000 Cnd	$71,600 US
Household Composition		
Adult only	61%	61%
Any teens/children	38%	30%

% of overnight leisure travellers with destinations in Canada who went canoeing/kayaking while on a leisure trip in the past couple of years. Source: TAMS, 2000. Household income is for the 1998 tax year. Percentages may not add to 100% because of respondents who do not provide a response and/or rounding.

Many Canadians in this market segment will have gone canoeing or kayaking within their own province but may never have left Canada on a leisure trip. It is not surprising, therefore, that Canadian and American canoeists/kayakers are different types of people who will likely require different types of products and levels of service to satisfy their needs.

Canoeing and kayaking have somewhat greater appeal to men than to women among Canadians (54%) and Americans (55%).

Canadian canoeists/kayakers are concentrated at the younger end of the age spectrum. Almost 1-in-2 are between 18 and 34 years of age, with an average age of 36 years. These paddlers are appreciably younger than the typical Canadian traveller (average, 43 years)[iv].

Only about one-quarter of American canoeists/kayakers are in the 18 to 34 year age group, but half are between 35 and 54 years. An appreciable minority are at least 55 years of age. Thus, Americans in the canoeing/kayaking market, with an average age of 43 years, are older than Canadians in this market (36 years, on average) but somewhat younger than the typical American tourist who comes to Canada (average, 47 years).

About 3-in-10 Canadian canoeists/kayakers have a university degree (29%), making them somewhat more likely to have a university education than are Canadian travellers in general (21%).

Over 4-in-10 Americans in this market segment have graduated from university. Those who canoe or kayak are more apt to have a university education than is the typical American visitor to Canada (3-in-10).

Three-fifths of Canadian canoeists/kayakers have household incomes under $60,000(Cnd$) and only one-seventh have incomes in the $100,000+ range (Cnd$). Their average income is about $59,000 (Cnd$), making them somewhat more affluent than the average Canadian traveller ($54,900 Cnd$).

About two-fifths of American canoeists/kayakers fall into the lowest income group (under $60,000), but close to one-quarter have incomes of at least $100,000 (US$). Their average income is about $71,600 (US$) – an income level that is appreciably higher than that of the average USA traveller to Canada ($65,200 US$).

Most American and Canadian canoeists/kayakers live in *adult only* households.

Where Canadian Canoeists/Kayakers Live

Canoeists and kayakers are spread across Canada in much the same way as is the population as a whole. Thus, regions with large populations such as Ontario and Quebec produce more domestic tourists who canoe or kayak on leisure trips than do regions with smaller populations such as Atlantic Canada or the Prairies. At the same time, Quebec *under-produces* canoeists and kayakers – this province represents 25% of Canada's population but only 19% of canoeists and kayakers.

Where Canadian Canoeists/Kayakers Live

	Canoeists/ Kayakers	Total Adult Population
Atlantic	7%	8%
Quebec	19%	25%
Ontario	44%	38%
Man/Sask	4%	7%
Alberta	10%	9%
B.C.	16%	13%

% of overnight leisure travellers with destinations in Canada who went canoeing/kayaking while on a leisure trip in the past couple of years. Source: TAMS, 2000.

Conversely, Ontario produces *more* canoeists and kayakers (44%) than its share of the total population would suggest (38%).

Where American Canoeists/Kayakers Live

Americans in the canoeing/kayaking market segment are, like USA travellers to Canada as a whole, concentrated near the Canada/USA border.

One-third of the USA canoeists and kayakers who come to Canada live in states immediately adjacent to the Canada/USA border even though these states are "home" to fewer than 1-in-5 American adults.

One-third of USA canoeists and kayakers live in mid-tier states – a proportion that is marginally higher than the proportion of the total USA adult population represented by Tier II states.

Where American Canoeists/Kayakers Live

	Canoeists/ Kayakers	Total Adult Population
Tier I States (Border)	32%	18%
Tier II States	33%	29%
Tier III States	34%	54%

% of overnight leisure travellers with destinations in Canada who went canoeing/kayaking while on a leisure trip in the past couple of years. Source: TAMS, 2000.

Over 5-in-10 adult Americans live in states furthest from the Canada/USA border (Tier III, including California) but only 1-in-3 American visitors to Canada in the canoeist/kayaker market segment live in these 'long haul' states.

Only about 1-in-8 (13%) of *all* 200 million American adults claim to have been to Canada in the past couple of years. This relatively low incidence level is a clear indication that it is difficult to entice Americans to Canada **--** and the task becomes even more difficult the farther potential tourists must travel to reach their Canadian destination – for any type of experience. Thus, attracting canoeists/kayakers from more distant USA regions represents a substantive challenge, but one that is no greater for this market segment than it is for any other.

Destinations: Every part of Canada attracts Canoeists and Kayakers

Canadian Canoeists/Kayakers: Since many Canadians concentrate their travel *within* the province or region in which they live, it is not surprising that the three most populous provinces – Quebec, Ontario, British Columbia – attract the highest share of Canadian canoeists/kayakers. Nonetheless, some regions can be said to have particularly strong "attraction rates" for canoeing/kayaking experiences compared to others because they lure high levels of Canadians relative to the region's *resident* population.

Among canoeists and kayakers, *eastern* and *western* Canada have appreciably stronger attraction rates than do Quebec or Ontario. Relative to their resident population, British Columbia, Alberta and Atlantic Canada lure higher proportions of canoeists and kayakers from outside their boundaries than do the two largest provinces in the country[v].

Where Canoeists/Kayakers Travel

Any Overnight Leisure Trip – Past Couple of Years	Canadians	Americans
CANADA		
Atlantic	24%	11%
Quebec	40%	26%
Ontario	58%	58%
Man/Sask	13%	8%
Alberta	25%	9%
B.C.	36%	30%
Territories	3%	2%
OTHER		
USA Destinations	36%	95%
Mexico/Caribbean	11%	30%
U.K./Other Europe	10%	20%
Other Countries	7%	17%

Source: TAMS Canada, 2000. Destinations add to more than 100% because respondents may have gone to more than one location on a leisure trip in the past two years.

American Canoeists/Kayakers: American canoeists and kayakers are most apt to have visited Ontario in the past couple of years (58%), followed by British Columbia (30%) and Quebec (26%). Atlantic Canada attracts about one-tenth of these paddlers (11%), followed by Alberta (9%), Manitoba/Saskatchewan (8%) and the Territories (2%).

The Competition: Canada's ability to retain Canadians and to attract American canoeists and kayakers is influenced by the competitive destination environment.[vi] The USA *as a destination* represents a major challenge for Canada's businesses seeking canoeists and kayakers from both sides of the border.

Over 1-in-3 Canadians in this market segment take leisure trips in the USA.

Over 9-in-10 Americans in the canoeing/kayaking segment who take trips to Canada *also* take trips to USA destinations.

Mexico and the Caribbean, followed by Europe and "other countries" are relatively strong competitors among American canoeists and kayakers.

As noted earlier, USA canoeists/kayakers who come to Canada represent a relatively sophisticated and international tourist market. As such, they are appreciably more likely to have travelled to many different countries than are their Canadian counterparts. They are three times as likely to have gone to Mexico or the Caribbean and twice as likely to have gone to Europe or "other countries" as are Canadian canoeists and kayakers. This worldwide experience may create different expectations of tourism products and service within the USA market than would be found among Canadians.

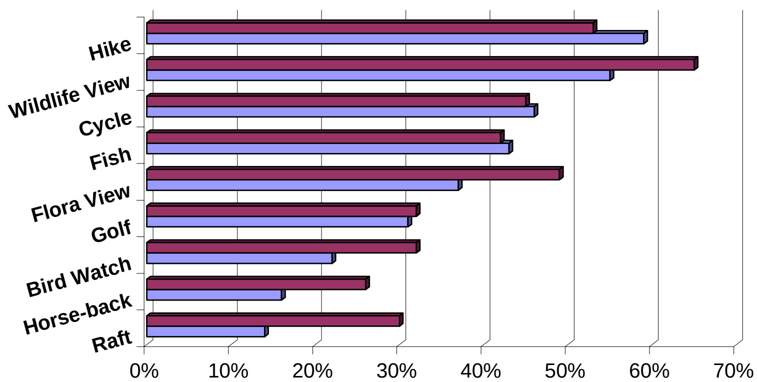
Partnerships & Packaging Opportunities

Businesses that provide paddling experiences can identify partnership and packaging opportunities by reviewing the *other* types of activities tourists in the canoe/kayak market segment engage in while on trips. They might be other outdoor experiences or some of the cultural and attraction-based activities that are widely engaged in by canoeists and kayakers.

Other Outdoor Activities on Trips

For many, paddling experiences provide opportunities to hike across portages from one lake to another, to view animals in their natural habitats, do some bird watching, examine wildflowers and other flora, or to fish in a lake or stream. Not surprisingly, these are the very *other* outdoor activities that are especially popular within the canoeing/kayaking market.

Other Popular Outdoor Activities among Canoeists/Kayakers



	Raft	Horse-back	Bird Watch	Golf	Flora View	Fish	Cycle	Wildlife View	Hike
Americans	30%	26%	32%	32%	49%	42%	45%	65%	53%
Canadians	14%	16%	22%	31%	37%	43%	46%	55%	59%

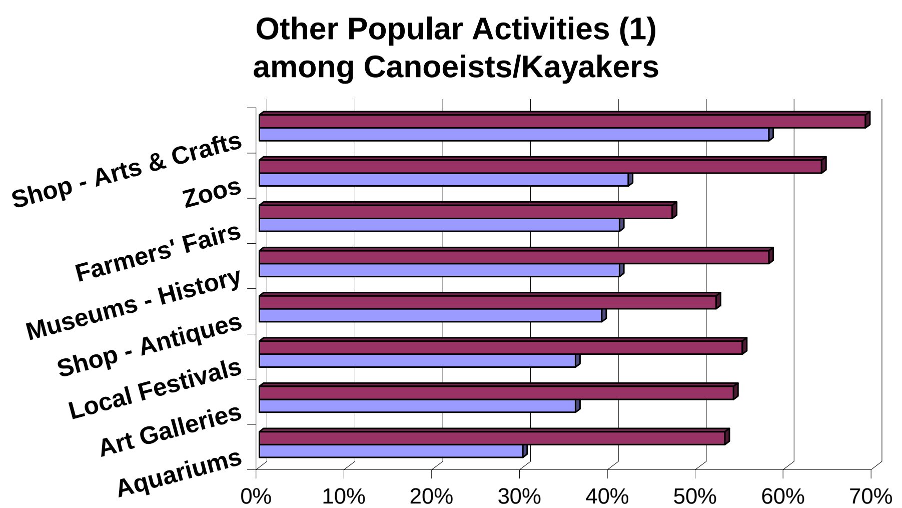
American canoeists/kayakers are particularly enthusiastic about *wildlife viewing* – two-thirds of them view wildlife when on trips. About half also go hiking or backpacking in wilderness settings and/or view flora while travelling. Viewing wildlife and hiking are also very popular among Canadian canoeists/kayakers, with over half participating in them on recent trips, although the domestic canoe/kayak market is less enthusiastic about viewing wildflowers and other flora than is the American market.

At least 2-in-5 American and Canadian canoeists/kayakers *cycle*, or *fish in fresh water* and about 1-in-3 go *golfing.* Americans in this market segment are more apt to engage in *bird watching* (32%), horseback riding (26%) and white water rafting (30%) on overnight leisure trips than are Canadians (bird watching, 22%; horseback riding, 16%; rafting, 14%).

Cultural Activities/Attractions on Trips

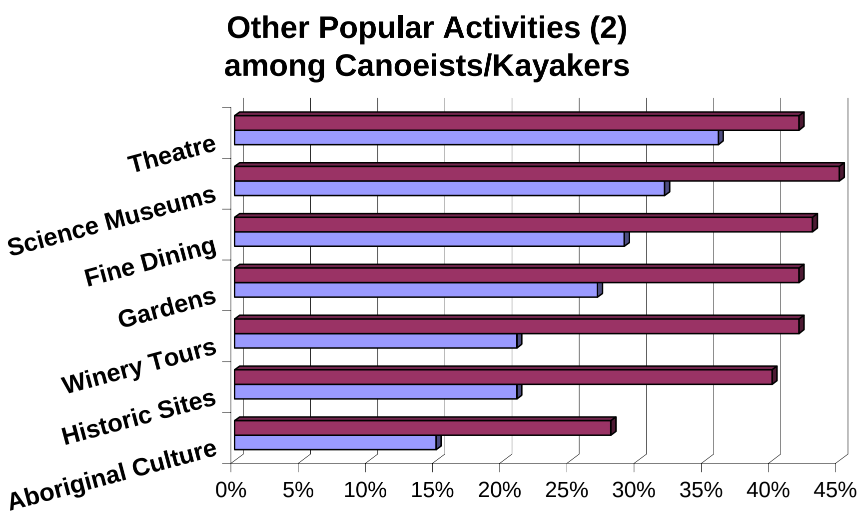
When they travel, canoeists and kayakers engage in many activities apart from those in outdoor settings. By mixing some popular attractions, events and cultural activities with a paddling experience, tourism businesses may be more successful in bringing canoeists/kayakers to their properties.

Cross-packaging with other types of activities may be especially important in attracting canoeists/kayakers who live in the USA because, as noted above, these travellers tend to be older, affluent, educated and sophisticated tourists. Furthermore, as populations on both sides of the border age, cultural and less strenuous outdoor activities are expected to become increasingly popular with the travelling public (see Section E).



	Aquariums	Art Galleries	Local Festivals	Shop - Antiques	Museums - History	Farmers' Fairs	Zoos	Shop - Arts & Crafts
Americans	53%	54%	55%	52%	58%	47%	64%	69%
Canadians	30%	36%	36%	39%	41%	41%	42%	58%

American canoeists/kayakers are appreciably more likely than are Canadians to go to cultural attractions such as *general history museums* or *art galleries*; go *shopping* for *arts, crafts and antiques*; and go to other attractions such as *zoos, aquariums* or *local festivals or fairs* when they travel (see Other Popular Activities 1). These tourism experiences are sought by at least 1-in-2 American canoeists/kayakers and by at least 1-in-3 Canadians. *Farmers' fairs or markets* are about equally popular among canoeists and kayakers on both sides of the border, attracting about 2-in-5 of these tourists.



	Aboriginal Culture	Historic Sites	Winery Tours	Gardens	Fine Dining	Science Museums	Theatre
Americans	28%	40%	42%	42%	43%	45%	42%
Canadians	15%	21%	21%	27%	29%	32%	36%

Other tourism experiences that might be packaged with a canoeing or kayaking experience for at least 1-in-5 Canadian canoeists/kayakers and at least 2-in-5 of their American counterparts include *theatre, wine and culinary experiences*[vii], *science and technology museums*, and/or *botanical gardens* (see Other Popular Activities 2). *Aboriginal cultural experiences* are less popular as a tourism activity on both sides of the border, but have a stronger lure for American canoeists/kayakers (28%) than for Canadians in this market segment (15%).

What happens when North America ages?

Canadian and American adult populations are expected to grow by about 27% between now and 2025.[viii] When population projections are applied to North American canoeists/kayakers, the market is also expected to grow. Because of differences in their demographics, however, markets on each side of the border will grow differently:

The estimated 4.4 million Americans in the canoeist/kayaker market segment for Canada now will increase to 5.5 million by 2025, for a growth rate of 24% -- slightly lower than national average. The future market will be somewhat older than the current market, with 1-in-4 canoeists/kayakers falling into the 55+ age group and an average age of 44 years.

The estimated 2.6 million Canadians in the canoeist/kayaker market segment now will increase to 2.8 million by 2026, for a growth rate of only 8% -- well below the national average.[ix] Because Canada's population is aging at an especially high rate, the proportion of Canadian paddlers who are 55+ years of age will almost double, from 8% now to 15% by 2026. The average age will move from 36 years now to 39 years in about two decades.

The shift toward older tourists in the canoeist/kayaker market on both sides of the border has implications for tourism operators.

Will an older market be seeking paddling experiences that are as physically challenging as those being sought today?

What cross-packaging options are likely to attract this older market?

Will a blend of “comfort, culture, nature” become more enticing as this market segment ages?

Medium and long term business plans may also have to factor in the expectation that the Canadian canoeist and kayaker market will grow at a much slower rate than the population of Canada as a whole, resulting in the likelihood that the USA will represent a somewhat larger share of the potential North American market than it does now. Operators who provide paddling experiences might ask what the implications of a potential market with even more affluent, older, sophisticated American tourists will be for marketing, product development and partnerships in the future.

APPENDIX

Attraction Rates among Canadian Canoeists/Kayakers

Atlantic	3.0
Quebec	1.6
Ontario	1.5
Man/Sask	1.9
Alberta	2.8
B.C.	2.8

Ratio of provincial adult population versus number canoeists/kayakers with any overnight leisure trip to the province over a two year period.

NOTES

[i] This report was prepared by Judy Rogers, President, Research Resolutions & Consulting Ltd. The report was commissioned by the Canadian Tourism Commission.
The target group is composed of Canadian adults (18 years of age or over) who claim to have taken an overnight leisure trip to a destination within Canada in the two year period prior to the interview (1999/2000) and also claim to have engaged in canoeing/kayaking on at least one of their recent overnight leisure trips. These individuals may or may not have engaged in the specific activity *within* Canada but have both visited Canada and engaged in the activity in the recent past. Data derive from the Travel Activities and Motivation Study (TAMS), supported by a consortium of tourism organizations in Canada including the Canadian Tourism Commission and managed by the Ontario Ministry of Tourism and Recreation. For more details, see Footnote 9.

[ii] **Limitations:** TAMS provides basic market size and characteristic information. While it offers an overview of the North American canoeing/kayaking market, operators are advised to obtain more specific information about the interests, motivations and destination-selection processes of North American canoeists and kayakers before making marketing and product development decisions.

[iii] Since canoeists/kayakers engage in many other outdoor activities while on trips, the groups described here are not mutually exclusive (see Section D).

[iv] Demographic characteristics for the "average" Canadian and American travellers to Canada in the past two years derive from tabulations of the TAMS telephone survey responses whereas demographics for specific target groups are based on respondents who also completed the mailback portion of the survey.

[v] See summary table appended for "attraction rates".

[vi] The current US passport population stands at 18% of US adults. *Source : European Travel Commission.*

[vii] Winery tours; dining at internationally acclaimed restaurants.

[viii] In 2000, there were approximately 23.3 million Canadians and about 200.4 million Americans 18 years of age or older. Population projections suggest that the adult population of both countries will increase by about 27% by 2025/2026, generating adult populations of 29.6 million Canadian adults and 254.3 million American adults.

[ix] TAMS consisted of both a telephone survey and a self-completed mailback survey. The survey was conducted in Canada and the United States between September 27, 1999 and April 16, 2000. The telephone survey was completed by 28,397 individuals in the United States and by 18,385 individuals in Canada. Respondents 18 years of age or over were selected randomly within the household. People participating in the telephone survey who had travelled in the past two years or expressed interest in travel in the next two years were asked to complete a mailback questionnaire. Usable questionnaires were received from 5,490 Canadians and 6,405 (26.0 %) U.S. respondents.

Projections to the TAMS Data Base: The Canadian population 18 years of age or older was projected to the year 2026 and the corresponding USA population was aged to the year 2025. A special additional adjustment was made in the re-weighting of TAMS data to take into account an anticipated increase in the rate of educational achievement within the populations of both countries. In particular, it was assumed that the incidence of the highest level of education achieved in the period 1975 to 1999 represents a long term equilibrium of educational achievement. Figures for each sampling unit used in TAMS were supplied for aging the Canadian population and the USA by Ontario's Ministry of Tourism and Recreation (MTR). These projections included MTR's adjustments for increased educational achievement and immigration flows for Canada.