A Snapshot of the Hiking & BackPacking Travel Market in North America

Prepared for the:

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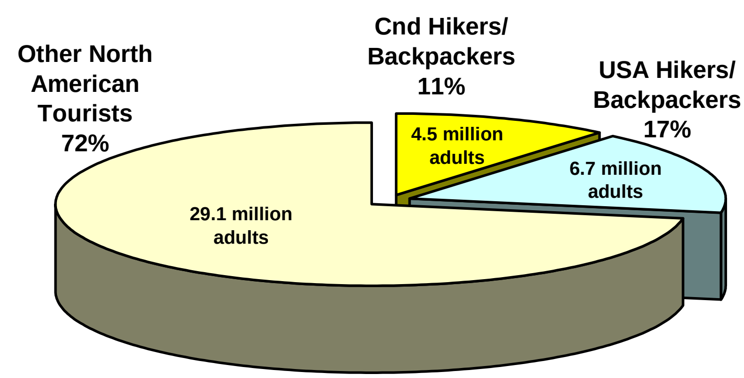
Market Size – 11.2 million North Americans

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 hiking and backpacking tourist market.[i] It tells us that there are approximately 11.2 million North American potential customers for Canada's wilderness hiking and backpacking experiences. These consumers represent almost 3-in-10 of the 40.3 million North Americans who have travelled in Canada over a two year period.

The 11.2 million wilderness hiking and backpacking 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 hiking and backpacking 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]

Potential Market Size: Hikers & Backpackers With Recent Canadian Travel Experience



Adults (18+) who have taken overnight leisure trips in Canada in past two years.
Source: TAMS, 2000.

Of the 11.2 million potential tourists in the North American hiking/backpacking market segment, 4.5 million are Canadians (40%) and 6.7 million are Americans (60%).

Other information collected about North American hikers and backpackers provides some guidance about how they interact with the outdoors.[iii] This is a market segment with a wide range of skills, endurance and interests. For example, regardless of which side of the Canada/USA border hikers and backpackers live on, approximately 6-in-10 take trips characterized by *adventure and excitement*; about 4-in-10 hike into the backcountry for camping; and over 5-in-10 stay in more accessible and less physically challenging large public campgrounds.

The TAMS survey measures the number of tourists who say that they have included *hiking or backpacking in wilderness settings* as an activity while on an overnight trip in the past couple of years. TAMS does not provide information about the duration of the hike, the ruggedness of terrain, trail types sought by these hikers and backpackers, or how they purchase their hiking or backpacking experiences. The Canadian Tourism Commission is exploring options for supplementary sources that could provide operators with more detailed information about this market.

Outdoor Segments

4.5 million Canadian Hikers & Backpackers

Among Canadian tourists there are *more* hikers and backpackers than there are fresh water anglers (3.8 million), wildflower/flora viewers (3.6 million), cyclists (3.0 million), canoers/kayakers (2.6 million), bird watchers (2.2 million) or white water rafters (0.7 million).[iv] The market for wildlife viewing, at 4.9 million Canadians, is somewhat larger than the hiker/backpacker segment.

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.

6.7 million American Hikers & Backpackers

The American hiker/backpacker market is *larger* than the cycling segment (5.6 million), the birding segment (4.6 million), the canoe/kayak segment (4.4 million) and the white water rafting segment (2.3 million). There are, however, appreciably *fewer* American hikers/backpackers who travel to Canada than there are wildlife viewers (11.8 million), fresh water anglers (7.2 million), or wildflower/flora viewers (8.9 million). As with Canadian hikers and backpackers, Americans who hike or backpack in wilderness settings *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 hikers and backpackers may require *separate strategies* for Americans and Canadians because potential customers on each side of the border are quite different.

Demographic Profiles of Hikers/Backpackers

	Canadians	Americans
Gender		
Males	48%	58%
Females	52%	42%
Age (18+)		
18 – 34 years	43%	31%
35 – 54 years	44%	45%
55+ years	13%	21%
Average age	39 years	43 years
Education		
University grad	27%	40%
Household Income	Cnd$	US$
Under $60,000	66%	51%
$60,000 - $99,999	24%	30%
$100,000+	10%	19%
Average income	$54,400 Cnd	$65,400 US
Household Composition		
Adult only	65%	66%
Any teens/children	35%	28%

% of overnight leisure travellers with destinations in Canada who went hiking/backpacking 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.

Demographics: Above Average Americans and Average Canadians

By virtue of having come to Canada on an overnight leisure trip in the past couple of years, *Americans* in the hiking/backpacking 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 hiking and backpacking while on their trips.

Canadians in this market segment look a lot like the "average Canadian" in terms of education and income. Many will have gone hiking or backpacking within their own province but may never have left Canada on a leisure trip. It is not surprising, therefore, that Canadian and American hikers/backpackers are different types of people who will likely require different types of products and levels of service to satisfy their needs.

Canadian hikers/backpackers are evenly divided between men and women.

Men predominate among American hikers/backpackers (58%).

Canadian hikers/backpackers are concentrated at the younger end of the age spectrum. More than 4-in-10 are between 18 and 34 years of age, with an average age of 39 years. These hikers and backpackers are somewhat younger than the typical Canadian traveller (average, 43 years)[v].

One-fifth of American hikers/ backpackers are at least 55 years of age, with an average age of 43 years. Like Canadian hikers, these Americans are somewhat younger than the typical American tourist who comes to Canada (average, 47 years).

Fewer than 3-in-10 Canadian hikers/backpackers have a university degree (27%), making them somewhat more likely to be university educated than are Canadian travellers in general (21%).

Fully 4-in-10 Americans in this market segment have graduated from university, suggesting that those who hike and backpack are more apt to have a university education than is the typical American visitor to Canada (3-in-10).

Two-thirds of Canadian hikers/backpackers have household incomes under $60,000(Cnd$) and only one-tenth have incomes in the $100,000+ range (Cnd$). Their average income is about $54,400 (Cnd$), or about on par with the average Canadian traveller ($54,900 Cnd$).

About half of American hikers/backpackers fall into the lowest income group (under $60,000), but one-fifth have incomes of at least $100,000 (US$). Their average income is about $65,400 (US$) – an income level that is about the same as the average USA traveller to Canada ($65,200 US$).

Most American and Canadian hikers/backpackers live in *adult only* households.

Where Canadian Hikers/Backpackers Live

Hikers and backpackers 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 hike and backpack in wilderness settings than do regions with smaller populations such as Atlantic Canada or the Prairies. At the same time, Ontario under-produces hikers and backpackers – this province represents 38% of Canada's population but only 28% of hikers and backpackers; and Quebec produces *more* hikers and backpackers (35%) than its share of the total population would suggest (25%).

Where Canadian Hikers/Backpackers Live

	Hikers/ Backpackers	Total Adult Population
Atlantic	7%	8%
Quebec	35%	25%
Ontario	28%	38%
Man/Sask	5%	7%
Alberta	12%	9%
B.C.	14%	13%

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

Quebec might seem a specially productive region in which to market and promote hiking and backpacking . . . and for operators *in* Quebec this is likely the case. For operators in other parts of Canada, however, it is worth noting that Quebeckers are reluctant to travel to provinces other than their own. Thus, there may be more of them, but Quebec's residents who hike and backpack may prove difficult to lure to destinations outside Quebec.

Where American Hikers/Backpackers Live

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

One-third of the USA hikers and backpackers 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.

Over 1-in-4 USA hikers and backpackers who come to Canada live in mid-tier states – about on par with the proportion of the total USA adult population represented by Tier II states.

Where American Hikers/Backpackers Live

	Hikers/ Backpackers	Total Adult Population
Tier I States (Border)	33%	18%
Tier II States	28%	29%
Tier III States	39%	54%

% of overnight leisure travellers with destinations in Canada who went hiking/backpacking 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 4-in-10 American visitors to Canada in the hiker/backpacker 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 hikers/backpackers from more distant USA regions represents a substantive challenge, but one that is no greater for the hiking/backpacking segment than it is for any other tourist segment.

While they may be more difficult to attract because of the distances involved, USA residents in Tier III states with recent Canadian tourism experiences have more financial wherewithal to make a long haul trip than do those who venture into Canada from mid-tier and border states. Compared to an average household income of $56,000 (US$) for *all* American travellers to Canada, those who live in the more distant USA states have an annual average household income of $68,600 (US$).[vi]

Destinations: Every part of Canada attracts Hikers and Backpackers

Canadian Hikers/Backpackers: 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 hikers/backpackers. Nonetheless, some regions can be said to have particularly strong "attraction rates" for hiking and backpacking experiences compared to others because they lure high levels of Canadians relative to their *resident* population.

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

American Hikers/Backpackers: American hikers/backpackers are most apt to have visited Ontario in the past couple of years (51%), followed by British Columbia (35%) and Quebec (24%). Alberta attracts about one-eighth (13%), followed by Atlantic Canada (10%), Manitoba/ Saskatchewan (7%) and the Territories (5%).

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

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

Over 9-in-10 Americans in this market segment – who take trips to Canada – *also* take trips to USA destinations.

Mexico and the Caribbean and other foreign destinations are strong competitors among at least 1-in-4 American hikers/backpackers.

Where Hikers/Backpackers Travel

Any Overnight Leisure Trip – Past Couple of Years	Canadians	Americans
CANADA		
Atlantic	20%	10%
Quebec	50%	24%
Ontario	43%	51%
Man/Sask	15%	7%
Alberta	26%	13%
B.C.	34%	35%
Territories	4%	5%
OTHER		
USA Destinations	35%	95%
Mexico/Caribbean	8%	26%
U.K./Other Europe	10%	19%
Other Countries	5%	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.

As noted earlier, USA hikers/backpackers who come to Canada represent a relatively sophisticated and international tourist market. As such, these tourists 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, the Caribbean or "other countries" and twice as likely to have gone to Europe as are Canadian hikers and backpackers. 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 wilderness hiking and backpacking experiences can identify partnership and packaging opportunities by reviewing the *other* types of activities tourists in this 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 hikers and backpackers.

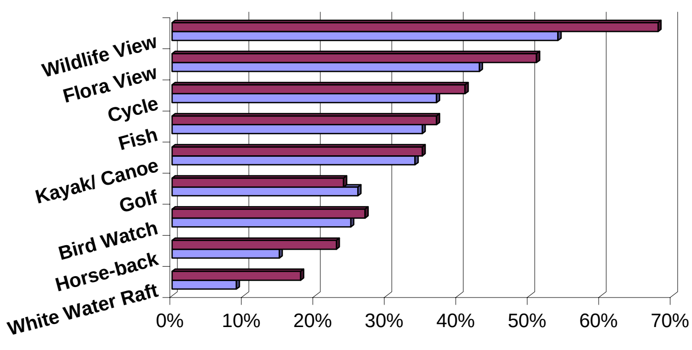
Other Outdoor Activities on Trips

For many, the hiking and backpacking experience provides opportunities 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 hiking/backpacking market.

American hikers/backpackers are particularly enthusiastic about *wildlife and flora viewing* – more than half of them view fauna and flora while travelling. These activities are also very popular among Canadian hikers/backpackers, with close to half participating in them on recent trips.

At least 1-in-3 American and Canadian hikers/backpackers *cycle*, *fish*, or go *kayaking/canoeing*, and about 1-in-4 go *golfing* and/or *bird watching* on overnight leisure trips.

Other Popular Outdoor Activities among Hikers/Backpackers



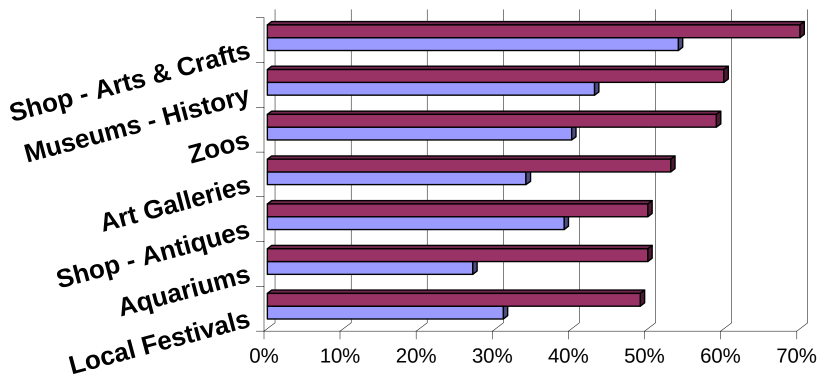
	White Water Raft	Horse-back	Bird Watch	Golf	Kayak/ Canoe	Fish	Cycle	Flora View	Wildlife View
Americans	18%	23%	27%	24%	35%	37%	41%	51%	68%
Canadians	9%	15%	25%	26%	34%	35%	37%	43%	54%

While much less popular than animal and flora viewing among American hikers/backpackers, *horseback riding* and *white water rafting* are sought by about 1-in-5 of these tourists. Possibly because these activities are more widely available to Americans across four seasons than they are for Canadians travelling in Canada, horseback riding and white water rafting are not particularly popular among Canadian hikers/backpackers.

Cultural Activities/Attractions on Trips

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

Other Popular Activities (1) among Hikers/Backpackers

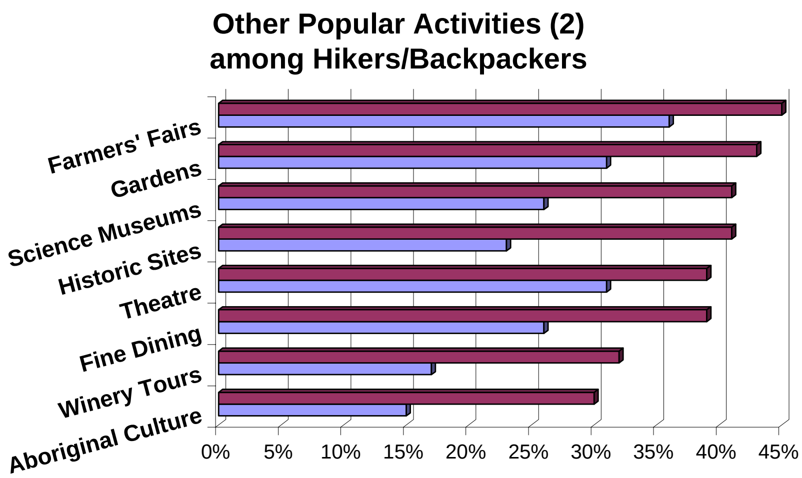


	Local Festivals	Aquariums	Shop - Antiques	Art Galleries	Zoos	Museums - History	Shop - Arts & Crafts
Americans	49%	50%	50%	53%	59%	60%	70%
Canadians	31%	27%	39%	34%	40%	43%	54%

Cross-packaging with other types of activities may be especially important in attracting hikers/backpackers 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).

American hikers/backpackers 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 hikers and backpackers and by at least 1-in-4 Canadians.

Other tourism experiences that might be packaged with an outdoor wilderness experience for at least 1-in-7 Canadian hikers/backpackers and at least 1-in-3 of their American counterparts include *Aboriginal cultural experiences* . . . much more popular among American than Canadian hikers and backpackers . . . *wine and culinary experiences*[ix], *theatre, botanical gardens* and/or *farmers' fairs or markets* (see Other Popular Activities 2).



	Aboriginal Culture	Winery Tours	Fine Dining	Theatre	Historic Sites	Science Museums	Gardens	Farmers' Fairs
Americans	30%	32%	39%	39%	41%	41%	43%	45%
Canadians	15%	17%	26%	31%	23%	26%	31%	36%

What happens when North America ages?

Canadian and American adult populations are expected to grow by about 27% between now and 2025.[x] When population projections are applied to North American hikers and backpackers, 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 6.7 million Americans in the hiker/backpacker market segment for Canada now will increase to 8.4 million by 2025, for a growth rate of 31% – slightly higher than national average of 27%. The future market will be somewhat older than the current market, with almost 3-in-10 hikers/backpackers falling into the 55+ age group and an average age of 45 years.

The estimated 4.5 million Canadians in the hiker/backpacker market segment now will increase to 5.0 million by 2026, for a growth rate of only 11% -- well below the national average.[xi] Because Canada's population is aging at an especially high rate, the proportion of Canadian hikers and backpackers who are 55+ years of age will increase from 13% now to 22% by 2026. The average age will move from 39 years now to 42 years in about two decades.

The shift toward older tourists in the hiking and backpacking market on both sides of the border has implications for tourism operators.

Will an older market be seeking wilderness 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 hiking and backpacking 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 hiking and backpacking experiences in wilderness settings 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 Hikers/Backpackers

Atlantic	2.5
Quebec	2.0
Ontario	1.1
Man/Sask	2.1
Alberta	2.9
B.C.	2.6

Ratio of provincial adult population versus number of hikers/backpackers 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 hiking/back-packing in a wilderness setting 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 11.

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

[iii] It is important to note that the activity list in the TAMS questionnaire was established in 1998/1999 by tourism researchers without consultation with Canada's adventure outdoor specialists. Thus, the list of activities lacks some of the detail and specificity that such experts could have provided. Since activity data were collected via a self-completion questionnaire, it is not known whether some people interpreted "walking" to be part of the "hiking/backpacking" experience. Based on other characteristics of hikers/backpackers, it seems unlikely that "walkers" would have included themselves in this market segment, but there is no means to verify this hypothesis.

[iv] Since hikers and backpackers engage in many other outdoor activities while on trips, the groups described here are not mutually exclusive (see Section D).

[v] 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.

[vi] See special TAMS tabulations, August 13, 2002, Page 27-1, based on telephone survey responses.

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

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

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

[x] 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.

[xi] 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.