TOURISM 101

The Visitor Economy

Tofino

What is the Visitor Economy?

Imagine a visitor arrives at YVR airport in Vancouver, BC. They might not know it, but they're a part of what we call the visitor economy, and for the rest of their trip, all of their spending behaviours–as well as the ripple-out effects of that spending–will contribute to that economy.

The visitor economy represents the full economic effect of tourism. Take for example, the visitor to Vancouver who pays for a hotel room. Those dollars don't just go to the hotel and the hotel's employees—but they also help support the companies that provide services to the hotel. The dollars also support the company that perhaps washes the linens for the hotel or the local blueberry farmer that supplies the berries for the blueberry pie in the hotel's restaurant.

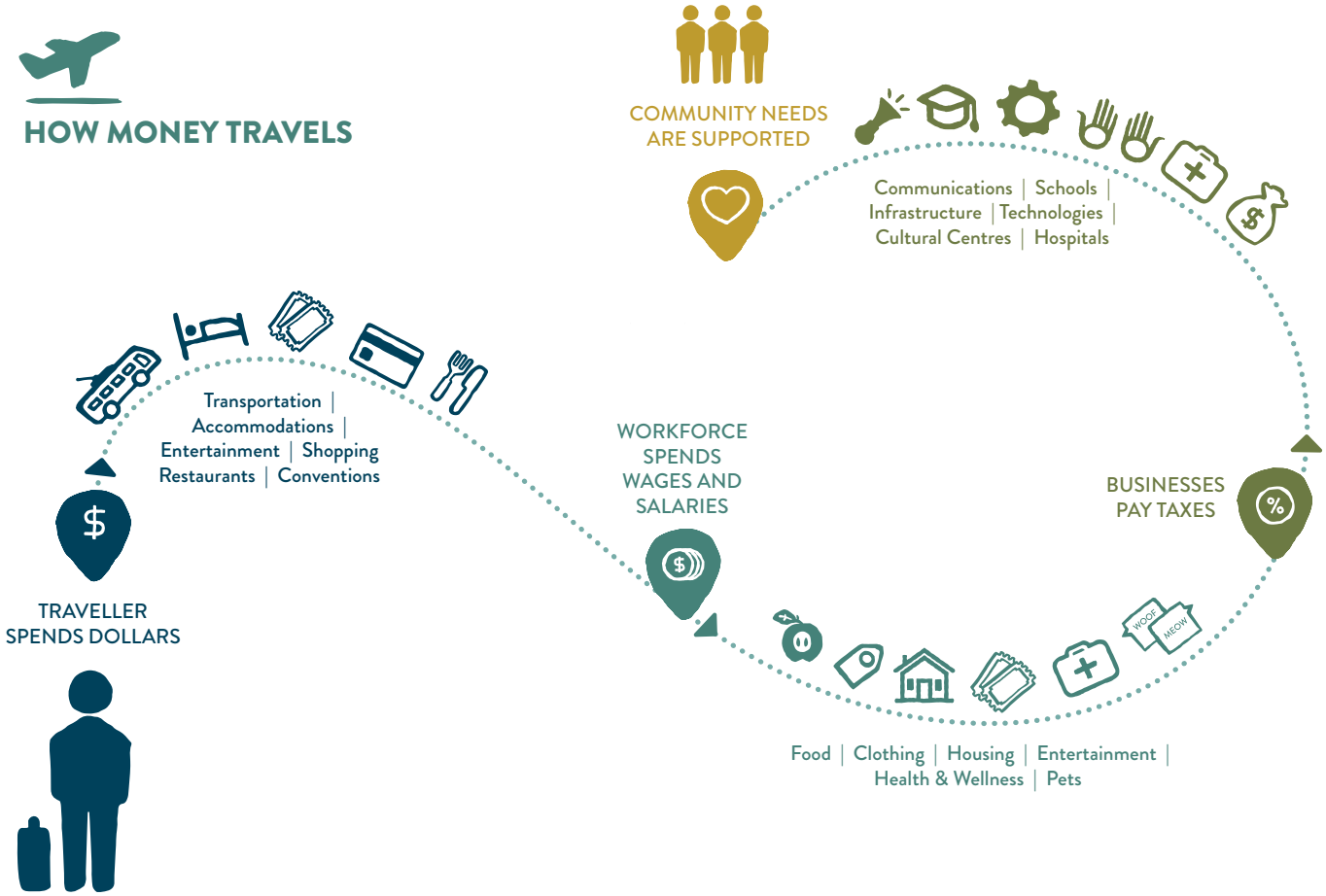
The visitor will also pay taxes and fees. For example, at the hotel in Vancouver they will pay the Municipal and Regional District Tax, which assists communities in promoting tourism and attracting visitors to their destination.

This traveller might also spend money at local electric vehicle charging stations and grocery stores. Maybe they will book an outing with a tour operator, or purchase souvenirs. Or, they might become so enthralled with the destination that they even invest in real estate or donate to a local charity.

There truly is an extensive reach that a traveller's dollars can have within the community they visit. When done right, the visitor economy has the power to make significant contributions to communities in other ways as well—socially, culturally and environmentally. By measuring its impact, the tourism industry can identify where to invest, as well as avenues for sustainable growth.

Defining the Visitor

Through the lens of the visitor economy, visitors are considered to be individuals who travel to a destination distinct from their usual place of residence, generally for a duration of less than a year, with a specific purpose in mind. This might include leisure or business, or other forms of travel such as for medical or religious purposes. This includes both domestic travellers venturing to different parts of their country of residence, as well as international visitors crossing national borders. Whatever a visitor's motive or their distance travelled, visitors contribute to the local economy, culture, and environment of the places they visit, shaping the visitor economy.



The Visitor Economy vs. Tourism

The visitor economy differs from traditional concepts of tourism in its emphasis on visitor behaviour–specifically their spending habits. While tourism traditionally focuses on the activities of visitors, the visitor economy focuses on the economic impact of these activities.

Because the visitor economy focuses on both visitor spending and the resulting economic impact, it captures a wider range of transactions than traditional tourism. Consider a visitor who buys groceries from a local supermarket. While this purchase may not fall within the traditional tourism category, it's part of the visitor economy. This ripple-out effect of tourism contributes to enhanced standards of services that benefit everyone, such as keeping that grocery store open year-round, and may even support services that may otherwise be unsustainable, such as keeping the shelves stocked with fresh, locally-sourced produce.

> Tourism has been a key economic driver and one of BC's competitive strengths in the world economy.

Attractions, Infrastructure, and Services

The visitor economy needs attractions, infrastructure, and services to exist. These are the components that meet visitor needs and enrich their experiences, turning a trip into a memorable and comfortable journey that they can enjoy seamlessly.

ATTRACTIONS

Natural attractions like beaches, mountains, and wildlife draw visitors who want to connect with nature and enjoy its adventures and tranquility, while attractions such as museums, amusement parks, heritage sites, and food trails appeal to visitors interested in culture and history.

Festivals, concerts, and sporting events can also be significant visitor attractions. These events can draw people from across the country and around the world, bringing foreign spending into the visitor economy. Think of how many people travel to see Beyonce, Taylor Swift, and Yo-Yo Ma concerts!

Great Bear Rainforest

Terrace

INFRASTRUCTURE

Infrastructure is what enables visitors to experience a destination. It includes transportation, accommodations, amenities, and other facilities. Examples of infrastructure that support tourism are:

- Airports
- Ferry Terminals
- Hospitals
- Washrooms
- Railway Stations
- Hotels, Hostels, and Short-term Rentals
- Banks
- Lighting
- Roads and Transit Systems
- Resorts
- Internet Connectivity
- Public Safety Measures

SERVICES

Services cater to visitor needs, enhance their experiences, and add value to the destination. These can create both direct and indirect spending, and can benefit both residents and visitors.

- Food and beverage outlets offer many choices and a taste of the local cuisine, often providing an integral part of the visitor experience.
- Retail shops offer a range of products, from souvenirs and local crafts to clothing and Indigenous artwork, catering to the diverse shopping needs of visitors.
- Tour operators offer guided tours and experiences, helping visitors navigate the destination and enriching their understanding of the local culture and environment.
- Travel agencies assist with bookings, reservations and travel arrangements, easing the travel planning process.

These services generate revenue while creating jobs and careers, influencing local economic development.

Boston Bar

Tourism is one of the most diverse industries in the world and can provide economic benefit to all. The tourism industry welcomes people of all nationalities, abilities, religion, sex, age, and income level. It is also a major employer of young people, women, immigrants, people with disabilities, and segments of society that may be under-represented in other industries.

Visitor Origins and Expenditures

Understanding visitor origins and their spending behavior provides insights that are helpful for growing the visitor economy. These insights can guide the development of targeted marketing campaigns, infrastructure improvements, and service enhancements.

Visitor Origin: Within BC

Domestic tourism often forms the basis of the visitor economy. In BC, residents travelling within the province contribute significantly to the visitor economy as they are the largest market of travellers in BC (followed by Alberta). Domestic tourism increases in importance during times when international travel is directly or indirectly restricted, such as during the COVID-19 pandemic. Whether it's a family on a weekend getaway to Whistler, a couple exploring vineyards in the Okanagan Valley, or friends on a hiking trip in the Great Bear Rainforest, their expenditures on transportation, accommodation, food, attractions, shopping, and other services contribute to the local economy.

Understanding how and where visitors spend their money can help in planning and improving services. The spending pattern of people living in BC who travel within BC may vary depending on factors such as the purpose of visit (visiting family compared to ski vacation), length of stay (weekend away compared to a 14-day road trip), and visitor demographics (young friends compared to retired couple). BC travellers tend to be more familiar with BC and travel throughout the province more than travellers from other markets, which is important to rural economies.

To find a market profile on visitors from within BC (included in the Market Profile: Domestic), please click here.

Revelstoke

Cowichan Valley

Visitor Origin: Other Provinces and Territories

Visitors from other Canadian provinces and territories, also included in domestic visitors, make up another segment of BC's visitor economy. These visitors bring in new revenue and help to balance the seasonal flow of visitors, as their travel patterns may differ from those of local visitors. Key markets from other provinces include Alberta and Ontario. Visitors from these provinces are attracted to BC's diverse offerings, from its natural beauty to vibrant city life at the edge of nature.

The spending patterns of these visitors may differ from local visitors. For instance, they might spend more on accommodation as they have no local residence (people living in BC may be more likely to stay with friends and family while travelling), and more on transportation, particularly if they fly into BC and then rent a vehicle. Recognizing these differences can help businesses tailor their services to meet these visitors' needs.

To find a market profile on visitors from other provinces and territories in Canada (included in the Market Profile: Domestic), please click here.

Vernon

Visitor Origin: Other Countries

International visitors often contribute to BC's visitor economy by spending more per trip than domestic visitors. Key international markets for BC include the United States, Australia, China, Germany, Japan, Mexico, South Korea and the United Kingdom. While US visitors are often drawn by the proximity and cultural similarity of Canada, visitors from countries like China and the UK are attracted by BC's city stays, natural attractions, outdoor activities, and unique cultural experiences.

International visitors often spend more on accommodations and attractions, given their longer stays and interest in local experiences. However, their spending patterns can significantly differ depending on their country of origin, travel motivations, and socio-economic factors. As an example, Mexican travellers have high entries to BC in December traditionally, but not in January – March. Like many Asian markets, Japanese visitors tend to peak in Summer.

Hazelton

To find available market profiles on visitors from other countries that are included in the key markets that Destination BC is active in, please click here.

> Beyond contributing to the visitor economy, tourism also strengthens international perceptions of British Columbia, which has positive impacts on trade and investment, international education, and immigration.

Tahsis

Comparing BC to Canada

When compared to the national Canadian average, BC's visitor economy demonstrates some unique characteristics. The diverse natural and cultural attractions in BC, combined with its extensive tourism infrastructure, attracts a mix of visitors from within BC, other parts of Canada, and other countries around the world.

Here are some examples of visitor volume and spending for a few of BC's key markets, as compared to Canada.

This chart shows 28% of all USA visitors and 26% of all international visitors to Canada come to BC. and BC receives a much higher share of visitors from Australia (70%) and Japan (59%).

VISITOR ORIGIN	VISITORS TO BC	VISITORS TO CANADA	BC % OF INTL VISITOR VOLUME TO CANADA
All International Markets	5,379,615	20,437,514	26%
USA	6,644,833	23,463,413	28%
Australia	218,903	314,452	70%
Germany	92,951	345,534	27%
Japan	88,825	151,021	59%
Mexico	164,707	431,247	38%
United Kingdom	211,074	842,384	25%

Source: International Visitor Arrivals Dec 2024 YTD, Destination BC

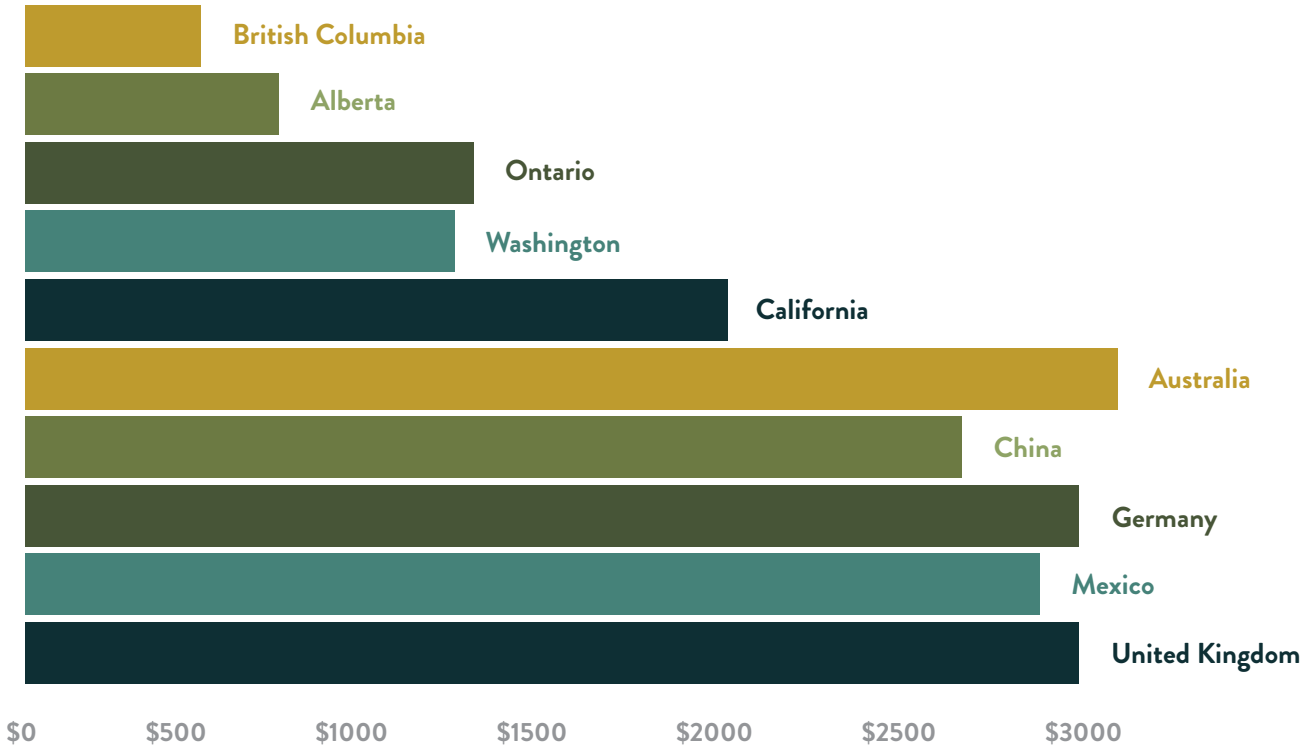
For the latest statistics, please see the *International Visitor Arrivals* report in the Destination BC Research & Insights Hub in the Industry Performance section.

Invermere

This chart shows examples of average spending per person travelling in BC from some key markets. You can see that international visitors spent significantly more than domestic visitors.

AVERAGE SPENDING PER PERSON TRAVELLING IN BC

BY VISITOR ORIGIN



Source: Destination BC, updated Aug 2026 (*please note, spend estimates will change as new data becomes available)

Information that compares visitors to BC and visitors to Canada for domestic and international markets can be extremely valuable for BC's tourism ecosystem to use to manage the visitor economy, and can be accessed in the Industry Performance and Market Profiles section in Destination BC's Research & Insights Hub. Find this and other up-to-date information here.

What do Visitors Spend their Money on?

Tourism Demand

Tourism demand encompasses all the goods and services that visitors are willing and able to purchase during their stay. This includes everything from train travel and cabin rentals to theatre tickets, walking tours, toques, and t-shirts. Tourism demand directly impacts the visitor economy. The more visitors are willing and able to spend on locally produced goods and services, the more the visitor economy benefits.

A family on a ski trip to Whistler may create demand for a broad range of goods and services. This includes accommodation, ski lift passes, equipment rentals, dining, art galleries, and local retail. They may also create indirect demand for services like transportation (fuel, rentals and electric vehicle rentals) and infrastructure (road maintenance, public facilities).

INDUSTRIES THAT PROVIDE SERVICES TO VISITORS

Retail Trade

Finance, Insurance, Real Estate & Rentals

Accommodation & Food Services

Transportation & Warehousing

Administrative & Support Services

Other Services

Information & Cultural Industries

Arts, Entertainment & Recreation

Public Administration

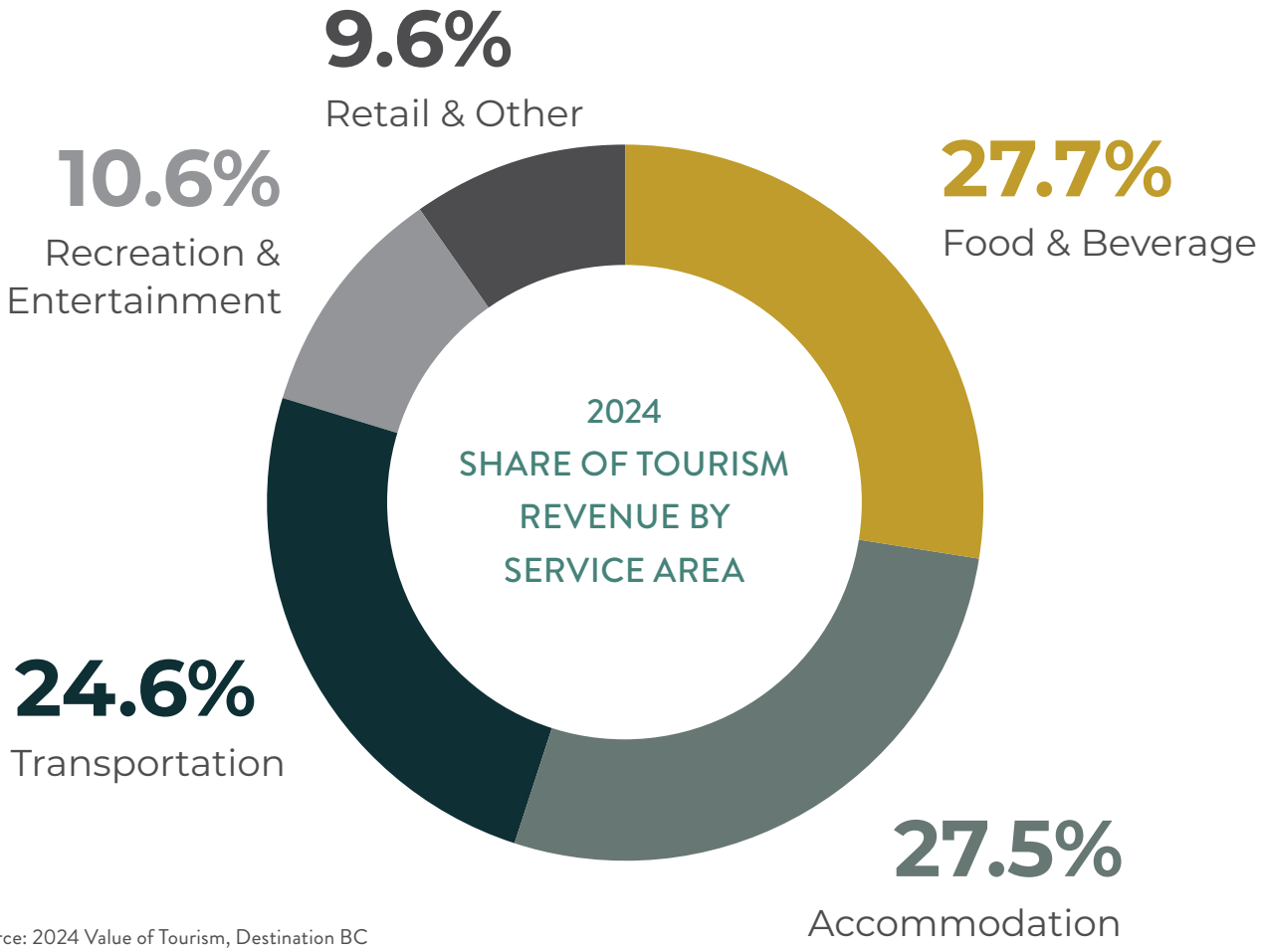
Tourism Supply

When there is tourism demand, communities respond by providing necessary infrastructure such as roads, wayfinding signage, public transportation, parks, and visitor centres. Businesses, on the other hand, provide goods and services that directly cater to the needs and wants of the visitors. These include accommodation, dining, entertainment, and retail. This is how tourism supply is created.

In the example of the family ski trip to Whistler, the municipal government maintains infrastructure like roads and parking lots, while businesses provide services such as family accommodations, picnic lunches, ski rentals, and backcountry guided tours. The relationship between tourism supply and demand is dynamic and interdependent. For the visitor economy to thrive, there needs to be a balance where the supply meets the demand, and vice versa.

Overall, the typical visitor spends the majority of their budget on transportation, accommodation, food services and retail. Examples for the "other" category include travel agencies, vehicle repairs, pet care services, laundry services, and health care services.

For up-to-date information on visitor spend by tourism sector, see the Destination BC Research & Insights Hub.



Source: 2024 Value of Tourism, Destination BC

For For the latest statistics, see the *Value of Tourism Report* in the Destination BC Research & Insights Hub in the Industry Performance section.

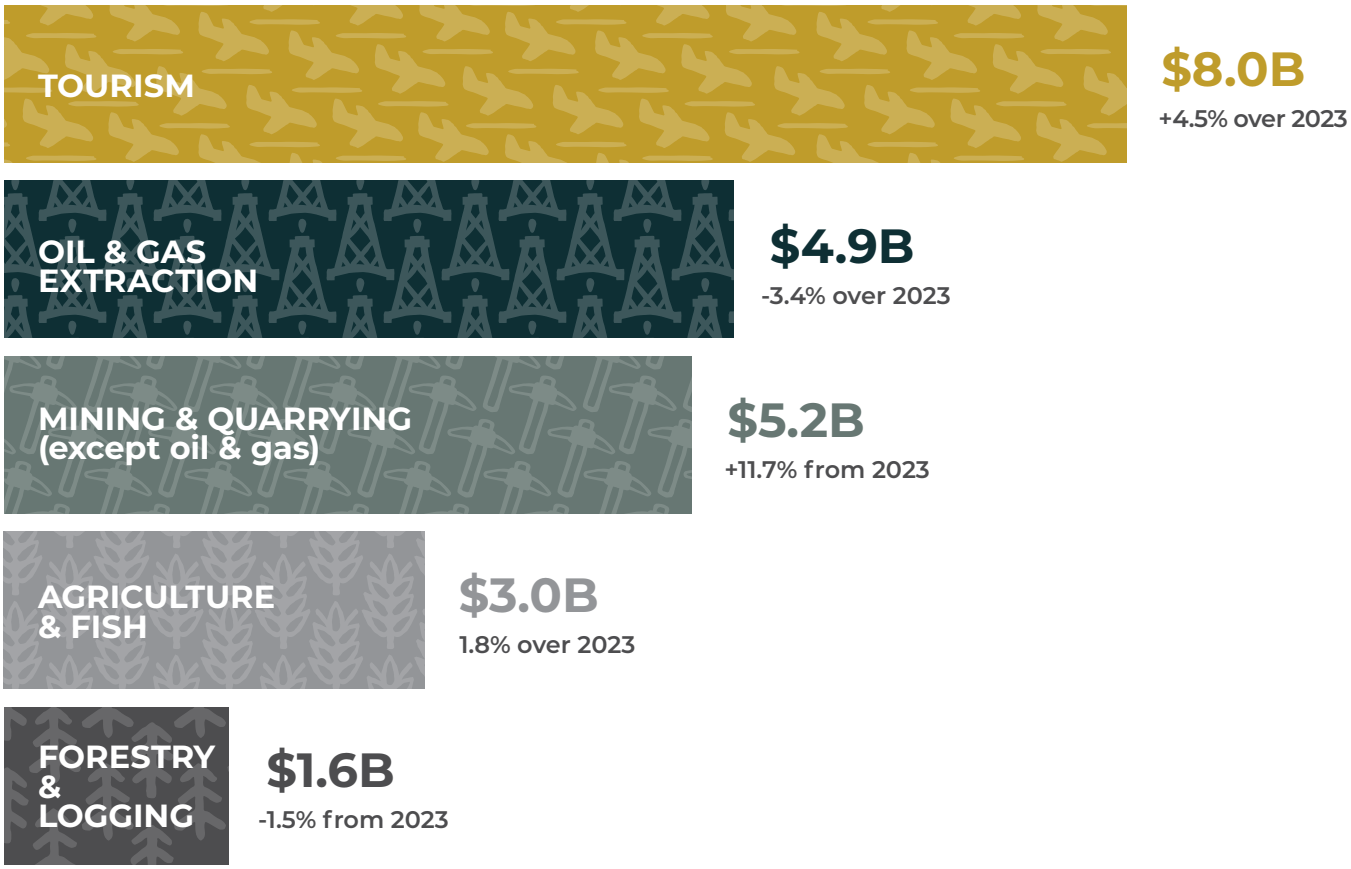
Tourism Contributes to an Export Economy

In economic terms, tourism is a contributor to an export economy. When international visitors buy tourism products and services, they bring foreign revenue into the local economy, contributing to its overall wellbeing.

Simultaneously, tourism can contribute to a destination's import economy when domestic visitors travel abroad, spending money on foreign goods and services.

In 2024, BC's annual tourism revenue reached $23 billion, 4.2% over 2023. Tourism revenue measures the money received by businesses, individuals, and governments due to tourism. Gross revenue includes consumer taxes, and revenue is reported in nominal values, meaning in current prices.

GDP BY PRIMARY RESOURCE INDUSTRY



Source: BC Stats, 2024
To find the latest statistics, see the *Value of Tourism Report* in the Destination BC Research & Insights Hub in the Industry Performance section.

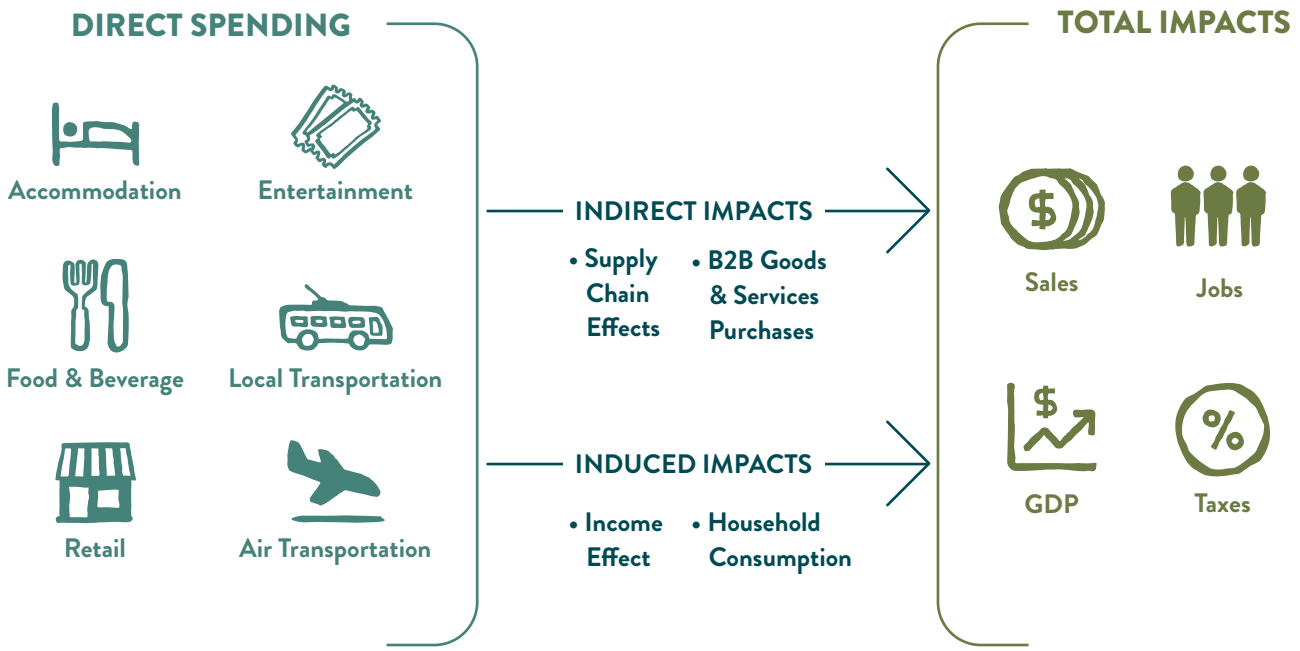
Prince Rupert

Dune Za Keyih Park

How Visitors Create an Economic Impact

The economic impact of a visitor economy is typically measured by the gross benefits derived from visitor spending at a destination. These benefits can be divided into three types of impacts: direct, indirect, and induced. When you add these up, you get the total economic impact of the visitor economy on that destination.

Here are some examples of direct, indirect, and induced impacts on the visitor economy:



Vancouver

Every year, a Value of Tourism Snapshot is created to provide the most up-to-date information on the visitor economy. To see the latest report and infographics, please click here. For more recent information, check out Destination BC's Tourism Industry Dashboard that summarizes weekly travel indicators in BC, please click here.

DIRECT IMPACT

Direct impact refers to the immediate financial benefits resulting from visitor spending on goods and services. It includes the purchase of all goods and services by the visitor, along with all the productive activities that contribute to those transactions.

For example, if a visitor buys a meal at a restaurant, the revenue gained by the restaurant is a direct impact. This direct spending boosts the revenue of businesses while also contributing to the local and regional economy.

Prince George

Naramata

INDIRECT IMPACT

Indirect impact refers to the economic benefits derived from the supply chain that services the industries which directly serve the visitors. These can occur before, during, and after a visit and are sometimes described as the supply chain or the value chain.

In our previous example, if a restaurant purchases produce from a wholesaler who buys from a local farmer, the economic transactions and benefits that occur as a result of this supply chain form the indirect impact.

Vancouver

INDUCED IMPACT

Induced impact refers to the economic benefits generated by industries that provide goods and services to workers who earn income from the direct and indirect processes we've previously described.

Continuing with our example, when servers, truck drivers, and farm workers spend their wages within their local communities, the resulting economic activity is an induced impact. This spending can lead to further job creation and revenue for other local businesses, from grocery stores to health services and beyond.

> Tourism opportunities exist in every corner of BC, supporting the visitor economy in both urban and rural communities.

In 2024, tourism contributed $8 billion to BC's GDP. Further, tourism generated $2.1 billion in provincial and municipal taxes for BC in 2024, a +4.6% increase over 2023. For up-to-date information in the latest Value of Tourism report and infographics, please click here.

Visitor buys a meal at a restaurant

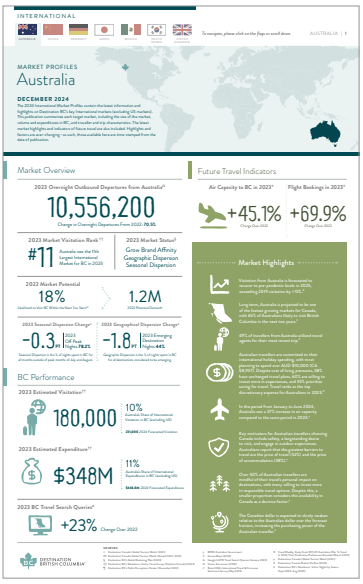
Restaurant buys produce from a wholesaler, who buys from a farmer

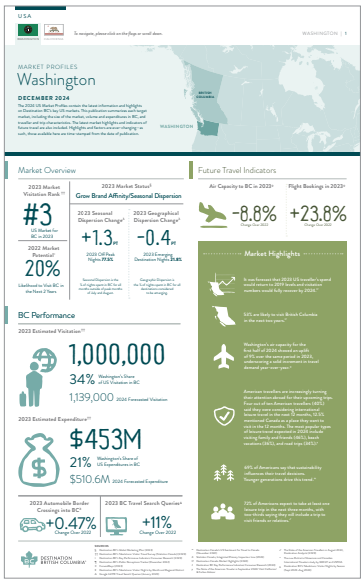
Servers, truck drivers and farm workers spend their pay cheques

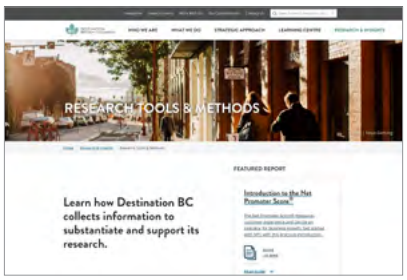
Using Visitor Economy Data

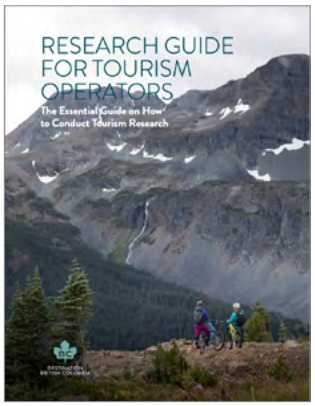
Studying visitor economies provides data that helps both the public and private sectors make informed decisions. It can guide policies, help allocate resources, and determine where to focus investment efforts to maximize economic benefits.

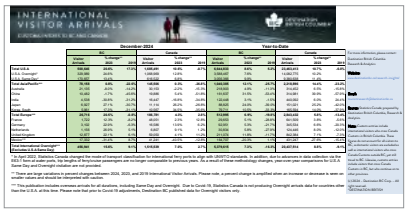
Municipal, regional, provincial, and federal governments can use this data to develop tourism strategies, plan infrastructure developments, and inform legislative and regulatory decisions. Visitor economy data can be used to understand how tourism improves the quality of life for all people living in British Columbia. Private businesses can use it to identify new market opportunities, understand customer behavior, and make strategic decisions for how they want to manage and evolve their business.











Great Bear Rainforest

Public Perceptions of the BC Tourism Industry

BC residents overwhelmingly believe that the tourism industry plays an important role in the public perceptions of the BC tourism industry. BC residents overwhelmingly value the contribution visitors make to their local economy (80%). Here are some 2024 statistics on public perceptions of the BC tourism industry:

- A high proportion of BC residents agree the positive impacts of tourism in their community outweigh the negative impacts (75%) and agree tourism contributes positively to the quality of life of their community (71%).
- Looking further at the economic impacts of tourism residents agree tourism supports local businesses in their community (81%), the Government of BC's investment in developing tourism infrastructure is important (77%), and tourism supports a greater diversity of amenities (76%).
- There is also agreement on many positive social impacts of tourism:
  - Tourism brings people from diverse backgrounds and cultures into their community (85%).
  - 79% agree their community is a desirable place to visit, and 75% take pride in making visitors feel welcome to their community.
  - They feel positive about their encounters with visitors (75%), that their community is in a good position to welcome visitors safely (72%), and that visitors can experience the authenticity of community (74%).
  - Most residents feel that their communities have just the right number of tourists in the spring (72%) and fall (68%), while winter and summer are closer to half (58% and 53%).

To find the latest statistics, check the Destination BC Research & Insights Hub in the Resident Research section.

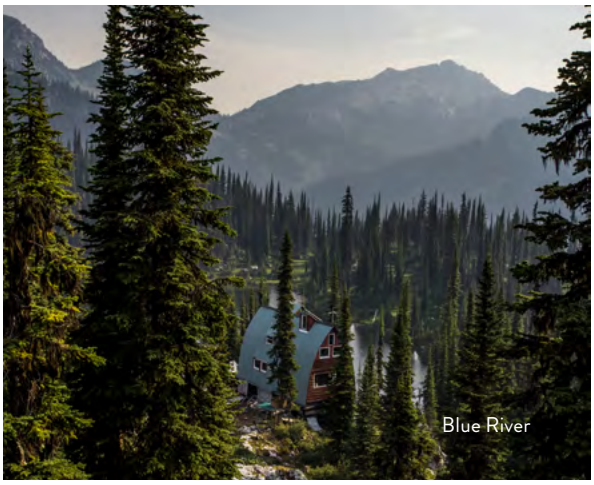
CASE STUDY

SMALL TOWN, BIG TOURISM

HOW BLUE RIVER SUSTAINABLY OUTSIZED ITS TOURISM INDUSTRY

Nestled at the confluence of the Blue and North Thompson Rivers, Blue River is a small community with a substantial tourism footprint. Despite its modest population of 175, tourism generates major economic benefits for the town, but it wasn't until a 2019 value-of-tourism study was commissioned by the Thompson-Nicola Regional District that the scale of those benefits became clear.

The 2019 value-of-tourism study aimed to put the sector's economic impacts into numbers, and create a pathway to support sustainable tourism development in the region–particularly around the neighbouring Wells Gray Park.



Blue River

Using Destination BC's BC Tourism Economic Input-Output Model, the study gathered comprehensive data from local accommodation and tour operators. This included revenue, costs, capital expenditures, and employment statistics. The thoroughness of the survey provided a reliable estimate of tourism's impacts on Blue River's economy, and what it found was striking: in 2018, visitor spending in Blue River was estimated at $26.2 million, translating to significant contributions to GDP, payroll, employment, and taxes.

In 2018, total visitor spending in Blue River's estimated $26.2 million in total visitor spending resulted in a total GDP of $15.5 million, payroll of $10.2 million, 246 full-time equivalent (FTE) jobs and $3.9 million in taxes. For the province, the total impacts reached over $21.5 million in GDP, $14.1 million in labour income, 304 FTEs, and $5.3 million in taxes–a major contribution for an unincorporated community of 175 people.

These figures were particularly remarkable for a community of its size, highlighting the outsized role of tourism in Blue River's economic landscape.

What's more, the positive impacts of Blue River's tourism extended beyond its borders, benefiting the broader North Thompson Valley and Kamloops area. The community's economic contribution to regional and provincial tourism was significant, with a tourism GDP per capita far surpassing the provincial average.

So why is Blue River's tourism economy so successful?

The community's tourism model is different from many small towns, which often rely on highway travellers who stop briefly on their way to other experiences to buy lunch, gas, and a small memento of their trip. While Blue River sits on Highway 5 between Kamloops and Jasper and does cater to traffic that stops, it is the final destination many of its visitors have in mind. This is largely because Blue River is a gateway to incredible nature, including Wells Gray Park. The community has turned this to their advantage by offering a range of year-round outdoor activities from hiking and biking to heli-skiing and snowmobiling. Additionally, by focusing on specialized tourism operators like Mike Wiegele Helicopter Skiing, the town attracts guests who are willing to spend more money for an incredible experience.

> In 2018, Blue River's tourism GDP was $88,571 per capita.

As a result, the high-value nature of Blue River's tourism sector spreads benefits throughout the community. The average wages in the industry were above the low-wage stigma often associated with tourism jobs, which was attributed to the premium nature of the visitor experience and products offered in the area. The industry's emphasis on high-wage positions not only supported local families but also contributed to community stability.

Blue River's tourism sector is an economic powerhouse, contributing significantly to the community's and the region's prosperity. Its success story is rooted in a high-value tourism model that sustains families with substantial household incomes. The sustainability of this model hinges on the continued preservation and investment in the land base managed by the Government of BC, including Wells Gray Park, essential to maintaining the quality and appeal of the visitor experience.

Though small, Blue River proves that tourism can bring big benefits to a community and broader area.

The visitor economy is a significant and complex system that contributes to the economic wellbeing of communities, regions, and countries. Its scope goes beyond traditional tourism, covering a broad range of sectors and industries that benefit from visitor spending while travelling in BC.

Understanding this system of relationships and impacts can benefit anyone involved in tourism planning and development. The visitor economy's economic influence, derived from direct, indirect, and induced impacts, offers a strong incentive for communities and businesses to invest in the creation of compelling visitor experiences and the provision of high-quality services.

By examining where visitors come from and what they spend their money on, we can gain valuable insights that help us build a more robust, resilient, and sustainable visitor economy. Ultimately, the data we glean from studying the visitor economy not only informs public and private sector decision-making but also contributes to the economic health and prosperity of our communities.

NEXT: Tourism and Community Development

To learn more about the visitor economy, please click here.

Revelstoke Mountain

For additional information and comments, please contact the Destination and Industry Development team at Destination BC by email at destinationandindustrydevelopment@destinationbc.ca

Selkirk Mountains

DESTINATION
BRITISH COLUMBIA®

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