

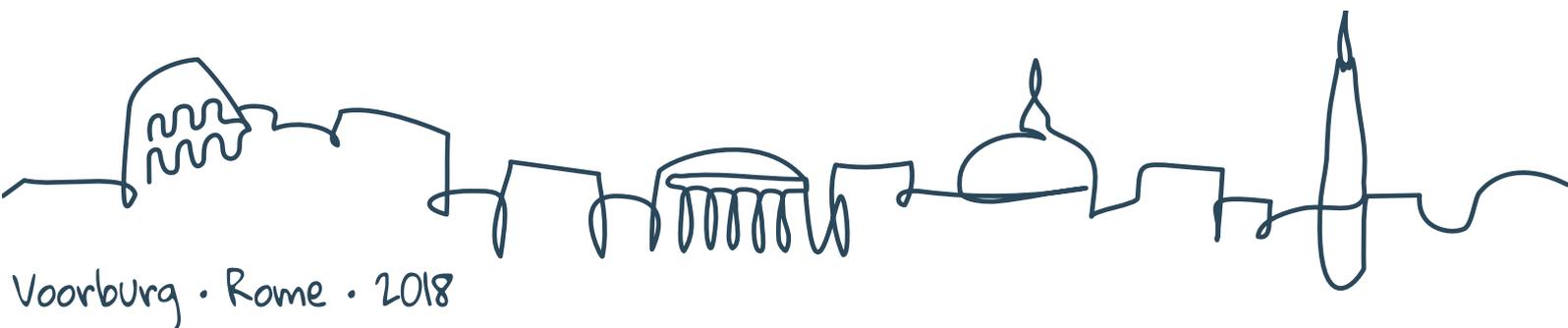


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Output Measurement of Travel Arrangement and Reservation Services

Retail and Services Industries Division
Statistics Canada



OUTPUT MEASUREMENT OF TRAVEL ARRANGEMENT AND RESERVATION SERVICES

1. Description and characteristics of the industry

Statistics Canada's Travel Arrangement Services survey collects data on the output of services produced by travel agents, tour operators, as well as other travel arrangement and reservation service providers in Canada. This paper describes the industries covered by the survey and highlights some of the challenges in classifying the activity and measuring the output of intermediary travel services.

1.1 Definition of the industry

Statistics Canada includes travel agencies, tour operators, and other travel arrangement and reservation services industries together in one annual survey program with a cross-sectional design. The industries are defined using the North American Industry Classification System (NAICS) and separate estimates are published for each. The industries are defined as follows:

Travel Agencies (NAICS 561510, ISIC 7911): This Canadian industry comprises establishments primarily engaged in acting as agents for tour operators, transportation companies and accommodation establishments in selling travel, tour and accommodation services to the general public and commercial clients.

Examples: travel agencies, online travel agencies (OTAs), travel information services

Tour Operators (NAICS 561520, ISIC 7912): This Canadian industry comprises establishments primarily engaged in arranging, assembling and marketing tours, generally through travel agencies.

Examples: tour operators, travel tour services, wholesale tour operators

Other Travel Arrangement and Reservation Services (NAICS 561590, ISIC 7990): This Canadian industry comprises establishments primarily engaged in providing travel arrangement and reservation services, except travel agencies and tour operators.

Examples: ticket offices, automobile clubs, convention and visitor bureaus, reservation services, time shares, travel clubs, etc.

In general, classifying business in the travel arrangement and reservation services industry is straight forward and miss-classification or movement of businesses among the three industries is limited.

1.2 Market conditions

Based on the most recent available survey data, the operating revenue for the travel arrangement and reservation services industry in Canada was \$13.2 billion in 2016, an increase of 3.2% from 2015. Tour operators generated the largest share of operating revenues (69.3%), followed by other travel arrangement and reservation services (15.9%) and travel agencies (14.9%). In part, this ranking reflects differences in the output measures for the three travel industries. Travel agent revenue is measured on a net basis (revenue net of the cost of goods and services) while the output of the other two industries reflects gross revenue.

These three industries account for a small share of overall GDP for Canada. While service-producing industries had a 70.8% share of total GDP for Canada in 2016, the travel arrangement and reservations services industries (NAICS 5615) accounted for a 0.1% share of total GDP and 0.2% of GDP for service-producing industries¹.

The concentration of activity varies across the three industries but is similar over time in each industry. For 2016, the largest 5 companies accounted for the majority (72%) of tour operator revenue. Other travel arrangement and reservation services were less concentrated with 38% of the industry's revenue reported by the top 5 companies. The travel agency industry was the least concentrated with about 20% of the total operating revenue generated by the top 5.

The client base for tour operators and travel agencies are similar. In 2016, tour operators in Canada sold most of their services to individuals and households (76.6%) and to businesses (12.8%). This pattern of sales by client has remained relatively stable in recent years. Sales of travel agencies were primarily to individuals and households (61.4%) in 2016. While the share of their sales to businesses (27.6%) was higher than that reported by tour operators, it has decreased 4.4 percentage points since 2014².

Currently, Canada has no indexes measuring producer price change for the services of these industries.

1.3 Specific characteristics of the industry

Tour operators' main products are packaged tours. In recent years, pre-packaged tours and customized group tours have accounted for over 80% of tour operator revenues. These products typically include a bundle of transportation, lodging, and various meal plan options. They can also include activities for clients at their travel destination. Some operators exclude air travel from their packages, preferring to sell this service as a separate product.

Travel agents work as intermediaries selling the packages of tour operators, as well as individual travel services. In 2016, an estimated 35.2% of their sales came from packaged tour products, 33.8% from airline seats, and 15.7% from cruises, transportation and lodging sold as individual

¹ Source: Statistics Canada. Table 36-10-0402-01 Gross domestic product (GDP) at basic prices, by industry, provinces and territories.

² Source: Statistics Canada. Table 21-10-0236-01 Travel arrangement services, sales by type of client.

products. The remainder of their revenues were generated from service charges, travel insurance, and other sales of goods and services. Since 2014, Canadian travel agents have reported a decrease in the share of their revenue from sales of individual products. Competition from newer intermediaries in the travel reservation industry offering alternatives to hotel accommodation (airBNB, vrbo.com, etc.) and from those in the transportation service industry (uber, lyft, etc.) may be a contributing factor. Additionally, this trend may be explained by the option to import travel services through internet purchases from large international travel intermediaries that do not maintain offices in Canada.

2. Turnover/output measurement

2.1 General Framework

Output data from the travel arrangement and reservation services industry are made available to businesses, governments, investors, associations and the public. These data are used to monitor growth, measure performance, and make comparisons with other data sources to better understand this industry. These data are also used by the Canadian System of Macroeconomic Accounts (CSMA) to measure the industry's contribution to overall value added for the Canadian economy.

There are two production measures for this industry and Statistics Canada uses both. Gross revenue is a common measure when businesses report their contributions to economic activity for both survey and tax purposes. Gross revenue includes both the value of the intermediary service provided by businesses in this industry, as well as the value of the transportation, accommodation and other related products that they sell or for which they “arrange” sales transactions. Valuing their activity on a gross basis, however, does not align with the CSMA's intermediate consumption concept required to measure the activity of this industry. For this purpose, the output of travel arrangement and reservation service industries must be measured net of the value of the goods and services which are the final products of other industries (e.g. hotel rooms provided by accommodation service providers) and are consumed by the customers rather than directly by the travel arrangement service industry itself. This net or margin valuation of output allows us to show the household sector as the consumer of the flights, tours and hotels rather than the travel arrangement industry. This makes household consumption estimates more usable for most purposes. Some businesses report their revenue this way.

2.2 Measurement methods and issues

Statistics Canada produces annual estimates of the activities of travel arrangement and reservation services industries using both survey and tax data. Key variables including operating revenue, expenses, profit, as well as salaries and wages are published for each 6-digit NAICS based on tax data. For travel agents and tour operators, additional variables are collected and published covering detailed expenses, as well as sales by client and type of service

For the tour operator and travel agency industries, Statistics Canada selects a survey sample of businesses above established size thresholds. Prior to sample selection, units on the Business Register in the two industries are stratified into homogenous groups by NAICS, geography and

size. Following stratification, a sample, of a predetermined size, is allocated into each stratum. Annual data are collected from sampled units using electronic questionnaires (see Appendix A). Estimates for the surveyed portion of the travel agency and tour operator industries reflect simple aggregations of the weighted values reported by sampled units. Businesses below the established size thresholds are “ineligible for sampling”. Estimates for this group are based on aggregations of tax data only. For the “other travel arrangement and reservation service industry”, estimates are produced for key variables only and are based solely on aggregations of tax data.

Whether reporting their data for survey or tax purposes, businesses in the travel arrangement and reservation services industries have the option of valuing their output on a gross or on a net revenue (margin) basis in keeping with their accounting practices. This presents a few challenges for Statistics Canada’s current approach to measuring output for these industries.

Businesses are stratified by size based on annual revenue which most often comes from tax data. Since this revenue can be reported on a gross or net basis, businesses may be placed in the wrong size stratum and carry the wrong weight. This can impact the quality of survey estimates if business characteristics vary by business size. For example, a small company with revenue on a gross basis may be assigned a weight of 1 while a much larger company with a smaller net revenue may be assigned a large weight, distorting their impact on the overall estimate. There is no solution for this problem at the present time. However, there is a study underway to evaluate the feasibility of estimating key variables based on a census of tax data alone. This would eliminate the need for weights in estimating these variables. However, the weighting issue would persist for detailed financial and other characteristics data.

Revenue data for these industries should be combined based on the same net or gross concept to properly measure aggregate output. Currently, Statistics Canada recognizes travel agencies as intermediaries and publishes operating revenue in net dollars irrespective of how they have been reported. Edit and imputation processes have been put in place to evaluate whether data from all contributing sources are reported in net or gross terms and to adjust all gross values to net. As an intermediary, travel agencies should report zero cost of goods sold. If the value is greater than zero and less than the total revenue and total expense, the cost of goods sold will be set to zero and any reported value will be removed from both revenue and expenses. For the tour operator and other travel arrangement industries, most revenue is reported and aggregates are published on a gross basis since this aligns with how the industry sees its output. However, no special checks or adjustments are in place to ensure all revenue included in the estimates is valued on a gross basis.

Given differences in the concepts used to measure the activity of the three industries, comparisons of their contributions to overall economic activity are hard to draw. In addition, the CSMA calculates output of the tour operator and other arrangement services industries by adjusting the gross revenue to a net basis by removing cost of goods. In the end, value added from all travel arrangement industries are measured in a consistent fashion in the CSMA.

3. Evaluation of measurement

In nominal terms, Statistics Canada currently values the production of the travel arrangement and reservation services industries in two ways. The net valuation of travel agency service output aligns with the output concept of the CSMA. Businesses in this industry arrange the sale of the goods of other industries (tour operators, hotel accommodations, transportation, amusement and recreation, etc.). Since the revenue for these individual products are reported by the providing businesses in other industries, measuring travel agency services on a gross basis would result in double counting of revenue, and an overestimation of their economic activity. The activity of tour operators and other travel arrangement and reservation service providers is treated two ways. Retail and Services Industries Division publishes estimates for these industries on a gross revenue basis which aligns with the way the industry perceives its business. The CSMA treats these industries as intermediaries in calculating value added, removing non-zero cost of goods expenses for products such as (flights, hotels, tickets, etc.) from businesses' revenues and expenses.

As with wholesale and retail trade, the output of industries producing intermediary services should be valued on a net basis. However, just as total sales is valuable to retailers, there is demand for similar gross measures of the overall activity in the industry. It is important that a common measure is selected for cross-industry comparability, presumably the net measure which counts only the output of the services produced within the domestic industry.

For the measurement of real output, there are currently no producer price indexes for the services of the travel arrangement and reservation service industries. Instead, the CSMA deflates the output of these industries using the all-services consumer price index from which taxes have been removed. It misses explicit quality change in the intermediation service and thus any changes in productivity of the travel arrangement service.

Appendix A:

2017 Annual Survey of Service Industries: Travel Arrangement Services

Why do we conduct this survey?

This survey is conducted by Statistics Canada in order to collect the necessary information to support the Integrated Business Statistics Program (IBSP). This program combines various survey and administrative data to develop comprehensive measures of the Canadian economy.

The statistical information from the IBSP serves many purposes, including:

- Calculating each province and territory's fair share of federal-provincial transfer payments for health, education and social programs
- Establishing government programs to assist businesses
- Assisting the business community in negotiating contracts and collective agreements
- Supporting the government in making informed decisions about fiscal, monetary and foreign exchange policies
- Indexing social benefit programs and determining tax brackets
- Enabling academics and economists to analyze the economic performance of Canadian industries and to better understand rapidly evolving business environments.

Your information may also be used by Statistics Canada for other statistical and research purposes.

Your participation in this survey is required under the authority of the *Statistics Act*.

Other important information

Authorization to collect this information

Data are collected under the authority of the *Statistics Act*, Revised Statutes of Canada, 1985, Chapter S-19.

Confidentiality

By law, Statistics Canada is prohibited from releasing any information it collects that could identify any person, business, or organization, unless consent has been given by the respondent, or as permitted by the *Statistics Act*. Statistics Canada will use the information from this survey for statistical purposes only.

Record linkages

To enhance the data from this survey and to reduce the reporting burden, Statistics Canada may combine it with information from other surveys or from administrative sources.

Data-sharing agreements

To reduce respondent burden, Statistics Canada has entered into data-sharing agreements with provincial and territorial statistical agencies and other government organizations, which have agreed to keep the data confidential and use them only for statistical purposes. Statistics Canada will only share data from this survey with those organizations that have demonstrated a requirement to use the data.

Section 11 of the *Statistics Act* provides for the sharing of information with provincial and territorial statistical agencies that meet certain conditions. These agencies must have the legislative authority to collect the same information, on a mandatory basis, and the legislation must provide substantially the same provisions for confidentiality and penalties for disclosure of confidential information as the *Statistics Act*. Because these agencies have the legal authority to compel businesses to provide the same information, consent is not requested and businesses may not object to the sharing of the data.

For this survey, there are Section 11 agreements with the provincial and territorial statistical agencies of Newfoundland and Labrador, Nova Scotia, New Brunswick, Québec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia and the Yukon. The shared data will be limited to information pertaining to business establishments located within the jurisdiction of the respective province or territory.

Section 12 of the *Statistics Act* provides for the sharing of information with federal, provincial or territorial government organizations. Under Section 12, you may refuse to share your information with any of these organizations by writing a letter of objection to the Chief Statistician, specifying the organizations with which you do not want Statistics Canada to share your data and mailing it to the following address:

Chief Statistician of Canada
Statistics Canada

Attention of Director, Enterprise Statistics Division
150 Tunney's Pasture Driveway
Ottawa, Ontario
K1A 0T6

You may also contact us by email at statcan.esd-helpdesk-dse-bureaudedepannage.statcan@canada.ca or by fax at 613-951-6583.

For this survey, there are Section 12 agreements with the statistical agencies of Prince Edward Island, the Northwest Territories and Nunavut.

For agreements with provincial and territorial government organizations, the shared data will be limited to information pertaining to business establishments located within the jurisdiction of the respective province or territory.

Business or organization and contact information

1. Please verify or provide the business or organization's legal and operating name and correct where needed.

Note: Legal name modifications should only be done to correct a spelling error or typo.

Legal Name

The legal name is one recognized by law, thus it is the name liable for pursuit or for debts incurred by the business or organization. In the case of a corporation, it is the legal name as fixed by its charter or the statute by which the corporation was created.

Modifications to the legal name should only be done to correct a spelling error or typo.

To indicate a legal name of another legal entity you should instead indicate it in question 3 by selecting 'Not currently operational' and then choosing the applicable reason and providing the legal name of this other entity along with any other requested information.

Operating Name

The operating name is a name the business or organization is commonly known as if different from its legal name. The operating name is synonymous with trade name.

- Legal name
- Operating name (if applicable)

2. Please verify or provide the contact information of the designated business or organization contact person for this questionnaire and correct where needed.

Note: The designated contact person is the person who should receive this questionnaire. The designated contact person may not always be the one who actually completes the questionnaire.

- First name
- Last name
- Title
- Preferred language of communication
 - English
 - French
- Mailing address (number and street)
- City
- Province, territory or state
- Postal code or ZIP code
- Country
 - Canada
 - United States
- Email address
- Telephone number (including area code)
- Extension number (if applicable)
- Fax number (including area code)

3. Please verify or provide the current operational status of the business or organization identified by the legal and operating name above.

- Operational
- Not currently operational
 - Why is this business or organization not currently operational?
 - Seasonal operations
 - When did this business or organization close for the season?
Date
 - When does this business or organization expect to resume operations? Date
 - Ceased operations
 - When did this business or organization cease operations?
Date
 - Why did this business or organization cease operations?
 - Bankruptcy
 - Liquidation
 - Dissolution
 - Other
 - Specify the other reasons for ceased operations
 - Sold operations
 - When was this business or organization sold? Date
 - What is the legal name of the buyer?
 - Amalgamated with other businesses or organizations
 - When did this business or organization amalgamate? Date
 - What is the legal name of the resulting or continuing business or organization?
 - What are the legal names of the other amalgamated businesses or organizations?

- Temporarily inactive but will re-open
 - When did this business or organization become temporarily inactive? Date
 - When does this business or organization expect to resume operations? Date
 - Why is this business or organization temporarily inactive?
- No longer operating due to other reasons
 - When did this business or organization cease operations? Date
 - Why did this business or organization cease operations?
 -

4. Please verify or provide the current main activity of the business or organization identified by the legal and operating name above.

Note: The described activity was assigned using the North American Industry Classification System (NAICS).

This question verifies the business or organization's current main activity as classified by the North American Industry Classification System (NAICS). The North American Industry Classification System (NAICS) is an industry classification system developed by the statistical agencies of Canada, Mexico and the United States. Created against the background of the North American Free Trade Agreement, it is designed to provide common definitions of the industrial structure of the three countries and a common statistical framework to facilitate the analysis of the three economies. NAICS is based on supply-side or production-oriented principles, to ensure that industrial data, classified to NAICS, are suitable for the analysis of production-related issues such as industrial performance.

The target entity for which NAICS is designed are businesses and other organizations engaged in the production of goods and services. They include farms, incorporated and unincorporated businesses and government business enterprises. They also include government institutions and agencies engaged in the production of marketed and non-marketed services, as well as organizations such as professional associations and unions and charitable or non-profit organizations and the employees of households.

The associated NAICS should reflect those activities conducted by the business or organizational units targeted by this questionnaire only, as identified in the 'Answering this questionnaire' section and which can be identified by the specified legal and operating name. The main activity is the activity which most defines the targeted business or organization's main purpose or reason for existence. For a business or organization that is for-profit, it is normally the activity that generates the majority of the revenue for the entity.

The NAICS classification contains a limited number of activity classifications; the associated classification might be applicable for this business or organization even if it is not exactly how you would describe this business or organization's main activity.

Please note that any modifications to the main activity through your response to this question might not necessarily be reflected prior to the transmitting of subsequent questionnaires and as a result they may not contain this updated information.

The following is the detailed description including any applicable examples or exclusions for the classification currently associated with this business or organization.

Description and examples

- This is the current main activity.
- This is not the current main activity.

Please provide a brief but precise description of this business or organization's main activity.

e.g., breakfast cereal manufacturing, shoe store, software development

Main activity

5. You indicated that is not the current main activity. Was this business or organization's main activity ever classified as: ?

- Yes
 - When did the main activity change? Date
- No

6. Please search and select the industry classification code that best corresponds to this business or organization's main activity.

How to search:

- if desired, you can filter the search results by first selecting this business or organization's activity sector
- enter keywords or a brief description that best describes this business or organization main activity
- press the Search button to search the database for an activity that best matches the keywords or description you provided
- then select an activity from the list.

Select this business or organization's activity sector (optional)

- Farming or logging operation
- Construction company or general contractor
- Manufacturer
- Wholesaler
- Retailer
- Provider of passenger or freight transportation

- Provider of investment, savings or insurance products
- Real estate agency, real estate brokerage or leasing company
- Provider of professional, scientific or technical services
- Provider of health care or social services
- Restaurant, bar, hotel, motel or other lodging establishment
- Other sector

Enter keywords or a brief description, then press the Search button

7. You have indicated that the current main activity of this business or organization is: Main activity. Are there any other activities that contribute significantly (at least 10%) to this business or organization's revenue?

- Yes, there are other activities.
 - Please provide a brief but precise description of this business or organization's secondary activity.
e.g., breakfast cereal manufacturing, shoe store, software development
- No, that is the only significant activity.

8. Approximately what percentage of this business or organization's revenue is generated by each of the following activities?

When precise figures are not available, please provide your best estimates.

| | Percentage of revenue |
|-----------------------------|-----------------------|
| Main activity | |
| Secondary activity | |
| All other activities | |
| Total percentage | |

Reporting period information

1. What are the start and end dates of this business's or organization's most recently completed fiscal year?

Note: For the survey, the end date should fall between April 1, YYYY and March 31, YYYY+1.

Here are twelve common fiscal periods that fall within the targeted dates:

- June 1, YYYY-1 to May 31, YYYY
- July 1, YYYY-1 to June 30, YYYY

- August 1, YYYY-1 to July 31, YYYY
- September 1, YYYY-1 to August 31, YYYY
- October 1, YYYY-1 to September 30, YYYY
- November 1, YYYY-1 to October 31, YYYY
- December 1, YYYY-1 to November 30, YYYY
- January 1, YYYY to December 31, YYYY
- February 1, YYYY to January 31, YYYY+1
- March 1, YYYY to February 28, YYYY+1
- April 1, YYYY to March 31, YYYY+1.

Here are other examples of fiscal periods that fall within the required dates:

- June 1, YYYY to December 31, YYYY (e.g., a newly opened business)
- Fiscal Year Start date
- Fiscal Year-End date

2. What is the reason the reporting period does not cover a full year?

Select all that apply.

- Seasonal operations
- New business
- Change of ownership
- Temporarily inactive
- Change of fiscal year
- Ceased operations
- Other
 - Specify reason the reporting period does not cover a full year

Revenue

1. For the reporting period of YYYY-MM-DD to YYYY-MM-DD , what was this business's revenue from each of the following sources?

Notes:

- a detailed breakdown may be requested in other sections
- these questions are asked of many different industries. Some questions may not apply to this business

Please report all amounts in thousands of Canadian dollars.

Revenue

1. Sales of goods and services (e.g., fees, commissions, services revenue)
Report net of returns and allowances.
Sales of goods and services are defined as amounts derived from the sale of goods and services (cash or credit), falling within a business's ordinary activities. Sales should be reported net of trade discount, value added tax and other taxes based on sales.
 - Include:
 - sales from Canadian locations (domestic and export sales)
 - transfers to other business units or a head office of your firm.
 - Exclude:
 - transfers into inventory and consignment sales
 - federal, provincial and territorial sales taxes and excise duties and taxes
 - intercompany sales in consolidated financial statements.
2. Rental and leasing
 - Include: rental or leasing of apartments, commercial buildings, land, office space, residential housing, investments in co-tenancies and co-ownerships, hotel or motel rooms, long and short term vehicle leasing, machinery or equipment, storage lockers, etc.
3. Commissions
 - Include: commissions earned on the sale of products or services by businesses such as advertising agencies, brokers, insurance agents, lottery ticket sales, sales representatives and travel agencies - compensation could also be reported under this item (for example, compensation for collecting sales tax)
4. Subsidies (including grants, donations, fundraising and sponsorships)
 - Include:
 - non-repayable grants, contributions and subsidies from all levels of government
 - revenue from private sector (corporate and individual) sponsorships, donations and fundraising.
5. Royalties, rights, licensing and franchise fees
A royalty is defined as a payment received by the holder of a copyright, trademark or patent.
 - Include revenue received from the sale or use of all intellectual property rights of copyrighted materials such as musical, literary, artistic or dramatic works, sound recordings or the broadcasting of communication signals.
6. Dividends
 - Include:
 - dividend income
 - dividends from Canadian sources
 - dividends from foreign sources
 - patronage dividends.
 - Exclude equity income from investments in subsidiaries or affiliates.
7. Interest
 - Include:
 - investment revenue

- interest from foreign sources
 - interest from Canadian bonds and debentures
 - interest from Canadian mortgage loans
 - interest from other Canadian sources.
 - Exclude equity income from investments in subsidiaries or affiliates.
8. Other revenue - please specify
- Include amounts not included in questions a. to g.

Total revenue

The sum of sub-questions a. to h.

| | CAN\$ '000 |
|--|------------|
| Sales of goods and services | |
| Rental and leasing | |
| Commissions | |
| Subsidies | |
| Royalties, rights, licensing and franchise fees | |
| Dividends | |
| Interest | |
| Other | |
| Total revenue | |

1. In order to reduce future follow-up, please select one of the following options.

The reported value for total revenue \$ ##### is significantly different than the \$ ##### reported last reporting period.

- I confirm that all values are correct.
- I am unable to confirm that all values are correct.

The reported sales of goods and services entered \$ ##### is significantly different than the \$ ##### reported last reporting period.

- I confirm that all values are correct.
- I am unable to confirm that all values are correct.

E-Commerce

1. For the reporting period of YYYY-MM-DD to YYYY-MM-DD , what was this business's total revenue?

Include sales of goods and services; rental, leasing and property management; commissions; subsidies, grants, donations, fundraising and sponsorships; royalties; rights; licensing and franchise fees; dividends, interest and other revenue.

Please report all amounts in thousands of Canadian dollars.

Total revenue

2. For the reporting period of YYYY-MM-DD to YYYY-MM-DD , did this business have any e-commerce revenue?

E-commerce revenue: sales of goods and services conducted over the Internet with or without online payment.

Include all revenue for which an order is received and commitment to purchase is made via the Internet, although payment can be made by other means, such as orders made on web pages, an extranet, mobile devices or Electronic Data Interchange (EDI).

Exclude orders made by telephone, facsimile or e-mail.

- Yes
- No

3. Of the \$ ##### in total revenue reported, what was the total e-commerce revenue?

If precise figures are not available, please provide your best estimate.

Total e-commerce revenue

4. For the reporting period of YYYY-MM-DD to YYYY-MM-DD , did this business make sales over the Internet through any of the following methods?

Select all that apply.

Mobile app

Include sales through any app, or application, that is downloaded and designed to run on a handheld device such as a smartphone or tablet (for example, places where a user may download these apps include Apple's App Store, Google Play or Blackberry App World).

Company website

Include sales through a browser-based website where your organization maintains control of the content.

Third-party website

Include sales through a browser-based website where a third-party maintains the

structure of the website and control of the look and feel while your company only provides the product to be sold (for example, Amazon, Expedia, Etsy).

Electronic Data Interchange (EDI)

A standard format for exchanging business data. EDI is based on the use of message standards, ensuring that all participants use a common language.

- Via a mobile app
- Via your company website
- Via a third-party website
- Via Electronic Data Interchange (EDI)
- Other
 - Specify the other methods

5. Does this business have any full-time staff dedicated solely to activities related to e-commerce?

- Yes
- No

6. Why did this business not make sales over the Internet?

Select all that apply.

- Goods and services do not lend themselves to online sales
- Prefer to maintain current business model
- Lack of skilled workers to implement and maintain e-commerce infrastructure
- Cost of development is too high
- Security concerns
- Other
 - Specify the other reasons

Expenses

1. For the reporting period of YYYY-MM-DD to YYYY-MM-DD , what were this business's expenses for the following items?

Notes:

- a detailed breakdown may be requested in other sections
- these questions are asked of many different industries. Some questions may not apply to this business

Please report all amounts in thousands of Canadian dollars.

Expenses

1. Cost of goods sold

Many business units distinguish their costs of materials from their other business expenses (selling, general and administrative). This item is included to allow you to easily record your costs/expenses according to your normal accounting practices.

- Include:
 - cost of raw materials and/or goods purchased for resale - net of discounts earned on purchases
 - freight in and duty.
- Exclude all costs associated with salaries, wages, benefits, commissions and subcontracts (report at Employment costs and expenses, and Subcontracts).

2. Employment costs and expenses

1. Salaries, wages and commissions

Please report all salaries and wages (including taxable allowances and employment commissions as defined on the T4 - Statement of Remuneration Paid) before deductions for this reporting period.

- Include:
 - vacation pay
 - bonuses (including profit sharing)
 - employee commissions
 - taxable allowances (e.g., room and board, vehicle allowances, gifts such as airline tickets for holidays)
 - severance pay.
- Exclude all payments and expenses associated with casual labour and outside contract workers (report at Subcontracts).

2. Employee benefits

- Include contributions to:
 - health plans
 - insurance plans
 - employment insurance
 - pension plans
 - workers' compensation
 - association dues
 - contributions to any other employee benefits such as child care and supplementary unemployment benefit (SUB) plans
 - contributions to provincial and territorial health and education payroll taxes.

3. Subcontracts

Subcontract expense refers to the purchasing of services from outside of the company rather than providing them in-house.

- Include:
 - hired casual labour and outside contract workers
 - custom work and contract work
 - subcontract and outside labour
 - hired labour.

4. Research and development fees

Expenses from activities conducted with the intention of making a discovery that

could either lead to the development of new products or procedures, or to the improvement of existing products or procedures.

5. Professional and business fees

- Include:
 - legal services
 - accounting and auditing fees
 - consulting fees
 - education and training fees
 - appraisal fees
 - management and administration fees
 - property management fees
 - information technology (IT) consulting and service fees (purchased)
 - architectural fees
 - engineering fees
 - scientific and technical service fees
 - other consulting fees (management, technical and scientific)
 - veterinary fees
 - fees for human health services
 - payroll preparation fees
 - all other professional and business service fees.
- Exclude service fees paid to Head Office (report at All other costs and expenses).

6. Utilities

Utility expenses related to operating your business unit such as water, electricity, gas, heating and hydro.

- Include:
 - diesel, fuel wood, natural gas, oil and propane
 - sewage.
- Exclude:
 - energy expenses covered in your rental and leasing contracts
 - telephone, Internet and other telecommunications
 - vehicle fuel (report at All other costs and expenses).

7. Office and computer related expenses

- Include:
 - office stationery and supplies, paper and other supplies for photocopiers, printers and fax machines
 - postage and courier (used in the day to day office business activity)
 - computer and peripherals upgrade expenses
 - data processing.
- Exclude telephone, Internet and other telecommunication expenses (report at Telephone, Internet and other telecommunication).

8. Telephone, Internet and other telecommunication

- Include:
 - internet
 - telephone and telecommunications
 - cellular telephone
 - fax machine

- pager.
- 9. Business taxes, licenses and permits
 - Include:
 - property taxes paid directly and property transfer taxes
 - vehicle license fees
 - beverage taxes and business taxes
 - trade license fees
 - membership fees and professional license fees
 - provincial capital tax.
- 10. Royalties, franchise fees and memberships
 - Include:
 - amounts paid to holders of patents, copyrights, performing rights and trademarks
 - gross overriding royalty expenses and direct royalty costs
 - resident and non-resident royalty expenses
 - franchise fees.
 - Exclude Crown royalties
- 11. Crown charges

Federal or Provincial royalty, tax, lease or rental payments made in relation to the acquisition, development or ownership of Canadian resource properties.

 - Include:
 - Crown royalties
 - Crown leases and rentals
 - oil sand leases
 - stumpage fees.
- 12. Rental and leasing
 - Include:
 - lease rental expenses, real estate rental expenses, condominium fees and equipment rental expenses
 - motor vehicle rental and leasing expenses
 - studio lighting and scaffolding
 - machinery and equipment rental expenses
 - storage expenses
 - road and construction equipment rental
 - fuel and other utility costs covered in your rental and leasing contracts.
- 13. Repair and maintenance
 - Include:
 - buildings and structures
 - machinery and equipment
 - security equipment
 - vehicles
 - costs related to materials, parts and external labour associated with these expenses
 - janitorial and cleaning services and garbage removal.
- 14. Amortization and depreciation
 - Include:

- direct cost depreciation of tangible assets and amortization of leasehold improvements
- amortization of intangible assets (e.g., amortization of goodwill, patents, franchises, copyrights, trademarks, deferred charges, organizational costs).

15. Insurance

Insurance recovery income should be deducted from insurance expenses.

- Include:
 - professional and other liability insurance
 - motor vehicle and property insurance
 - executive life insurance
 - bonding, business interruption insurance and fire insurance.

16. Advertising, marketing, promotion, meals and entertainment

- Include:
 - newspaper advertising and media expenses
 - catalogues, presentations and displays
 - tickets for theatre, concerts and sporting events for business promotion
 - fundraising expenses
 - meals, entertainment and hospitality purchases for clients.

17. Travel, meetings and conventions

- Include:
 - travel expenses
 - meeting and convention expenses, seminars
 - passenger transportation (e.g., airfare, bus, train)
 - accommodations
 - travel allowance and meals while travelling
 - other travel expenses.

18. Financial services

- Include:
 - explicit service charges for financial services
 - credit and debit card commissions and charges
 - collection expenses and transfer fees
 - registrar and transfer agent fees
 - security and exchange commission fees
 - other financial service fees.
- Exclude interest expenses (report at Interest expense).

19. Interest expense

Report the cost of servicing your company's debt.

- Include:
 - interest
 - bank charges
 - finance charges
 - interest payments on capital leases
 - amortization of bond discounts
 - interest on short-term and long-term debt, mortgages, bonds and debentures.

20. Other non-production-related costs and expenses

- Include:
 - charitable donations and political contributions
 - bad debt expense
 - loan losses
 - provisions for loan losses (minus bad debt recoveries)
 - inventory adjustments.

21. All other costs and expenses (including intracompany expenses)

- Include:
 - production costs
 - pipeline operations, drilling, site restoration
 - gross overriding royalty
 - other producing property rentals
 - well operating, fuel and equipment
 - other lease rentals
 - other direct costs
 - equipment hire and operation
 - log yard expense, forestry costs, logging road costs
 - freight in and duty
 - overhead expenses allocated to cost of sales
 - other expenses
 - cash over/short (negative expense)
 - reimbursement of parent company expense
 - warranty expense
 - recruiting expenses
 - general and administrative expenses
 - interdivisional expenses
 - interfund transfer (minus expense recoveries)
 - exploration and development (including prospect/geological, well abandonment & dry holes, exploration expenses, development expenses)
 - amounts not included in sub-questions a. to t. above.

Total expenses

The sum of sub-questions a. to u.

| | CAN\$ '000 |
|--|------------|
| Cost of goods sold | |
| Opening inventories | |
| Purchases | |
| Closing inventories | |
| Cost of goods sold | |
| Employment costs and expenses | |
| Salaries, wages and commissions | |

| | CAN\$ '000 |
|--|------------|
| Employee benefits | |
| Subcontracts | |
| Research and development fees | |
| Professional and business fees | |
| Utilities | |
| Office and computer related expenses | |
| Telephone, Internet and other telecommunication | |
| Business taxes, licenses and permits | |
| Royalties, franchise fees and memberships | |
| Crown charges | |
| Rental and leasing | |
| Repair and maintenance | |
| Amortization and depreciation | |
| Insurance | |
| Advertising, marketing, promotion, meals and entertainment | |
| Travel, meetings and conventions | |
| Financial services | |
| Interest expense | |
| Other non-production-related costs and expenses | |
| Other | |
| Total expenses | |

1. In order to reduce future follow-up, please select one of the following options.

The value for total expenses \$ ##### is significantly different than the \$ ##### reported last reporting period.

- I confirm that all values are correct.
- I am unable to confirm that all values are correct.

Industry Characteristics

1. What were this business's sales for each of the following goods and services?

Please report all amounts in thousands of Canadian dollars.

1. Tour Operator Services

Packaged tours including arranging, assembling, and marketing tour packages for travel agents, tour wholesalers, and/or individuals.

1. Pre-packaged tours

Arranging, assembling or marketing tour packages for travel agents, tour wholesalers or individuals.

2. Customized group tours

Assembling, organizing, and reserving custom packages for groups of people with a common interest (e.g., sports, culture, adventure, religion, education, conferences and conventions).

3. Pre-packaged tour reselling services

Resale of pre-packaged tours acquired from other tour operators to travel agents, tour operators, and/or individuals.

2. Travel Agency Services

Reservation services including commissions and fees from the sale of passenger transportation, lodging and other travel services

Agents assist travellers by arranging and reserving travel and lodging while acting as a sales or referral agent for transportation, tour or lodging providers.

Businesses are paid for their services by commissions, fees or a combination thereof.

3. Service charges for trip planning (including assembling travel information, advice and plans)

Travellers pay directly for travel assistance such as assembling travel information, advice and travel plans.

o Include:

- ticket issuing fees
- other fees paid directly to travel agents by travellers.

4. Other travel arrangement services (e.g., sightseeing tour services, automobile club memberships and condominium time-share services)

o Include:

- visitor information and sightseeing tour services
- automobile club memberships, road and travel services
- condominium time-share exchange services
- condominium time-share services for land developers.

5. Travel insurance products (e.g., health, baggage and cancellation insurance)

Businesses are paid for their services by commissions, fees or a combination thereof. This includes such products as health, baggage and cancellation insurance.

6. Other sales of goods and services (e.g., travellers cheques, travel related merchandise, foreign exchange services, wire transfers, etc.)

- o Amounts not included in questions a. to e.

Total sales of goods and services

Sum of questions a. to f.

| | CAN\$ '000 |
|---|-------------------|
| Tour operator services | |
| Pre-packaged tours | |
| Customized group tours | |
| Pre-packaged tour reselling services | |
| Travel agency services | |
| Airline seats | |
| Cruises | |
| Transportation | |
| Lodging | |
| Packaged tours | |
| Other services | |
| Service charges for trip planning | |
| Other travel arrangement services | |
| Travel insurance products | |
| Other | |
| Total sales of goods and services | |

In order to reduce future follow-up, please select one of the following options.

The total sales \$ ##### is significantly different than the \$ ##### reported last reporting period.

- I confirm that all values are correct.
- I am unable to confirm that all values are correct.

You reported your main activity as tour operator services, but you did not report revenues for this activity in question 1a.

- I confirm that all values are correct.
- I am unable to confirm that all values are correct.

You reported your main activity as travel agency services, but you did not report revenues for this activity in question 1b.

- I confirm that all values are correct.
- I am unable to confirm that all values are correct.

2. Please provide a percentage breakdown of your total operating revenue from travel to:

Sales by destination

Please provide a breakdown of your total operating revenue by destination. This includes a breakdown of revenues received for destinations within Canada, United States and all other destinations.

| | Percentage |
|---------------------------------|------------|
| Canadian destinations: | |
| Tour and cruise packages | |
| Other | |
| USA destinations: | |
| Tour and cruise packages | |
| Other | |
| Other destinations: | |
| Tour and cruise packages | |
| Other | |
| Total percentage | |

Sales by type of client

1. What was this business's breakdown of sales by the following types of client?

Sales by type of client

This section is designed to measure which sector of the economy purchases your services.

Please provide a percentage breakdown of your sales by type of client.

Please ensure that the sum of percentages reported in this section equals 100%.

a. to c. Clients in Canada

1. Individuals and households

Please report the percentage of sales to individuals and households who do not represent the business or government sector.

2. Businesses

Percentage of sales sold to the business sector should be reported here.

- Include sales to Crown corporations.

3. Governments, not-for-profit organizations and public institutions (e.g., hospitals, schools)
Percentage of sales to federal, provincial, territorial and municipal governments should be reported here.
 - Include: sales to hospitals, schools, universities and public utilities.
4. Clients outside Canada
Please report the percentage of total sales to customers or clients located outside Canada including foreign businesses, foreign individuals, foreign institutions and/or governments.
 - Include sales to foreign subsidiaries and affiliates.

| | Percentage |
|--|------------|
| Clients in Canada — individuals and households | |
| Clients in Canada — businesses | |
| Clients in Canada — governments, not-for-profit organizations and public institutions | |
| Clients outside of Canada | |
| Total percentage | |

Changes or events

1. Indicate any changes or events that affected the reported values for this business or organization, compared with the last reporting period.

Select all that apply.

- Strike or lock-out
- Exchange rate impact
- Price changes in goods or services sold
- Contracting out
- Organisational change
- Price changes in labour or raw materials
- Natural disaster
- Recession
- Change in product line
- Sold business units
- Expansion
- New or lost contract
- Plant closures

- Acquisition of business units
- Other
 - Specify the other changes or events
- No changes or events

Contact person

1. Statistics Canada may need to contact the person who completed this questionnaire for further information. Is Provided Given Names Provided Family Name the best person to contact?

- Yes
- No

Who is the best person to contact about this questionnaire?

- First name
- Last name
- Title
- Email address
- Telephone number (including area code)
- Extension number (if applicable) The maximum number of characters is 5.
- Fax number (including area code)

Feedback

1. How long did it take to complete this questionnaire?

Include the time spent gathering the necessary information.

- Hours
- Minutes

2. We invite your comments about this questionnaire.