Session 13 – Specific issues raised in the questionnaires

The Potential Use of Credit/Debit Card Data for Tourism Statistics – Considerations

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UNWTO/DG GROW Workshop
Measuring the economic impact of tourism in Europe: The Tourism Satellite Account (TSA)
Brussels, Belgium
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Incorporating more data sources to enhance the robustness of the Tourism Statistical Program

Social Media
Use of social media info to capture info travellers’ origin, destination, and characteristics.

Payment & Credit Cards
Use of payment and credit cards information to enhance admin and survey data.

Assisted & promoted data collection
Data collection supported by interviewers or promoted by traveller & tourism stakeholders.

Application Add-ons
Build on already existing applications to collect info on travellers.

Mobile & cellular info
Mobile & cellular information on travellers’ mobility & hotspots.

Self-response data collection
Self-response electronic questionnaire.

Administrative data
Administrative data supporting various regulatory activities.

Gathering information on tourism spending and its key correlates
Credit/Debit cards offer significant potential benefits for tourism statistics...

- Equivalent to an electronic **cash register**

- Visibility of **actual transactions** by travellers

- **Timely**

- Details about
  - types of **commodities** purchased
  - **locations of spending** at subnational/regional levels
... but it is not without challenges

- Data acquisition issues
  - Negotiating access to credit/debit card transaction data
  - Costs
  - Confidentiality and privacy issues
  - Public perceptions

- Data interpretation and integration issues
  - Lack of visibility over travellers’ characteristics
  - Share (%) and type of spending captured by credit/debit card transactions
  - Travel ≠ Tourism
Tourism is a subset of travel

- Credit/Debit card transactions will not discriminate between types of travelers
- In Canada, 1 in 12 travelers is a crew member (airline, cruise, trucking)

### Travel ≠ Tourism

#### Number of non-resident travellers entering Canada in 2016

<table>
<thead>
<tr>
<th>Traveler characteristics</th>
<th>Arrivals Same-day &amp; overnight</th>
<th>Share of Total travelers &amp; crews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-resident travelers</td>
<td>30.1 million</td>
<td></td>
</tr>
<tr>
<td>from United Stated</td>
<td>23.9 million</td>
<td>7.9%</td>
</tr>
<tr>
<td>from other countries</td>
<td>6.2 million</td>
<td>2.6%</td>
</tr>
<tr>
<td>Other travelers Non-Resident Crews</td>
<td>2.8 million</td>
<td>8.6%</td>
</tr>
<tr>
<td>from United Stated</td>
<td>2.0 million</td>
<td>7.8%</td>
</tr>
<tr>
<td>from other countries</td>
<td>0.8 million</td>
<td>11.5%</td>
</tr>
</tbody>
</table>

Source: Statistics Canada, CANSIM Table 427-0001
Credit card spending patterns differ in their characteristics compared to other modes of payments.

Spending using VISA credit cards represent 40% of total inbound expenditure.

Total inbound international travel spending by non-resident travelers in Canada. May to September 2016

* Others include retails, transportation in Canada and other expenditures.
Case study:
German leisure tourists to Canada

### Size of Travel Party associated to payment transactions

- **1 person**: 31%
- **2 people**: 47%
- **3 people**: 13%
- **4 people**: 7%
- **5 or more people**: 2%

**Average party size**: 2.02

### Payment Method

- **Credit Cards**: 49%
- **Debit/Bank Cards**: 6%
- **Cash**: 42%
- **Other**: 3%

### Credit Card Used

- **VISA**: 62%
- **MasterCard**: 48%
- **American Express**: 18%
- **Other**: 0%

**Source**: Destination Canada, Global Tourism Watch (GTW) 2016
German transactions using a Visa credit card
May-September 2016

- VISA captured an estimated 25% of all reported travel spending by Germans in Canada, similar but lower than the share for leisure travel (30.5%)
- Spending distribution is similar to total inbound international travel spending

**Reported total spending by commodity**

<table>
<thead>
<tr>
<th>Commodity</th>
<th>VISA Spending</th>
<th>ITS Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging</td>
<td>$18M</td>
<td>$188M</td>
</tr>
<tr>
<td>Restaurants</td>
<td>$12M</td>
<td>$103M</td>
</tr>
<tr>
<td>Entertainment</td>
<td>$4M</td>
<td>$28M</td>
</tr>
<tr>
<td>Others*</td>
<td>$77M</td>
<td>$122M</td>
</tr>
<tr>
<td>Total</td>
<td>$110M</td>
<td>$441M</td>
</tr>
</tbody>
</table>

**Distribution of spending by commodity – VISA versus ITS**

- Lodging: 16.5% (43%)
- Restaurants: 10.6% (23%)
- Entertainment: 3.5% (6%)
- Others*: 69.4% (28%)
- Total: 100.0% (100%)

**VISA Share of ITS**

- Leisure: 25.0%
- All Travels: 30.5%
Outlook for integrating credit/debit cards in tourism statistics

• Offers real (administrative) and very rich data, but the challenge will be to develop methods to:
  • map this data onto total travel spending and
  • assign traveler characteristics

• Short term outlook
  • Develop early indicators of travel spending
    • Benchmarking and spending dispersion across local geographies by country of origin
    • Seasonal spending trends by commodities

• Long Term outlook
  • Develop indicators of travel characteristics for credit/debit card spending data
  • Develop methods to identify, organize and integrate transaction data into tourism statistics and into TSA
Short Term Outlook

Develop indicators of travel spending

Credit/debit card data will provide us with the ability to ask questions on travel spending not previously possible

- **By country of origin**
- **Spending category:** can be aggregated to a level consistent with TSA commodity aggregations
- **Geography:** Data available at
  - national,
  - provincial/territorial,
  - tourism region,
  - census sub-division and
  - neighborhood levels (Postal Code’s Forward Sorting Area (FSA))
- **Timing:** weekly, monthly, quarterly
Thank you