

The Future of Leisure, Recreation and Sport in Canada: A SWOT for Small Sized Enterprises

By

George Karlis, Ph.D.
Associate Professor
School of Human Kinetics
University of Ottawa

Introduction

The leisure, recreation and sport industries in Canada, as has been the case in most nations throughout the world, have been subject to globalization and corporate influence. In recent years, the number of small sized leisure, recreation and sport enterprises (i.e., family or individually owned sport stores or health clubs) have drastically been reduced as large corporations such as Play It Again Sports and Goodlife Fitness have cornered the Canadian Market from coast to coast.

Although globalization and corporate influence may present some ease to consumers, in the sense that standardization exists and there are no surprises in respect to what you expect to purchase and what you actually receive, the “quality of services” is subject to question. When personal services such as leisure, recreation and sports become subject to big corporations, focus on the individual consumer may become lost in the shuffle as individual needs are often overlooked.

Despite recent globalization and corporate trends in Canada, the desire to establish small enterprises continues to exist, particularly among the young and immigrant populations. In 2000, David Foot reported that the “millennium busters” are the largest cohort after baby boomers in Canada, meaning that this population will enter the work force in the next 10-15 years. Moreover, Statistics Canada reported in 2003 that immigration to Canada is the highest it has been in 70 years. What does this growth in the number of young Canadians and immigrants mean for the future of small sized leisure, recreation and sport enterprises in Canada? Historically, many of Canada’s small enterprises have been owned and operated by young Canadians and immigrants. If this continues to be the case in the future, what will be the strengths, weaknesses, opportunities and threats for the existence of such enterprises?

The purpose of this study is to present the strengths, weaknesses, opportunities and threats for the future for small sized leisure, recreation and sports enterprises in Canada. To fulfill this purpose, this paper is divided into three parts: (1) social trends in Canada, (2) small sized leisure, recreation and sport enterprises in Canada, and (3) a SWOT for small sized leisure, recreation and sport enterprises in Canada.

Social Trends in Canada

Recent trends in Canada indicate that: (1) Canada is an aging society with the largest cohort - baby boomers (born between 1946 and 1966) entering senior years, (2) Canadians are experiencing a good quality of life and have a sound health care system thus living longer as mortality rates have declined, (3) immigration has reached the highest level it has been in the past 70 years (The Daily, 2003), (4) low fertility rates continue, (5) a consistent growth of the young adult population is taking place, and (6) the Canadian work force is aging (Chui, 1996).

Education trends revealed by Statistics Canada (1996) indicate that the education level of Canadians is increasing as the number of Canadians having completed university is greater than the number of Canadians with less than grade 9 education. Moreover, more than 10% of Canadians have graduated a university (Statistics Canada, 1996).

The early 2000s, as did the early 1990s, were difficult time periods for the Canadian economy as Canadians faced an economic recession. Cutbacks in government social programs took place and unemployment rates were high. However, despite less discretionary income Canadians continued to spend more on consumer goods and services. In the past decade for instance, spending by Canadians on consumer goods and services jumped from \$14,801 to \$16,533. Yet, a portion of this spending was financed by credit as the volume of consumer debt continued to increase in the 1990s (Williams, 2000).

Research by Crompton (2000) reveals that the general overall level of health of Canadians is increasing with each generation. "Advances in public health measures and sanitary control, pharmaceuticals and medical technology in the 20th century have had a dramatic effect on the overall level of health in Canada" (Crompton, 2000: 17). In fact, the World Health Organization forecasts that the average lifespan of Canadians will increase to 81 years of age by the year 2025.

Urbanization has continued to increase in Canada as fewer people are living in rural areas. Of note however, a recent trend in living patterns shows that some Canadians have moved back to smaller cities and towns in order to experience country living (Foot and Stoffman, 1998).

The number of young adults living at home is increasing (Boyd and Norris, 1999) as is the number of young people choosing to get married later in life. Statistics Canada (1992) reveals that the average age of first marriage for men is 29 whereas for women it is 27. Furthermore, the number of common-law unions, divorces, remarriages and Canadians living alone has also increased (Oderkirk, 2000: Clark, 2002).

The structure and nature of the work force in Canada has also changed tremendously in the past 30 years both in size and structure as the number of self-employed Canadians has increased. Technology has also impacted changes in the work force as computers have taken the place of skilled workers. Moreover, knowledge and skill to

use the computer and the internet have become a necessity in most jobs (Dickenson and Ellison, 1999).

Canadians appear to be working more hours and spending less time on leisure and recreation (DeMont, 1999) as changes in the service sector continue to take place. A growing trend in Canada that has occurred in the commercial and public sectors is amalgamation. Another trend has been for two or more service sectors to work together to provide a service or services. A third prevalent trend is "contracting out" as many government organizations have contracted out sites and services to the commercial sector.

Small Sized Leisure, Recreation and Sport Enterprises in Canada

In Canada, thousands of small sized leisure, recreation and sport enterprises exist making it virtually impossible to list all. Furthermore, it would be difficult to also provide an all-inclusive classification of all small sized leisure, recreation and sport enterprises in Canada as the scope of these enterprises is diverse and complex.

Nonetheless, research by Bullaro and Edginton (1986) attempts to provide an all-inclusive classification system of enterprises that exist in the leisure, recreation and sport industries. For Bullaro and Edginton (1986), five classifications of leisure, recreation and sport enterprises exist. These are: (1) travel and tourism, (2) entertainment services, (3) leisure services in the natural environment, (4) hospitality/food services, and (5) retail activities.

Travel and tourism enterprises refer to everything from tour operators and animation to "sport tourism events." Entertainment services encompass the performing arts, theatre, and sports events such as baseball and football games at all levels. Leisure services in the natural environment refer to activities such as sport fishing, sailing and hiking. Hospitality/food services is a classification that is used to refer to hotels, restaurants, camp sites and the "cottage experience." Whereas, retail services refers to commercial, privately operated enterprises such as health clubs, golf clubs and sport fitness and equipment shops.

Research by McIntosh and Goeldner (1984) provides a different classification of leisure, recreation and sport enterprises. For McIntosh and Goeldner (1984) four classifications of leisure, recreation and sport enterprises exist. These four areas are (1) transportation, (2) accommodations, (3) shopping, and (4) activities.

Transportation is the term used to refer to all tourist oriented services that are movement-driven such as airlines and trains, buses and automobile.

"Accommodations" is a related term to the aforementioned that concentrates once again on tourism services, particularly those of hospitality, i.e., hotels, lodging, resorts, etc. The third classification, shopping, refers to the sales industry of leisure, recreation and sport – everything from gymnasiums and fitness centers to fitness shops. Finally, "activities" reflects the actual services provided by leisure, recreation and sport industries, i.e., bowling, squash or weightlifting.

While reflecting on the research of Bollaro and Edginton (1984) and McIntosh and Goeldner (1984), the following four classifications of small sized leisure, recreation and sport enterprises have been put together. It is important to note that these classifications have been put together in attempt to categorize the broad magnitude of small sized enterprises, meaning those that consist of less than fifty employees with an "owner-in-shop."

Tourism:

Small sized leisure, recreation and sport enterprises that fall under the "tourism" category are "travel-oriented" services that are owned and operated by families or individuals and that consist of less than fifty paid employees. These services refer to everything from family operated inns and bed and breakfasts to "mini-van" excursions and the operation of touristic souvenir shops. The focus of "tourism" small sized enterprises is on providing a service that caters to visitors, that is those who travel more than 100km from their place of origin.

Outdoors:

The "outdoor" category engulfs all leisure, recreation and sport activities that one experiences in the natural environment. The "outdoor" small sized enterprises include the operation of family-owned "mini-golf" parks, private hiking tours, and bird-watching excursions. The focus of the "outdoor" classification is on the provision of services that tend to be provided one-on-one or to small groups of people with the ultimate intent of financial profit.

Entertainment:

Entertainment is a classification used to describe the "staging of a show, activity or performance." Although we tend to identify "entertainment" in large scales (i.e., internet, mega stadiums holding professional sport events, national arts centres, etc.), "entertainment" experiences also take place on a much smaller scale. For example, small sized entertainment industries include party clowns, street musicians, artists, and musical bands operated by a group of friends.

Facilities and Equipment:

The "facilities and equipment" classification is broad and diverse offering many different avenues for the existence of small sized leisure, recreation and sport enterprises. Some examples of small sized "facilities and equipment" services include the following: (1) bicycle repair shops, (2) piano lessons at the private residence of the instructor, (3) individually owned fitness clubs, (4) privately owned pool halls, and (5) family owned "sports bars-restaurants".

A SWOT for Small Sized Leisure, Recreation and Sport Enterprises in Canada

Current social trends in Canada are used to predict what may unfold in the future in Canada. Through an examination of current social trends and an overview of demographic shifts a prediction of the strengths, weaknesses, opportunities and threats that face the existence of small sized leisure, recreation and sport enterprises in Canada for the future (up to 2020) is put forth.

Strengths:

1. People will continue to desire personal service, particularly as more and more people are choosing to live alone.
The need to be served coupled by the need to experience "social activities" will provide an avenue for growth in small sized leisure, recreation and sport organizations. We have an innate need to be with others, and the social nature of leisure, recreation and sport experiences helps us fulfill our social needs.
2. The coming of work age of the "millennium busters" will once again crowd the work force enticing the expansion of small sized enterprises.
The "baby boomers" are now aging and have started to exit the work force. The "bust" and "echo" age cohorts simply do not have the numbers of the "baby boomers" and thus less people enter the work force. The "millennium busters", (1996-2010), although not expected to be quite as large as the "baby boomers", will be the first generation since the "baby boomers" to congest the work force. More people will mean new opportunities for small sized leisure, recreation and sport services.
3. The need to live in the suburbs will lead to the creation of small sized enterprises.
The expansion of suburban communities is a growing phenomenon in Canada as people are choosing to live outside of the urban centre. New communities mean that new opportunities for growth and development will exist. The development of small sized leisure, recreation and sport enterprises has tremendous potential as new communities emerge.
4. The growth of immigration will enhance the number of small sized enterprises as "new Canadians" have always pursued the entrepreneurial dream.
Immigration in Canada is currently the highest it has been in the past 70 years. A large number of these immigrants are young and have aspiring entrepreneurial dreams and innovative ideas that may lead to the creation of new small sized leisure, recreation and sport enterprises.
5. The fact that society is more "technological" will aid in the provision of small sized enterprises. One of the strengths for expansion of small sized leisure, recreation and sport enterprises in Canada stems from our exposure to novel ideas through the internet. Today's young are technological progressed and have managed to shrink the world by learning more about the international community through the internet. It is possible that many of these young Canadians will bring international experiences acquired through the internet into the Canadian business world through the establishment of small sized leisure, recreation and sport enterprises.

Weaknesses:

1. The expansion of large corporations and "mega-stores" will make it difficult for small enterprises to survive.
A number of chain businesses continue to crowd the Canadian market. For example, "Goodlife Fitness", a Canadian based franchise, has opened a

number of health clubs in just about every region in Canada. The incentive for membership is that you can participate in any of these gyms throughout Canada. In addition, its mega structure and diverse scope of facilities make it difficult for small sized health clubs to compete.

2. Lack of skill, knowledge and experience by young entrepreneurs may lead to the closing of small sized enterprises.

Many who start small sized leisure, recreation or sport enterprises often lack skill, knowledge and experience in the business world. Although they may be experts in the nature of the leisure, recreation or sport service that they offer, the lack of "real" business experience may lead to the demise of their small sized enterprise.

3. Cutbacks in government social programs may lead to reduced public sector support (i.e., grants) for the expansion of small sized enterprises.

Since the 1980s a number of publicly subsidized social programs have been reduced or eliminated in Canada. Many of these programs aided the development of small sized leisure, recreation and sport enterprises in Canada. It is unlikely that social programs eliminated or reduced in Canada will once again be re-established by 2020.

4. The fact that the more senior sector of society may lack computer skills may limit the magnitude of the type of small sized enterprises created by the younger sector of society.

It is highly probable that the computer literate young population of society will be hindered in its technological innovation of small sized leisure, recreation and sport enterprises as a growing concern exists to cater the needs of aging "baby boomers" (many whom are not computer literate). The growth of small sized leisure, recreation and sport enterprises may thus be restricted to a more basic nature rather than an innovative one requiring the use of computer skills.

5. The diversity of experiences and services offered by large corporations will entice society, particularly the "haves" to experience the services of larger enterprises.

It usually is the case that organizations that have the capital tend to also have the most up-to-date facilities, services and equipment. The largest cohort of society, the "baby boomers" is not only aging, they are also aging with more discretionary income and in better health condition than previous generations. As a result, the experiences and services of larger pricy corporations may be the preferred choice of "baby boomers" when it comes time to fulfill leisure, recreation and sport needs.

Opportunities:

1. The trend of "contracting out" by the public sector will present some opportunities to small sized enterprises.

Although this may not be the case for larger more lucrative enterprises such as ski resorts or golf clubs, it may be the case with smaller leisure, recreation and sport enterprises such as wave pools and tennis clubs. As government

- organizations continue to strive to balance deficits, contracting out opportunities will likely continue to expand.
2. The fact that more and more Canadians are becoming higher educated will aid in the creation of new, innovative small sized enterprises.
The number of Canadians who have graduated a university continues to grow. Canada as a nation is now more educated than ever before. This expanded knowledge-base will lead to the creation of innovative ideas and opportunities for small sized leisure, recreation and sport enterprises.
 3. Cutbacks in government social programs will open a window of opportunities for the creation of new small sized enterprises.
The elimination or reduction of publicly operated leisure, recreation and sport services will lead to opportunities for the development of such services, particularly in the private sector. The creation of small sized leisure, recreation and sport enterprises that cater to the leisure, recreation or sport needs of society that were once fulfilled through public sector programs, poses an opportunity for growth.
 4. The “desire to spend, be entertained and experience something new” will pose new opportunities for small sized enterprises.
Mass media bombards us with new ideas, new experiences and new knowledge. In addition, a global emphasis has been placed on the pursuit of the “good life” and “spending to experience,” particularly when it comes to leisure, recreation and sport. A new opportunity is thus presented to the private sector for the creation of innovative small sized leisure, recreation and sport enterprises.
 5. “Downsizing and amalgamation” will cause loss of public sector jobs and will lead individuals toward creating small sized enterprises.
The amalgamation experience of cities and towns of the late 1990s and early 2000s has led to job loss and unemployment. Many individuals who have lost jobs possess a wealth of experience in the leisure, recreation and sport industries. This wealth of experience has in some cases been put to practice through the creation of small sized leisure, recreation and sport enterprises. In the future, the limited number of public sector employment opportunities in leisure, recreation and sport will lead some of those trained in these areas to the establishment of small sized leisure, recreation and sport enterprises.

Threats:

1. Inflation and rising costs may limit the spending power of society and the potential to experience private sector small sized leisure, recreation and sport enterprises.
When prices go up one of the first industries to suffer is leisure, recreation and sport. When a purchasing choice has to be made, the necessities of food, water, shelter and transportation take precedence over leisure, recreation and sport. As prices for leisure, recreation and sport services continue to increase so does the threat to the expansion of this industry, including small sized leisure, recreation and sport enterprises.

2. The lack of discretionary income may limit the amount allotted to spending on small sized leisure, recreation and sport enterprises.
The spending power of society determines to what extent we participate in leisure, recreation and sport services. Although Canadians do value leisure, recreation and sport, the fear to overextend and spend beyond ones means may limit involvement in this industry. Unless more disposable income becomes available to Canadians, a threat will continue to exist for the expansion of small sized leisure, recreation and sport enterprises as the Canadian public will be more restrictive in its spending patterns.
3. Since the 1970s, the start of each decade has experienced an economic recession.
This trend may threaten parts of the next 20 years, possibly, the onset of the 2010s and the 2020s. The mere fact that the economy is unstable will without doubt impact the state of condition of society as a whole, and the distribution of monies in all industries, including leisure, recreation and sport.
4. The ongoing threat of terrorism has hindered the growth and existence of many small sized tourism enterprises.
Since September 11, 2001, the threat of terrorist attacks has grown. Industries such as tourism have largely been impacted by this threat as people have become reluctant to travel. As a result, leisure, recreation and sport services related to tourism have suffered and likely will continue to suffer. This is the case not only for large enterprises but for small sized ones as well.
5. The fear that Quebec may one day separate from Canada continues to exist, meaning that growth in small sized enterprises may be limited.
Those wishing to establishing small sized leisure, recreation and sport enterprises may be reluctant to do so when hearing than one of the provinces of the nation may decide to one day separate. In the case of Quebec, some aspiring young entrepreneurs in or around Quebec may be reluctant to establish small sized leisure, recreation and sport enterprises due to fear of what may happen if Quebec indeed separates.

Conclusion

Although it is difficult to predict the future of the existence and development of small sized leisure, recreation and sport enterprises in Canada, this paper presents the possible strengths, weaknesses, opportunities and threats that this area of the service sector may face based on current social and demographic trends. Based on what is currently happening in Canada, socially and demographically, it may be that the future will unfold an expansion, at least to some degree in small sized leisure, recreation and sport industries, particularly as the number of young, better educated Canadians expands. However, one of the biggest weaknesses and threats will continue to be instability in the economy. Lack of money and the distribution of capital may hinder the development of small sized leisure, recreation and sport enterprises in Canada.

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