

The ageing visitor opportunity

How the baby boom generation and an
ageing population will impact tourism
in the next decade



northernireland
tourist board

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An increasingly ageing population is surely one global trend that will have a massive long-term impact on all nations and industries. According to the World Health Organization, the number of people aged 60 years and over is expected to increase from 605 million to two billion between 2000 and 2050.

For tourism, it goes without saying that this seismic demographic shift will have a vast impact, with trips made by tourists aged 60 and over projected to reach two billion in 2050 compared to just 593 million in 1999. This report explores what the impact on tourism might look like specifically in the next decade and addresses how businesses in Northern Ireland can tap into the opportunities presented by this growing market segment.

The world's population is ageing...

Increased life expectancy combined with falling fertility rates will result in an ageing global population in the long-term.

In the year 2000, 1 in every 14 people worldwide was aged over 65



By 2050, it will be 1 in every 6 people worldwide...



...1 in every 5 in the United States...



...1 in every 4 in the UK



According to the Danish Ageing Research Centre, half of all babies born in industrialised nations since 2000 will live to reach 100 years old.

A new 'old'

Yes, the world's population is ageing. But that doesn't necessarily mean that it is doing so in the same way as previous generations. Medical advances and social and financial drivers are keeping people fitter and healthier for longer. Looking to the next decade, we will begin to see a new 'old' with more and more of the baby boom generation reaching retirement - this cohort will have vastly different characteristics, preferences and aspirations than those that came before them.

From baby boom to baby zoom

The baby boom generation, given its size and collective spending power, has been shaping the tourism economy for decades. They invented backpacking in their rebellious youth, demanded package holidays when bringing up their families and drove the trend for more authentic experiences as empty nesters. Now that they've started to retire and have, generally speaking, found the perfect combination of time and money, they present a huge opportunity.

A baby boomer is a person who was born during the demographic Post-World War II baby boom between the years 1946 and 1964.

As such, we are seeing travel companies spending more and more of their advertising pounds on this market opportunity, especially with the younger market (under-25s in particular) having more difficulties in finding high-paying jobs than in the past. According to research conducted by the Daily Mail, the over-50s market in the UK spends £17.6 billion per year on travel and an average of £883 on each overseas trip they go on, which is 67% more than their younger counterparts.

Been there, done it

As retirees, many baby boomers are healthier, financially better off, better educated and have a greater appetite for travel and adventure than the 'Traditionalist' generation (born before 1946) that came before them. So any pre-existing stereotype regarding bus tours, doddling day trips and early nights should be reconsidered - in fact, it couldn't be further from the truth.

In general, boomers have travelled much more than their predecessors. And, as experienced travelers, they're now looking for more unique and engaging experiences. They no longer want to escape to a beach resort and spend two weeks getting a sun tan. They want to get off the beaten track or experience familiar places in new ways in order to find authentic experiences that are more intellectually and emotionally engaging. Creating packages that allow baby boomers to make the most of their disposable income, without limiting them physically, may stand companies in good stead to benefit from their boom in spending in the next decade.

Top 3 hopes and aspirations for retirement:

- 1) Spend more time with friends and family
- 2) Extensive travel
- 3) Frequent holidays

Top 5 boomer-influenced trends

It is forecast that ageing boomers will be one of the largest market segments in the world of tourism for the next 25 years. What's more, their growing influence often spans multiple generations in their roles as parents and grandparents. Generally speaking, we anticipate that the following market trends will emerge as the boomer influence continues to grow.

1) The demand for travel experiences

Ageing visitors will make a sizeable impact on the type of holidays undertaken, with more and more boomers seeking out more authentic experiences in the place of tried-and-tested beach holidays. As such, the popularity of educational and cultural tourism is likely to see a rise given the high levels of personal enrichment it can provide. Likewise, ancestral tourism will continue to be very much in demand, particularly amongst North American visitors who tend to list visiting their ancestral home on their 'bucket list'. Boomers are also younger at heart and more active than their predecessors, which will see many embark on more adventure-based holidays, normally associated with a much younger market. For example, Saga, a UK tour operator who caters for a more senior clientele, says that adventure holiday bookings have grown by over 400% in recent years.

2) Creature comforts

Boomers represent something of a paradox. Although many want to have authentic travel experiences at a grassroots level and get hands-on with local communities, they certainly don't want to rough it. Research points to the fact that boomers enjoy their creature comforts. Many will have done the rough-and-ready experience in their youth – now it's time for a more restful experience. One way in which they are likely to address this conflict is through high-quality accommodation, which allows them to explore a destination throughout the day but retreat back to a little luxury at night. This trend may give rise to upscale camping (often referred to as 'glamping') where guests can enjoy gourmet food, private bathrooms and spa treatments while still enjoying an authentic experience in the great outdoors.



Boomers have a great sense of adventure

3) Accessible tourism

Boomers still want to fulfill the dreams they had at 25 – unfortunately for some, their bodies aren't always going to be willing or able. An increasingly ageing population will inevitably make accessibility a more and more important topic in the coming decade as the proportion of people with mobility restrictions or other limitations such as reduced sight or hearing increases. According to the World Health Organization, one billion people worldwide – 15% of the global population – suffer from some form of disability. The number is expected to continue rising, which for destinations means provision of accessible accommodation, transport, toilets as well as information about a specific attraction's level of accessibility. Looking to the long-term, increased life expectancy is expected to cause significant ethnic and social problems across the globe, prompting questions such as 'How will society be able to support its elderly?', 'Can immigration supplement dwindling birth rates?' and 'What role will advancements in technology play?' For the global tourism industry, the only thing it can do to future-proof itself in the meantime is to continue improving accessibility.

4) Mobile revolutionaries

Contrary to the common misconception, baby boomers are not technophobes but active users and shapers of new technology. It is worth remembering that – along with Bill Gates, Steve Wozniak and Steve Jobs – the baby boom generation grew up with rapidly advancing technology. And although they were maybe not the first adopters of mobile technology, research by Forrester suggests that their usage and adoption rates is catching up with – and in some cases surpassing – that of younger generations. Are you aware, for instance, that boomers are the fastest growing group on Facebook? Within the next decade, boomers will increasingly take advantage of advances in mobile technology (e.g. augmented reality, growing functionality of smartphones) to explore, enhance and share travel experiences. For further information on this trend, please refer to the "Tourism in the midst of a mobile revolution" report at nitb.com/vision.

5) Visiting more friends and relatives

As more and more baby boomers enter retirement and have more leisure time, it is envisaged that the visiting friends and relatives (VFR) market will become even more prevalent in the next decade. While a growing VFR market is not generally seen as favorable for a tourism industry as visitors often do not stay in commercial accommodation, there are still opportunities for the wider tourism industry with businesses such as restaurants and visitor attractions standing to benefit.



Spending time with friends will be a key driver

Northern Ireland's opportunity

The baby boomer opportunity is one that cannot be ignored. With the front runners now retiring and a massive wave of their generation still to come, there is a real opportunity to target a market that has more leisure time and fewer restraints such as mortgages and full-time work. How can tourism businesses in Northern Ireland capitalise on this opportunity?

According to the latest NISRA statistics, the baby boom generation is already making its mark on Northern Ireland's tourism landscape. In 2012, the biggest spenders in the domestic market were persons aged 45–54, who also happened to take the largest number of overnight trips. This age group is primarily made of younger members of the baby boom generation, who in the next decade will be nearing retirement and will continue making a big impact on the tourism industry.

Likewise, in terms of direct visitors from Great Britain and overseas markets, baby boomers are also amongst the front runners. Although the largest number of holidays / short breaks in Northern Ireland was taken by the 25–34 age group (25%), the 55–64 age group (18%) and the 45–54 age group (15%) together make up a third of the market.

So, with the baby boom generation already making up a significant proportion of our visitors, this generation will surely only become more important over the next decade as it eases into retirement. Looking further ahead, demographic forecasts point to the fact that the older / senior / more mature market (careful what you call it!) will only continue to grow in size and stature in the long term.

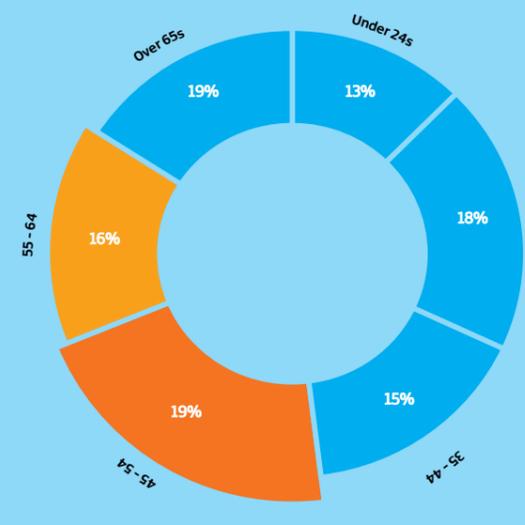
How to get the most out of this opportunity

1) Segment, segment, segment

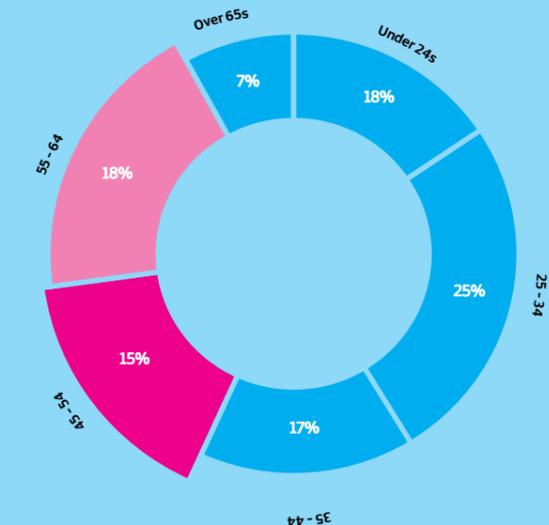
Yes, it's so important it warrants being said three times. Going after this opportunity comes with a serious word of warning – do not lump them all together as 'older' or 'senior' visitors! Why?

First, let's look at the sheer size of the audience we are dealing with. Baby boomers were born between 1946 and 1964, a huge generation spanning 18 years. It goes without saying that there will be key differences found within this generation – for example, some will have retired already while others will still be working, or may have even had to postpone retirement for financial reasons. For retirees, stimulation, a break from the daily routine or connecting with new people may be primary holiday motivators. For those still working, stress release and relaxation may well be the reasons for getting away. To account for differences like this, segmentation - based on variables age, income, gender, education or health to name but a few - is a prerequisite to all marketing activity.

Another consideration is the turn-off effect that can be caused by treating older adults as one large homogeneous group. As already established, baby boomers are younger in both appearance and outlook than previous generations. They don't associate themselves with being more mature than the average person, so marketing campaigns that depict all over-60s as such will only achieve in turning off potential visitors.



In the domestic market in 2012, the baby boom generation accounted for 35% of overnight stays...



..and also accounted for 33% of direct visitors from GB & overseas markets who holidayed in Northern Ireland.

2) Tie in with NI's key attractors

Northern Ireland has a vast array of attractors that are perfectly suited to getting the most out of the 'ageing' opportunity. Our golf courses, for example, are as good as you get anywhere in the world. For the more adventurous types, our unique outdoor heritage gives visitors an adventure experience like no other. For those looking a bit of culture, history and heritage, we've got it in spades. On segmenting your visitors, find out what they like to do while on holiday and see if there are any providers of these services in your local area, which you potentially collaborate with to strengthen your offerings.

3) Focus on experiences

Tourism trends from around the globe point to the fact that baby boomers are hungry for authentic and unique travel experiences. This is a trend that spans across all market segments. For example, those looking for a relaxing getaway are no longer satisfied with lying on the beach; and those looking to explore a new place want to do more than just sightseeing. This trend is one which Northern Ireland Tourist Board has prioritised with the objective of helping to create more authentic travel experiences in Northern Ireland. See nitb.com/experience for further information on creating experiences.

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