

Senior Travellers Today and Tomorrow

Basis: Reiseanalyse RA 2008

Ulf Sonntag



ETC/UNWTO Joint International Seminar on Tourism
Forecasting and Strategic Planning

Vienna, Sept. 12, 2008

© Ulf Sonntag, Kiel, 2008



**Elderly
people**



Basis: German Reiseanalyse 2008

Why and how to look at the segment of best agers

Do today's seniors travel differently from the rest of the Germans?

Our forecasting approach for the best agers

How will future seniors travel?

Lessons learnt

Reiseanalyse 2008: Study profile

Universe	64.82 million German speakers over 14 years in private households in Germany
Net sample	7,856 people from the universe
Selection method	Random route
Data collection method	Oral questioning as single study / survey which covers not only subjects directly linked to holidays, but also related subject areas
Period of data collection	2nd January to 4rd February 2008
Responsible for study	F.U.R - Forschungsgemeinschaft Urlaub und Reisen e.V.
Field work	Ipsos GmbH, Hamburg/Mölln
Scientific partner and organisation	<i>N.I.T.</i> - Institut für Tourismus- und Bäderforschung in Nordeuropa GmbH, Kiel

Reiseanalyse 2008: General information

38th Travel analysis since 1970

- ▶ Large database and long-term comparisons
- ▶ Extensive methodical experience

Objectives

- ▶ Holiday trips of 5 days or longer
- ▶ Short holiday trips of 2-4 days
- ▶ Holiday trip behaviour, motives and interests

Targets

- ▶ Quantitative aspects of the holiday demand
- ▶ Differentiated description of travel behaviour
- ▶ Analysis of qualitative aspects

Basis: German Reiseanalyse 2008

Why and how to look at the segment of best agers

Do today's seniors travel differently from the rest of the Germans?

Our forecasting approach for the best agers

How will future seniors travel?

Lessons learnt

Why and how to look at senior travellers

The impact of demographic change on consumer behaviour patterns in a society depends on

- the importance (volume) of a segment,
- the specific behaviour patterns of the segment,
- the direction and degree of change.

Consumer surveys can be helpful in providing data on these aspects.

Why and how to look at senior travellers

The change in the age structure of a population will have no impact on the consumer behaviour unless older people show a different consumer behaviour than younger people.

Can we take today's seniors as a model for the coming seniors of the future?

The questions are:

Do seniors show a different behaviour because of their age (e.g. because older people have different needs and preferences)?

Do the consumer behaviour patterns remain the same when getting older (e.g. one likes to stick to well tested & proven patterns acquired in earlier adulthood)?.

Basis: German Reiseanalyse 2008

Why and how to look at the segment of best agers

Do today's seniors travel differently from the rest of the Germans?

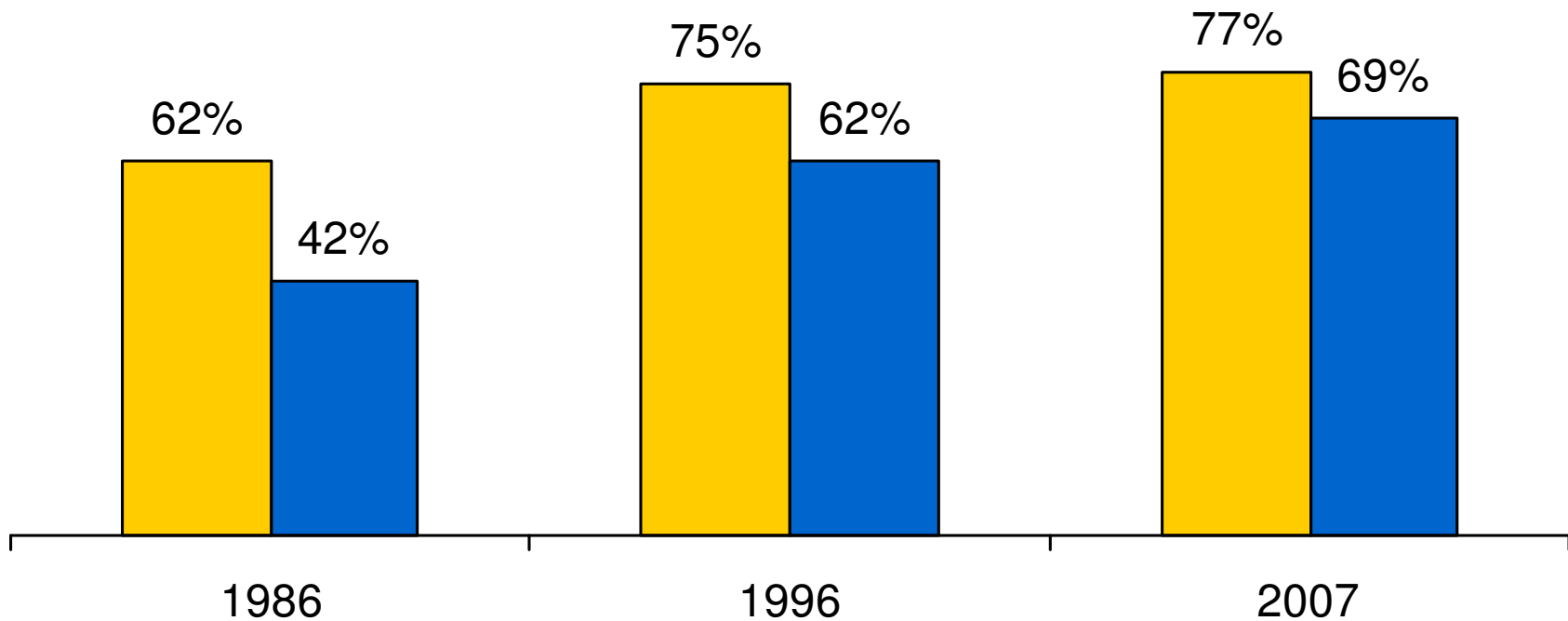
Our forecasting approach for the best agers

How will future seniors travel?

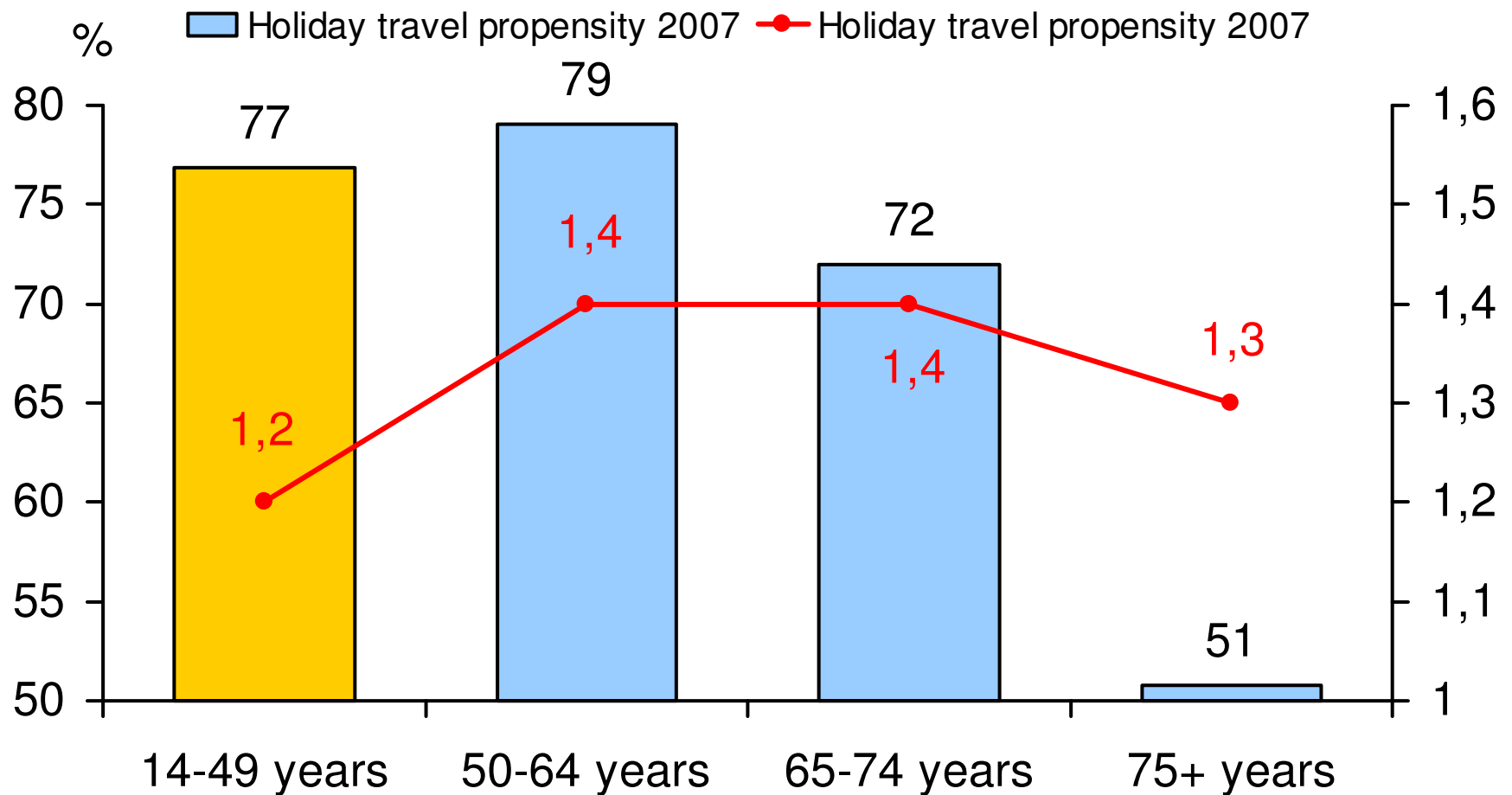
Lessons learnt

Senior citizens are THE driver of growth in the tourism industry

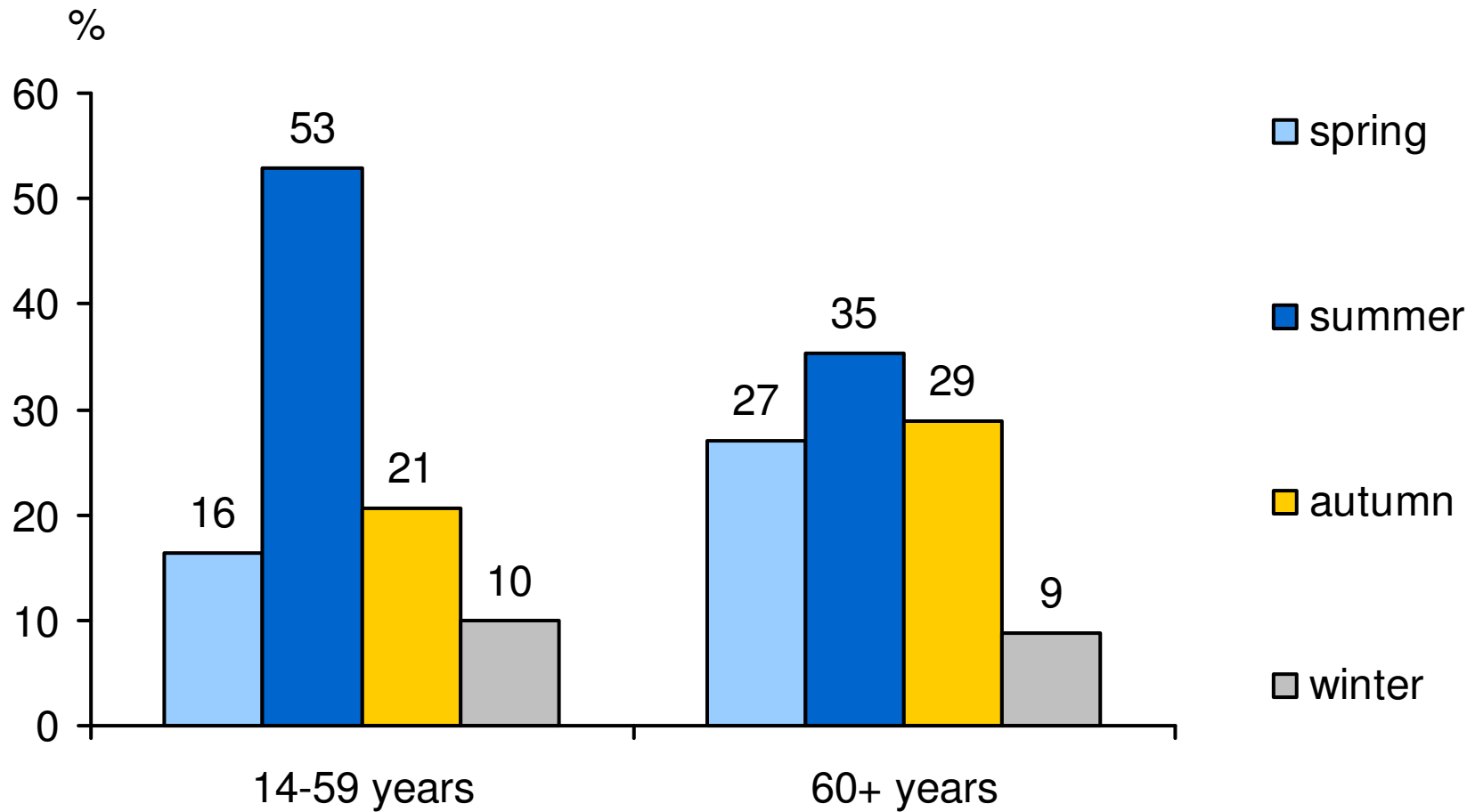
- Share of holiday travellers within the 14-59 year old
- Share of holiday travellers within the 60+ year old



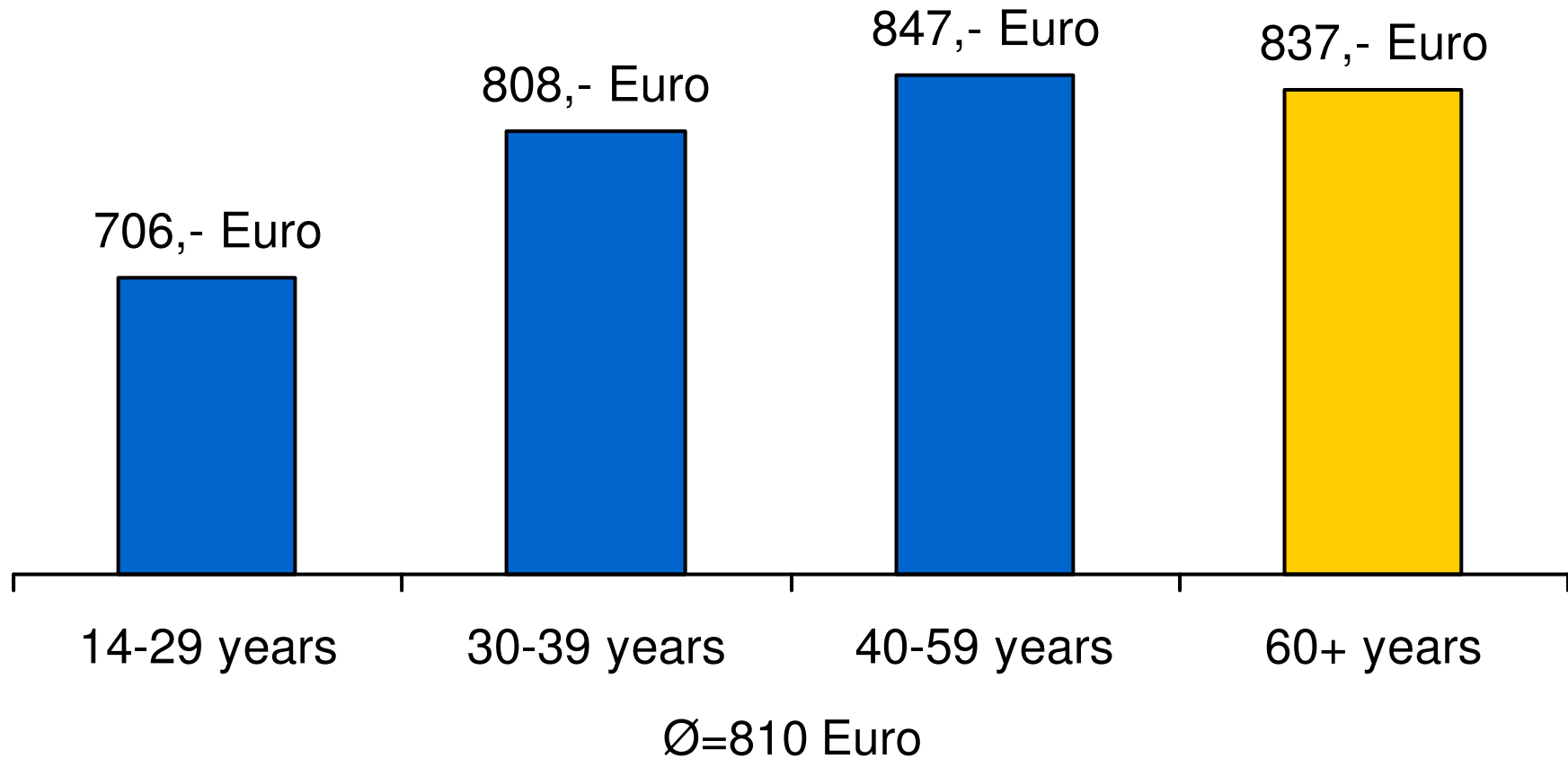
Holiday travel behavior is age dependent



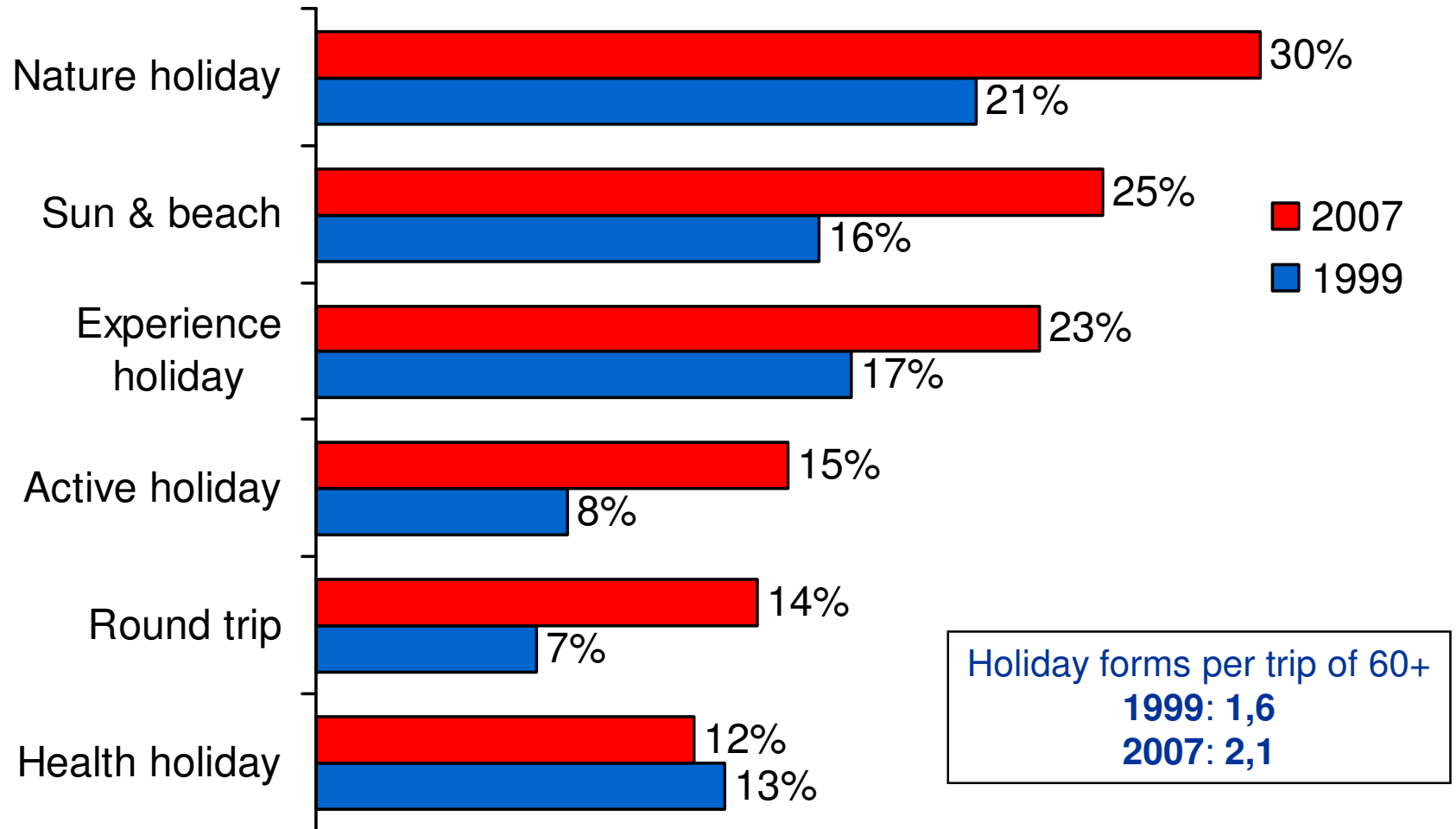
Holiday trips of seniors with less seasonality



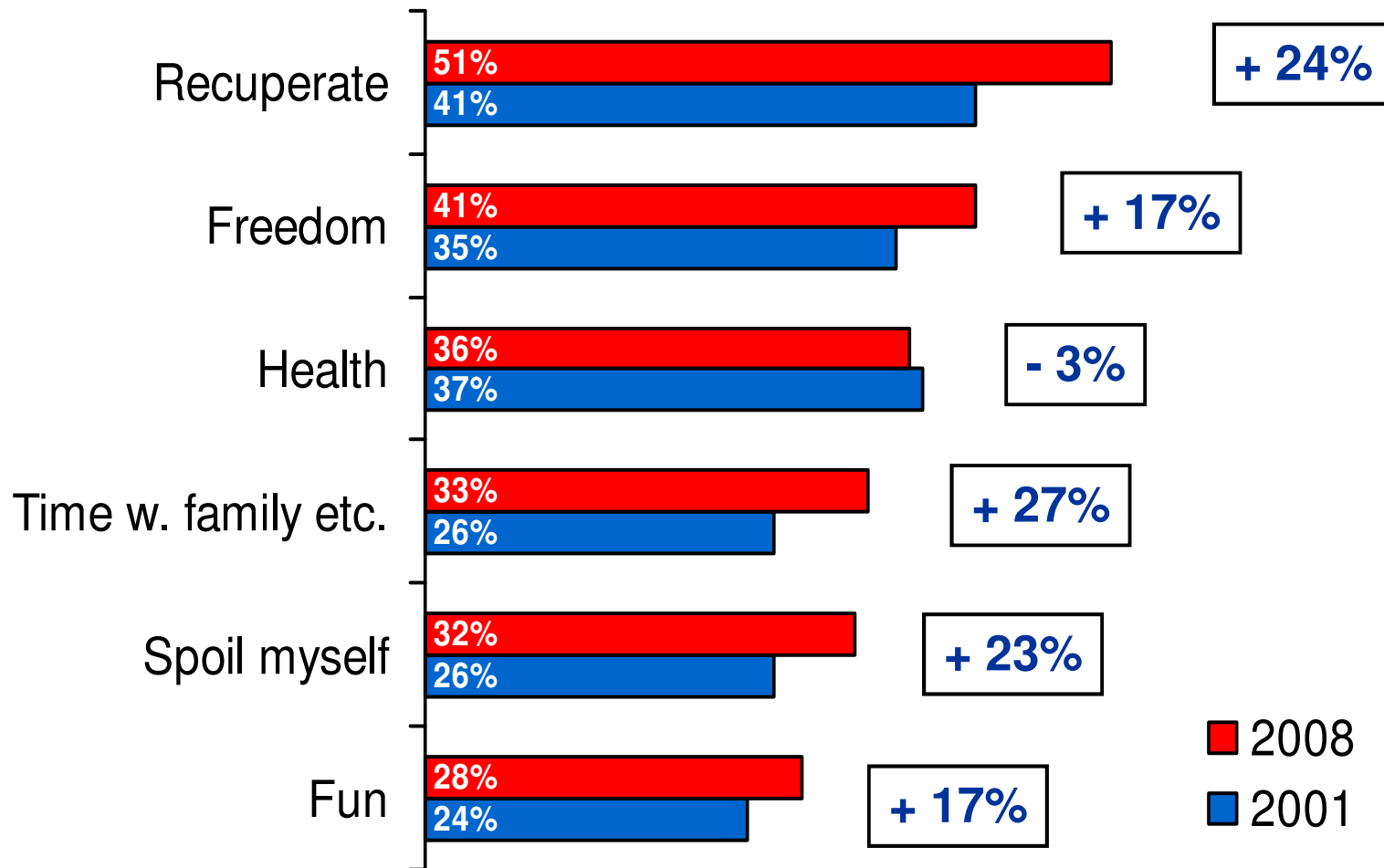
Travel expenditures per person on holiday trips of seniors on quite high level



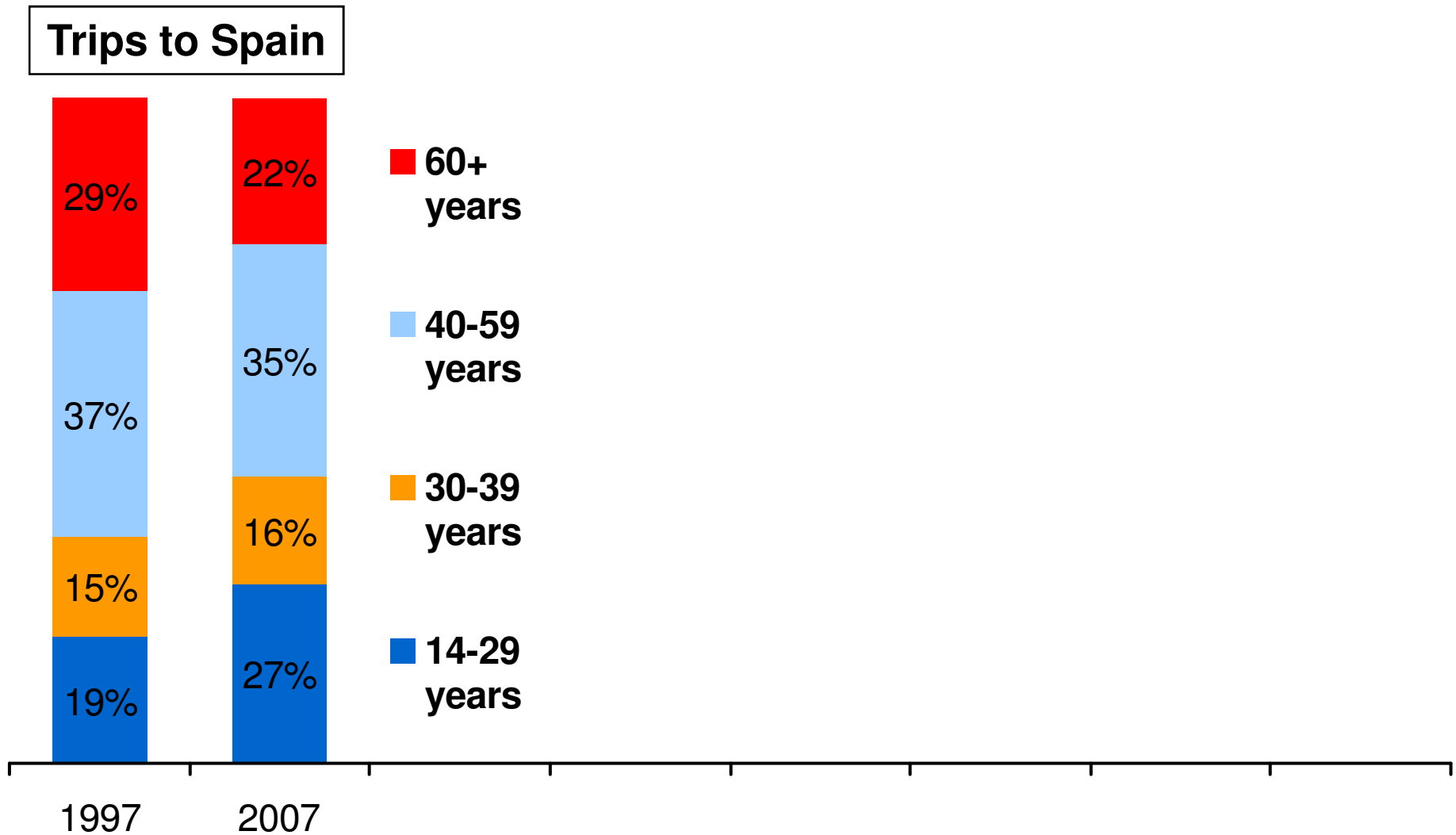
More demanding seniors: More holiday forms in one holiday



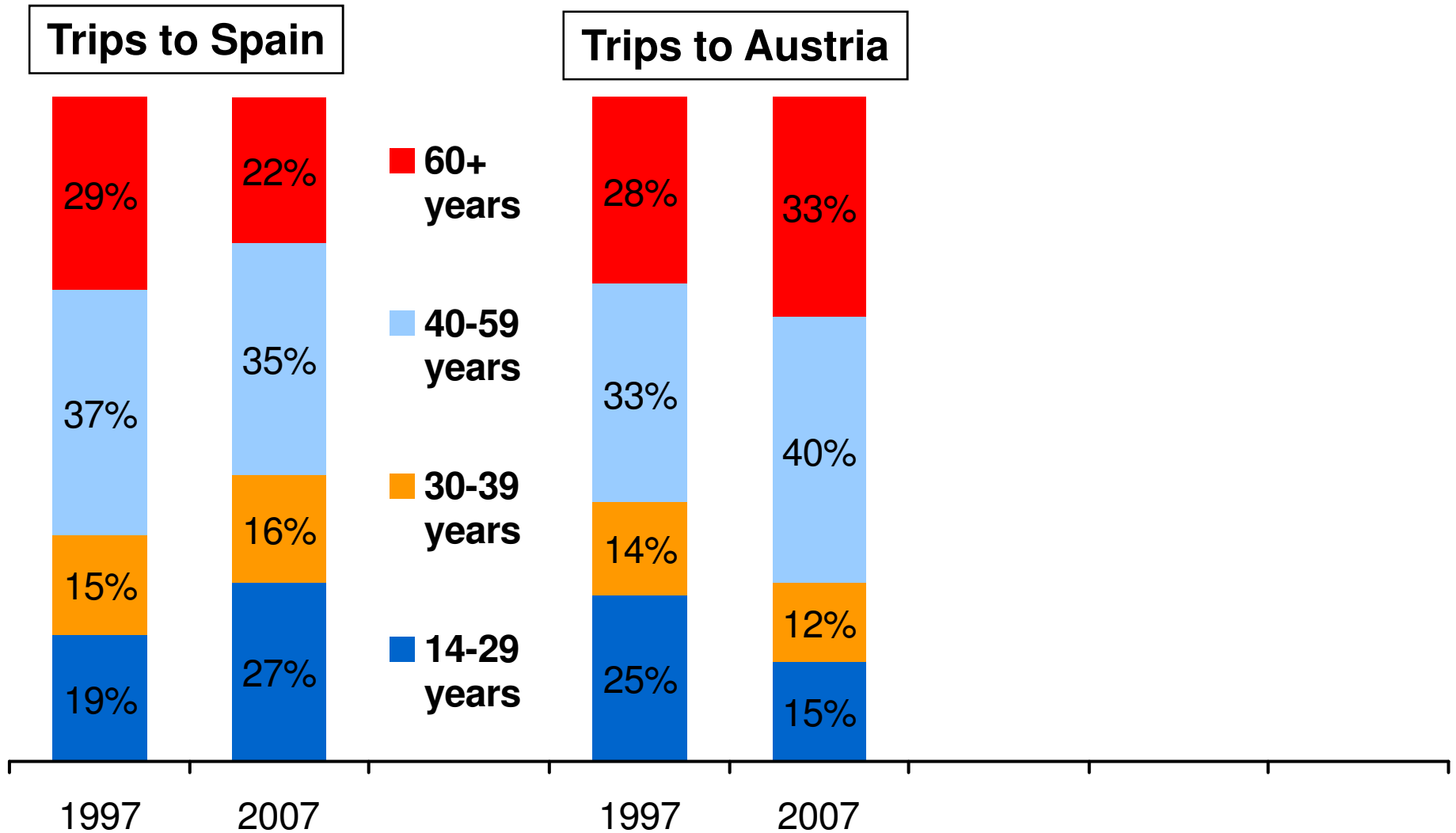
More demanding seniors: More holiday motives become more important



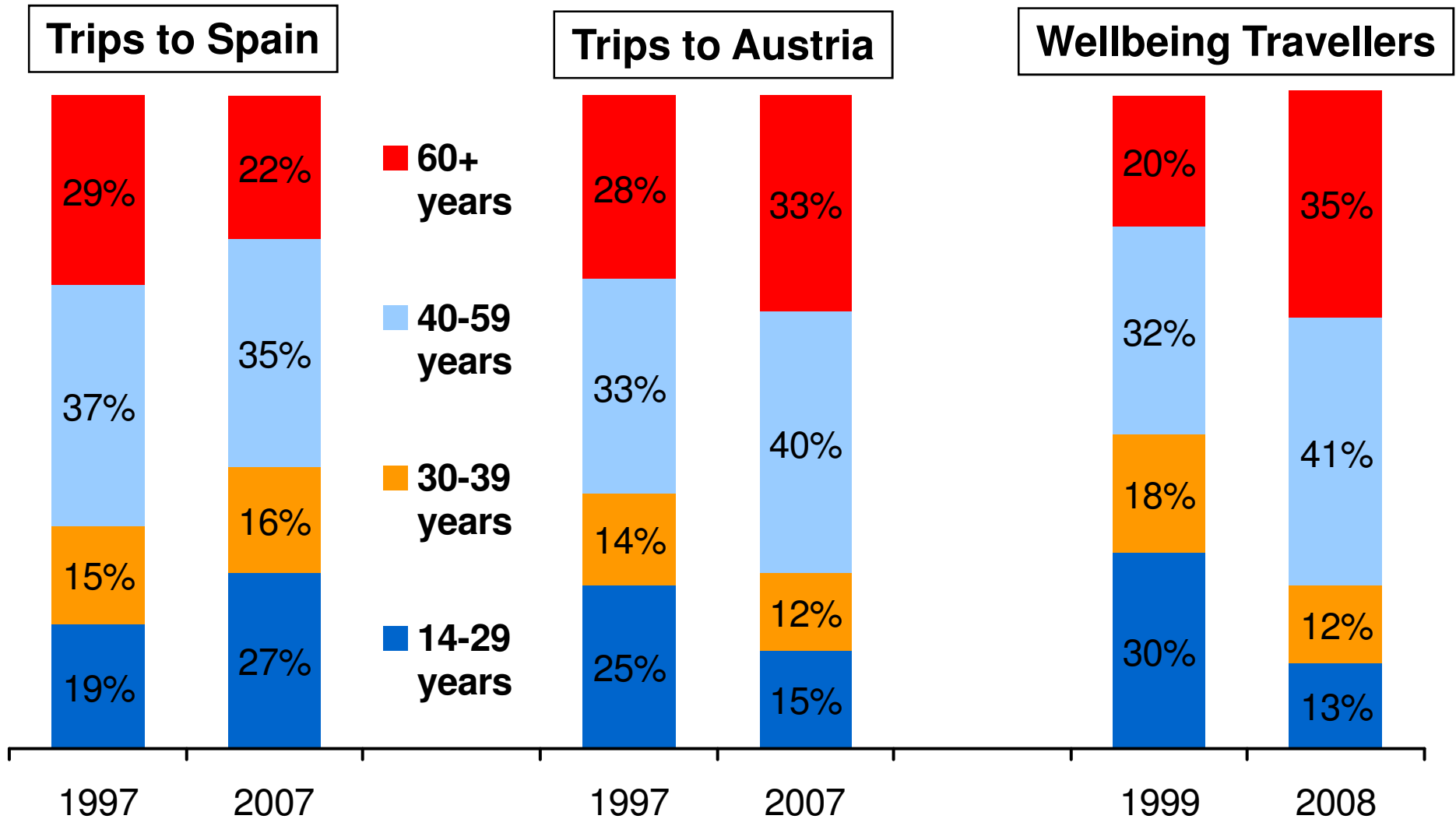
Different changes in the structure of demand



Different changes in the structure of demand



Different changes in the structure of demand



Basis: German Reiseanalyse 2008

Why and how to look at the segment of best agers

Do today's seniors travel differently from the rest of the Germans?

Our forecasting approach for the best agers

How will future seniors travel?

Lessons learnt

From differences to changes: How to predict the travel behaviour of future seniors?

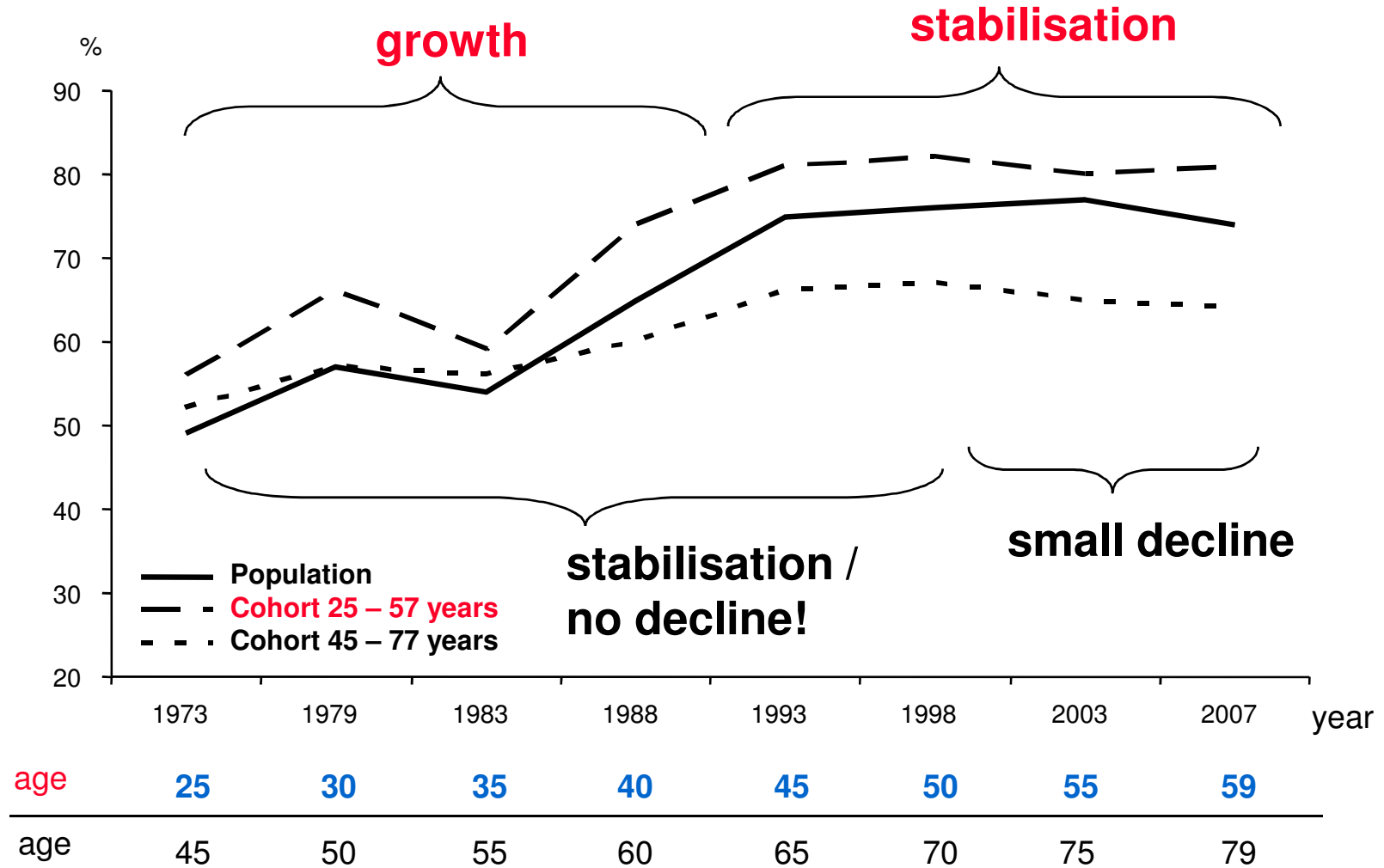
A “quasi” longitudinal approach

Necessity of a longitudinal cohort study for monitoring travel patterns throughout life-cycles.

We have re-analyzed 35 years of RA data, by following the cohorts during their life cycle by defining ascending series of age groups and by looking at basic indicators for their holiday travel behaviour.



Holiday Travel Propensity for two German cohorts over 30 years



Similar holiday destination choice in one German cohort 1995 and 2005

	50-59 years old	→	60-69 years old
	1995		2005
<u>Destination main holiday trip</u>			
Domestic	31 %		32 %
Abroad	69 %		68 %

Continuity



- People (cohorts) when getting older tend to stick to their once learned/acquired behaviour patterns.
- These patterns are a result of previous experiences & life conditions.
- As these experiences are different for each cohort, the patterns are different, too. Thus, today's seniors behave differently from yesterday's and tomorrow's will be different from today's.
- We have tried to use this „rule“ in order to take a look into the future.

Basis: German Reiseanalyse 2008

Why and how to look at the segment of best agers

Do today's seniors travel differently from the rest of the Germans?

Our forecasting approach for the best agers

How will future seniors travel?

Lessons learnt

No more BIG changes with the younger seniors to be expected

	60-70 years old:	
	2007	2020
Volume of Age Group	11,6 million	11,0 million
Holiday travel prop.	76 %	79 %
Number of travellers	8,9 million	8,7 million
<u>Destination main holiday trip</u>		
Domestic	26 %	20 %
Abroad	74 %	80 %

BIG changes with the older seniors to be expected in volume AND behaviour

	70-79 years old:	
	2007	2020
Volume of Age Group	8,2 million	10,5 million
Holiday travel prop.	64%	75%
Number of travellers	5,2 million	7,9 million
<u>Destination main holiday trip</u>		
Domestic	45%	33%
Abroad	55%	67%

Figures of 2020 are estimations based on the results for the age group of 57-67 years for 2007
 Source: RA 2008

Our approach has been very accurate in the past (1989 → 2007)

	60-69 years old <u>today (2007):</u>
Volume of Age Group	<i>65 years old 1987*</i>
	<i>5,7 mn</i>
Holiday travel prop.	53%
Number of travellers	<i>3,0 mn</i>
<u>Destination main holiday trip</u>	
Domestic	44%
Abroad	56%

Data for West Germany only; 65 years old = group of 60 to 69 years; estimations of 1989 were for 2007.

Sources: RA 2008 und *Lohmann (1989): Kommen die Neuen Senioren? Österreichischer Fremdenverkehrstag

Our approach has been very accurate in the past (1989 → 2007)

	60-69 years old <u>today (2007):</u>	
	<i>65 years old 1987*</i>	<i>estimated in 1989*</i>
Volume of Age Group	<i>5,7 mn</i>	<i>8,5 mn</i>
Holiday travel prop.	53%	75%
Number of travellers	<i>3,0 mn</i>	6,4 mn
<u>Destination main holiday trip</u>		
Domestic	44%	29%
Abroad	56%	71%

Data for West Germany only; 65 years old = group of 60 to 69 years; estimations of 1989 were for 2007.

Sources: RA 2008 und *Lohmann (1989): Kommen die Neuen Senioren? Österreichischer Fremdenverkehrstag

Our approach has been very accurate in the past (1989 → 2007)

60-69 years old <u>today (2007):</u>			
	<i>65 years old 1987*</i>	estimated in 1989*	Real 2007
Volume of Age Group	5,7 mn	8,5 mn	8,9 mn
Holiday travel prop.	53%	75%	77%
Number of travellers	3,0 mn	6,4 mn	6,8 mn
<u>Destination main holiday trip</u>			
Domestic	44%	29%	33%
Abroad	56%	71%	67%

Data for West Germany only; 65 years old = group of 60 to 69 years; estimations of 1989 were for 2007.

Sources: RA 2008 und *Lohmann (1989): Kommen die Neuen Senioren? Österreichischer Fremdenverkehrstag

Basis: German Reiseanalyse 2008

Why and how to look at the segment of best agers

Do today's seniors travel differently from the rest of the Germans?

Our forecasting approach for the best agers

How will future seniors travel?

Lessons learnt

Continuity ...

... is an important factor in explaining the consumer behaviour of future senior tourists, but it is not the only one.

In addition we have

- New possibilities (e.g. more „disposable“ time after retirement)
- New limitations (e.g. health, fitness)
- Frame work conditions in society
- Marketing efforts of the tourism industry

Lessons learnt (1)

- People (cohorts) stick to their travel behaviour when getting older.
- Future senior travellers will behave differently than today's.
- But this change is - within limits - foreseeable:
more senior trips with different preferences
*(reasons: demographic change + different behaviour
patterns of cohorts + continuity).*

Lessons learnt (2)

- In the past decades the 60-69 age group (in Germany) was a strong driver for a rising demand in tourism. The holiday travel propensity has now reached a very high level. A future rise is not expected (ceiling effect).
- Growth will come from those aged 70+. The next generation of 70+ will have a higher volume and share in the population and a higher participation rate in holiday travel. Both factors add up to considerable growth.

Questions, additional information:



The image shows a slide with a yellow background and a blue and green gradient bar at the top. In the top right corner, there are two small flags: the German flag and the UK flag. Below the flags, the text "Deutsch English" is written in blue. In the center, the acronym "F.U.R." is displayed in large blue letters. Below it, the full name "Forschungsgemeinschaft Urlaub und Reisen e.V." is written in blue. Further down, the address "Fleethörn 23" and "D - 24103 Kiel" is listed. At the bottom of this section, the telephone number "Tel.: +49 (0) 431 - 88888 00" and the fax number "Fax: +49 (0) 431 - 8888 679" are provided.

Deutsch English

F.U.R.

**Forschungsgemeinschaft
Urlaub und Reisen e.V.**

Fleethörn 23
D - 24103 Kiel

Tel.: +49 (0) 431 - 88888 00
Fax: +49 (0) 431 - 8888 679

ulf.sonntag@fur.de

www.fur.de