

Industry must respond to 'Shades of Grey'

Introduction

NSW Tourism operators can more effectively capture interest from the domestic mature age travel market by tailoring their products, marketing and communication to reflect the diversity of travel attitudes and expectations that exist among the over 55s.

Data from Tourism Research Australia's latest National Visitor Survey (published December 2008) showed that growth in travel spending by the over 55s in the year to September 2008 was higher than in any other age group. The data also showed that, over the same period, travellers over the age of 55 accounted for around one in every five dollars spent on domestic travel in Australia.

Mature aged travellers led growth in expenditure on domestic travel between 2002 and 2008, against a decline in those aged under 55 years. However, more recent data from Tourism NSW showed that the Global Financial Crisis is now significantly impacting on the travel intentions of the over 55s.

This slowing in demand means that, to remain competitive over the short term, and to position well for the recovery in the longer term, the NSW tourism industry needs to review and reconfigure products and services to align more closely with the demands and expectations of this diverse group.

Industry research conducted by Tourism NSW and Inside Story among six focus groups in Sydney, Orange and Melbourne in late 2008 shows major differences in attitudes and expectations towards travel and tourism, both within the 'baby boomer' age group (born between 1946 and 1964) and between this group and their older counterparts.

Most significantly, the research demonstrates clearly that the over 55s should not be treated as one homogenous group, rather that tailored travel solutions, marketing and communications should be used by the industry to appeal to varied 'shades of grey'.

Dominant Motivators

The primary holiday motivators for those over 55 and still working differ from those post retirement. Stress release, relaxation and reconnection with people, including themselves and their partners all feature as key motivators for those still at work, while retirees seek stimulation, relief from the day to day and reconnection with people beyond the home.

Outside of these primary factors, holiday motivations vary further by travel mindset (see below and http://corporate.tourism.nsw.gov.au/Traveller_Types_p1528.aspx for full description of traveller types and holiday mindsets.)

Generational Differences

There are also significant generational differences within the over 55s age group, between the Traditionalists (born before 1946) and the Baby Boomers (born between 1946 and 1965). Unlike their seniors, Baby Boomers are rebels, the first 'me' generation and dislike rules and expect personalised, tailored options from their travel experience.

Baby Boomers are more likely to want to choose their own way, seek high standards and are less willing to compromise. They are also more affluent, fitter and more active, seeking higher standards of accommodation, healthier and more varied food options and more experiential travel opportunities than the more accepting Traditionalists.

Holiday Mindsets

Tourism NSW uses a series of Traveller Types (otherwise known as 'target markets') in its marketing strategies.

"Wanderers" or "Touring Travellers" make up 41% of the over 55s market and are by far the largest mindset.

Wanderers seek stimulation and freedom or control from their travel experience as well as creativity, adventure, reconnection and nostalgia.



Over 55s travel market cont'd

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There is increasing demand from the "Wanderer" mindset for quality self contained and Bed & Breakfast style accommodation, including quality cabins in caravan parks. More up to date shopping options like local crafts and food, rather than tourist souvenirs are within this group's expectations, as are more flexible travel options and activities which promote freedom to explore such as bicycle hire and safe cycling routes to local points of interest.

"Pampadours" or "Luxury Travellers" make up 17% of the over 55s market. Pampadours generally look for indulgence, rejuvenation, reconnection with self and reflection. But within the over 55s age group, Baby Boomers (those born between 1946 and 1964) expectations of what luxury, indulgence and pampering are much higher than those born earlier. Operators targeting this audience must ensure that the product matches the promise.

Baby Boomer "Pampadours" when they retire are likely to be looking for luxury accommodation beyond the quick getaway destinations they are used to, and many tourist areas will need to consider upgrading their facilities to attract this mindset. That could include responding to increased demand for 'wellbeing' products such as spas, massages, and greater provision of active experiences such as snorkelling, night skiing.

For **"Groupies" or "Peer Group Travellers"** make up 16% of the over 55 market. Stimulation is the core motivation for a holiday experience for this mindset and operators targeting this segment should communicate in these terms. The primary driver for 'Groupies' is a fun time with friends.

"Groupies" want to holiday with friends, meet like minded people, explore and discover with less to organise. As Baby Boomers age, this is likely to see an increase in 'Groupie' travel, offering the industry opportunities to create tailored travel offers for groups of friends.

However, Baby Boomers in this segment currently still regard organised group tours negatively, preferring instead to organise their own activities with friends, not random groups, albeit with tailored arrangements. They look for more experiential travel options and have higher expectations of accommodation than their older counterparts, who are happy with more modest accommodation.

"True Travellers" or "Adventure Travellers" make up 13% of the over 55 market. The core motivators for "True Travellers" are immersion and adventure, and communication to this group around creativity, unique experience and freedom will resonate well.

True Travellers seek authentic adventures, immersion into a different place and time through learning about history, natural history, local culture, and Indigenous experience.

Baby Boomers in this group also look for experiential tour offers and activities, tailored educative guided tours in small groups or as individuals. They prefer 'authentic' accommodation, something unique and different, for instance pioneer cottages, safari-feel, or beach cottages. They also look for access to trails and activities unique to the place they are travelling and active options such as hiking, cycling or kayaking.

"Compatriots" or "Family Travellers" make up 13% of the over 55 market. Compatriots aged over 55 years are generally in late parenthood or part of an extended family in their role as grandparents. They look to spend quality time with their grandchildren, acting as assistant parents, sharing the load to keep the kids entertained but desiring their own time to do their own thing.

In essence the over 55s in this group are not the key decision makers and not a core target as compatriots. They tend to add their own holiday 'mindset' to the family holiday and the industry can focus their marketing and communication impact with this in mind.

Conclusion

There are many 'shades of grey' within the over 55 travel market and industry has much to gain from recognising the value of tailored solutions for the varied 'mindsets' covered by this group.

Those still at work are motivated to holiday by stress release, relaxation and reconnection with people, while retirees look for stimulation and relief from the day to day monotony. Beyond this holiday motivations vary by mindset.

While the full impact of the global economic slowdown is yet to be seen, generally the over 55s feel relatively well off and free compared to earlier in their lives and have much greater freedom now to express and indulge their preferred holiday mindset.

Beyond these mindsets, there are also marked generational differences between Baby Boomers and those in the older age group. Baby boomers have different holiday expectations and preferences, and typically expect higher standards of accommodation, more personalisation, and more flexible tailored options. They dislike rules for rules sake, and hate to be treated as old, incapable or to be treated indifferently.

Those operators that can recognise and respond to the variety of attitudes and tastes reflected in the diverse over 55s age group can find significant opportunities to differentiate, tap further into this market and take full advantage of any return to trend growth as the economic situation recovers.

For a full copy of the research please visit http://corporate.tourism.nsw.gov.au/Research_Reports_p575.aspx