

## THE MATURE AGE MARKET IN EUROPE AND ITS INFLUENCE ON TOURISM

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### ***ABSTRACT***

An examination of demographic trends in Europe clearly indicates that the population is ageing. It can be stated that there is a growth of mature age market (over-65- year old) and semi-mature age market (over-55-year old). These population changes have created the pleasure travel market for the elderly. This mature age market is, on average; better educated, more affluent and has greater expectations than the generation before them and forms a large and influential market sector. Tourism industry can expect to face changing demands, needs and opportunities as population ages. Therefore, the impacts of the mature market in Europe, in particular, on world tourism patterns should be closely monitored and the tourism products need to be adjusted to the demographics and special needs of the elderly people. The objective of this study is to identify the size and importance of the mature age (senior) travel market and its implications for the travel and tourism industry.

**Key Words:** Europe, Mature Age Market, Elderly, Senior Traveller

## AVRUPA'DA OLGUN YAŞ PAZARI VE TURİZME ETKİLERİ

### ***ÖZET***

Avrupa'daki demografik eğilimlerin incelenmesi, belirgin bir şekilde nüfusun yaşlanmakta olduğunu göstermektedir. Olgun yaş pazarı (65 yaş ve üzeri) ve yarı olgun yaş pazarında (55 yaş ve üzeri) önemli bir büyüme olduğu ifade edilebilir. Bu olgun yaş pazarı, genelde daha iyi eğitim

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almış,daha varlıklı ve kendilerinden önceki nesile göre daha büyük beklentileri olan büyük ve etkileyici bir pazardır. Nüfustaki bu değişimler yaşlılar için önemli bir tatil seyahat pazarı oluşturmaktadır. Bundan dolayı, özellikle Avrupa'daki olgun pazarın dünya turizm hareketlerine etkileri yakından izlenmeli ve turizm ürünleri yaşlı insanların özel ihtiyaçları ve demografik yapılarına göre ayarlanmalıdır. Bu çalışmanın amacı, olgun yaş pazarının önemini ve büyüklüğünü ve bunun seyahat ve turizm endüstrisine etkilerini incelemektir.

**Anahtar Kelimeler:** Avrupa, Olgun Yaş Pazarı, Yaşlılar, Yetişkin Turistler

### **Global Overview**

Tourism and global travel are the largest and fastest growing industries in the world. Most forecasts for the future indicate the growth of tourism will continue into the decade ahead. According to the WTO statistics, between 1970 and 2002 international tourist arrivals grew from 159,7 million to 715 million. Over the same period, international tourism receipts increased from US\$ 17,9 billion to US\$ 463 billion rising one-third faster than world gross national product<sup>1</sup>. According to World Tourism Organisation's Tourism 2020 Vision forecasts, international arrivals are expected to reach over 1.56 billion by the year 2020. The total tourist arrivals by region shows that by 2020 the top three receiving regions will be Europe (717 million), East Asia and Pacific (397 million) and Americas (282 million), followed by Africa, the Middle East and South Asia<sup>2</sup>.

Globally, Europe continues to be the most visited among all regions of the world absorbing half of the world receipts from international tourism

<sup>1</sup> World Tourism Organisation, Tourism-World Trends, Madrid,2003, p. 1.

<sup>2</sup> World Tourism Organisation , Tourism Highlights 2002, Madrid, 2002, p.6.

and almost two thirds of arrivals. While European countries still receive the greatest proportion of tourists in the world, the current rate of arrivals is lower than the world average. Europe's share of world tourism is on a steady downward trend. Rather than an actual decline in Europe, that trend is representative of the diversification of world tourism, emerging of other economic centres, and the advent of new tourism destinations, especially in the East Asia and Pacific region.

On the other hand, there have been certain changes in the nature of the world tourism. Three determinants affecting tourism play a particularly significant role in the evolution of international tourism<sup>3</sup>:

- Demographic changes and social evolution,
- Increased leisure and holiday time,
- Fragmentation of holidays and market segmentation.

Demographic shifts, in particular, may dramatically influence the level and nature of tourism. Demographic change will combine with growing wealth to mean that the old will be increasingly targeted by the tourism and travel industry<sup>4</sup>.

Changes in the demographic structure and social pattern of the populations of the developed countries (particularly in Europe) mean that, regardless of other factors, more, people will have the time, inclination and

<sup>3</sup> Francois Vellas, Lionel Becherel, **International Tourism**, MacMillan Press Ltd., London, 1995, p. 24.

income to travel. The changes include:

- The ageing of the population,
- The increase in working women and two income earning households,
- The growing proportion of single adults,
- The trend towards latter marriage and families,
- The likely faster growth in the number of childless couples than in the overall population,
- Increased paid leave and more flexible working time,
- Move to part-time, self- employment, and contract working,
- Earlier retirement and semi retirement.

According to EIU (Economist Intelligence Unit) Research Report, the relative importance of senior citizens and the increasing incidence of travel by this age category is partially a result of increasing spending power, which is often higher than other age categories. Improved financial position and spending power arise from a variety of factors. These include:<sup>5</sup>

- most likely to inherit from parents or relatives;
- children will have left home relieving financial strains;

<sup>4</sup> Stephen F Witt and at al., **The Management of International Tourism**, Unwin Hyman, London, 1991, p. 196.

<sup>5</sup> Fitzpatrick Associates, **Tourism in the European Community. The impact of the single market**, EIU Research Report, London, 1998, p. 19.

- relatively small or no outstanding mortgages;
  - their capital in property can be released; and
  - they may have considerable savings, maturing endowment policies and
- hold occupational pension schemes in addition to state pensions.

The first two points particularly apply to those in the 55-65 age group, the categories most likely to travel. With senior citizens already accounting for 20-29% of tourism trips and increasing numbers and high levels of disposable income promising substantial growth, interest in marketing wide variety of goods and services to senior citizens has expanded.

### **An Ageing Population**

The key demographic trend is the changing composition of the population of Europe, in particular the "ageing of the population. Population growth in Europe is low and in some countries even negative. The population of Europe is becoming more mature. What is important is the size of the "senior "market and its implications for the tourism and travel industry. There is already a substantial flow of retired persons from the North European countries to Southern Europe during the winter months, and this market will grow rapidly. Increased ownership of second homes,

apartments, and timeshare properties will strengthen this trend and it will be further reinforced by the gradual easing up of European air fares<sup>6</sup>.

The population of the European Union (EU) is almost 372 million and the over-65-year-old age group reached 60.3 million. The average share of this mature population in the EU is about 16.2 per cent. The number of people over the age of 65 has increased in many countries by 50 per cent or more since 1950. A high proportion of the middle aged and the elderly population is due to the decline of the number of people between ages 15 and 24, declining birth rates and the greater life expectancy. Table 1 provides information on total population and age structure of population for European Union countries. As it can be seen on the table, in terms of ageing, Germany is the oldest country in the European Union in absolute terms. As regards to the percentage of the population 65 and over in total EU population Italy is ranked first (17.8%). According to UN forecasts in 2020 Spain will be oldest country in the world.

With respect to the total number of tourists (excluding holidaymakers aged under 15), the majority of European Union tourists are aged between 25 and 44. The highest proportion (44%) of this age group is found among holidaymakers, and relatively high shares (above 40%) amongst those from Belgium, Spain, Luxembourg, the Netherlands, Austria, Portugal and Sweden.

<sup>6</sup> Esmond Devas, **The European Tourist: A Market Profile**, Tourism Planning and Research Associates, London, 1993, p.99.

In terms of numbers, tourists aged between 45 and 64 are next in line. Finland and Sweden stand out with over 35% of tourists in this age group. Of the remaining two classes, the 15-24 market supplies more tourists than the 65-plus group. The United Kingdom is the exception to this rule, with 17% of all British tourists aged 65 or over and only 15% aged between 15 and 24<sup>7</sup>.

**Table 1. Population 65 or older in the European Union**

<b>European Union Countries</b>	<b>Total Population (millions)</b>	<b>Population 65 and over (millions)</b>	<b>Population 65 and over (%)</b>
Germany	81.6	13.1	16.0
Italy	57.3	10.2	17.8
France	58.1	<b>9.3</b>	16.0
United Kingdom	58.6	<b>9.3</b>	15.8
Spain	39.2	6.5	16.5
Netherlands	15.4	2.1	13.6
Greece	10.5	1.8	17.1
Belgium	10.1	<b>1.7</b>	16.8
Portugal	<b>9.9</b>	1.5	15.1
Sweden	<b>8.8</b>	1.5	17.0
Austria	<b>8.0</b>	<b>1.3</b>	16.2
Denmark	5.2	<b>0.8</b>	15.3
Finland	5.1	0.8	15.6
Ireland	<b>3.6</b>	<b>0.4</b>	11.1
Luxembourg	<b>0.4</b>	0.06	15.0

Source: OECD in Figures, **The OECD Observer**, Paris, 2002, p.7  
<http://europa.eu.int/comm/eurostat>

Hans-Werner Schmidt, **How Europeans Go On Holiday**, **Statistics in Focus**, Industry, Trade and Services, Theme 4-15, 2002, p. 3.

### **Mature Age Travellers**

Mature age travellers already form a major part of the travel market. As the population ages, travellers can likewise be expected to age and mature age people will represent an increasingly significant proportion of the tourism market. The continued growth of tourism industry in many countries over the next ten years may well depend on how companies understand demographic trends affecting consumer behaviour.

As far as the mature age market is concerned, there appears to be a misconception in the industry about the type of products and services suitable for elderly people. Many hotels and tour operators consider that everyone over the age of 55 is looking for the same type of products and services. The industry must consider that elderly people think different than young people, in order to reach the single market efficiently. The elderly people have more money and prefer having "experiences" instead of owning many possessions.

On the other hand, mature people are better educated and more sophisticated. They demand and expect quality in all aspects of their travel. Many elderly people also have more free time and mature age travellers are more flexible with their time and can contribute to a longer tourism season as they can travel during "off- peak" periods. The older part of the market (65+years), tend to have a longer length of stay than younger seniors for whom work commitments are often till an influence on length of stay.

Seniors will be the demographic discovery of this decade for two

reasons. First, they are abundant in number. Secondly, their life styles are remarkably different from those of previous generations. With no models to guide them, the independent elderly are making new choices about how they want to live during a prolonged retirement<sup>8</sup>.

Recently, business attitudes towards senior travellers have begun to change. For example, airlines and hotel chains, being conscious that the elderly are a potentially huge market, have designed special discount programs for seniors<sup>9</sup>. Moreover, a number of tour operators have specialised in the market for older people, with packages meeting their requirements in Southern Europe during the winter off-season, when even if the climate is not at its warmest, it is certainly much milder than in Northern Europe<sup>10</sup>.

Many mature age travellers seek relaxing, quiet and more passive holidays that include time with friends and family and visits to places they have always wanted to go. Others take shorter trips, have higher levels of spending and seek new experiences, soft adventure and opportunities to socialise and meet new people. Many older people are interested in heritage and cultural experiences and seek growth and enrichment from travel".

Randell and Gustke point out that the travel industry should be

<sup>8</sup> Jan V Hassel, "The senior travel market: distinct, diverse, demanding", (in: William F. Theobald, **Global Tourism, The Next Decade**), Oxford: Butterworth-Heinemann, p. 367.

<sup>9</sup> Devas, **Ön.Ver.**, p.17.

<sup>10</sup> Bob, Forbes, "Senior Travel Market", **World Travel and Tourism Review**, Vol. 1, Oxon, 1991, pp. 140-141,

prepared for explosive growth in the mature consumer market. Favourite trip activities by mature travellers include shopping (29 %), visiting historical places or museums (15 %), attending cultural events or festivals (12 %), gambling (11 %), outdoor activities (11 %), visiting national or state parks (8 %) and going to the beach (7 %). According to a report in Modern Maturity, "over-50s" report they are likely to travel 3+times per year (68 %), travel by car (46 %), for relaxation (42 %) or adventure (32 %), and prefer to travel either their mate (39 %) or family (22 %) or as part of a tour group (16 %)<sup>12</sup>.

**Table 2. Senior Travel Forecast, International Trips: 2000**

Age Group	Population (millions)			Propensity (millions)		Trips taken (millions)		Change (%)
	1990	2000	%chg.	1990	2000	1990	2000	2000/1990
55-59	20.2	19.9	-2	0.59	0.94	11.8	18.7	+58.5
60-64	22.1	20.8	-7	0.53	0.85	11.7	17.7	+51.3
65-69	17.8	17.5	-2	0.41	0.77	7.4	13.5	+82.4
70-74	13.8	15.7	+13	0.41	0.69	5.4	10.8	+100.0
Over 75	16.6	25.8	+55	0.31	0.53	5.1	13.7	+168.6
All seniors	90.6	99.7	+10	0.46	0.74	41.4	73.8	+78.3

**Bold:** Vian Annette, 'Enticing the elderly to travel-an exercise in Euro-Management', **Tourism Management, Research-Policies-Practice, London**, 1998, pp.52-60.

South Australian Tourism Commission, **Tourism Research, Mature Age Tourism Summary**, 2001, p.2.

<sup>12</sup> Judy, L. Randall, and Larry D. Gustke, **Top Ten Travel and Tourism Trends**, Randall Travell marketing, USA, 2002, p. 7.

Although, the number of holidays which are taken declines with advancing age, the elderly people taking holidays abroad rather than at home have increased significantly. Taking a wide range of factors into account, total international trips by Europe's seniors have been forecasted to reach 74 million in the year 2000. Table 2 provides forecast of total international trips by mature age travellers in Europe.

### **Travel Propensities of the Mature Age Market**

Marketers should take into account of travel propensities of the elderly people. Older people are also more likely to spread their holidays into off-peak months than are the general population. A significant trend in recent years has been the increasing numbers of winter holidays taken by senior citizens. The time spent on holiday by the elderly is longer on average than spent by the rest of the population; winter holidays could last for a period of 4-28 weeks, usually between October and May. Many elderly people from northern Europe spend the winter in countries on the Mediterranean, with Spain the most important destination.

Mature holiday makers of Europe stay 4 to 7 nights in holiday destinations. German and Dutch travellers show the highest propensity for taking holidays of four-nights plus, with 76,9% and 67,9% of the population respectively. Portugal, at 31,2%, has the lowest holidaymaking rate in the European Union<sup>13</sup>.

Although private or hired vehicles are the mode of transport used most frequently by the European tourists, senior travellers tend to use

intermediaries such as travel agents and tour operators. Air transport is popular with British tourists.

European senior holidaymakers differ in their destination preferences. Tourists from Greece, Spain, Italy, Portugal, Finland and Sweden tend to spend their holidays in their own country. More than 95% of holidays taken by Greeks are in Greece itself, and the equivalent for Spain is around 90%, while Belgians, Danes, Luxemburgers, Dutch and Austrians tend to travel abroad. In Belgium, the 45-64 age bracket boosts this trend with a rate of 77,2% and Danes in this age group show a similar preference for trips abroad (63,9%).

### **The Turkish Tourism Industry**

As for the Turkish tourism, statistics show that the dominant tourist generating market of Turkey is Europe. More than 60% of tourists in Turkey come from European Union countries. Therefore, the ageing of the population in Europe will certainly influence the Turkish tourism industry. Turkey needs to develop appropriate tourist products and apply appropriate marketing techniques for this market segment.

According to statistics prepared by the Ministry of Tourism, 15% of total tourists visiting Turkey are over 55-year old. In spite of huge potential, Turkey is unable to attract enough senior travellers from Europe. Hence, Turkey should offer tourist products such as health tourism, golf tourism and nature-based tourism which meet the travel needs of mature people by developing its supply resources first. Moreover, Turkey needs to launch effective marketing and promotional campaigns targeting this market.

Turkey should develop and improve tourism product which may respond to a growing demand from the mature age population in Europe who want to use their holidays for fitness and health purposes in particular. Fitness and health tourism products may also be developed in tourism resorts, particularly in seaside resorts which want to diversify their supply and lengthen their tourism season.

Turkey has climate advantages in relation to senior citizen travel market. It has also to offer its religious centers, folklore, historical and archaeological places and natural beauties as well as thermal resorts by offering appropriate prices.

Outside tourism development areas, on the other hand, it may be possible to create new income source and employment opportunities, and to move the intensified demand in sea-side resorts to inner regions, thus, contribute to reduce regional imbalances.

### **Conclusions**

Older international and domestic travellers offer an emerging and expanding tourism market. Europe possesses a number of qualities and attractions with potential to attract this market but it is important to offer the type of travel experiences that the mature age market seeks. Despite the size of the senior citizen market, the travel and tourism industry in Europe has not taken full advantage of the opportunities of this market. It is clear, that the mature market is already a good stable market for the hospitality industry. The tourism industry needs to understand changing demands,

needs and opportunities of the elderly people and be in a position to provide for and benefit from them.

The shifts in the total population of Europe have several implications for the tourism industry in targeting the mature age market. From a practical perspective, some outcomes and practical solutions can be drawn:

-The travel and tourism industry should think of seniors as a heterogeneous group which has many distinct segments.

-The market needs to be segmented in order to meet the diversity of demand such as income, age groups, gender, values, attitudes, lifestyles and interest across older people.

-While developing tours, it is important to organise activities and tours that offer a heritage/cultural theme and a learning component.

-Mature age people generally show above average levels of newspaper readership and television watching. It is therefore useful to use the media means above in order to target the mature age market.

-Senior travel clubs and other associations to which older people belong could be used more effectively by the tourism and travel industry to promote sales.

-Some events and festivals should be offered to appeal to senior travellers because seniors tend to extend their stays to participate in these events. Such events also provide for seniors' interests in social opportunities and meeting new people.

-While today's seniors enjoy better health than older people before them, it must still be recognised that health and disability issues are more

important with increasing age. Therefore, the travel and tourism industry need to be conscious of and provide for, the special needs of senior travellers in this market.

-Most coach and other transportation terminal facilities need improvements to meet the needs of seniors.

-Some other issues for the senior travellers are also important. In particular, the accommodation industry needs to give more importance to some important issues such as cleanliness, friendliness of staff, security, comfortable rooms, opportunities to meet new people, good maintenance, help with bags, easy access, close proximity between car park, room and check-in.

-Loyalty schemes are also important for seniors as they like the discounts and some other programmes offered.

-There is also a need of cooperation between the industry and organisations related to elderly people.

-Finally, the industry should carry out continued market research and public relations and promotion programs to take full advantage of the growing and changing senior travel market.

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