

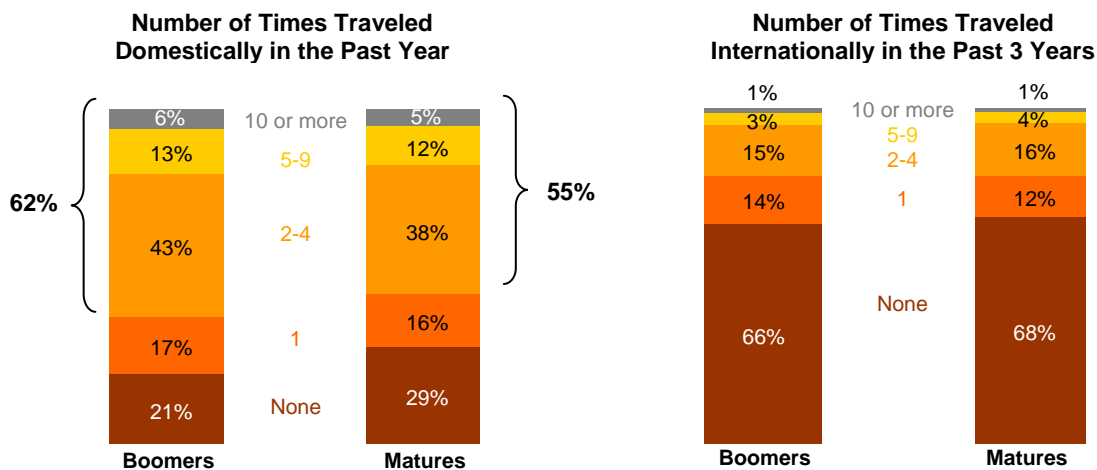
# The Sky's The Limit: Travel Trends Among The Baby Boom Generation & Beyond

## Executive Summary

Travel, for pleasure or personal reasons, is an important part of the lives of Boomers and older generations. The 42+ population represents a significant market opportunity for the travel industry and its partners and cannot be overlooked. According to the U.S. Consumer Expenditure Survey, in 2005 older Americans spent over \$192 billion on travel.<sup>1</sup> Focalyst surveyed 30,000 respondents between the ages of 42 and 87, and gathered extensive information on the attitudes and behaviors of this group as it relates to travel, among many other topics. *The Focalyst View* provides the largest, most comprehensive view of Boomers and beyond.

When asked about life goals, about half of Baby Boomers (consumers born between 1946 and 1964) and one in three Matures (consumers born prior to 1946) expressed that they wish to travel and explore the world, and many are realizing this dream. Travel is not only an ambition for the future, but also part of their present lives. The majority of the 42+ population has traveled domestically in the past year and to a lesser extent, internationally. As shown in Figure 1, Boomers and Matures are frequent travelers, with 62% of Boomers and 55% of Matures taking at least two domestic trips in the past year alone. They took a total of 340 million domestic trips in the last year and 110 million international trips in the past three years.

Figure 1 **Number of Domestic and International Trips Taken**



Source: *The Focalyst View '06*

On average, consumers that travel are better educated and more affluent, but regardless of socioeconomic status, travel remains an integral part of the lives of most older consumers. In fact, a decline in the frequency of travel does not occur until people reach their late 70's and 80's. Approaches to travel and exploration may differ from how they are portrayed in the media, and depend on the life stage and household composition of the individual. As these consumers enter



their retirement years, they also have more time in which to travel, and the length of their trips increases while the types of trips they take also change.

The needs and preferences of these older generations are different from younger generations, and to adequately meet their needs, it will be crucial to understand their concerns, preferences and travel habits.

### Key Findings on Marketing Travel to 42+ Consumers:

- Consumers aged 42+ are a desirable market for the leisure travel industry. Over 81 million older consumers are planning to travel in the next year, and plan to spend a total of \$126 billion on their next trip alone.
- Safety is a huge concern, regardless of age. While Boomers perceive themselves to be more adventurous than their elders, adventure should be within the context of safety.
- Word of mouth marketing is extremely effective in travel marketing. With almost all older consumers using word of mouth for travel ideas, marketers need to keep in mind the multiplier effect with satisfied customers.
- There is very little brand loyalty when it comes to travel planning. Older consumers are most likely to shop around among a few companies they like when choosing airlines, hotels and cruises, but over a third say it doesn't matter which company they choose.
- It is not just about age, it is about life stage. Life stage has a huge impact on travel attitudes and behaviors. Factors such as working status, household composition and wealth strongly influence vacation planning.
- Singles represent a strong and growing segment of the older population. As these consumers appear to spend proportionately more than other segments when compared on a per person basis, and the fact that these consumers like to travel with friends, the singles market is very desirable to travel companies. Single women in particular are important, especially as women outlive men in later years.

*Focalyst™ (www.focalyst.com) is a leading source of information and insights about Baby Boomers and Mature consumers. As a Millward Brown specialty practice supported by AARP Services Inc.,<sup>SM</sup> Focalyst offers a broad range of qualitative and quantitative custom research solutions. Focalyst pioneered the largest, most comprehensive study ever conducted about Boomers and Matures and has the unique expertise to help marketers better understand and connect with this important demographic.*

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<sup>1</sup> Based on Focalyst calculations of data from the U.S. Bureau of Labor Statistics' 2005 Consumer Expenditure Survey.