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Aging Population and Tourism: Socially Determined Model of Consumer Behavior in the "Senior Tourism" Segment

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Abstract

In the article the urgency of revising the upper age limit of the target segment of the tourist business in the face of population aging is justified. It is proved that tourism must respond to the new demographic challenges in society, such as the aging population and active longevity, with new types and forms of tourism, and new service technologies. The paper presents the results of the survey of Russians aged "65 +", which allow us to prove the relevance of tourist arrivals in the segment of senior tourism. The practice of domestic and foreign tourism industry businesses with "65+" consumers is reviewed. The survey has identified needs of the people of the 3rd age segment, "senior tourism". In this paper we propose a model of consumer behavior which is based on the analysis of the specific needs of the elderly in Russia. The essential elements of the model needs will allow for personalized and focused marketing in the segment, « senior tourism».

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Keywords: aging population; senior tourism market; consumer behavior in the senior tourism segment; model behavior; older consumers; travel motivations

1. Introduction

The ageing of populations in the developed countries poses new challenges not only to healthcare systems, but also for tourism and recreation. In the European Union (EU), which has a population of almost 372 million, the number of people aged 65 years and older or 'third age' has reached 60.3 million, and compared with 1950, the proportion of people over 65 years has increased by 50%. The share of the 'third age' population in the EU accounts

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for about 16.2% (The OECD Observer, 2002). Table 1 presents information about the total population and its age structure in the European Union countries. As can be seen from the table, the “oldest country in the EU by population is Germany, and by the relative proportion of older people in the population, Italy (17,8%) (The OECD Observer, 2002).

Table 1. The share of the population 65 years and older in the European Union

The countries of the European Union	Total population (millions)	Population of 65 and older (millions)	Populations of 65 and older (%)
Germany	81,6	13,1	16,0
Italy	57,3	10,2	17,8
France	58,1	9,3	16,0
United Kingdom	58,6	9,3	15,8
Spain	39,2	6,5	16,5
Netherland	15,4	2,1	13,6
Greece	10,5	1,8	17,1
Belgium	10,1	1,7	16,8
Portugal	9,9	1,5	15,1
Sweden	8,8	1,5	17,0
Austria	8,0	1,3	16,2
Denmark	5,2	0,8	15,3
Finland	5,1	0,8	15,6
Ireland	3,6	0,4	11,1
Luxembourg	0,4	0,06	15,0

In Russia, the problem of an aging population is also pertinent, because in some regions of Central Russia already, the share of the elderly population is more than 29%. Therefore many hotels and travel companies, evaluating the prospect of the increasing number of older people, are beginning to prepare special products for a new target audience, namely, for a segment referred to as "senior tourism". For example, note a special direction developed by many hotels and tour operators, such as special tours for people, "65+", which is already actively adapting to the increasing numbers of older travelers. Due to this *tourist* flow, hospitality business is becoming more stable and less prone to seasonal changes. Pensioners travel all year round and prefer to travel in the "off season" when prices are low and there are fewer tourists. With the increasing number of tourist category "65+" significant of interest will be hotels in which not just medical care is available, but also special geriatric care. In the near future, hotels will be forced to increase the numbers of the hotel staff for the provision of elderly care, not so much at the desk, baggage delivery, and registration of transfer upon arrival and departure from the hotel, but for the provision of geriatric care, ensuring the longevity of this age group population. Accommodation of older people and meeting their special needs will become a priority for many international hotel chains.

2. Objectives, methodology and research design

For the development of the tourist market and tourism product, it is important to identify new demographic challenges and the transformation in the structure of society. In this study, the main objective was to analyze the tourism needs of people of 65 and older, because in Russia the problem of aging population is particularly pressing. The study of the target audience segment « senior tourism» in the first stage of research was carried out on the basis of the analysis of literature, and Russian and foreign experience. In the second stage for identifying the needs of older people in the social and cultural activities sociological research was performed. In the study of the age group "65+", we used the methods of the express measurements of public opinion, questionnaires and interviews on the street, which allowed us to determine the quality characteristics of the average person in this age group.

3. Discussion of the research outcomes

3.1 The model of active ageing and the formation of new needs among people "65+"

Longevity is a social and biological phenomenon: the attainment of an age, significantly exceeding the average life expectancy. Centenarians are people aged 90 and over. Various researchers, focusing mainly on actual

examples of longevity, think that the limit of the duration of a person's life can reach 100 to 150 years. Today, the World Health Organization (WHO) for monitoring population's health already uses other indicators, because the life expectancy of the population is increasing and in many developed countries reaches 70-75 years. The highest life expectancy in Japan is 76 years. Therefore The World Health Organization for monitoring "the quality of health" recommends today other indicators, namely:

- The expected healthy life expectancy at birth,
- *Negate healthy life years (Disability Adjusted Life Years (DALY) — total years of healthy life lost due to premature death and disability),*
- Adjusted years of health and activity (Quality adjusted Life Years (QALY) — the number of additional years lived as a result of the measures implemented for the prevention or treatment multiplied by the index of the quality of life).

Among the countries members of the EU, Switzerland, Sweden and Denmark are leaders for the expected duration of healthy life, as well as by indicators of healthy life QALY (Health at a Glance, 2010). For example, in Switzerland the number of additional years of the lived life as a result of the measures implemented for the prevention or treatment multiplied by the index of quality of life was 31.8 years in Sweden, in Italy and Germany - 20 years, while in Russia this indicator does not hold up to 16 years. If we turn to the DALY indicator, according to the World Health Organization report, on average, representative of the most "healthy" nation (for example, in Sweden or Germany) is in an unhealthy condition only 9% of their life, while in Russia the figure is 28%. What will be demanded by the "third age" people in the General distribution of active ageing in society, for example, after 10-15 years?

First, there will be a demand everywhere for telemedicine, which is today one of the most important and the strongest medical developments, which is based on the use of telecommunication and computer technologies for the exchange of information between doctor and patient.

Secondly, for the development of tourism business, the more interesting and popular technology will be that of Telehealth and Telecare. For example, in 2011 in the UK hosted a conference on the implementation of the development of Telehealth and Telecare in that country. Hilton London Metropole Hotel is interested in such developments and plans to create special conditions for recreation for older people with the Telehealth and Telecare services.

Thus, population ageing is a new demographic challenge in society in which tourism industry will have to respond with new types and forms of tourism, new technologies of service. The main trends associated with population ageing, to which the organizers of tourism business should pay serious attention, are the following: the increase in the segment "third age" tourists, the formation of a new segment of the «senior tourism», the creation of high-tech hotel and resort complexes with a wide range of geriatric care, promoting active ageing, and, of course, the widespread adoption of the technology, Telehealth and Telecare, that will support the aspirations of older people to travel and encourage their active lifestyle.

3.2 The transformation of the upper age limits of the target tourist segments

The development of marketing hotel and tourist services for the older consumer is hindered by societal preconceptions about the role and status of the elderly in society. In particular, older people are perceived as an insolvent group of people without special needs. An elderly man often plays the role of 'survivor' in the public consciousness. The active longevity model is in conflict with the common notion of old age, which is reflected in Russian Proverbs, for example, "the young visited with wings, flying, lying", "the young with toys, the old with pillows", "old age is no fun", etc. However, in today's society, there is a tendency for older people generally not to correspond to the prevailing image of the elderly. They largely influence all spheres of public life, have their own businesses, and continue to work late into life. Modern medical technology and the improved conditions of life and work can extend the active period of ageing.

It should be noted that the active position of the elderly person applies not only to his employment, but also to the consumption of different services, which is especially important in terms of reducing the population of average age and of youth, predictably in Russia. The changing age patterns of consumers will require revision of the strategic approaches to segmentation of consumers in the sphere of tourism and recreation. Analyze strategic

alternative selection of the target audience in terms of an ageing population. The most common among professionals is a strategy oriented to the average age group - strategy "25-50". In the framework of this strategy it is possible to single out narrower age segments, which may be due to the specific services aimed at young people, children or teenagers. But most marketing strategies reflect a fuzzy segmentation, when the target audience is the average age group, of middle income and above. The sub-segment of older consumers is not considered today in the Russian tourist business to be as attractive, since it is most often recognized as insolvent. The expansion of the age of the audience will require, first of all, revision of the assortment policy of many travel companies and enterprises of hotel business, and then of other elements of the marketing mix for products "senior tourism". However, recently in the tourist market there have emerged companies which under the influence of demographic trends raise the upper limit of their target audiences and switch to the strategy of "25-65+". In the framework of this strategy, older consumers are considered as one of the sub-segments, which necessitates the study of the specific needs of this age group, the modification of the tour packages or services based on these needs and building of relationships with these consumers.

An illustrative example of the use of this strategy is the increase of the demand for travel in the new format "3G" when traveling, the so-called "extended family", a family extended with several generations (i.e. three ages: children + parents + grandparents). About 5 million households in the United States have members of three generations: children and grandchildren more often go on holiday together with grandparents. Hotel and resort complexes develop a multi-functional guest apartment for "extended family" because of their longer trips (up to 30-60 days) and the interests of a variety of generations (Multigenerational travel, 2015). An interesting experience of German companies is manufacturers of children's toys. Faced with the crisis of the industry, caused in particular, by the reduced birth rate, manufacturers have paid attention to older consumers. During research it was found that older people a lot and enjoy playing Board games in the company of 2-4 people. Especially popular among the new target audience are logical and team games: puzzles, bingo, dominoes, assembly models, creative kits, etc. that have traditionally focused on children. Eventually the adults, who buy toys, are regarded as the most promising group, which is especially relevant in the context of an ageing population. This has made many hotels and resort complexes offer a lot of board games.

Similar trends can be traced in the Russian market. As such, Krasnokamsk produce popular wooden toys (Perm, Russia) (Krasnokamskaya Igrushka, 2015) – along with a wide range of educational games -- and it recently marked its products labeled "3 - 99 years". A small number of companies use the strategy of "65+", in which the older consumer is considered as the target audience of the company (Alén et al., 2014). Choosing the strategy of focusing on this segment, the company may use other criteria for segmentation, highlighting among groups "65+" consumers with different income levels, education, and family composition (Jang et al., 2006). This strategy typically follows the suppliers specific tours aimed at the satisfaction of needs that may occur predominantly in older age groups of consumers, for example, in the field of medical services (Nikitina, 2012).

This strategy is also used by tourism companies with a wider profile. Cruise companies, however, can cause problems with the positioning of the company, formulating appeals to the older age group and communications, as consumers of older ages do not like to be told about their age. Under this strategy, a promising direction is the creation of special brands, addressed exclusively to the older consumer. One of the most striking examples of Russian practice has become the brand "Silver century", the basic concept of which is that an elderly person may be needed, free, independent and elegant at his/her age.

Low business activity in the segment of older consumers, in our opinion, is due, as already noted above, to the common stereotypes that supplant the lack of information about the segment and the lack of understanding of its features and methods of interaction with it. In fact, in terms of strategic management, older consumers are a "blind zone" in businesses, which means that the travel industry has no realistic idea about this group of consumers and has no desire to make this group better understood, including the established stereotypes.

3.3 Sociological researches of old people from Russia

In the study, we carried out a street survey, the objective being to identify the needs of older people in social and cultural activities. The sample consisted of 65 people aged 65 and older. The survey involved people from St. Petersburg and guests of the city. Sociological research was conducted from 1 till 27 July 2014. During this research many hobbies of older people were identified, among them reading books (58 %); television (72 %); concerts (25 %); physical education and sports (14 %); excursions (12 %); Hiking (31 %); table games (15 %);

visiting museums, exhibitions, cinemas, etc. (18 %); gardening (37 %); crafts (32 %); Hiking (3 %); socializing with friends (46 %); visiting clubs (hobbies) (2 %), gardening, Internet, restoration techniques, the study of economic science, fishing, hunting (11 %).

71 % of respondents wished to acquire additional knowledge and skills, and to master skills related to computer programs and the internet, to study economic and financial science, to acquire medical knowledge, to learn the basics of business, to develop vocal skills and creative ability, to learn landscape design, acquire legal and psychological knowledge, to attend open lectures and clubs, yoga classes, and in general to increase their knowledge and erudition. Thus, in retirement, there is enough free time available that older people want to use for the benefit of themselves and their loved ones. 35% of respondents in the time of the survey had planned the journey, of which 20% planned to visit relatives, 15% were going on a trip alone. Of the 65 respondents, 8 people were guests of the city, i.e. they were tourists. The survey identified the reasons that prevent respondents from obtaining additional knowledge and skills; they are physical abilities and age (34 %), lack of awareness (18 %), lack of funds (12 %), lack of free time (18 %), difficulty in learning (9 %), and only 18 % of respondents said there were no problems in obtaining new knowledge.

The questions asked to respondents aged 65 and over suggested the following activities: to organize more concerts in the daytime; to develop a one-day tourism for elderly people; to offer short-term (2-3 day) city tours for older people; to involve older people in various activities; to organize chess tournaments; to create more clubs and thematic tours; to share experiences of other cities, countries; to increase the number of small exhibitions in convenient places, for example, in the districts of residence (almost all older people negatively reacted to visit the main exhibition centers), to create schools and leisure centers for the elderly; to conduct public lectures, research seminars and excursions; to create a shared multi-age clubs for better continuity and more than strong ties. Respondents said they wanted to receive timely information and advertising is planned or existing social or cultural or tourism product. The sources of information from which older people wanted to receive information about planned social and cultural activities are Newspapers (54 %), television (69 %), radio (15%). Also, 58% said that the special program for the elderly needs to be made more financially accessible, motivating it not primarily by low income, opposite the availability of free time and desire to consume more socio-cultural and tourist services.

Throughout the course of the survey, older people also answered the question: whether they actively participate in specialized activities for older people undertaken by the city administration? 60 % said “Yes”, 40% “No”, due to the passivity, lack of company, age and state of health. The survey also examined the opinion of older people about the impact of travel on their psycho-emotional comfort. 100% of respondents believe that the travel planning gives hope, improves emotional mood, increases vitality and interest in life. However, only 35% are willing to travel for a long distance. To the question, what difficulties they are afraid of when planning travel, the answers were: own passivity, ignorance of where to go (60%), transportation difficulties (40 %); think travel has an age limit (60%); financial difficulties (25%); health (20 %).

Thus, our study showed that the majority of older people want to lead an active life, to gain additional knowledge and skills to master new technologies, to communicate, to fill life with events, get positive emotions. Surprising: the respondents did not put deterioration in the financial position after retirement in the first place among their problems. It was found that older people are easier to adapt to a worse financial situation than to constant psychological stress, and loneliness. Loneliness is what worries people today. This is a powerful destabilizing factor affecting health and the psycho-emotional state. In this regard, it is possible to offer a number of promising products that use the technology of tourism and recreation for older people: recreational and health technology; entertainment sociocultural technology; information and communication technology; educational technology; creative educational technology; entrepreneurship; technology of volunteer activities. Development of specialized tours for the consumer segment "senior tourism" on the basis of the above technologies will help an older person to engage actively in public life and to keep up with modern life, using his full potential and internal reserves. Thus, the segment of senior tourism in our country is still in the stage of modernization, but will gradually be able to come close in terms of quality and efficiency to the standards of other target segments of the tourist market.

3.4 Model of consumer behavior in the segment " senior tourism"

Review the specifics of the consumers in the older age group and their behavior. Over the years people have become more conservative, which resulted in the formation of stable preferences for certain goods and greater commitment to familiar brands. Older adults demonstrated greater loyalty and less receptiveness to the innovations

of competitors and new brands.

The older consumer is less susceptible to advertising influence, preferring to trust their consumer experience, compounded by an overall decrease in the effectiveness of traditional advertising tools. In contrast to the youth audience, sensitive to the image and status of goods, the older consumers increasingly pay attention to the real characteristics of goods and services. For example, the appearance on the market of a new fashionable product will not lead to a significant increase in demand among consumers in older age groups, if does not differ significantly by the improved functionality, usability, etc., whereas for a youth audience demand for novelty can only be achieved in design solutions (for example regular updating of models of cell phones).

Physical aging is accompanied by deterioration of health, which leads to the transformation of existing, or even the formation of new needs in the field of disease prevention and medicine, as well as adaptation of everyday life to disability. It should also be noted that the development of technologies aimed at the preservation of health, as well as trends in the quality of life lead to the fact that many elderly do not experience significant health problems, can drastically change their needs. However, over the years, and with the first signs of loss of health, people begin to pay more attention to themselves, which is the prerequisites to changing requirements, for example, to food; to forming and updating the requirements related to disease prevention and diagnosis, for example, a Check-Up program during travel, designed specifically for the elderly, for instance, Express-Check-Up for 2 hours or a Full Check-Up in 2 days. In general, it can be noted that the traditional for other ages needs partially transformed in the direction of comfort, convenience and security services and travel in general. No less influence on the modification needs is provided by social and psychological problems that are typical of older age. One of the most significant in this regard is the event of retirement or actual termination of employment. In this case, regardless of age, the person is faced with significant changes that impact their behavior as a consumer. Let us consider them in more details.

1. Decrease in income.

To maintain the usual level of consumption, the income of the pensioner is no longer enough as a rule. Here availability of savings and the willingness of the pensioner to spend on their daily needs are important. The issue of redistribution of funds for all of life is a separate subject of study. In particular, the analysis of this phenomenon is dedicated to the work of Nobel laureate in Economics F.E. Modigliani, who together with his colleagues developed a life-cycle model of consumption. The main idea of the model is to plan consumption through savings thus to achieve the same level of consumption during periods of high income and expenditure savings during periods of low income, if the saving function is to maintain a stable standard of living and is characterized by negative dynamics in youth and old age. However, practice shows that older people often leave their savings intact and pass them as an inheritance to the younger generation. Along with the motive transmission of heritage, conservation savings may be due to expectations concerning the duration of the remaining period of life. Thus, often subject to the availability of savings, an elderly consumer implements their savings strategy against the background of increasing demands for quality characteristics of goods and services, which can be characterized as rational behavior.

2. Loss of usual circle of friends, loss of social role and status, and accordingly the appearance of free time.

Retirement is accompanied by a change in the normal flow of life. The pensioner must adapt to changes by filling the time with new activities and hobbies, he/she must compensate for the lack of communication and find their new social role. In the process of adapting an important role is played by consumption. New hobbies and free time create new needs in goods and services, such as travel, hobbies, education. In this regard, the impact of an ageing population should be taken into account in the development of marketing strategies in the segment "senior tourism". The purchase of everyday goods and services creates a sense of stability.

The need to maintain a lifestyle causes corrective purchasing behavior, when goods and services, ensuring its preservation, are considered by the consumer as having greater value. Compensating purchasing motives can explain why the background strategy implementation of pensioners' savings are often relatively expensive goods and services, which include health products, compensating the deterioration of health, and the goods and services that compensate for the changing of the social status of the pensioner (for example, expensive lessons in the clubs and circles, travel, holiday resorts, buying tickets in spas and others).

Thus, we can conclude that the behavior of consumers "65+" can be described by the following model, based on the needs of older consumers. The system needs of older consumers are presented in Table 2.

Table 2. Model of consumer behavior in the segment "the senior tourism"

Area of life	The potential consequences of aging and retirement	Needs and changes in consumer behavior
Health	General deterioration of health (hearing loss, vision, sleep disturbance). Exacerbation of chronic diseases, age-related dementia, disability. Loss of ability to self-service. Fatigue, decreased physical strength, decreased coordination.	Medicament and equipment. Prophylaxis (Supplements, pharmaceuticals, cosmetics). Medical services (home care, hospitals, specialized chamber, malls, homes, boarding houses, etc.). Comfort in clothing, footwear, and equipment, and so on Household services.
Social sphere	Change of the usual circle of friends (due to retirement, bereavement), lack of communication, loneliness Free time in connection with the retirement	Leisure activities: sports clubs (for health), cultural events, education, tourism and volunteering. Hobbies, creativity, leisure (gardening, crafts, collecting, fishing).
Financial sphere	The decrease in income	Sensitivity to price, savings, rational buying behavior. Additional sources of livelihood (contract life annuities, reverse mortgages, etc.).

As shown in table 2, the needs of the older consumer are a complex and diverse system and cannot be described by traditionally-perceived needs of elderly people - "the cheapest product". In addition, due to the high differentiation of consumers in the older age group as to the income and health status, and employment, these needs are manifested individually, which implies the use of tools and personalized marketing. Using the presented model, the needs of elderly consumers allow increasing the efficiency of the tourism offer for this group of tourists. Understanding the needs of consumers "65+" gives us an opportunity to offer the value of the tourist product or services that are expected and demanded by a potential buyer, i.e. match the system's needs.

4. Conclusion

Population ageing is a new demographic challenge in the society to which tourism will have to respond with new types and forms of tourism, new technologies of service. The main trends associated with population ageing to which the organizers of tourism business should pay serious attention are the following: the increase in the segment of tourists "third age", the formation of a new segment of "senior tourism", the creation of high-tech hotel and resort complexes with a wide range of geriatric care, promoting active aging, and, of course, the widespread adoption of the technology, Telehealth and Telecare, that will support the aspirations of older people to travel and to encourage their active lifestyle.

This work presents a sociological survey of Russians "65+" to prove the demand for tourist arrivals in this segment. During this research the needs of the "third age" people were identified in the segment "senior tourism". The model of consumer behavior was proposed on the basis of the analysis of the specific needs of older people. Consideration of the major elements of the model needs will allow for personalized and focused marketing in the segment "senior tourism".

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