

EMERGING MARKETS BULLETIN

The Family & Grandparent/Grandchild Travel Market

HIGHLIGHTS

Family travel is a large and growing market.

Family travel is a large and growing market supported by the increasing importance of family memories and family ties.

Creating family memories is an important travel motivator.

The key motivators are creating family memories, promoting family togetherness, and keeping family ties alive.

Safe, friendly Nova Scotia is a good fit for this market.

Nova Scotia is safe and friendly and offers a mix of activities and experiences on which to base memorable experiences. However, competing with once-in-a-lifetime experiences such as Disney or a trip to Europe will be a challenge.

Nova Scotia needs to offer packages to capture this market.

Experiences need to be packaged with family-friendly accommodations to appeal to this market. Marketing will be a challenge because the market is broadly based. Specialty tour operators may offer the best opportunity.

The changing tourism market

The new millennium is presenting both opportunities and challenges for Nova Scotia's tourism industry. Some market segments are growing. Other traditional markets for Canada and Nova Scotia are flat or declining. These shifts and changes are driven by

- changing consumer expectations and demands
- advancing technology
- changing demographics and values
- international geopolitical issues

Emerging market segments to consider

Our research found over 30 emerging market segments discussed in the literature. This series highlights 10 with the most growth potential for Nova Scotia. We offer these bulletins as opportunities to consider as you make business decisions.

This market bulletin will help you

- understand the market segment and its characteristics
- assess the potential of the market segment for your business or region
- understand what these potential customers are looking for
- assess your product offering relative to the market's expectations
- find additional research resources

WHO ARE THEY?

Description of the Market Segment

- grandparents travelling with grandchildren
- several generations of families travelling together
- parents travelling with children
- family reunions.

“Keeping family ties alive” was a highly important travel benefit to 43 per cent of Canadians surveyed in the 2006 Travel Attitudes and Motivations Survey. “Enhancing relationships with spouse/partner and children” was highly important to 52 per cent of respondents.

“Keeping family ties alive” was a highly important travel benefit to 45 per cent of Americans. “Enhancing relationships with spouse/partner and children” was highly important to 54 per cent of respondents.

Market Size

US market size:

- 1/3 of US adults are grandparents. This is expected to grow to 115 million by 2010 as baby boomers age and their children become parents.
- 38 per cent of active travellers are grandparents who took at least one trip with their grandchildren or extended family in 2005
- More than 15 per cent of travel in the US included children with their grandparents, and 21 per cent of this travel did not include parents
- 34 per cent of US adults (72 million) travelled to a family reunion in the past three years

Other US family travel trends

- More parents are taking children along on business trips—32 million in the US in 1998, a 250 per cent increase in ten years.
- Some 15 per cent of singles have taken nieces or nephews on trips.
- Carnival Cruise Lines hosted 500,000 children in 2005, a 300 per cent increase over an 8 year period.
- Travelling with close friends and broader family groups is increasing.

Canadian market size:

No similar data is available.

Growth Trends

Peter Yesawich, in “Top Ten Travel Trends for 2007,” predicts that family travel (adults with children including grandparents) will continue to grow at a faster rate than all other forms of leisure travel. It is a way to reunite and spend time with family, away from the demands of work.

Aging baby boomers are becoming grandparents. They are younger, fitter, well-travelled, and have the time and money to travel. They are also inclined to help out their children who are in time-stressed, two-job families. This will mean significant increases in the volume of grandparent/grandchild travel.

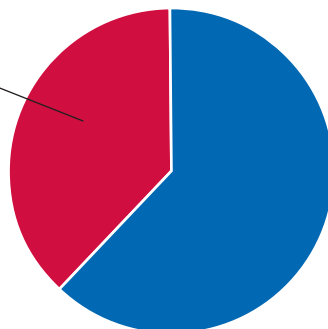
Tour operators are developing programs for family /grandparent travel, such as Globus/Cosmos, Sierra Club, Butterfield and Robinson, and Tauck Family Discovery.

Potential Yield

No data found.

US Active Travellers

38%
are grandparents
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grandchildren



WHAT ARE THEY LOOKING FOR?

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Today's grandparents have higher levels of education and income than earlier generations of grandparents. As a result, the types of experiences they select for their grandchildren include cultural enrichment and higher end experiences.

Cruise experiences, land-based travel, travel to Europe, US parks and canyons, Australia, and New Zealand are all cited as popular for grandparent travel by various tour operators catering to this market.

The Canadian family market tends to seek the following experiences:

- child-oriented attractions such as zoos, aquariums, and theme parks
- outdoor activities such as swimming, sunbathing, fishing, canoeing, kayaking, and hiking
- travel within Canada, rather than international travel

Key needs for the family market

- The family travel market is seeking much more than

price—they want recognition, customization, great service, and special treatment.

- Activities of interest are broad, from skiing, to science museums, golf, cruise excursions, hiking, and theme parks.
- Special discounts and all-inclusive prices for families at accommodations are important.
- Safety and seeing new things are critical.
- Families look to the Internet for planning and research, and to create customized and personalized family experiences.

The top 3 decisions in planning a family vacation

- **Location:** must offer fast, easy access to a variety of family experiences, attractions, and activities
- **Rooms:** must be spacious enough or have adjoining room options
- **Hotel services:** pool, games room, children's programs

OUR POTENTIAL FOR GROWTH

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Nova Scotia's competitive advantages

- A safe and friendly destination
- Good access from key origin markets, though drive time could be an issue for families
- A mix of activities available, including outdoor adventure, cultural/heritage and memorable experiences such as whale watching, also beaches
- A mix of accommodations, though grandparent/grandchild programming and family friendly rooms may be lacking

Issues and Constraints

Experiences: Nova Scotia does not have the exotic experiences to offer that the research suggests some segments are seeking for their grandchildren/families, and that are offered by competing experiences, such as cruises, Europe, and Disney.

Packaging: The challenge is to package experiences to create memorable experiences for families; experiences need to include fun, educational activities as well as unique activities such as whalewatching, and should be experiential and hands-on.

Accommodations: Accommodations will need to cater to these markets in terms of facilities, services, pricing, and the ability to be flexible.

Marketing: Marketing to this market segment is a challenge since it is a broadly based market; there may be an opportunity to work with specialized tour operators to develop product for this market.

BACKGROUND

Research Methods

This report is based on readily available information from a wide range of secondary research sources. Sources include research completed by the Department of Tourism, Culture and Heritage, the newly released Travel Activities and Motivation Study (TAMS 2006), research undertaken by a variety of other organizations, articles and newsletters, along with other studies and reports prepared on tourism in Nova Scotia. No primary research has been undertaken.

We have used the most relevant information available. However, most of the research available is for all of Canada or all of the United States and is not specific to Nova Scotia's primary geographic markets. As such, some of the data may not be directly relevant to Nova Scotia's opportunities, and care should be taken in its use.

For a full listing of sources used and further data, see the full report at www.gov.ns.ca/dtc/pubs/insights.

Other Considerations

In many cases there were only slight differences between those markets identified as having the most potential and some of the other emerging market segments. Our future initiatives may look closer at some of these other segments. And new information, new developments, and market shifts will alter the potential of market segments. This means that we will need to re-evaluate opportunities from time to time.

From a provincial perspective, this research adds to the vast amount of information considered in developing our priorities and strategies. Some of these market segments are already featured in our marketing efforts.

As an individual operator or tourism destination, you may find value in pursuing any of these markets, or even other markets that have not been identified in this process. You may have specific strengths and opportunities that make any of the 30 markets viable. Also remember that overlap exists between the market segments identified as having the most potential. For example, a getaway trip could focus on wine and culinary experiences, or a "women only" tour could feature hiking or motorcycle touring.

Consider, too, the geographic overlay as you decide which markets to target. The potential from each market segment (except, of course, the geographic ones) will be much greater from Nova Scotia's primary geographic markets. For example, people from Ontario have more awareness of the province, are exposed to more advertising, and can get here much more easily. This gives them a greater propensity to visit us.