

MARTIN ZSARNOCZKY

DEVELOPING SENIOR TOURISM IN EUROPE

The human population is showing an ageing tendency worldwide, both in developed and developing countries. 'Silver economy' (a term invented and often used by the EU) is expected to affect almost every segment of the whole economy in the near future. New services developed for senior people generally aim to support well-being with health monitoring, robotic assistance, electrical mobility or sport activities, including health tourism, green care and web-based home care solutions. In the European Union, the Living Lab experimental programmes implement complex developments and exemplary models focusing on solutions in connection with the ageing process. Senior tourists require personal care, attention and have special needs and preferences. The tourism sector has the potential to strengthen its sectors through development, and the innovation of existing capacities will provide an instant response to the demands of silver tourism.

Keywords: European tourism, senior tourism, silver tourism, silver economy, senior generation, tourism trends

Introduction

The practice of tourism is continuously changing and there are no general rules that would apply to all tourism market actors. Stakeholders in domestic and international tourism are affected by different motivations that can change their business environment. In the middle of the 2000s, the new Eastern-European countries that joined the EU had an impact on the tourism sector that was far above the EU average. This growth had been stopped only by the 2008 economic crisis that started out as a financial crisis of the bank sector in the US, but quickly spread to other sectors as well (Burgerne, 2010). The year of the bankruptcy of the Lehman Brothers Holding Inc. that had a dramatic effect on the economies of the newly joined Central-European countries of the EU, marks the starting date of those new tourism trends that my work focuses on. The new economic situation had changed many factors which define tourism. For example, the amount of available free time, leisure time and spendable income had increased in case of some demographic groups, while at the same time, decreased in case of other people.

In the history of modern tourism, the introduction of obligatory leisure time and the legal regulation of leave entitlement gave a dramatic impetus for the development of the sector. In the past, the willingness to travel of the wealthy and

the demand of the less favoured towards the status symbol of travelling had forced tourism to become an industrial sector. This gave a new meaning to the definition of leisure time, interpreted as a time to be spent according to one's will, causing a positive emotional status. In today's consumer society, the positive experience of leisure time is closely connected to the enjoyment of material goods – leisure time activities are therefore considered as sensation-centred activities. According to the widely accepted definition of WTO, tourism comprises the activities of persons using such services outside their usual environments. From the destination's point of view, an activity can be considered a tourism activity only when a person spends at least one night at the given destination; in case they spend less time at the destination, their activity can be referred to as hiking. Persons only travelling through a destination are called transit passengers.

When it comes to travelling, the two most important decisive factors for tourists are the available free time and spendable income. Tourists will decide on a specific destination based on their own motivations. According to previous research results, the available attractions at the destination and the total cost of travelling play the most important roles in decision making. In tourism consumption, the amount of spendable surplus income is the basic condition for any decision-making in the case of the older than fifty years age group. The amount of spendable income also reflects the economic potential of the tourist and their environment. The development of the tourism industry started during the economic recovery after World War II. The initial leading role of cultural tourism had been gradually replaced by affordable tourism, which was available for wider audiences, and strongly supported by technologic and infrastructural development. As a result, mass tourism had evolved, creating its own market, products, prices, supply and demand. According to UNTWO, the ratio of mass tourism within the international tourism sector adds up to almost 70%.

Within the EU and in other regions that profit from the tourism industry, both domestic and international tourism are flourishing. In developed European countries like France, Italy or Spain, the income from domestic tourism is almost as high as revenues generated by international travellers (Eurostat, 2016). In addition, based on recent statistics, the largest group of tourists is that of the older than 50 years age group. Therefore, it is vitally important to emphasize the specific demand of this demographic group. In mass tourism, the 'maximisation of profit' is a basic requirement both for the demand and supply side. When providing the demanded tourism experience, the required safety and reliability of services can only be achieved in a controlled environment (Bryman, 1999). This need for controlled experiences had led to the development of thematic parks, holiday resorts or luxury cruise trips. For the market, it is of key importance to minimize the risks and provide a safe environment. Without safety, mass tourism cannot be defined

(Zsarnoczky, 2016a). Based on these reasons, my study aims to define the role of the silver generation in tourism and we try to give an insight into the foreseen trends and predictions regarding the future of tourism.

Research methods and material

My current study focuses on the effect of silver tourism on European tourism. Relying on experts and literature, I examined the following areas: demography, senior economy and silver tourism. I conducted semi-structured interviews with tourism experts and based on the results of the interviews, I made a survey analysis on the consumer preferences of senior (older than 50 years old) people within the tourism industry. My work aims to define the expected processes that are likely to affect tourism (or any of its segments) due to the increased economic role of senior people. Although senior tourism represents only one segment of the tourism industry, new tendencies and special characteristics are foreseen to develop within this sector.

Effects of senior economy within the whole economy

Demographic population forecasts and respective research results clearly show that the human population is dramatically growing these days (OECD, 2014). Detailed data also show that within the growth rate of the total population, the number of senior (older than 50 years old) people is significantly higher; the rate of women is higher and the ratio of elderly people is increasing faster than the whole population (European Commission, 2015).

Previously, product developers and industrial decision makers had not paid much attention to service development for elderly people (Zsarnoczky, 2016b); their marketing strategies primarily focused on the 16–50 age group (Kotler, 2012). The new economic era (detailed in the introduction of this study) caused by the American financial crisis had drawn the attention of experts to the fact that the only stable purchasing power is those of the older than 50 years old adults and pensioners with stable and sufficient income. Regarding their purchasing power, the group of senior people is not homogenous and does not only consist of pensioners or pensioner-aged people: senior people are different in many aspects (Zsarnoczky et al., 2016c). First, there are age differences within the group: in some cases there can be decades of difference between senior people, dividing the group into ‘younger’ and ‘older’ elderly people. Early retired people – who spend their pensioner years with a stable income – also can belong to the first sub-group. From our study’s

point of view, it is important that a specific group of consumers with a stable income has a significant impact on almost every segment of the economy (*Fig. 1*).

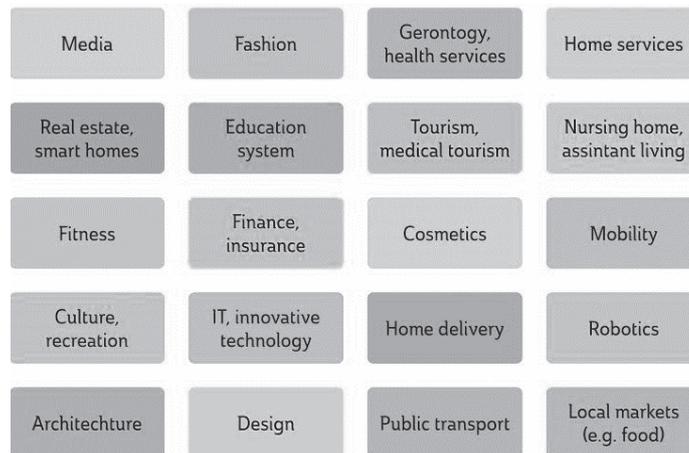


Figure 1: Economic segments of silver economy (Source: Zsarnoczky, M. 2016)

Beyond the ones shown in *Figure 1*, new economic sectors are foreseen to turn towards senior people. It is clear that the population of older than 50 years old people already represent a huge market segment with all its unexploited opportunities. In the case of elderly people, the right to well-being is just as significant as in case of other segments. In a previous study, I have defined the market segment of senior people as the total economic activity of the older than 50 years old age group, including all related products and demands that will result in spending.

Silver economy is a 'niche' segment, both in economy and in tourism consumption. Results of previous studies also confirm that the consumption habits and preferences of the elderly are different. Consumer habits and consumer preferences are not necessarily reflected by the actual choices of people. Actual consumer decisions are affected by several factors. Buyers decide upon their previous personal experiences, cultural habits, inner personal values, the usefulness of the product/service, their available income and prices. The amount of spendable financial assets and the price of the product/service limit the freedom of choice. Thus, this limited demand, determined by the available spendable income will define the terms of remunerative demand and consumer (Farkasne, 2006).

One of the key conditions of participating in tourism is the availability of spendable surplus income (Kaspar, 1991), which represents the purchasing power of the consumer group. However, beyond the amount of available financial resources,

there are several other factors affecting the decision-making processes in tourism. Nowadays, the recognition of the importance of healthy living has become a fashionable trend among the elderly. The active members of the senior society tend to be consciously active, both physically and mentally.

According to research results, this generation is foreseen to pursue physical and mental harmony, and therefore is likely to be approached with a high rate of empathy. Regarding the ageing of the human body, it is important to clarify that some of the processes inevitably affect all human beings. Gerontology experts state that the ageing of the human body is a normal biological process. It is not necessary that ageing should come with illness or any pathological lesions. However, it is important to point out that some negative biological or environmental changes can increase the risk of diseases and/or accidents. By environmental changes, we mean all factors that can influence the everyday life of the elderly (*Fig. 2*).

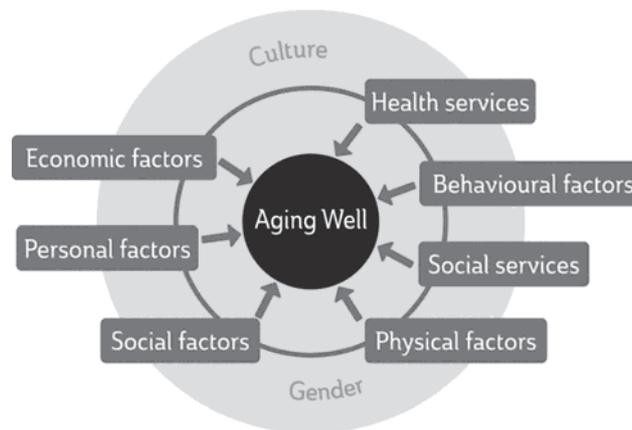


Figure 2: Successful Aging with factors (Source: Zsarnoczky, M. 2016)

Personal characteristics, personal life situations, social status, the availability of social services, physical conditions, the accessibility of healthcare services and economic circumstances together define the comfort zone of the elderly. When the combination of all factors are in a positive harmony, we can talk about successful ageing (Zsarnoczky, 2016d).

Analysing the consumer habits of the silver economy is not easy. Silver consumers do not create a homogenous consumer group. Due to the generation differences within the group, silver consumers do not have homogenous motivations, and react differently to impacts before or during purchase. A good example for such differences is the lack of online tourism sites targeting the senior age group; or the preferences towards personal contact with local travel service

providers. Diagnosing such needs is difficult because senior consumers tend to change their demands and consumer habits easily and radically. To be able to satisfy the needs of senior consumers, we need to thoroughly understand their consumer behaviour. In his book entitled *Marketing management*, Kotler (2012) examines the factors affecting consumer behaviour, and defines the satisfaction of consumer needs and demands as the main objective of marketing activity.

The motivations of silver tourists are generally the same as those defining human behaviour. According to the psychology of motivation, the human behaviour is primarily defined by consciousness and visible motives (Hofmeister, 2003); however, in the case of silver tourist, special invisible factors also need to be taken into account.

Marketing professionals specialising in silver economy will have to face continuously changing challenges affected by the actual motivations of silver consumers. Without the in-depth understanding of these motives, experts will not be able to forecast the changes in consumer behaviour. For example, a typical mass tourist will thrive in artificial environments. However, a silver tourist is unlikely to seek for similar environment when participating in mass tourism. From another point of view, based on their life experience, silver tourists are strongly affected by a tourism nostalgia factor (Zsarnoczky, 2016e), which is almost impossible to define in the case of younger generations.

My previous research examined the motivation factors that affect the travelling habits of silver tourists. The results of that research had revealed that silver tourists have several complex motivations. For example, recreation and healing are among their priority physical motivations. As for social motivations, visiting friends and relatives and being in the nature are among their priorities. Their decisions are of course strongly affected by their actual life situation. Based on these factors, their priorities within the tourism industry will be medical and health tourism (Zsarnoczky, 2017), VFR (visiting friends and relatives) tourism, and visiting natural sites.

General characteristics of silver tourists:

- they have sufficient spendable income,
- according to demographic statistics, the majority of them are women,
- safety is a priority to them, and they will avoid catastrophe-struck regions,
- because they have a lot of free time, they can travel in any season,
- they are willing to expand their time spent at the destination, even at multiple times,
- they can be considered as “curious” tourists,
- they require more communication,
- they will seek medical and health services,

- they take each other's opinion and recommendations into account seriously,
- regarding transport, accessibility is more important for them than the means of travel. Source: Zsarnoczky, M. 2016 Silver Tourism (doi:<http://dx.doi.org/10.15414/isd2016.s7.15>.)

Results

During the year following the first survey at the end of 2015, another 100 questionnaires had been filled and the previous material was also analysed from different points of view. The new questionnaires focused on the in-depth examination of two main topics related to the factors affecting the amount of spendable income for leisure time and tourism in the case of silver economy members. The survey was taken among pensioners and people living on other sources of income, but also leading a 'pensioner lifestyle'. The number of observable questionnaires was 80. Thus, the results cannot be considered representative, due to the low number of questionnaires.

Leisure time and free time are important elements of the demand side of silver tourists. My first hypothesis is that the members of the silver economy – living on pension or other source of income – have a sufficient amount of free time which can be spent on tourism services. My second hypothesis is that the members of the silver economy have a sufficient amount of income, part of which they spend on tourism purposes.

Without a sufficient amount of spendable free time, it is impossible to consume tourism services. However, there is no cause and effect relation between the availability of free time and tourism activities. Tourism services can be consumed locally, in the vicinity of one's residency or within one's wider habitat. It is a subject of personal preferences whether the particular service is consumed as tourism-related or other form of service. Personal standards, human attitude and the social environment all play significant roles in our decisions (*Fig. 3*).

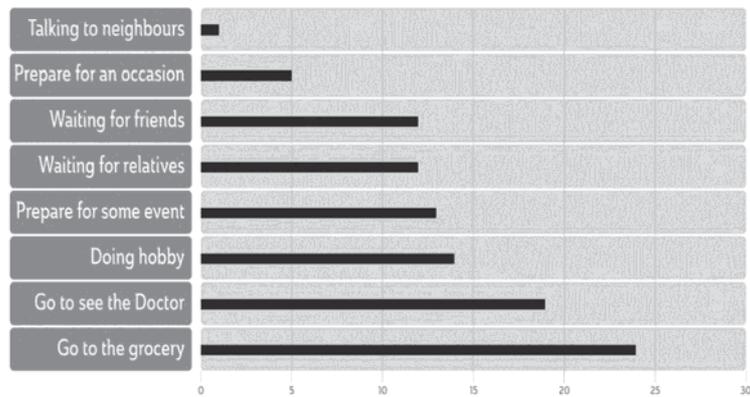


Figure 3: The results of questionnaires I. (Source: own edition)

Members of the active working society, who live outside the world of silver economy and have significantly less free time than pensioners tend to presume that pensioners have more free time only because they do not work actively. However, results of the survey show that pensioners themselves claim to have only little spendable free and leisure time. *Figure 3* clearly shows the TOP 8 activities, a list compiled of prioritised daily activities. All respondents claimed to be very busy every day with different activities like grocery shopping, visiting the doctor, waiting for friends and relatives, preparing for some event, talking with neighbours or spending time with their hobbies.

In relation with our research, this finding is quite interesting because it shows that the members of the silver generation feel quite busy with their daily duties. Among their own activities, grocery shopping and visiting the doctor are the most important ones. Spending time with their hobby – which is a different type of free time activity – is at the third place. This implies that spending quality free time is at the third place on the priority list of the silver generation. For us, this is important because it shows that spending time on quality activities is important for the elderly; this can be realised in the form of hobbies or travelling, or – ideally – travelling or tourism can be the hobby of these people. It is also crucial to understand that the listed activities of the elderly (going to places, waiting for people, preparing for events) are important parts of their daily routine; therefore, their everyday life schedule is quite similar to those who work actively. It is quite likely that the organisation of their daily schedule – where the activities are identified as work – largely contributes to the feeling of being busy.

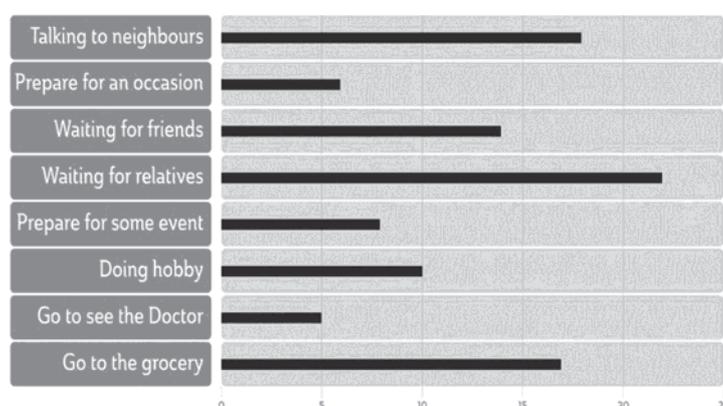


Figure 4: The results of questionnaires II. (Source: own edition)

Active employees can easily differentiate the importance of leisure and free time. For them, monotonous work, work-related stress and the negative comfort caused by the crowded environment create a good motivation for tourism. For the elderly, the stress caused by activities themselves can be a factor leading to the creation of tourism demands. *Figure 3* summarises the priority order of activities; the next step was to analyse the amount of time spent on these activities. *Figure 4* clearly shows that there is no significant correlation between the priority and the amount of time spent on a specific activity. The largest difference is related to family members, where the activity is listed at fifth place, but the time spent on the activity is the most among all other factors. The second largest difference can be seen in relation with the neighbours, where the importance is listed at the last place, but the time spent on the activity is represented at the second place of the list. The third most time is spent on grocery shopping, listed at the first place on the list of priorities. Based on the results of the questionnaires, pensioner activities can be defined as activities that are ‘similar’ to the daily routine of active employees. Our research results also indicate that there are significant differences between the priority status of activities and the amount of time spent on them.

Based on the results, the most important findings are the following:

- among members of the silver economy, hobbies are listed as the third most important activity. This result regarding the free time priorities of the elderly can be a useful indicator for tourism service providers,
- grocery shopping is important for the members of the silver economy, and they are willing to spend time on it.

Our first hypothesis was that pensioners and other members of the silver economy (living a pensioner lifestyle based on other sources of income) have

sufficient amount of free time that can be spent on tourism services. The results of our research had proved this hypothesis.

However, having sufficient amount of free time is not necessarily enough for the realisation of tourism demand within the silver economy. The tourism-related spending and purchase power of this group must be examined with taking into account other economic factors as well. In our study, we examine the segment of spendable surplus income that can be spent on tourism purposes. We examined the most important influencing factors that affect the tourism-related financial decision making processes of silver economy members.

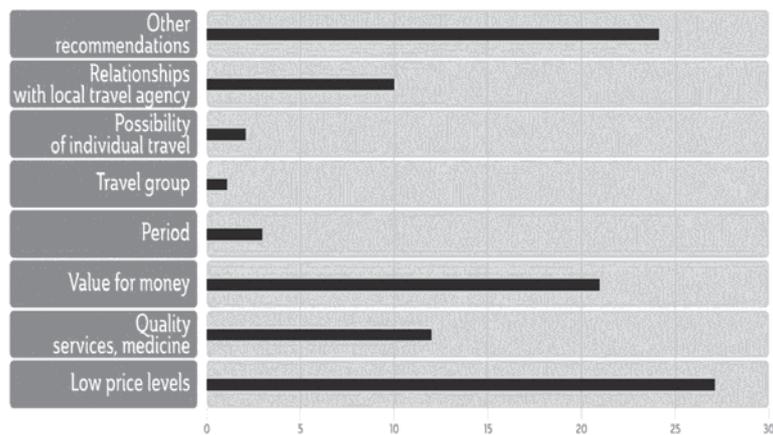


Figure 5: Factors affecting tourism spending, in order of importance (%)
(Source: own edition)

Within the total amount of income, the main resource of tourism-related spending is the segment of spendable surplus income. In some special cases, like in the case of international migration of the elderly (Illes, 2013), the majority of the total income can be spent on tourism purposes for a given period of time. In the case of the silver generation, the total amount of income is a decisive factor in tourism demands. This income consist of pension or other pension-like income, creating a stable financial background for the elderly. In case of a higher income, more can be spent on tourism purposes. This will not necessarily result in more travelling, but a given amount spent within a specific timeframe can be calculated from the data. Our research revealed that there is an economic relationship between demand and prices, because silver tourists tend to opt for good quality services offered at a reasonable price. It is also important to emphasize that beyond the available price, the opinion of friends and relatives is also a decisive factor for silver tourists. Based on my recent research, silver tourists seem to be a price-sensitive consumer group, probably due to the fact

that they are conscious consumers that are offered several targeted options. Our other hypothesis that the members of silver economy have a stabile income that they will spend on tourism purposes had been falsified. It is true that the silver generation has a stabile income, part of which *could* be spent on tourism, but there are other significant factors that can alter their decisions in a negative way.

Conclusions

Within the European Union, the most important demographic change is the ageing of the society. Silver economy represents a continuously widening age group that creates a new segment in tourism, characterised by special demands and priorities. Although governments raise the age limit of retirement in many countries, this phenomenon generates other effects as well, e.g.: the increased number of active employees with more experience will lead to a situation that after their retirement, these people will have a higher income, due to the higher number of years spent in employment. This will lead to an increased number of senior tourists, creating a potential market demand in silver tourism. Silver tourism is foreseen to be characterised by a higher number (multiple times per year) of short (and less expensive) trips in the future. The tourism market of senior people is a price-sensitive market segment. Silver tourism products are predicted to be price- and quality sensitive, with an increased consciousness of consumers in line with the growing of supply. For the silver generation, pension means a stabile resource of income.

Due to its vicinity, combined with the richness of its historical and cultural heritage, Europe is likely to become a priority tourism destination for silver tourists. Members of the silver generation are not necessarily willing to travel to other continents, because the majority of them had already taken part in intercontinental journeys. New technologic trends are foreseen to create new realities that can offer new tourism spaces for visitors. For example, multi-generation tourists can face more intensive 'experience-shock' on luxury cruise trips than in 'normal' resorts. For tourism marketing experts, silver tourists represent a new challenge, who are not willing to accept the 'ordinary' mass tourism offers. The most important decisive factor among silver tourists is the opinion of others from their generation.

Summary

The role of silver economy is continuously increasing in the European Union. The term ‘silver generation’ refers to the older than 50 years old demographic group of adults. This group is not homogenous; there are even generation differences among the members. For successful ageing, the harmony of several factors is necessary. The tourism-related consumer demand of the elderly can represent a significant tourism market segment. The elderly tend to feel busy, but they have a lot of free time; they can also differentiate free time and leisure time. When spending their leisure time on tourism, they prefer to take multiple shorter trips. Silver tourists prefer uniqueness, enjoyment and experience over mass tourism. With regards to the future trends in tourism, silver tourists are foreseen to focus on attractions related to health-awareness, active relaxation, and natural surroundings. For the members of silver economy, the quality-price ratio of tourism services is of top priority. Elderly tourism consumers tend to be more prepared and selective during their decision making. The increased amount of income is likely to strengthen the demand side; however, the realisation of a higher number of more structured smaller purchases is predicted in the tourism sector. Silver tourists demand personal contact with their tourism providers and their decisions are strongly affected by the opinion of other members of their demographic group. The area of the European Union can provide sufficient tourism attractions for silver tourists, both in terms of quality and quantity.

References

- Burgerné Gimes, A. (2010): Az Európai Unióba újonnan belépett és jelölt országok gazdasága, *Statisztikai Szemle*, 89(6), Dialóg Campus Kiadó, Budapest/Pécs, 649.
- Eurostat (2016): Tourism Statistics of Top Destinations (http://ec.europa.eu/eurostat/statistics-explained/index.php/Tourism_statistics_-_top_destinations).
- Bryman, A. (1999): Theme Parks and McDonaldization, *The Sociological Review*, In: Smart, B. (ed.): *Resisting Mcdonaldization*, Sage, London, 33–41.
- OECD (2014): Demographic change (<http://www.oecd.org/cfe/leed/demographicchange.htm>).
- European Commission (2015): Regional Policy, Projects (http://ec.regionaleuropa.eu/_policy/en/projects/finland/the-living-lab-on-wellbeing-services-and-technology-enables-independent-living-for-elderly-people).
- Hofmeister Tóth, Á.(2003): *Fogyasztói magatartás*, Aula Kiadó, Budapest, 311–322.
- Illés, S.(2013): *Időskori nemzetközi migráció*, Tullius Kiadó, Budapest, 23–47.
- Kotler, P. (2012): *Marketingmenedzsment*, Akadémiai Kiadó, Budapest, 89–114.

- Farkasné Fekete, M. & Molnár, J. (2006): *Mikroökonómia*, Szaktudás Kiadó Ház, Budapest, 58–100.
- Kaspar, C. (1991): *Die Fremdenverkehrslehre im Grundriss*, Paul Haupt, Bern, Stuttgart, 176.
- UNWTO (2014): Global Report on Adventure Tourism (<https://skift.com/wp-content/uploads/2014/11/unwto-global-report-on-adventure-tourism.pdf>).
- Zsarnoczky, M. (2016): Contradictions of Medical Tourism, *Deturope*, 8(3), 212–223.
- Zsarnoczky, M. (2016): The new hope for the EU – Silver Economy, In: Miczorek Wanda Building Bridges: *Cities and Regions in a Transnational World*, Regional Studies Association (RSA), Graz, 208.
- Zsarnoczky, M., David, L., Mukayev, Z. & Baiburiev, R. (2016): Silver Tourism in the European Union, *Geojournal of Tourism and Geocites*, 18(2), 224–232.
- Zsarnoczky, M. (2016): Innovation Challenges of the Silver Economy, *Vadyba: Journal of Management*, (28)1, Klaipeda University Press. Klaipėda, 105–109.
- Zsarnoczky, M. (2016): The impact of silver tourism on rural areas: wpływ srebrnej turystyki na obszary wiejskie, *Annals of the Polish Association of Agricultural and Agribusiness Economists*, 18(3), 402–410.
- Zsarnoczky, M. (2017): New Innovations for Senior Care, *Vadyba: Journal of Management* 30(1), Klaipeda University Press, Klaipėda.

