

HOW IS POPULATION AGEING INFLUENCING GLOBAL AND LOCAL TOURISM?

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Abstract

Tourism is such a complex activity and it involves all types of population, no matter the age, race or religion. At the global scale, it is well known that the proportion of older people is dramatically increasing and this may have major implications on global market due to the specific needs of this age group. Because of his age an older consumer acts rationally, is usually more experienced and very demanding, needs more information about the offered product and has more time to verify this information. They are more flexible with regards to travel times, often preferring to travel in off-peak seasons, which can bring a major advantage to some tourist destinations. Already many countries in Europe, USA, Canada or Australia have recognized a goldmine from including older people into tourism market. The objective of this paper is to analyze whether the ageing of world population will lead to negative or positive effects for the tourism industry.

Introduction

The increase in the number of inhabitants of the planet has led to a gradual increase in the number of tourists, so tourism has gradually become a social phenomenon.

After World War II, as a result of industrialization and urbanization, the living standards of the population increased and the demographic explosion was more pronounced in developing countries.

This has inevitably led to an increase in the number of tourists. The structure of the population by age group influences the volumes of tourist flows, the choice of the place of destination, the travel period, the means of transport used and the type of tourism practiced.

Statistics show an increase in the share of the population aged 15-24. At the same time, the share of the population aged over 65, especially in developed countries, is increasing¹.

Also, the organization of transport is differentiated by age groups. Elderly people pay more attention to the type of transport and services compared to young people.

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¹ *Turismul internațional. Evoluție, particularități și tendințe*, Edit. Pro Universitaria, București, 2013.

As for the professional structure of tourists:

- there is a higher participation rate of those with higher education and secondary education than those who do physical work;
- the trip to travel is in relation to the income earned on the family;
- the trip depends on the place and the role occupied in the branches of activity, the duration of holidays and their distribution during a calendar year.

The desire to travel is different:

- maximum level of professional freedom and intellectuals (75-80%);
- minimum rates for agricultural population (5-10%).

In this context, the following questions arises.

When does the third-age population travel and where? How do the seniors influence the tourism industry? What are the characteristics of the senior travel market?

Evolution of world population

The evolution of the number of the world's population has experienced leaps which correspond to the technical progress and the geographic distribution of the population on the surface of the planet is conditioned by several factors: physic and geographic conditions (relief, climate, hydrography, natural resources, etc.), historical conditions, economics and demographics, etc.

The UN estimates that 7.5 billion people live today, with the world population rising to 8.1 billion by 2025, with most of the growth going on in developing countries, especially in Africa. UN specialists estimate that in 950, 9.6 billion people will live on Earth. In 2100, it is estimated that nearly 11 billion people will live on Earth, with 800 million more than in the estimates released in 2011.

At the same time, the average age has increased and some countries are experiencing an aging population (table 1). Statistics shows that every 6 seconds someone in the world becomes a senior². The number of older persons has more than tripled since 1950 and it will almost triple again by 2050.

² Sniadek J, *Age of seniors – a challenge for tourism and leisure industry*, published in Studies in physical culture and tourism, Vol. 13, Supplement, 2006, Poland.

Table 1. Evolution of world's population by age (over 50 yr old)

Year	60-64	65-69	70-74	75-79	80+	80-84	85-89	90-94	95-99	100+
1975	118.514	93.205	65.556	39.244	29.843	...	...	...	...	...
1980	119.716	103.828	75.513	47.619	35.821	...	...	...	...	...
1985	140.893	104.958	84.816	55.190	44.345	...	...	...	...	...
1990	159.871	124.700	86.417	63.046	...	34.851	14.467	4.034	771	90
1995	171.754	141.790	103.628	64.805	...	40.652	17.832	5.389	987	118
2000	188.830	153.396	118.770	79.104	...	42.485	21.323	6.827	1.349	150
2005	196.305	169.596	129.981	91.607	...	53.373	23.061	8.525	1.785	213
2010	237.763	177.953	145.309	101.812	...	63.804	30.344	9.740	2.386	301
2015	294.105	216.506	153.908	115.532	...	71.831	37.295	13.475	2.917	434

Source: UN Population Division, June 2017

Globally it will be around 21% of the total in 2050 (1.6 billion). The oldest old population in some Asian and Latin American countries is predicted to quadruple by 2050. America's 65-and-over population is projected to nearly double over the next three decades, from 48 million to 88 million by 2050.

Demographics experts say this was to be expected, due to years of advances in medicine and diet, which reduced the likelihood of heart disease and stroke or heart attacks³. People are living longer, but that does not necessarily mean that they are living healthier⁴.

The largest concentration of the elderly population is found in Japan and some European countries (table 2).

At continental level the phenomenon of aging is particularly present in Europe and North America. These differences across continents can be explained primarily by the different levels of natality and fertility rates, but not least by migratory phenomena and the average lifetime, the overall mortality rate, especially infant mortality.

³ Serghescu A, *Populatia lumii imbatraneste – milioane de oameni peste 100 de ani*, 2016.

⁴ *** (2016), *World's older population grows dramatically*, article published online at <https://www.nih.gov/news-events/news-releases/worlds-older-population-grows-dramatically>

Table 2. Countries with the largest concentration of elderly population

Countries with highest share of 60+ population		Countries with highest growth of 60+ population and share		
	% of population over 60		Increase 2011-2050 (%)	(%) of population over 60
Japan	42	UAE	35	36
Portugal	40	Bahrain	29	32
Bosnia and Herzegovina	40	Iran	26	33
Cuba	39	Oman	25	29
Republic of Korea	30	Singapore	23	38
Italy	38	Rep. of Korea	23	39
Spain	38	Vietnam	22	31
Singapore	38	Cuba	22	39
Germany	38	China	21	34
Switzerland	37	Trinidad&Tobago	21	32

Source: Adapted from Bloom et al (2011)⁵

Population aging is a long-lasting global phenomenon that has affected the entire world over the last few decades and it will have a large impact over the global economy in the future (including tourism industry).

Evolution of tourism, trends and ageing

Until 1950 the evolution of the number of tourists was slow and relatively constant, but after this year tourism has seen a spectacular increase in the number of international arrivals. Tourism has evolved from the "obscurity" of the 1950s to one of the most important industries of the 21st century (table 3). Even though some tourist destinations have been confronted with various crisis situations over time, the development of tourism has been positive in the period mentioned above.

Stagnation in the 1980s may be associated with the world economic recession preceded by the 1973 Oil Crisis and followed by the 1991 Gulf War. After 2000, there were two situations of decline in international arrivals.

The first drop occurred in 2001 when the whole world was shocked by the terrorist attacks of September 11, 2001. Another fall was recorded in 2003, and was considered an anomaly from the US invasion of Iraq.

In 2012 the tourism industry reached a milestone - 1 billion international tourist arrivals which is an important record for the industry. International tourist arrivals worldwide are expected to increase by 3.3% a year between 2010 and 2030 to reach 1.8 billion by 2030, according to UNWTO's long-term forecast report *Tourism Towards 2030*.

⁵ Telfer David J, Sharpley Richard, (2016), *Tourism and Development in the Developing World*, Second edition, Edit. Routledge, New York.

Table 3. Evolution of international arrivals between 1950-2017

Year/Arrivals	Year/Arrivals	Year/Arrivals	Year/Arrivals
1950 25	1976 229	1993 520	2010 953
1960 69	1977 249	1994 551	2011 995
1961 75	1978 267	1995 527	2012 1035
1962 81	1979 283	1996 596	2013 1087
1963 90	1980 288	1997 613	2014 1134
1964 105	1981 290	1998 625	2015 1189
1965 113	1982 290	1999 650	2016 1235
1966 120	1983 293	2000 674	2017 1322
1967 130	1984 320	2001 684	
1968 131	1985 330	2002 703	
1969 144	1986 341	2003 694	
1970 166	1987 367	2004 750	
1971 179	1988 394	2005 809	
1972 189	1989 425	2006 847	
1973 199	1990 435	2007 901	
1974 206	1991 463	2008 920	
1975 222	1992 503	2009 880	

Source: Tourism highlightes, UNWTO.

A number of factors have helped to increase the number of international arrivals. Among them are: improving living standards especially in developed countries, increasing leisure time, lowering the cost of tourist packages, growing population demand for travel, etc. Also, major demographic trends at the global level – rising populations, increased life expectancy, urbanization, migration, changing family structures – present fresh challenges for the tourism sector.

An important segment of the international arrivals of tourists is represented by the elderly population. Seniors travelers market characteristics are:

- It is the market with the greatest budget of free time. Studies show that senior citizens devote 40% more time than younger people to tourism and recreation⁶.

- For example, the buying potential of French seniors is estimated at €150 billion per year. The U.S. seniors have at their disposal the buying fund of \$2 billion and they spend annually over \$30 billion on trips.

- Elderly tourists are more inclined to choose guided package tours than those in their 50s and 60s. Coach tours are especially popular, as they are relatively inexpensive and provide security and companionship for those

⁶ Sniadek J, *Age of seniors – a challenge for tourism and leisure industry*, published in Studies in physical culture and tourism, Vol. 13, Supplement, 2006, Poland.

travelling alone⁷. Also, because of the numbers involved, tours are often discounted, especially in low season, and older travelers seem more willing to travel off-season to take advantage of the reduced costs.

- 70% of all passengers of cruise ships are seniors and also they are 80% of luxurious trips customers. They spend 74% more on “typical” holidays than people between 18 and 49 years of age.

- In Europe, seniors from Germany, Spain, France, Italy or Nordic Countries use to travel a lot, especially in the Eastern Europe and Southern Europe (for seaside).

- However, more than half of European residents aged 65+ (52 %) did not participate in tourism, with major discrepancies between countries.

- Over 5 million elderly Chinese citizens travel each year. And 47% of them even go long-distance. They use to travel two times during the year – one being long-distance to Europe or America, and the other short-distance to other parts of Asia.

- For the American seniors top international destinations include Mexico, the Caribbean, and/or the U.K. and Ireland); within the U.S. Florida and California were top choices.

- In Australia and Japan population over 65s now account for over 20% of all leisure travelers.

Conclusions

For the tourism and leisure industry, the consequences of ageing society and the resulting challenges connected with the senior consumer service include:

- increasing demand for off season holidays;
- increasing demand for health tourism and rehabilitation of old spas and wellness facilities;
- demand for quiet places with a mild climate;
- demand for quality services;
- development of the coach tours.

As for senior travelers, they are more experienced travelers; they have more time to spend on travel and leisure and are more flexible with regards to travel times; they are less likely to be influenced by ‘frills’ and extra amenities; travel is often a lifestyle priority, and many are prepared to pay for travel on a regular basis and have more savings and assets and fewer financial commitments, especially in the early years of retirement.

In the future, tourist’s profiles and preferences will become increasingly fragmented and destination’s competitiveness will depend on their ability to

⁷ *** *Senior tourism*, article published online at <https://www.acsedu.co.uk/Info/Hospitality-and-Tourism/Tourism/Senior-Tourism.aspx>

develop and market tourism products to an ageing, multi-ethnic population. Younger tourists who are still working full-time may look to relax on holiday, while older tourists may go on vacation to try new activities.

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