



2006 Adventure Travel Industry Research Round-Up



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2006 Adventure Travel Industry Research Round-Up

Executive Summary

Welcome to the 2006 *Xola Consulting Adventure Travel Industry Research Round-Up*, where we present a summary of current tourism industry research relevant to businesses and individuals interested in the adventure travel industry.

Committed to the growth and success of adventure travel businesses, Xola created this document as a resource for operators, agents, writers, and other tourism industry professionals interested in current and emerging adventure travel trends.

Overall Outlook: Adventure Tourism Market

Growth Statistics and Spending

World tourism in the first eight months of 2006 increased 4.5 percent over the same period last year and is poised to exceed the record of 806 million international travelers set in 2005. The UN's World Tourism Organization forecasted 4.6 percent growth in 2006 and 4 percent for 2007 (WTO, 2006).

Specific to adventure travel, in 2000 the international adventure tourism market was estimated between 4 and 5 million trips, representing about 7% of all international trips taken during that year. Average expenditure in that period on adventure travel vacations was \$1300 per person.

More recent surveys (2005) indicate adventure travelers' expenditures continue to rise: nearly 10% of those surveyed said they spend \$5,000 or more on their adventure travel vacations, while 3% spent \$9,000 or more.

Travelers

Tourism overall continues to attract additional people every year from the "Millennial" and "GenX" demographic segments, while the infamous "Baby Boomer" group continues to maintain its interest in the type of unusual, experiential travel services provided by the adventure travel industry.

Niche Market Growth

"Niche" travel markets such as adventure continue to thrive. The WTO reports that travel products such as, "city breaks, cultural tourism, rural tourism, ecotourism, 'special interest' tourism such as health and wellness" continue to thrive. Further supporting the development of specialized, niche markets is the parallel growth we've seen in long haul travel, which is growing at 5.4% annually (WTO, 2005).

Regions to Watch

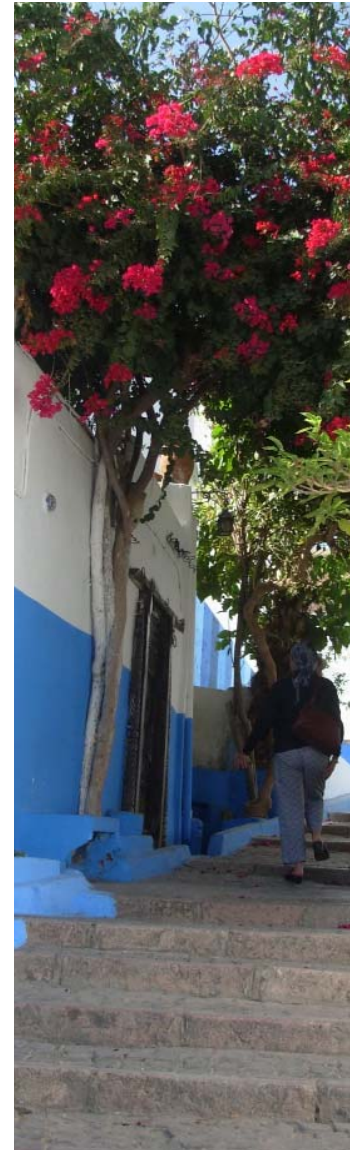
Regions where we expect to see growth in tourism, including adventure travel, based on WTO findings include:

- Asia Pacific, particularly,
 - Northeast Asia: China, Hong Kong, Macau, Taiwan, Mongolia
 - Southeast Asia: Malaysia, Cambodia
 - South Asia: India, Pakistan, Bhutan
- The Americas, where arrivals were up 11% in 2004
- North Africa, where travel increased by 15% and East Africa, which recorded gains of 24%

Traveler Preferences and Behaviors

Global industry research indicates that travelers are seeking opportunities for shorter vacation breaks and more breaks coinciding with holiday schedules. In addition, many people seek guidance and support in their excursions, but essentially want to be independent and free of schedules.

Travelers are using the internet for research and bookings, particularly in the Millennial and GenX segments, and last minute, spontaneous decisions are also common among younger travelers. Value for money remains an important concern, as travelers have high price sensitivity.



Forecasting Industry Development through Indirect Indicators: “Connecting the Dots”

We’ve seen that to predict adventure traveler behavior and industry growth we must move beyond traditional demographic segmentation methods. Many in our industry believe that adventure travel businesses should view consumers holistically, understanding that purchasing habits and motivations are driven by attitudes that reach across strict demographic boundaries.

Greenteam, an integrated communications agency committed to advancing society and the environment (www.greenteamusa.com), refers to the large group of U.S. consumers united by their commitment to the environment, corporate social responsibility and healthy living, as “Awakening Consumers.” Tracing the values of these Awakening Consumers to their buying behaviors in everything from organic food to spa treatments and adventure travel, Xola collected anecdotal information on a range of industries we believe are being strengthened by the purchasing preferences of these people.

Areas of interest in which we collected data:

- Developments in international air travel routes
- Developments in environmental consciousness
- Population of college-aged youth interested in travel
- Preferences for organic, local, and unusual food
- Interest and spending for spa and wellness services
- Interest and spending in yoga

Our research shows continued growth in these areas, which we believe signals a favorable outlook for the adventure travel industry.

Demographic Data

Please refer to the final section of this report for details on generational profiles, which offer insight into the values, attitudes, and beliefs of specific demographic groups. Details are provided on the three generations currently positioned as consumers of adventure travel — Millennials, GenXer’s, and Baby Boomers. These profiles may be useful in developing marketing strategies and crafting marketing messages geared toward specific groups.

The full report is organized into seven sections:

Section 1. Overall Tourism Development and Outlook

Section 2. Profiling the Adventure Traveler

Section 3. Economic Data

Section 4. Marketing

Section 5. “Connecting the Dots.” Indirect Indicators For The Adventure Travel Industry

Section 6. Demographic Data

Section 7: Works Cited

Xola provides consulting and research services for companies in the adventure travel industry. Learn more about us at www.xolaconsulting.com. If you have questions about the data presented here or would like to conduct more in-depth primary research — focus groups or targeted surveys, for example — to follow up on subjects discussed here, please contact us directly:

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2006 Xola Consulting Adventure Travel Industry Round-Up Report

Introduction

Welcome to the 2006 *Xola Consulting Adventure Travel Industry Research Round-Up*, where we present a summary of current tourism industry research relevant to businesses and individuals interested in the adventure travel industry.

Committed to the growth and success of adventure travel businesses, the Xola Consulting team created this document as a resource for operators, agents, writers, and other tourism industry professionals interested in current and emerging adventure travel trends.

Given the majority of businesses in this sector are small to medium sized, the cost of conducting primary research or having a research staff can be prohibitive. Xola expects that individual businesses will use this information to help inform strategic planning and budgeting initiatives; agents and writers may use it to help predict and understand traveler preferences and interests.

Research Method

The goal of the *Adventure Travel Industry Research Round-Up* is to examine trends and patterns relevant to the adventure travel industry as researched in private and public documents.

The team applied a standard content analysis methodology in developing this report and used a broad definition of adventure travel as a guideline in determining which information sources to include in the analysis:

“A trip or travel with the specific purpose of activity participation to explore a new experience, often involving perceived risk or controlled danger associated with personal challenges, in a natural environment or exotic outdoor setting.” (Sung, Morrison, & O’Leary, 1997)

We gathered current research reports and extracted market trends and forecasts of interest to the adventure travel community, relying on data from government documents, academic journals, tourism offices, tourism management and marketing texts, airline and travel industry reports, magazines, newspapers, and other on-line sources. References include:

- **Bureau of the Census**
- **Bureau of Labor Statistics**
- **Bureau of Transportation Statistics**
- **Canadian Tourism Commission**
- **Journal of Travel Research**
- **Office of Travel and Tourism Industries**
- **Outdoor Industry Association**
- **Planeta.com**
- **Travel Industry of America**
- **World Health Organization**
- **World Tourism Organization**



Photo by William Heyinger

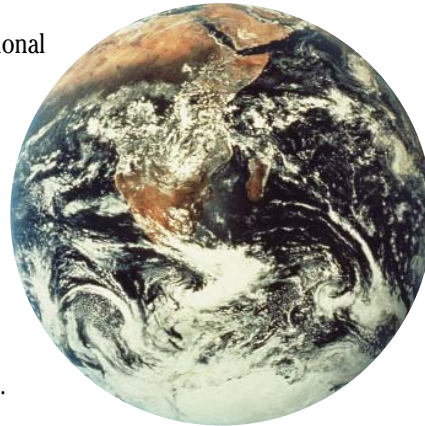


Section 1. Overall Tourism Development and Outlook

World tourism in the first eight months of 2006 increased 4.5 percent over the same period last year and is poised to exceed the record of 806 million international travelers set in 2005. The UN's World Tourism Organization forecasted 4.6 percent growth in 2006 and 4 percent for 2007 (WTO, 2006).

In its *Tourism 2020 Vision*, the WTO forecasts international arrivals to reach 1.6 billion by 2020, with the top receiving tourist destinations:

Europe 717 million tourists
East Asia and the Pacific 397 million
Americas 282 million



It is further predicted that long-haul travel will grow faster, at 5.4% annually, than interregional travel, which is expected to grow at 3.8% (WTO, 2005).

Top Global Destinations for International Travel, based on Number of Arrivals

(WTO 2004 arrivals data)

1. France	6. U.K.
2. Spain	7. Austria
3. US	8. Mexico
4. Italy	9. Germany
5. China	10. Canada

The growing interest in China recognized by the WTO is also anecdotally supported by an increase in consumer on-line activity. According to Pauline Frommer of the Frommer guidebooks, message boards at **Frommers.com** have *ten times* more postings from China than any other Asian country. She suggests interest in China goes beyond simply Beijing, to include Shanghai and other more distant regions. Frommer said, "It's a place Americans should see. They're shaping up to be our big competitors."

The U.S., although ranking third for global international arrivals, was found in a recent survey of international travelers, to be a "difficult, unfriendly place to visit." The survey, funded by the Discover America Partnership, found by a 2-1 margin that foreign travelers to the U.S. said the U.S. was the worst place to obtain a visa and enter. In the survey, the U.S. lagged behind Asia, the Middle East and Africa. "Policy makers first need to decide that they actually want more travelers to come to the U.S.," said Geoffrey Freeman of the partnership (*Wall Street Journal*, 2006).

Domestic Travel

Shifting the focus from international arrivals, many destinations sought to develop their domestic markets in 2005, which is less sensitive to international shocks. In particular,

- Domestic tourism in the U.S. already dwarfs international travel, and saw an increase from 1.1 billion travelers to 1.2 billion
- Domestic travel in India rose 19%
- In Vietnam, domestic travel rose 12%
- Togo, Eritrea, and Zimbabwe also noted encouraging results in domestic travel

Regional Highlights, 2005

- In the Asia Pacific, arrivals were up 24%, especially:
 - Northeast Asia: China, Hong Kong, Macau, Taiwan, Mongolia
 - Southeast Asia: Malaysia, Cambodia
 - South Asia: India, Pakistan, Bhutan
- Arrivals were up 21% in the Middle East, primarily a result of intraregional travel
- The Americas also showed an increase, with arrivals up 11%
- Overall, Europe grew less than 5%, however, Central and Eastern Europe grew by 11%
- Africa, especially North Africa, increased by 15% and East Africa, increased by 24%



Intraregional Travel

Around the world, regional travel continued to thrive:

- Germans, the biggest travelers in Europe, were traveling more frequently to Central and Eastern European destinations.
- Americans also favored neighboring destinations, for example, Mexico recorded a 10% increase in American tourists in 2005.
- In the Middle East, Jordan saw a 33% increase in tourists from the Gulf and Lebanon recorded a 24% increase in tourists from other Middle Eastern countries.

Long Haul Travel

- Syria reported growth from European travelers.
- There is strong European demand for travel to North African countries.
- The U.K. displaced Saudi Arabia as the largest source market to Dubai.
- Demand was strong from Europeans, particularly the lucrative Russian market, for travel to Asian destinations.
- Strengthening of the yen, the end of the SARS epidemic, and the dampening of the Iraq conflict, resulted in Japanese tourists returning to travel, continuing to favor Hawaii. Several African nations such as Zimbabwe, Kenya and Rwanda focused marketing efforts on Japan in this renewed climate with excellent results.
- Jordan noted a 53% increase in tourists from Asia and the Pacific.

Continuing Trends

- 1 Shorter stays and more holiday breaks
- 2 Independent travel
- 3 Increased use of the Internet for research and booking
- 4 Growth of special interest travel
- 5 Late booking
- 6 High price sensitivity

Fast Growing “Products”

- 1 City breaks
- 2 Cultural tourism
- 3 Rural tourism
- 4 Ecotourism
- 5 Special interest tourism such as health and wellness

Big Spenders

- The biggest outbound spenders are the Germans, and they are shifting travel away from neighboring European countries in favor of newly available Central and Eastern European countries.
- Despite a weak US dollar, several regions reported more American tourists, including Asia and the Pacific region, specifically China, Taiwan, Hong Kong, India and Philippines, while Europe reported a 12% rise in US visitors.
- China is the most promising tourism generating market to emerge in the last few years. Several countries have negotiated Approved Destination Status agreements with the government allowing Chinese tourists greater choice of destinations to visit. Current regulations allow only package tours to ADS countries with independent travel allowed to Hong Kong and Macau, both Chinese territories.

Top Tourism Generating Countries for Inbound Travel to the U.S. (TIA, 2006)

<u>1. Canada</u>	<u>7. South Korea</u>
<u>2. Mexico</u>	<u>8. Australia</u>
<u>3. U.K.</u>	<u>9. Italy</u>
<u>4. Japan</u>	<u>10. Netherlands</u>
<u>5. Germany</u>	<u>11. Brazil</u>
<u>6. France</u>	<u>12. Ireland</u>



Ayurveda specialists in Kerala, India.



Vacation Days

Vacation leave is often used for travel. According to TIA (2006), over one-fourth of employed travelers (28%) use all of their vacation time traveling to points at least 100 miles from their home, and two-thirds of employed travelers (65%) spend at least one-half of their vacation time traveling.

Understanding who has the time for “aspirational” travel such as adventure travel provides some guidance as to where travel companies may target their marketing efforts. Tourism companies with a multinational presence may decide to focus more on attracting clients from countries where travelers have a greater number of vacation days, or by playing on the current vogue discussion of ‘work-life balance’ and ‘family-friendly’ employment, popular among politicians and business leaders (Felstea, Jewson, Phizacklea, & Walters, 2002).

The table below provides data on the average number of vacation days workers around the world typically earn.

Average Number of Vacation Days Around The World

Italy	42 Days
France	37 Days
Germany	35 Days
Brazil	34 Days
United Kingdom	28 Days
Canada	26 Days
Korea	25 Days
Japan	25 Days
USA	13 Days

Source: World Tourism Organization (WTO, 2005)



Photo courtesy of ecotours.com

Take off your shoes and stay awhile.

Interpretation For Adventure Travel Operators:

- Consider the preferences of global travelers when marketing your products. For example, given the current European interest in North African countries, adventure travel operators may develop marketing materials highlighting North African offerings aimed at European travelers.
- Use information about global traveler preferences to identify and negotiate with new global partners. For instance, where appropriate, market to domestic travelers in the countries in which you run trips.
- Given the continuing trend in online research and booking, adventure travel companies should continue to enhance online marketing and booking capabilities.
- To take advantage of the continuing trend for shorter breaks, operators may consider exploring ways to offer a greater portfolio of adventure trips that can be enjoyed over a long weekend.
- Operators may consider experimenting with alternative pricing models to encourage early booking in light of the trends in late booking and high price sensitivity among travelers.
- Based on American travelers’ increased interest for destinations in China, Taiwan, Hong Kong, India and Philippines, adventure travel operators offering trips in these areas may choose to bring these destinations to the fore in marketing efforts and/or seek to strengthen or build new relationships with strategic partners in these regions.
- Adventure travel operators would do well to prepare themselves to take advantage of the opening of the Chinese market — learn more about the travel interests and desires of Chinese tourists, how to market to them, how best to serve them.



Section 2. Profiling the Adventure Traveler

While the previous section highlighted general tourism trends, this section provides a summary of research specifically devoted to the adventure traveler and outdoor recreation.

The broad appeal of adventure travel, and the fact that it can be appreciated on multiple levels, makes obtaining a clear picture of a “typical” adventure traveler challenging. Aggregated data suggests adventure travelers run the gamut from professionals to students, with a variety of backgrounds and interest areas.

International Adventure Travelers

- Geographically, North Americans and Europeans dominate the overall adventure travel market, although it is growing in other regions of the world (Swarbrooke et al., 2003).
- According to Millington (2001), the international adventure tourism market amounted to between 4 and 5 million trips in 2000, representing about 7% of all international trips taken during that year.

American Adventure Travelers

- In 2005 the Outdoor Industry Association (OIA) found that 1 in 4 Americans 16 and older (59.5 million Americans) took a vacation specifically to participate in an outdoor activity. This suggests huge growth potential in outdoor travel: 160 million Americans participate in outdoor activities, but only 59.5 million of them took an outdoor vacation. As baby boomers age they will seek more active vacations. OIA (2005) further notes that this group of individuals is eager to see new places and do new things.
- A national survey sponsored by the *Adventure Collection* found that of the geographic areas evaluated, the West (51% of travelers) has the highest level of participation in adventure travel followed by the Northeast at 48%, the North Central at 45% and the South at 41%.

The Typical Adventure Traveler in 2005

A recent survey conducted for a new industry travel magazine developed the following adventure travel consumer demographic profile:

- 58% are male
- 32% are 45 and over
- 52% are married
- 79% are Caucasian
- 52% have children under 18
- 42% have household income was in the \$40k-\$79K range (OIA, 2005)

Considering this demographic profile, adventure travel operators and industry groups might be tempted to focus marketing and sales efforts on these existing adventure travelers. However, what’s not immediately evident in this demographic profile is the *opportunity*. Knowing that 58% of adventure travelers are men suggests that adventure travel businesses have an impressive opportunity before them in marketing to women, and also more broadly to races beyond Caucasians. In addition, given that nearly half of the current adventure travel population is oriented to families, with kids under 18, the industry may consider focusing more attention on families.

Adventure Traveler Attitudes, Characteristics and Preferences

Adventure travelers tend to be active both in their community lives and their travel lives (The Travel Institute, 2005). This suggests these travelers are willing to commit time and resources to organizations they believe in. Increased awareness of sustainable tourism suggests consumers will commit time and resources to this topic, and will seek companies aligned with their values.

According to a national opinion survey conducted for the National Consumers League and Fleishman-Hillard, Inc., American consumers feel strongly about buying products from, or working for, a company whose values are aligned with their personal values. The results



Photo courtesy of ecotours.com

Celebrate good times.



found 65% of respondents say it is “extremely” or “very” important to buy products and services from those who have similar values and principles.

More than half (52%) of the Fleishman-Hillard survey respondents say they seek out information about a company’s social responsibility record “all of the time” or “sometimes.” In addition, 47% have used the internet to learn about the extent to which a company is or is not socially responsible.



Photo courtesy of ecotours.com

Mountain gorillas in Rwanda.

Some issues adventure travelers claim specific interest in are highlighted below:

Issue Area **SUSTAINABILITY**

COMMENT

Adventure travelers are interested in sustainability and responsible travel as evidenced by willingness to spend an average of 10% more on their excursion if they are assured of the travel provider’s responsible travel practices and their respect for the ecology and diversity of the planet and its inhabitants. (Adventure Collection Survey, 2005).

On the list of Ten Important World Tourism Issues for 2006, “managing sustainable tourism” was ranked third among priorities in an aggregate study compiled by East Carolina State University.

Issue Area **Environmental CONSERVATION**

COMMENT

More than three-quarters of American travelers feel it is important that their visits not damage the environment, and 62% say it’s important to learn about other cultures when they travel. (Adventure Collection Survey, 2005).

In the ATTA/MSU Consumer Survey (2005), respondents strongly agreed environmentally sustainable activities belong in the adventure travel category.

As to whether adventure travelers are willing to spend more on a trip they know to be provided by an operator who is conscientious about the environment, the data is conflicting:

- A Travel Industry of America survey found 58.5 million Americans say they would pay more to use a travel company that strives to protect and preserve the environment. Most important, the majority (61%) of those who would pay more to use such companies would in fact pay five to ten percent more (TIA, 2003).
- However, an analysis conducted by the group, *Consumer Demand and Operator Support for Socially and Environmentally Responsible Tourism*, in which a range of studies from the U.S., Europe, Costa Rica and Australia (CESD & TIES, 2005) were reviewed, found consumer demand for responsible tourism strong and growing, but largely passive. Although the majority of tourists are interested in the social, cultural, and environmental issues relevant to the destinations they visit, only a small percent of tourists describe themselves as “ethical” or actually inquire about hotel policies; even fewer report changing their plans due to responsible tourism issues.

Spending Levels

- Not long ago, average expenditure on adventure travel vacations was \$1300 per person (Swarbrooke, et al., 2003).
- According to an Opinion Research Corporation national survey sponsored by the Adventure Collection in 2005, nearly 10% of respondents say they spend \$5,000 or more on their adventure travel vacations, 3% spent \$9,000 or more. Among those with household incomes above \$75,000, 17% said they spent \$5,000 or more on their adventure travel vacations.
- One large active travel company reports that their travelers spend, on average, \$500 per person/per vacation in clothing, books, and gear in preparation for their adventure.



Anecdotes on Adventure Travel Preferences

Trip Type

Experiential: Uncharted Outposts International perhaps summed up the preferences of adventure travelers best with its statement, “People are interested in the leading edge of vacation travel that is exotic, adventuresome without danger, educational, experiential, and authentic. They don’t do package tours, fancy resorts, or cruises.”

Little-Explored Destinations: “There is a new class of consumers — savvy, value-conscious and eager for a taste of excitement in their travels...Departure from the ‘beaten path’ may represent the future of global tourism...The new tourists will want different things. The sun-and-surf standard is giving way to adventure travel, ecotourism, cultural tours and sport vacation in ever more far-flung places: China, the Maldives, Botswana, Vanuatu. The new buzzword: authenticity. (Feroohar, 2002).

Volunteer Vacations: A TIA study revealed that one-quarter (24%) of travelers said they were currently interested in taking a volunteer or service-based vacation. Interest was strongest among boomers, with the largest share (47%) falling into the 35-54 year old age range.

Favored Activities

Outdoor recreation and/or visiting national or state parks is one of the top activities for U.S. travelers taking leisure trips within the U.S.

One in four (23%) leisure person-trips includes some form of outdoor recreation and/or a visit to a national or state park. Outdoor trips are also likely to be taken by car (76%) and one in six (17%) outdoor trips includes camping in an RV or tent (Domestic Travel Market Report, 2003).

According to OIA, although the *number of participants* in outdoor activities remains stable with almost three-quarters of Americans participating, in 2005 the number of individual outdoor *outings* has declined. OIA (2006) suggests that businesses in the outdoor industry consider who and what activities are “stealing share” from the outdoors:

- Top 5 activities are: bicycling (38.2%), fishing (34.5%), hiking (34.2%), camping (30.4%), and trail running (18%).
- Activities with broad appeal share the following characteristics: easy access, easy to learn, done in a day, require less specialized gear.

Interpretation for Adventure Travel Operators

- Given consumer interest in corporate social responsibility, highlight your business’s strides in this area. Can you demonstrate that your contributions have measurable impact in communities? Consider how best to position your business or organization to harness consumer goodwill and use CSR initiatives as a promotional tool.



Kerala, India



Section 3. Economic Data

In terms of revenue and jobs, the outdoor industry (in which we include adventure travel) plays a large role in the national economy (OIA, 2006).

Some indicators:

- US outdoor recreation expenditures have had a multiplier effect on the US economy, generating \$730 billion for the national economy. This takes into account active outdoor recreation trips, active outdoor recreation gear, retail sales in food, beverage, transportation, lodging, suppliers, and manufacturers.
- The OIA report estimates that Americans spend \$243 billion on trips ranging from a summer camping vacation to an afternoon family bike ride.
- OIA (2006) further estimates there are 6.5 million outdoor industry jobs generated by the following categories:

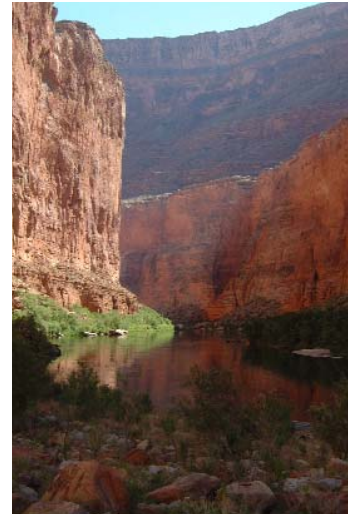
Cycling ■ Camping ■ Fishing ■ Hunting ■ Paddling ■ Snow sports ■ Trail ■ Wildlife viewing

- TIA's (2005) economic analysis of the travel and tourism industry's (which broadly includes the lodging, food services, and entertainment sectors) effect on the US economy, estimates that 7.3 million jobs in the U.S. are travel-generated.
- Employment generated by international travel jumped by 69,500 jobs between 2003 and 2004, the first increase since 2000.
- Expenditures related to international travel rose for the first time since 2000, from \$64.5 billion in 2003 to \$74.8 billion in 2004. This is an encouraging sign that international travelers are beginning to return to the U.S.

Interpretation For Adventure Travel Operators:

The economic data cited above is useful for adventure travel operators and agents in the following ways:

- Examine your business in the context of the larger tourism economy; are there potential business partners outside your routine set of relationships? Given the ripple effect of tourism business through the economy, are there synergistic relationships for your business in other sectors? For example, if you are a gear manufacturer, are there potential partners for joint marketing programs in the food or lodging sectors?
- Use this economic data in your public relations efforts! Especially in local markets, it is helpful when searching out new ways to create a "story" from your business's operations. Place your business in the context of the national outdoor economy, provide reliable data and highlight how your business supports overall economic growth.
- If your business is seeking additional capital investment, this data could be used to encourage and educate investors about the health and growth of the industry.



Grand Canyon



Section 4. Marketing

Tourism marketing strategies continue to evolve. More sophisticated approaches to segmentation and consumer profiling have led many operators and destinations to embark on marketing programs that would have been unheard of as few as ten years ago.

Travelers' changing use of media continues to play a large role in shaping marketing strategy.

Travel Media Usage

Half of all U.S. adults (101.9 million) say that they use the travel media — everything from newspaper travel sections and television travel shows to online newsletters — to plan their vacations.

Traditional Media

- Twenty-eight percent say they used newspaper travel sections to plan their travel in the past year, 21% used an Internet web site for their travel planning and 21% used television travel shows such as CNN Travel Guide.
- Travelers who use more than one travel medium were asked which travel medium is most useful to them, and 24% said that they find Internet web sites most useful, followed by newspaper travel sections and television travel shows.
- Half of travel media users (50%) say they read, watch or listen to travel media at least once a month or once a week.
- About one third (31%) of travelers have decided to visit a travel destination because of information that they saw or read in the travel media (TIA, 2006).

Internet

The Internet and online services are very popular with travelers.

- Travelers tend to be quite computer savvy, with two thirds (65%) of the 98.3 million travelers who are online—63.8 million—using the Internet to make travel plans in 2004.
- Among online frequent travelers, 70 percent use the Internet for travel planning. Use of the Internet to actually book travel continues to increase, with 45 percent of all travelers now online having made travel reservations on the Internet during the past year. That translates to 44.6 million online travel bookers, up six percent over 2003.
- The majority (83%) of online bookers are using the Internet to do at least half of all their travel booking. The number of online bookers doing all of their travel booking online continues to grow, with 40 percent now doing so, versus 29 percent in 2003.
- Interestingly, 82 percent of online travel bookers say they bought airline tickets for a trip taken in the past year, 67 percent booked overnight lodging accommodations, and 40 percent made rental car reservation (Travelers Use of the Internet, 2004).

Destination Marketing

Early in 2006 Planeta.com invited tourism professionals to participate in a candid review of tourism promotion around the world. The Tourism Marketing Survey was created to show how satisfied tourism professionals are with tourism promotion at the national and international levels.

- Respondents gave government marketing campaigns around the world a low mark. Comments indicated that in-country and outbound travel operators do not know the PR agencies that represent the country, or do not feel they perform adequately.
- Planeta noted that these are alarming results for those interested in ecotourism and responsible travel as it indicates that rather than promoting what's available, the promotion departments are seen as an obstacle, particularly for in-country small and medium businesses.

Destination Marketing to Youth

Youth and student tourism (generally people age 15-26) accounted for 20% (140 million international arrivals) of the global tourism market in 2002 and was expected to have risen to 150 million by 2004 (WTO, 2006). The growth of student and youth travel runs counter to demographic trends on aging, largely because young people are traveling more frequently. Given



Photo courtesy of ecotourism.com

My lips are sealed.



the growing numbers of youth and student travelers, developing products and services to meet their needs, and marketing effectively to them has become an important priority for many in the tourism industry.

- In Australia, Tourism Australia has an innovative approach to Backpacker marketing. It created a program with five core components, all emphasizing non-traditional media. The five core components are: database, portal/website, e-newsletter, viral campaigns, video news releases. (In Australia, the backpacker industry is thought to be worth AS 2.5 billion, or 22% tourism industry earnings.)
- A number of Asian destinations are also aggressively promoting adventure travel for youth. South Asia Subregional Economic Cooperation Programme of the Asian Development Bank created the Integrated Project on Adventure Tourism in South Asia, targeting youth tourism. The project undertakes marketing and professional development activities, with the initial costs funded by the Indian government.
- India is heavily promoting itself as an adventure travel destination internationally with its Incredible India campaign. Later extension of the Adventure Tourism Project into Nepal and Bhutan is planned. And domestically, MTV, an important multimedia platform reaching Indian youth, is launching a new product — MTV Backpack Holidays, the self-proclaimed “one-stop-shop” for adventure travel packages aimed at Indian youth. The initiative is co-branded with Travelguru, an Indian travel portal and hotel consolidator.



Hussein in the dunes near his home, Merzouga, Morocco.



Section 5. “Connecting the Dots:” Indirect Indicators for the Adventure Travel Industry

Examining demographic and behavioral trends across a range of industries improves predictions regarding emerging trends, and assists analysts in better understanding existing traveler preferences. Xola agrees with the assessment that many adventure travelers fall within a larger category of what could be referred to as “the Awakening Consumer” (Greenteam, 2005). As noted, the Awakening Consumer group transcends demographics, and is a population united by shared values. This population is fueling growth in a range of industries — everything from organic food to spa services. Understanding the health of these industries is useful in gauging the growth potential for adventure travel businesses.

We believe the following industries are being strengthened by the purchasing preferences of Awakening Consumers, and see their continued growth as indicators signaling a favorable outlook for the adventure travel industry. Data collected here shows:

- Expansion of international air travel routes
- Continued raising of environmental consciousness
- Growth in the numbers of college-aged youth interested in travel
- Increasing preference for organic, local, and unusual food
- Increasing worry over obesity, and not only in western countries
- Increasing interest and spending for spa and wellness services
- Increasing interest and spending in yoga

Air Travel Routes

Partly because of the higher revenue possible on overseas flights, the International Air Transport Association predicts the global airline industry in 2007 will record a \$1.9 billion profit, which would be the first after five years in which the industry lost a combined \$41 billion.

Flights from the US are increasing on routes across the Atlantic, with about 54 million passengers in 2006, a 29 percent increase over the past four years. Xola sees the developments in the airline industry as favorable for adventure travel.

US Airlines Snapshot

- United Airlines is building its presence across the Pacific. The company has ended its flights to Europe from New York’s JFK airport, but is putting more resources into competing on Asian routes.
- American Airlines is increasing its focus on Latin America.
- Continental Airlines is also pushing into Latin America, earning 43% revenue from international flights.
- In 2006 Delta added direct service to places that are mostly tourist destinations, such as Venice, Italy, and Nice, France — markets long considered marginal because they get relatively little corporate travel. Overall, Delta has initiated 12 new routes across the Atlantic with three more scheduled for fall 2006 including routes to cities in Africa. Delta says it now gets 35 percent of its revenue from international routes, versus 20 percent a year ago.
- Delta is also adding year-round intercontinental service to destinations even more obscure and unpredictable, such as Kiev, capital of Ukraine, and, in December, the Ghanaian capital of Accra in West Africa.

Update on Routes to China

- American Airlines, Continental Airlines, Northwest Airlines and United Airlines are seeking authorization for a new daily flight to China. Under a 2004 agreement, the U.S. can award one new daily flight for service beginning March 25 to one of the four airlines that already serve China.



Photo: Andrei Blumer/Romanian Ecotourism Association



- Only three U.S. cities currently have nonstop passenger service to China on U.S. carriers: San Francisco, Chicago and Newark, N.J., which serves New York.

Other Global Carriers

- Air France/KLM and Spain's Iberia are increasing their flights to Latin America. By flying direct with no U.S. stop, they let passengers avoid the security hassles of passing through American airports' post-9/11 security.
- Air Greenland will launch its first commercial flight from Baltimore-Washington to Nuuk, Greenland in October, 2006.

Recognition and Interest in Environmental Issues

Adventure travelers, as previously noted in this report, are keenly attuned to environmental issues. Xola views the general consumer's rising interest in environmental issues as favorable for adventure travel businesses, and the trend shows no signs of abating. This is evidenced by a number of environmental initiatives as well as new businesses. These initiatives and businesses place a value on all things "green" (Earth Day, 2006; Global Green USA, 2006).

Some examples of this general trend include:

- Responding to rising interest from the public, magazines targeting a range of audiences have put "green" issues on their 2006 covers, recognizing the growth of this important movement. A few include:

- *Economist* — "Climate Crisis"
- *Elle Magazine* — "The Green Issue"
- *Food & Wine* — "Recipes from a Green Kitchen"
- *Wired* — "Climate Crisis"
- *Newsweek* — "The New Greening of America"
- *Vanity Fair* — "Special Green Issue"

An array of new businesses and business initiatives focused on neutralizing carbon emissions have successfully launched recently (Meckler, 2006; Glover, Vidal, & Clark, 2005):

- The Carbon Neutral Company: "find out about your environmental impact and how to make aspects of your life CarbonNeutral with our special packages."
- TerraPass.org: "The purchase price of your TerraPass is based on the cost to reduce the amount of carbon dioxide your car emits in a year. TerraPass funds go directly to carbon-reducing energy projects across the US."
- DriveNeutral.org: "Neutralize your carbon footprint through large-scale sustainable projects."
- British Airways, Virgin Atlantic, easyJet and the airport operator, BAA, were among the signatories to a list of pledges for the end of the decade including a 50% cut in carbon dioxide emissions per seat and an 80% reduction in nitrogen oxide emissions. Passengers will also get more information about the pollution caused by their flight.
- Airlines take their commitment to the environment seriously. While supporting 8% of global economic activity, air transport is responsible for 3.5% of global greenhouse emissions. The International Air Transport Association (IATA) has obtained China's approval to implement a new route for international traffic, which reduces flight times between China and Europe by an average of 30 minutes. IATA-1 will have a significant impact on the environment. The more direct routing will eliminate 2,860 hours of flight time, 27,000 tons of fuel consumption, 84,800 tons of carbon dioxide emission, and 340,000 kilograms of nitrogen oxides emission annually.

Anecdotes on Youth

Previously we discussed specific marketing programs targeted to the young travel consumer. Research indicates that student travelers are strongly motivated by "desire for experience" toward international destinations, suggesting adventure travel can continue to satisfy youth traveler needs. Here we discuss the growth in general of the youth population, and the impact this may have on the adventure travel industry.



Photo by William Heninger

Tarangire National Park, Tanzania



The youth segment is undeniably a powerful consumer group for the adventure travel industry. The U. S. Census Bureau (2003) estimated approximately 16 million people were enrolled in colleges or universities in 2001. Forecasts indicate there will be over 17 million college students by 2012. The growth in the number of college students is helping create a much larger college travel market (Mattila, Apostolopoulos, Sonmez, Yu, & Sasidharan, 2001) and the youth student market is generating a great portion of profits by helping form a bigger travel market inside the entire travel system (Bywater, 1993; Richards and Wilson, 2004). As a result, a number of tourism businesses and organization have focused marketing efforts toward this segment, suggesting the youth travel market will continue to grow.

Other indicators of growth in the youth market:

- The Federation of International Youth Travel Organizations (2003) reports that young and youth travelers consist of more than 20% of the total international arrivals as “loyal repeat consumers” and recommends that travel sectors focus on this market by providing specific products and services to meet their individual needs and desires to travel.
- The Student and Youth Travel Association (SYTA®), a trade association and “The Voice of Student and Youth Travel®”, recorded its largest number of participants at its annual SYTA Conference, held September 8 – 12, 2006. Close to 1,000 attendees, a 25% increase over 2005, capped another year of remarkable growth for the association, which continues to gain widening recognition in the industry. Current active tour operator members of SYTA accounted for almost \$1.55 billion US in student and youth travel, providing trips for over 2.2 million participants each year. (SYTA, 2006)

Students around the world are also increasingly concerned with environmental issues and are quite vocal in their efforts to support environmental causes. Frequently their interest in environmental preservation is supported by a desire to travel and experience all the world has to offer. They often clearly associate adventure travel with environmental issues (Whiting, 2006). For example:

- David Kroodsma, 26, rode his bicycle from Palo Alto to Mexico City on a campaign to raise awareness about global warming. “One component is simply biking and seeing the world and adventuring. The other component is spreading the word on climate change, and helping people think about this as a global issue. One of my goals is to convince kids how interconnected we are through the Americas and how climate change affects all these places.”
- In 2002, Oxford University as a whole made a commitment to use “green” electricity, putting it alongside Newcastle, Oxford Brookes, the London School of Economics, King’s College London and Sussex University in purchasing 100% of their electricity from environmentally friendly sources. The continuation of this contract is in no small part due to pressure from students, who protested vehemently when it was believed the university might return to using fossil fuels (Goodman, 2006).

Trends in Food

Burgeoning consumer interest in organically grown foods has led to the transformation of the organic food industry. Once a niche product sold in a limited number of retail outlets, organic foods are currently sold in a wide variety of venues, including farmers markets, natural product super markets, conventional supermarkets, and club stores. Since the early 1990s, certified organic acreage has increased as producers strive to meet increasing demand for organic agricultural and food products in the U.S. Further, nine USDA agencies have expanded research, regulatory, and other programs on organic agriculture, suggesting the organic food industry will continue to grow (Dimitri, & Greene, 2002).

Where food is concerned, Awakening Consumers continue to favor organics, and many people, regardless of age, are also becoming more thoughtful and adventurous in what they choose to eat. Evidence of this interest can also be seen in growth and popularity of food related magazines.

Diners are reported to also revel in novelties, whether fresh curry leaves at or whole racks of meat served tableside, both of which are unfamiliar to many Americans. There is a push for better-quality foods overall (Vyong, 2006).



Grapecycle in Rabat.



- Guests demand more variety in a meal, even ordering multiple appetizers instead of one entree. This has propelled the popularity of small plates, no longer the exclusive domain of tapas.
- “It’s like they’re going to get bored halfway through their veal chop or their big bowl of pasta,” says Charles Hesson, general manager and sommelier at Amerigo’s Grille in The Woodlands (Houston, TX). “They like experimentation.”

Obesity Issues

Available experience and scientific evidence show that the regular practice of appropriate physical activity and sports provides people, both male and female, of all ages and conditions — including disabilities — with a wide range of physical, social and mental health benefits W. (World Health Organization, 2005). Despite the well-known benefits of a healthy lifestyle, the world Health Organization reported the rest of the world is packing on pounds almost as fast as America. Altogether there are more than a billion overweight people around the globe, compared to 800 million who are malnourished (World Health Organization, 2005).

- More than half of adults in Australia, Saudi Arabia and Mexico are overweight.
- In China, one in five adults is heavy.
- In sub-Saharan Africa, where most of the world’s hungry live, there is an increase in obesity, especially in urban areas.

Trends in Wellness

Perhaps partly a response to the problem of obesity, there is a strong trend toward “wellness” programs in both the work and play areas of life today. The appeal of spa, golf and, other types of R&R are on the rise. This inescapable consumer concern for health is feeding growth in another travel niche with ties to adventure travel — wellness vacations that combine fitness, yoga, massage, and healthy menus. Wellness centers are opening in places ranging from the Aerie Resort on Vancouver Island in British Columbia, Canada, to the Cambridge Beaches cottage colony in Bermuda.

In addition, more than one-fourth of US travelers—24.7 million adults—tried to keep those extra pounds at bay by using a fitness center or gym while traveling in the past three years. These travelers are more likely than total U.S. travelers to be male (55%), younger (39 years, average age), a college graduate (56%), have a professional or managerial occupation (36%), have children in the household (55%) and have a higher annual household income (\$87,000 average) (TIA, 2006).

According to a May 2006 survey conducted by Synovate for TIA:

- **SPA VACATIONS:** More than half (54%) of travelers said they were currently interested in going to a spa or a place where they can relax and rejuvenate themselves. The majority (40%), are 35-54 years old; however, interest is strong among 18-34 year-olds (37%).
- **SPIRITUAL VACATIONS:** One-quarter (25%) of travelers said they were currently interested in taking a spiritual vacation such as a religious retreat or pilgrimage. The appeal spans the ages, with one-third of each age group (18-34, 35-54 and 55+) expressing interest in such a vacation.
- **ENRICHMENT TRAVEL:** More than half (56%) of travelers said they were currently interested in taking an educational trip where they and/or their family can learn something.

Additional support for consumers’ growing interest in health and wellness includes (Harpaz, 2006; Schmit, 2004):

- Tour companies are offering specialty trips, combining sightseeing, spa visits, and health-and-fitness programs.
- Justin McNaull, spokesman for AAA, says the term “wellness vacation” might be more appealing to some consumers than a spa vacation, which “might seem a little self-indulgent. The health and wellness side seems a little less decadent. You’re investing in yourself as opposed to pampering yourself. It’s self-improvement.”



Yoga on deck in Croatia.

Photo courtesy: Sea Dog Sailing



- Yoga Journal estimates that 15 million U.S. residents practiced yoga last year, up almost 30% from the year before. The magazine, founded in 1975, has 310,000 subscribers, up from 90,000 in 1998. Thanks largely to new, big-company advertisers, national advertising is up 35% in the current 200-page issue from a year ago.
- While yoga appears to be still growing in popularity, other fitness trends, such as the body-conditioning Pilates, are now more explosive, says the IDEA Health & Fitness Association.
- At REI, the USA's No. 1 specialty outdoor store, sales of yoga mats, blocks and other props are up 98% this year over last. REI says yoga is the big driver behind a 70% expected jump this year for yoga and climbing clothes, down from a 134% jump in 2003 from the year before.
- "Even large, mainstream apparel makers are putting 'great for yoga' on everything stretchy," says Demian Kloer, general manager of Vista, Calif.-based prAna, which makes and sells clothing for yoga and rock climbing and was REI's 2003 vendor partner of the year.

Industry statistics from the spa industry further confirm this trend and may signal continued growth for adventure travel. Spa industry professionals at their 2006 Annual Meeting cited key trends (Harpaz, 2006):

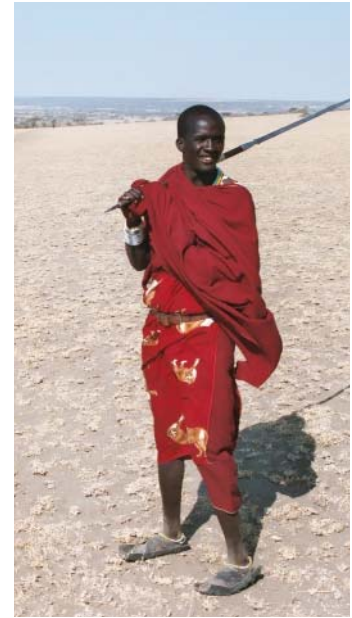
Wellness: Procedures that used to be primarily cosmetic have been reconfigured as healthful and relaxing.

Food: "We've taken spa cuisine to a whole other level — it looks good, tastes good and smells good."

Authenticity: spas are trying to differentiate themselves by evoking regional traditions and landscapes.

Manliness: Men comprise 31 percent of U.S. spa-goers and 29 percent of Canadian spa-goers, according to a Hartman Group study.

Fun: get treatments based on astrology readings, try weaving, painting or making a mandolin.



Maasai in Kenya.

What "Connecting the Dots" Reveals

Xola believes that the consumers fuelling growth in the industry areas cited above are also driving growth in the adventure travel segment. We can see that consumer attitudes and interests align nicely with what the adventure travel community has to offer.

Many adventure travel tour operators already know intuitively that their trips can address health and fitness concerns, while catering to the growing interest in environmental issues and a desire among consumers to patronize businesses "giving back" both to the environment and communities. The data presented here gives some concrete support to this intuition and provides indicators to track when predicting future industry developments.

Trends favorable to adventure travel include:

Expansion of international air travel routes

Continued raising of environmental consciousness

Growth in the numbers of college-aged youth interested in travel

Increasing preference for organic, local, and unusual food

Increasing worry over obesity, and not only in western countries

Increasing interest and spending for spa and wellness services

Increasing interest and spending in yoga



Section 6. General Demographics — Millennials, GenX & Baby Boomers

Predicting adventure traveler behavior and industry growth transcends typical demographic segmentation methods; therefore adventure travel businesses should view consumers holistically, understanding purchase behaviors and motivations are driven by attitudes beyond strict demographics.

Even so, this report provides details on generational profiles, which offer insight in to the values, attitudes, and beliefs of specific demographic groups, or “cohorts.” Details are provided on the three generations currently positioned as consumers of adventure travel — Millennials, GenXer’s, and Baby Boomers. These profiles may be useful in developing marketing strategies and crafting marketing messages geared toward specific groups.

- In 2007 GenXers will become the largest group of both business and leisure travelers (Gergen, 2005). During the second quarter of 2005, according to D.K. Shifflet & Associates, lodging demand by GenXer’s grew by 7% compared to 6% growth for Boomers. And even though there are fewer of them (61 million versus 81 million Baby Boomers), GenXer’s account for nearly the same share of hotel stays.
- While research shows that GenX travelers spend more per trip than their Boomer counterparts, even while earning less money, the question is whether that trend will continue in the long run, says trendspotter Bjorn Hanson, a partner in the PriceWaterhouseCoopers Hospitality and Leisure Practice. “The expenditures by GenX travelers is impressive, but it’s still up in the air whether this group will ultimately be as lucrative for the travel industry as the Boomers have been.”
- “A decade ago, when Baby Boomers dominated travel, the focus was on providing dependability, convenience and trust,” says Mike Jannini, executive vice president and general manager, brand management, for Marriott International. “Today’s GenX and Millennial travelers have more of an appetite for style and innovation. In the future, the GenXers will set the trends and the Boomers will follow along.”
- Both GenX and Millennial are going to have to be the fix-it generation, in particular when it comes to entitlements, the environment, and increasingly when it comes to world affairs (Gergen, 2005).



On the beach in Zanibar.



TABLE 2. GENERATION PROFILE

Attitude Area

Basic Profile **Millennial**

Includes all young Americans today up to age 18, which puts the High School Class of 2000 at their leading edge.

They're the most numerous, affluent, and ethnically diverse generation in American history. Teenage Millennials are mostly the children of Boomers, preteen Millennials mostly the children of Generation X.

Gen X

Ages 25-42, representing about 20 percent of the current U.S. population.

Baby Boomer

Ages 43-60

Attitudes about work **Millennial**

They offer loyalty and expect it in return.

They will seek work life balance and engage in long-term career planning.

They are predicted to "revive unionism and seek more standard pay scales and benefit packages." They will provide the focus for the emergence of a new American middle class.

Gen X

Like informality.

Seek work/life balance.

Baby Boomer

Results driven.

Like security — for example 'Plan to stay with organizations over the long term.'

Preferred Marketing **Millennial**

They respond well to targeted messages from non-traditional sources.

They trust their friends more than an authority figure and look to blogs, and other internet sources of information.

Gen X

The primary way to reach Gen Xers is through the Internet.

It is the first generation to reach for a mouse instead of the phone book when booking travel.

Search-engine optimization is vital, and keyword buys are extremely important.

Marketers can use traditional media to drive Gen X consumers to their websites. For example, "Energetic Young Guys" read Men's Health, so one strategy may be to rent the subscriber file for a direct-mail effort--a simple postcard--that's concurrent with a print ad.

Baby Boomer

This group uses the internet for information gathering, but still likes magazines, books, and brochures, "things I can hold in my hand."

89% of National Geographic Adventure readers (52% are 24-44 years old) say they save past issues of the magazine to use as research tool when planning trips.

78% of Adventure readers state that 'advertising helps them keep up to date about products or services that are needed or would like to have.'

Travel Planning **Millennial**

Much travel planning is done independently.

Gen X

Less likely than the rest of the population to use a travel agency.

Baby Boomer

Use travel agents for trips outside of their comfort zone.

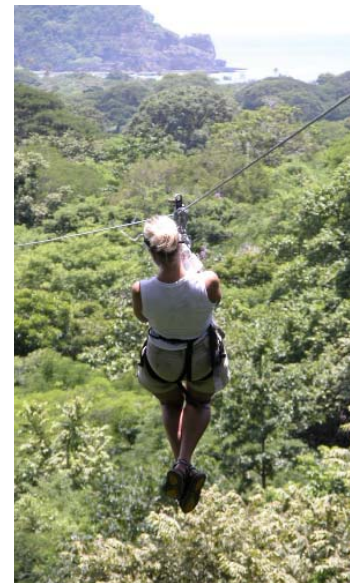


Photo courtesy of ecotours.com



Attitude Area

Culture

Millennial

Seen to be “forging a new youth ethic of teamwork and civic purpose.”

From the new classroom buzzwords (national standards, team grading, service learning, mainstreaming the gifted and disabled) to the burgeoning school uniform movement, Millennials are becoming a “regular kid” counterpoint to the worst ego-excesses of older generations.

Gen X

Tolerant of alternative lifestyles and cultural diversity.

Baby Boomer

For some, change is threatening and scary, they cling tightly to cultural values with which they were raised. Somewhat conflictingly, many are also curious and eager to explore the world in retirement.

Technology

Millennial

Where Boomers and Xers had once seen computers as a force for social individuation, Millennials will see them as a force for social homogenization.

Polls show that they expect Millennials to make their greatest marks in the realms of politics, economics, and (especially) technology, not so much in culture and religion.

In a departure from Boomers and GenXer’s, they will apply technology not to empower individuals, but to empower the community.

Gen X

Like cutting-edge electronics and gadgets.

Baby Boomer

Sometimes resent the pace of technological advancement, may be slower to adopt new technologies.

Education

Millennial

A teacher poll by Howe & Strauss (2000) shows that the most dramatic gains are occurring at the younger grades, suggesting that Millennials will be a generation of strongly positive academic trends from first cohort to last.

Gen X

Occasionally cited as “Best-educated and most technologically savvy” generation in history.

Baby Boomer

Highly educated

Travel Habits

Millennial

Love exploration. Many have traveled extensively with family prior to setting out on their own. It is not unusual for students to take “Gap Year” journeys of self and physical exploration.

Gen X

There is a trend to travel in between jobs: “The transition between jobs is just about me,” Mr. Aikin said. “It is a trip that I’ve wanted to do, not something that is going to benefit a bunch of people.”

The trend, career experts said, is an outgrowth of today’s nomadic job culture, as well as an attitude among many young people open to adventure and big experiences — and, yes, a bit of indulgence.

Baby Boomer

Large numbers of Boomers will be retiring by 2010, travel will be their number-one post-career pursuit.



Attitude Area

Travel

Expectations

Millennial

Authentic, unconventional experience. Often more flexible when it comes to luxury, willing to “rough-it.”

Gen X

When many GenXers travel, they expect freebies—in hotels for example, they expect Internet access, bottles of water.

Baby Boomer

When they travel, Boomers value Service, Security, and frequently, a comfortable bed. Today's Baby Boomers popularized the idea of visiting a dozen countries on a shoestring during the 1960's and '70s. But these days, many are returning to concentrate on one country or area, with more in-depth explorations of historical sites, cuisine, scenery and shopping opportunities, according to the United States Tour Operators Association (USTOA), a nonprofit trade association whose member companies create vacations for more than 10 million people annually.

In a recent survey of USTOA members, 71% cite Boomers as the hottest growing demographic group for independent vacations, while nearly 48% say that Boomers are the hottest growing demographic group for tours. These former backpackers now favor travel packages created by professional tour operators who do all the planning, and leave the enjoyment to them.



Marketing

Millennial

Similar to GenX

Gen X

Preferences change frequently, which makes it difficult for a service provider brand to build loyalty.

Get their news in five- or 10-minute blocks on CNN.

'They've always been on the go, and now that they're having kids, it's even more so.'

For marketers and PR professionals, this means having to find new access points to reach the current 30-somethings.

'That's why blogging and podcasting are going to be very important,' says Aaron Kwittken, CEO of Euro RSCG Magnet, 'as well as using word-of-mouth and making sure these consumers are part of the dialogue.'

Baby Boomer

Boomers appear not to expect or accept physical deterioration. This is, after all, the generation of aerobic exercise and "natural" foods a term that will continue to carry weight for this consumer group as they block matures.

They're not going to sink gracefully into fat old age. They've worked all their lives to improve their appearance.

What this means is that companies seeking to reach the growing 50-plus audience must not define it by age or income alone, but instead should segment this diverse market based on a combination of physical, social and psychological factors.



Attitude Area

Decision Making

Millennial

In attitudes and behaviors, they're striking out in new and distinctly un-X-like directions. In recent years, nearly every youth indicator has taken a strikingly positive turn. The old youth angst, cynicism, and alienation are all giving way to a new confidence about the future and a new trust in parents and authorities.

Rates of youth crime, school violence, teen pregnancy, suicide, and the worst forms of substance abuse are all heading down, while measures of teen optimism, achievement, and sense of peer solidarity are all heading up.

Gen X

Like to cluster together and prefer to make decisions through consensus. Distractions and multi-tasking are staples of the Gen X lifestyle.

Baby Boomer

Referring to field and laboratory experiments, including one in a supermarket in which the intrinsic motivation of participants who encountered limited, as opposed to extensive, choices were compared, researchers found limited choice was clearly more motivating.

People may not be unhappy in the face of abundant choices (or choice overload), but are instead unsure of themselves.

Alternatives to traditional, face-to-face purchases are clearly in play. While the Web has not blossomed as a standalone channel, many baby boomers use the Web in combination with other methods when they are researching products or considering a purchase.



Photo courtesy of eodours.com

Trip Planning

Millennial

Seek information online, and rely on experiences of those they consider to be peers whether they find them online or in their daily lives.

Gen X

Respond to promotional offers as they make vacation plans.

According to one study, 13 percent of Gen Xers planning travel always look for discounts, a higher percentage than any other demographic pod in the survey

Baby Boomer

Seek information from a variety of sources: books, online, friends and family, travel agents.

On Family

Millennial

With the encouragement of parents, educators, and political leaders—and on their own initiative — Millennials are forging a new youth ethic of teamwork and civic purpose. From the new classroom buzzwords (national standards, team grading, service learning, mainstreaming the gifted and disabled) to the burgeoning school uniform movement, Millennials are becoming a “regular kid” counterpoint to the worst ego-excesses of older generations.

Gen X

Families are an “extreme priority” for Gen X parents. Twice as many Gen X moms as Boomer moms spend 12 hours a day or more on child-raising or household tasks. Even half of Gen X dads say they spend three to six hours a day on those activities.

Baby Boomer

As the oldest of the nation's 75 million baby boomers approach the age of 60, a Pew Research Center (2005) survey finds many are looking ahead to their own retirement while balancing a full plate of family responsibilities — either raising minor children or providing financial and other forms of support to adult children or to aging parents.

They are in a stage of life when it is natural to give more than to take when it comes to family relationships.

However, changing demographics within families have prolonged for boomers this period of being “sandwiched” between the needs of their parents and their children.



Attitude Area

Trust Issues **Millennial**

Millennials will set the tone for the 2000's just as Boomers did for the 1960s, though not at all in the same way. Where the Boomer upheaval focused on issues of self, culture, and morals, the Millennial upheaval will focus on issues of community, politics, and deeds.

They will rebel against the culture by cleaning it up, rebel against political cynicism by touting trust, rebel against individualism by stressing teamwork, rebel against adult pessimism by going positive, and rebel against societal ennui by actually getting a few things done.

Gen X

Greater distrust of government and big business and see less reason to be loyal to either. The insecurity of the world spawned an independent attitude among Gen Xers articulated as "nobody will take care of me but me."

This reputation for skepticism means marketers should provide third-party affirmation for product claims, especially from well-recognized sources that they trust.

Baby Boomer

Deindustrialization of the economy, the loss of job security and an erosion of trust in authority figures challenged this generation as no preceding generation had been.



Attitudes **Millennial** About Change Comfortable with rapid change.

Gen X

Change has been a constant in X'ers' lives, so they have few illusions about stability and permanence: if nothing has changed in the last hour, will soon. X'ers tend to crave immediate results and gratification, structuring their work into a series of ad hoc alliances and enterprises.

Baby Boomer

Any social or operational change is seen as threatening and destabilizing. The more optimistic boomers are convinced that they can manage and control change to their benefit.

Boomers have had to adapt to a changing landscape throughout their entire lives. They've had to adapt to new technology and learn how to base an economy on it.

Spending **Millennial**

As the child generation of the rising Dow and unparalleled affluence, Millennials are the biggest youth spenders in history. But not much of this is their own money, most of the new youth money isn't spent by them, but on them — often in co-purchases with parents.

The era of "pushing the edge" and splintery niche-marketing is nearly over. Convention and big brands are poised to coming back, pushed by new web technologies and positive peer pressure.

Gen X

Gen Xers spend 18 percent more annually on luxury goods than baby boomers do, according to American Express Platinum Luxury Survey.

Baby Boomer

Boomers' impending retirement will trigger a plateau in earnings, and perhaps in spending.

Survey findings reveal that boomers have already acquired many "big purchases," including fine-jewelry collections (29 percent vs. 25 percent, compared with Gen Xers).

(Bahney, 2006; Howe & Strauss, 2000; Heebner, 2005; Watkins, 2006; MRI, 2003)



CONCLUSION

As an aggregate of industry research, this report attempts to tell the story of adventure travel today from multiple angles.

We've looked at reports from global tourism organizations and the surveys conducted by private tour companies, analyzed data from the airline industry, the spa and organic foods industries.

Our global data tells us that tourism overall is maintaining a steady growth rate of 4%, with individual countries focusing so intensively on tourism development that they're posting year-to-year growth as high as 24%.

Research specific to the adventure industry confirms our assumption that the adventure segment is expanding to a place where it is no longer really a "niche" market. In 2000 the international adventure tourism market amounted to about 7% of all international trips, and although that study has not been repeated, given all indicators, we can safely assume this percentage has risen considerably in the last six years. And given the profile of typical adventure travelers — overall wealthy, socially and environmentally conscientious consumers, nearly split 50/50 between men and women — this growth pattern may be expected to continue.

The rosy picture presented here is not without its dark side, however. Adventure travel's rapid expansion may be swiftly curtailed by challenges the industry continues to grapple with every year, namely,

- Acts of terrorism
- Health epidemics such as SARS, Asian Bird Flu and others
- Environmental and cultural resource degradation

For those working in the adventure travel industry, this moment of prosperity signals both a business and a moral opportunity. Adventure travel has the market cornered for delivering authentic experiences sought by value-oriented consumers, but in conjunction with this, industry participants must recognize their role as stewards of the environmental and cultural resources we draw on for our business.

As participants in the tourism industry — whether you're a traveler, tour operator, travel writer, or travel agent — we encourage you to continue to finding ways to work together to defend and protect our natural and cultural resources, enabling cross-cultural exchange through travel that can ultimately help diminish barriers between people and nations.



Camping in the Serengeti.



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