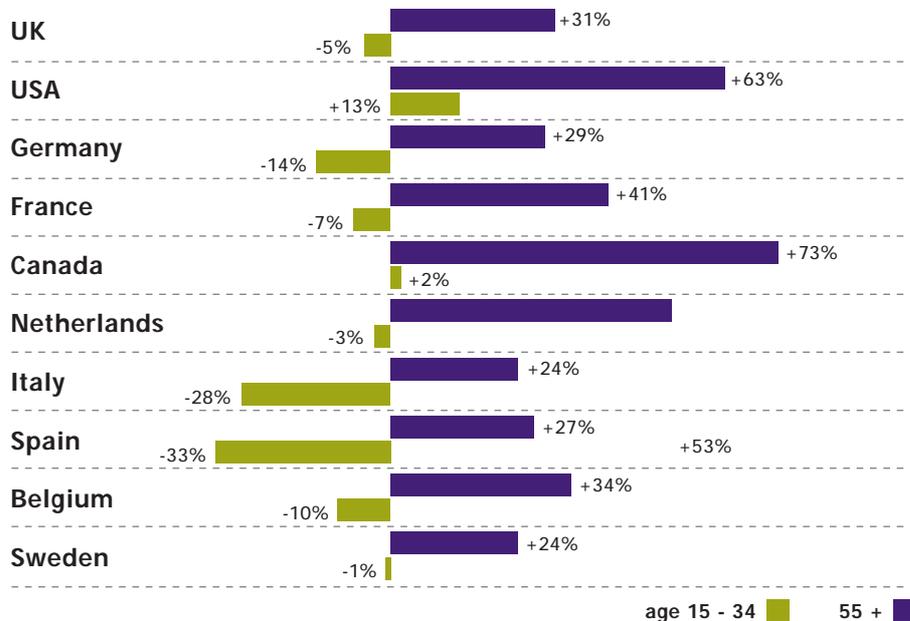




Maimin, Connemara, Co. Galway

The average age of the population has been steadily rising in the Developed World for almost 100 years. Life expectancy has doubled and couples are choosing to have smaller families. This trend has been particularly apparent since the 1970s and is projected to continue rising until at least 2020.

Forecast population change from 2000 - 2020



Forecast Growth

in the 55+ age group:

These changes will lead to a large emerging group of "new seniors" in their post-retirement life stage. By 2020, it is forecast that the 55+ age group will be the strongest age led segment in the Western World. As the chart opposite shows, the 55+ age group is forecast to grow by between 24% and 73% in 10 of our leading tourism markets by 2020.

North America is expected to see the highest increases in the senior age group, but that is also the only area where increases in the 15 to 34 age group are foreseen. Across Western Europe this younger age group is forecast to shrink in size – most dramatically in Italy and Spain.

By 2020, the traditional image of an age "pyramid" in these countries (with a high proportion of younger people and a low proportion of older people) is forecast to look more like a mushroom, with more older people than young (see diagram).

Forecast age structure by 2020



What does this mean for global tourism?

In line with the population growth, the number of outbound holiday trips – that is, trips to any destination outside of someone’s home country – is expected to rise dramatically from the 55+ age group while declining in the 15 to 34 age group

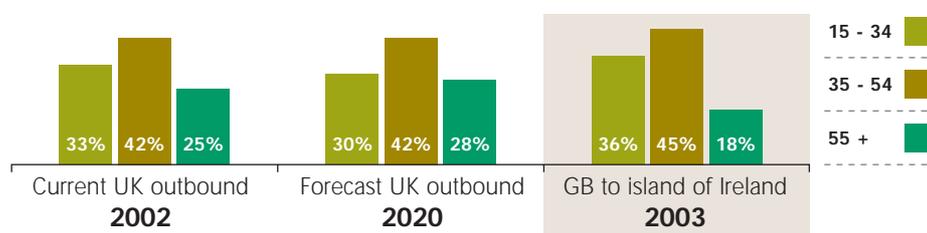
Q. How will demographic changes affect this profile going forward? ...

A. More dramatically in some markets than others:

Great Britain

The aging trend will have no dramatic effects on the travel market from GB. Mirroring the aging population, the biggest growth in outbound trips from GB will be in the middle (35–54) and older (55+) age groups, but behavioural trends mean all age groups will see growth going forward. The biggest outbound age group is therefore forecast to remain as it is currently – the mid (35–54) age group, with slight losses in share to the younger group and gains to the seniors.

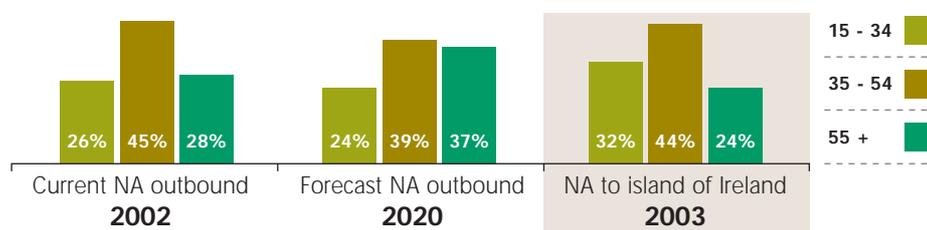
The mid-age is the island of Ireland’s current focus in GB, and going forward, it will remain the largest source segment. The challenge is our secondary focus, which is now the younger group, while future potential will grow faster from the senior age group.



North America

The island of Ireland’s inbound visitor profile from North America (NA) currently matches their outbound profile fairly well. But growth into the future will be driven by the 55+ age group, mainly at the expense of the mid (35-54) age group, as the “Boomer” generation ages.

The island of Ireland’s North American visitors already have the oldest profile amongst our source markets. The changes in the outbound set are quite dramatic and will probably mean further increases in visitors at the senior end of the scale.



British Holidays 2002 vs. 2020

High growth in all outbound trips +39%... 34.7m to 48.3m

To be the World’s largest source market for City Breaks... 5.7mill to 11.1mill

To be one of the highest growth markets for Countryside Holidays... 4.3mill to 6.9mill

High growth in Touring Holidays... 5.7mill to 8.0mill

To be highest growth market for Sun & Beach... 15.9mill to 21.8mill

American Holidays 2002 vs. 2020

High growth in all outbound trips: USA +52%, Canada +63%

Interest expected to be strong in:

- Sightseeing
- Culture
- Cruises
- Guided Tours

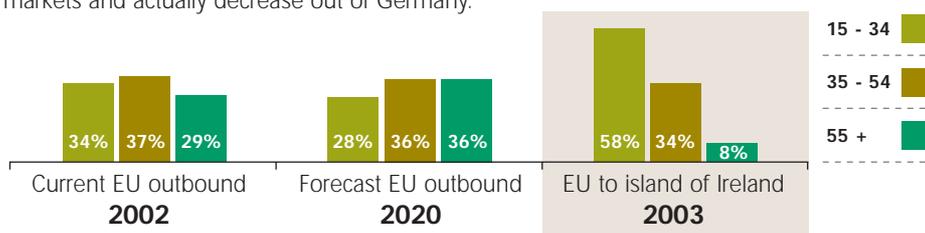
Interest expected to decrease in:

- Skiing holidays
- Active holidays
- Attending sporting events
- Nightclubs
- Camping / hiking
- Theme parks

Mainland Europe

Mainland Europe will see the most dramatic change in terms of its outbound tourist profile. Particularly in the German market, the older (55+) group will be the key driver of future growth in outbound trips, and the younger age group will lose most of the market share.

The island of Ireland's profile of Mainland European visitors does not currently match the outbound visitor profile well at all. We attract a much younger set of visitors, and it is their share of outbound visits that will shrink going forward. The actual number of trips taken by this young group will grow slightly out of Europe, although it will stagnate in most European markets and actually decrease out of Germany.



European Holidays 2002 vs. 2020

High growth in total outbound trips:

Highest % growth from:

- Spain +81%
- France +51%
- Italy +43%

Highest vol growth from:

- Germany +9.1m
- France +8.2m
- Italy +5.8m

Touring - largest growth for Italy

City Breaks - largest segment for Spain

Wellness - small, but good growth across Europe. Main market Germany.

What are the implications?

The message is clear, that the average holidaymaker from the West in 2020 will be older than today's.

The challenge is to look at the needs of these emerging seniors, who will be fitter, healthier and wealthier than in the past, and keen to make the most of their new free time.

Beyond aging, there are also strong behavioural trends, some of which will be catalysed by the aging traveller profile, and some that are strong enough to affect behaviour at all ages.

Sun & Beach holidays are forecast to remain the number one outbound holiday type in 2020 and **Touring** holidays will remain Europe's second largest segment, supported by both behavioural and aging trends. Both will show strong growth.

City Breaks will see large gains with the impact of aging, especially from GB and Sweden.

Accommodation needs from western markets will move away from budget, towards **mid range and first class** offers, although new and developing markets will still look for budget.

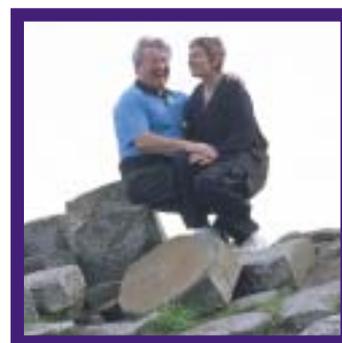
Although all means of transportation will profit from the aging traveller profile, behavioural trends mean **flying** is forecast to be the strongest transportation mode of the future.

The trend in all countries is one embracing **non-trade bookings**, and most countries will also see high growth in **inclusive** holidays.

From all source markets, the **one-week** trip is forecast to grow very strongly going forward, at the expense of longer trips.

Aging will further drive demand for **Wellness**, with the increasing desire to retain youth.

Cruising will also continue to rise fast from a small base.



The older traveller will be **better educated** than today, with more **global thinking**.

They will be more **demanding**, with a desire for **customisation**, to do things in a **tailored** way, and given the time flexibility seniors will have, they will be more likely to avail of **mid-week travel** and **non-standard trip lengths**.

Reassurance about health **facilities available** on holiday will rise in importance.

How can Ireland cater for the older traveller?

There is a need for continued investment in urban accommodation stock, and opportunities for developing new urban destinations.



Signposting of existing touring routes and historical sites could be improved and **new routes** designed, with good information about things to do en-route and **on site interpretation**.

Car hire should be freely available for the **70+ age group**.

Ease of access could be improved for older people into accommodation, restaurants, public facilities, public transport and tourist sites.

Fitness and **wellness facilities** will become the norm, with opportunities at the top end of the market for quality spa destinations.

Opportunities for **facilitating sea cruises** - the fastest growing sector in global tourism.

The growth in non trade bookings will require **flexibility** from all members of Irish industry to facilitate **dynamic packaging** and **easy on-line booking** of their product.

All product offerings need to be available for "bite size visits" and week long stays **starting mid week**. This applies in particular to sectors such as self – catering and inland cruising.

To encourage the older European holidaymaker, quality **multilingual** information at attractions needs to be available, as well as on websites and in marketing materials.

All enterprises need to **capture feedback** from older customers and close the gap between the experience they currently offer, and the needs of the older age group.

What are Tourism Ireland doing?

Within Europe, a manager has been given the responsibility of identifying strategies to increase our visitor age profile over the next few years.

- You can contact Billy Condon, our Head of Northern Europe at bcondon@tourismireland.com or by telephone at: +32 2 643 2122

In 2005 we will increase the number of marketing promotions undertaken with insurance companies, chemists etc. and with specialist tour ops. In addition we will promote Ireland at a number of lifestyle shows aimed at older citizens.

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