

TMS FAMILY TRAVEL SUMMIT 2014 REPORT

Introduction to TMS Family Travel Summit 2014 #TMSPhoenix

A half-century has passed since the Baby Boomer generation began exploring the world, and they are still revolutionizing travel as they grow into retirement age. The #TMSPhoenix team focused their 2014 travel industry summit on multigenerational travel because we recognized that today's families come in all sizes and shapes — single parent families, LGBT families and, especially, multigenerational families — and that their needs were not well understood.

Anecdotally, we know as Boomers watch their kids grow up and have kids of their own, they want to show their grandchildren the world—or at least create wonderful memories with them. And unlike their own grandparents who invited everyone over for dinner, Boomers who often live far from their children and grandchildren are shifting the paradigm by opting for active and exotic trips with their extended families, to Africa and Costa Rica, for white river rafting and skiing or cruising.

Research suggests that 27%-35% of active travelers who have grandchildren traveled with their children or grandchildren just in the last year, up to 38% if you count day trips. At the 2014 TMS Family Travel Summit at the Pointe Hilton Squaw Peak Resort in Phoenix — where 35% of their mixed meetings and leisure guests are in multigenerational groups, thought leaders explored the latest research on this trend and how it is upending the travel industry yet again.

#TMSPhoenix invited 40 writers, editors, social media influencers, broadcasters, and executives from various facets of the travel industry—theme parks (Disney Parks); DMOs (Visit Orlando, Discover LA, Grapevine TX, Niagara Falls USA, Rochester NY, Scottsdale AZ, Visit Carlsbad CA) Airlines (Southwest); Cruise lines (Norwegian); Hotels and Lodging (Hilton, Fairmont, Waldorf-Astoria, KOA); Transportation (Alamo); tour operator (Abercrombie & Kent); travel services (Grandparents.com, Powdr, Undercover Tourist, Trivago) and museums (Children's Museum of Indianapolis, Musical Instrument Museum) to hear custom research on multigenerational travel, explore trends, share best practices and create action steps for catering to this affluent, important and demanding group.

We thank our expert presenters for generously sharing their research with all of our sponsors and media attendees:

<p>Hosts of #TMSPhoenix</p> <p>Joanne Vero, Travel Media Showcase Eileen Ogintz, Taking the Kids Kyle McCarthy, Family Travel Forum</p> <p>Speakers</p> <p>Steve Cohen, MMGY Global Jon Eichelberger, trivago Jeff Eslinger, D.K. Shifflet & Associates AnneMarie Mathews, Norwegian Cruise Line Linda Rutherford, Southwest Airlines</p> <p>Delegates</p> <p>Jenny Alley, Undercover Tourist Tessa Bajema, Pointe Hilton Squaw Peak Resort Michelle Blackley, Niagara Tourism & Convention Corporation Karen Cicero, Parents Magazine Gailen David, The Savvy Stews Ian Ford, Undercover Tourist Mary Forgione, Los Angeles Times Jyl Johnson Pattee, Mom It Forward Kimberly Harms, The Children's Museum of Indianapolis Toby Hedges, Kampgrounds of America, Inc.</p>	<p>Delegates (continued)</p> <p>Michele Himmelberg, Disneyland Resort/Disney Destinations Emily Kaufman, The Travel Mom Colleen Kelly, Family Travel with Colleen Kelly Pamela Lassers, Abercrombie & Kent USA, LLC Bobby Laurie, The Savvy Stews Valerie Lee, Fairmont Scottsdale Princess Susan Lomax, Los Angeles Tourism & Convention Board Leigh Lyons, Grapevine Convention & Visitors Bureau Meghan Maguire, Alamo Rent A Car Rudy Maxa, Rudy Maxa's World Megan Neighbor, Scottsdale CVB LiLing Pang, Trekaroo Krista Parry, Powdr Enterprises John Percy, Niagara Tourism & Convention Corporation Kim Pfiefer, Pointe Hilton Squaw Peak Resort Lissa Poirot, Family Vacation Critic Sam Ross, Visit Carlsbad Stephanie Russo, Scottsdale CVB Nancy Schretter, The Family Travel Network Denise Spiegel, Visit Orlando Veronica Stoddart, USA Today Joanne Vero, Grandparents.com Claire Wysokowski, Visit Rochester</p>
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TMS Family Travel Summit 2014 Format

The goal of #TMSPhoenix: To better understand and meet the needs of 21st century multigenerational travelers. The Summit format allows National and International family travel experts to meet at a U-shaped table for presentations along with small breakout sessions which foster honest dialogue between the media (representing consumer needs) and the sponsors (representing the travel industry).

In addition to the presentation of new and custom multigenerational travel research, there were interactive workshops exploring best (and worst) practices, informal networking in the Think Lounge sponsored by Southwest Airlines, and the chance to experience cutting edge education programs at the Musical Instrument Museum and innovative, interactive kids and family dining at the Hole-in-the-Wall, Pointe Hilton Squaw Peak and Frank & Albert's, Arizona Biltmore Hotel.



Pointe Hilton Squaw Peak Resort features an Innovative River Ranch Waterpark for Families

Summit Attendees were privy to presentations from national experts on how multigenerational travel has changed. Here's a look at some of it.

TMS Family Travel Summit 2014 Research and Presentations

SESSION 1: WHY WE'RE EXPLORING MULTIGENERATIONAL TRAVEL AT #TMSPHOENIX

Key insights from Summit co-chairs Kyle McCarthy and Eileen Ogintz:

- Grandparents increasingly are traveling solo with grandchildren; 22% polled said they traveled just with grandchildren in the past year. The tour operator RoadScholars (formerly ElderHostel) has some 350 departures targeting this group plus some where parents are allowed to come too.
- Grandparents want to show kids cultures of the world and the beauty of the great outdoors. Multigenerational adventure travel is up 30% year over year, several outfitters have reported.
- Multigenerational travel often marks a life celebration, with family members sharing the trip in real time via social media.
- 50 million U.S. households now are led by grandparents, forecasting a continued travel boom by this cohort.

SESSION 2: WHAT REAL MULTIGENERATIONAL TRAVELERS DO ON VACATION

Key insights from Jeffrey Eslinger, Director, Account Services at DK Shifflet and Associates which specializes in custom market research for the travel and tourism industry. Eslinger shared multigenerational research designed for #TMSPhoenix and culled from more than 8,000 respondents over a three-month period. He defines multigenerational travel narrowly as a travel party comprised of at least one traveler over age 60 with at least one traveler under age 18 who resides in a different household.

- Multigenerational travel in the United States represents 27% of all overnight leisure travel.
- While typical overnight leisure travelers are couples, multigenerational traveler groups account for 5 people. More than 25% of multigenerational trips include three generations; more than 56% include two generations.
- Multigenerational travelers travel more than traditional leisure travelers—18 nights in the past year as compared to 10 nights.
- Multigenerational travelers participate in a higher share of active activities in almost all categories when compared to the average U.S. leisure traveler, even visiting more theme parks/waterparks (13% vs. 5%) than leisure travelers.
- Multigenerational Travelers tend to have a higher income (\$93,000 HHI) than other leisure travelers (\$81,000 HHI) and more leisure time.

SESSION 2: WHAT REAL MULTIGENERATIONAL TRAVELERS DO ON VACATION (continued)

- Multigenerational travelers are more loyal to brands and participate in brand loyalty reward programs more heavily than any other generation.
- Top states where multigenerational travelers reside are California, Florida, Pennsylvania, Texas and New York.
- Florida is the top domestic destination for American multigenerational travelers followed by California and Texas.
- Orlando is the top American city visited by multigenerational travelers, followed by Myrtle Beach and Atlantic City.
- Far more multigenerational travelers stay in hotels (51%) than in rental units (11%)
- When grandparents arrange the trip, they most often pay (65%); when children and grandchildren organize, the adult children are most likely to pay (39%), with a third sharing expenses.

SESSION 3: HOW THE CRUISE INDUSTRY MEETS THE NEEDS OF MULTIGENERATIONAL CRUISERS

Key points on family travel and the cruise industry presented by AnneMarie Mathews, Vice President Public Relations, Norwegian Cruise Lines. Mathews oversees the cruise line's overall public relations efforts and is an avid multigenerational cruiser.

- 76% of adults say family is the most important part of their life, though they have less time to spend together—making family vacation breaks more important as together time.
- 15-20% of guests on each Norwegian cruise typically are part of a multi-generational group.
- Families tell NCL they want time (scheduled as well as unscheduled) both together with kids as well as time apart, so cruise programming is designed to be flexible and guest-directed.
- Relaxing, hitting the pool and playing games are most popular cruise activities for families.
- Families like the multiple dining options (as many as 29 venues on some ships) and Nickelodeon character breakfasts for together-time events.
- Adults in multigenerational groups have time together because there are supervised children's activities starting at age 3, and teen activities for younger and older teens.
- Norwegian's latest ships offer more connecting staterooms than any other cruise line—including two-bedroom family suites on several decks and The Haven with private pool, hot tubs, gym, concierge and butler service. Though most expensive, The Haven often books first.
- Costs for a family cruise compared to an Orlando vacation average \$1800 pp vs almost \$3000 because so much more is included on a cruise—food, entertainment, kids' activities.

SESSION 4: PREVIEW OF FAMILY TRAVEL INTENTIONS FROM THE 2014 PORTRAIT OF AMERICAN TRAVELERS

Insights into family and multigenerational traveler intentions by Steve Cohen, Vice President-Insights MMGY Global, the largest travel marketing firm in the world. Cohen leads the company's customer insight and industry research, including the widely respected and used annual "Portrait of American Travelers" now in its 24th year, and prepared and presented research comparing US leisure travelers to multigenerational travelers from a pool of 2,550 active travelers with a HHI of \$50,000 or more.

- Multigenerational travelers take an average of four trips a year and spend \$1000+ more than leisure travelers (\$5594 as compared to \$4412).
- 70% of multigenerational travelers report children have a role in planning daily activities. The majority (66%) say kids help decide where to travel and half (50%) where to stay.
- More multigenerational travelers plan to sightsee (33% vs 28%), tour cities (29% vs 24%) or visit theme parks (25% vs 6%) than other leisure travelers.
- More multigenerational travelers also plan to go on a cruise (15% vs 12%) or vacation at an all-inclusive resort (13% vs 6%) than other leisure travelers.
- More than half of multigenerational travelers consult family and friends when selecting a destination because they want to visit somewhere beautiful and new.
- Food is a priority, with 66% celebrating a special life event on their trip.
- The majority of multigenerational travelers polled ranked the Hawaiian neighbor islands top on the list of where they want to go in the next two years (68%); Honolulu ranked second and U.S. National Parks third.
- England is at the top of multigenerational wish lists for European destinations (36%) followed by Italy (35%) and France (32%), higher than for all leisure travelers.
- A third of multigenerational travelers are interested in visiting the Bahamas in the next two years. The U.S. Virgin Islands and the Cayman Islands also rank high on their wish lists.
- Nearly a third of multigenerational travelers rely on online travel agencies—more than other leisure travelers. They believe (50% vs 41%) that is where they get the best deals. 23% have used a traditional travel agent in the past year.
- The vast majority of multigenerational travelers (89%) are on Facebook; 45% use Twitter and 22% Instagram. More multigenerational travelers report they have posted travel-related content, pictures, videos than other leisure travelers.
- More multigenerational travelers (32%) have visited an Online Community to seek information about a destination or travel service in the last year than other leisure travelers (25%).
- The majority of multigenerational travelers believe trips together bring their family closer (77%).

SESSION 5: HOW THE AIRLINES COPE WITH FAMILY TRAVELERS

An inside look from Linda Rutherford, Southwest Airlines Vice President of Communications and Outreach, about airlines and families' air travel experience. Southwest is the nation's largest carrier in terms of originating domestic passengers, carrying 100 million passengers every year.

- Multigenerational travel is such a hot travel trend because statistically Boomers are the largest generation, and most of them with extended families live geographically apart.
- Baby Boomers are healthier and more mobile than past generations and want to spend time with their adult children and grandchildren.
- More than 30% of Southwest Rapid Rewards Members are over the age of 54. While they're addressed as "Seniors" in public, the SWA staff internally calls them Jetsetters.
- Chicago is Southwest's top domestic market followed by Las Vegas, Baltimore and Denver.
- Southwest Airlines Vacations are popular with multigenerational travelers because there are no booking fees when booking online, and the price promise guarantees if you find an identical package lower than what you paid, you will get the difference in the form of a travel credit. Average savings is \$525 if you book a package.
- Other passenger perks that distinguish SWA from other companies: There are no change fees and no charge for first two suitcases on Southwest. Senior fares are fully refundable to those ages 65 and older.
- Consumers should know that Wednesday is the best day to depart, followed by Tuesday. Follow SWA Facebook and Twitter for special deals.
- Southwest is now flying international routes to the Bahamas, Jamaica, and Aruba with more Caribbean destinations to come.

SESSION 6: THE INTERNATIONAL FAMILY TRAVELER: WHO ARE THEY, WHERE ARE THEY GOING AND WHY?

Jon Eichelberger heads Business Development and Strategy for North America at Trivago, the world's largest hotel comparison site, analyzing general international hotel usage data for his presentation. Trivago aggregates room rates and availability for over 700,000 hotels worldwide on more than 200 booking sites in 24 different languages, serving 45 million visitors per month who make an average of 2 million searches daily.

- Western Europeans are more apt to go to Spain, France, Italy, Austria, Germany, the UK and Greece before choosing the USA, due to cost and proximity. Outside Europe, U.S. is number two behind Turkey.
- The hotel market is much more fragmented in Europe (65% small chains vs 30% in U.S.) with many more independent properties, making hotel shopping online much more difficult.
- US trips are gaining popularity because it is considered cost effective, there is a lot to do, and the country is considered modern and luxurious.
- Top U.S. destinations for Europeans: New York, Las Vegas, Miami Beach, San Francisco, Los Angeles, and Orlando. Europeans tend to anchor themselves in a city and sightsee from there.
- Families search more thoroughly for hotels on Trivago than other travelers, preferring three and four star options. They spend an average of US\$243 a night—nearly US\$100 more than single travelers or couples for a hotel room.
- The vast majority of Germans who come to the U.S. want to shop and sightsee; French also want to experience national parks, good food and museums. Half of Spanish families who visit the U.S. go to theme parks.
- More British, Italian and French family travel groups vs couples visit the U.S. each year; more families than couples are also coming from Northern Europe—Sweden and Denmark. Of the major Western European countries, only Spain and Germany send more couples than family groups to the U.S. each year.

Think Tank: Identifying Multigenerational Travelers Needs and Best Practices

In between the presentations, attendees met in workshops to discuss their perception of multigenerational travel and their best practices in marketing, amenities and facilities.

WHAT DO YOU CALL GRANDMA—NOT OLD!

Each of the groups discerned that we weren't thinking accurately— or marketing correctly -- to this multigenerational group. With multigenerational family travelers, it is important to:

- Offer activities for all ages
- Offer easier booking options
- Appreciate that the multigenerational audience travels more and spends more

Initiatives that work with family and multigenerational groups include:

- Multimedia interactivity for groups at vacation destination
- Social media that engages to better sell the experience
- All-inclusive packages that de-stress the planning experiences

What is needed:

- More ready-made itineraries that make a program of activities easier
- More value-added packages that make group vacations affordable
- Easier online planning to facilitate group bookings, connecting rooms and plane seats

What multigenerational families want:

- Authentic experiences at new destinations
- Events that help families to reconnect by sharing a special experience
- Micro sites that target specific audiences (those traveling with young children, for example, or teens.) Insider knowledge and user reviews; where do the locals go?
- Show families how they can turn moments into memories but be honest, no market-speak!

15 Key Takeaways from TMS Family Travel Summit 2014

The traveling multigenerational family should be broadly defined. It's not necessarily just grandparents traveling with children and grandchildren; it might be aunts and uncles, siblings and in-laws, neighbors and close friends. For practical purposes, "multigenerational travelers" can be defined as those who travel with extended family.

1. While there has been an overall increase in the number of singles and couples traveling, there is greater opportunity in promoting travel to multigenerational groups because their large party size makes them much more profitable.
2. This misunderstood and growing niche can be a huge money-maker for the travel industry as it involves multiple plane tickets, rooms, restaurant meals, and attraction tickets. It is in the industry's interest to cater to the multigenerational travelers' needs.
3. Multigenerational Travelers are planning more trips and traveling more than general U. S. travelers.
4. Today's grandparents are far more active than their parents, spending considerable time planning trips around specific activities.
5. Multigenerational travelers do their homework, searching up to 22 sites before deciding where to go and booking their vacations.
6. Multigenerational Travelers want to "seize the moment" before the children are grown, whether it is Disney World with little princesses, natural history museums with Dinosaur lovers or Paris with young artists.
7. There is great opportunity to attract multigenerational groups with young children (not yet in school) during travel's traditionally off peak spring and fall seasons.
8. Kids are savvy consumers and 60% of moms say they have a growing and very influential role in multigenerational vacations; planning, searching the web for where to go and what to do when they get there.
9. There is great variance in who pays for multigenerational trips. Do not assume the grandparents pay to entice younger generations to travel with them; Millennials often pay for their parents to come along to provide childcare.
10. There is a tremendous opportunity to market to Hispanics, African Americans, and international families coming from India and China, for example, who often travel in multigenerational groups.
11. European families traveling to the United States tend to base themselves in a city, stay longer, and make trips from there. They look for hotels that include breakfast—common in Europe.
12. It is important to cater to the needs of this lucrative group of inbound multigenerational travelers with connecting rooms, extra amenities and activities to suit all ages.
13. Cruise ships are very popular with multigenerational groups because they offer activities for all and such good value compared to a land based resort.
14. Multigenerational families want to travel to new and different destinations. While matures value loyalty and tradition, Millennials have wanderlust, so traditionally iconic destinations need to evolve to attract this group.
15. Millennials are the most experienced, sophisticated and well-traveled generation; they see travel as an essential component to life. They will continue to travel with their children and, studies predict, travel with their parents.

CONCLUSION OF TMS FAMILY TRAVEL SUMMIT 2014 REPORT

The biggest takeaway from the 2014 #TMSPhoenix was the realization of just how varied, how large and how potentially lucrative the multigenerational family travel market has become.

TMS Summit attendees were excited by the opportunities this fast growing market presents and recognize the challenges ahead in meeting their needs. We also recognize that there is increasing competition not only for multigenerational but for all family travel dollars, as well as for their precious time, which families often consider a more valuable resource.

That means we all must work harder to develop a better, more compelling product to attract families and multigenerational family travelers in the years ahead.

Thanks to the TMS Family Travel Summit 2014 Sponsors who made this all possible!

