

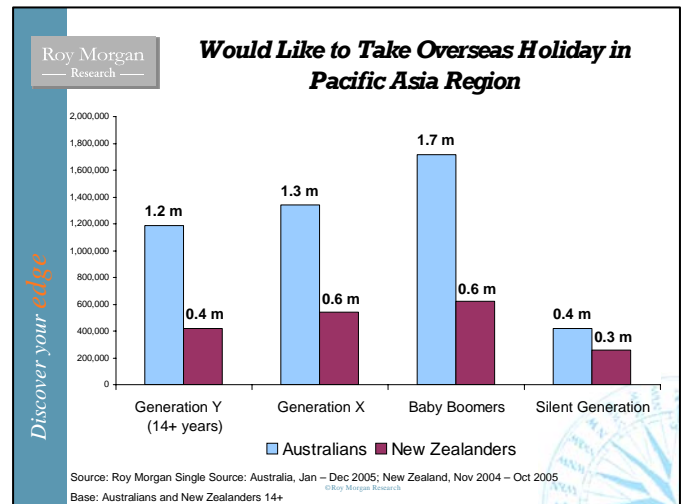
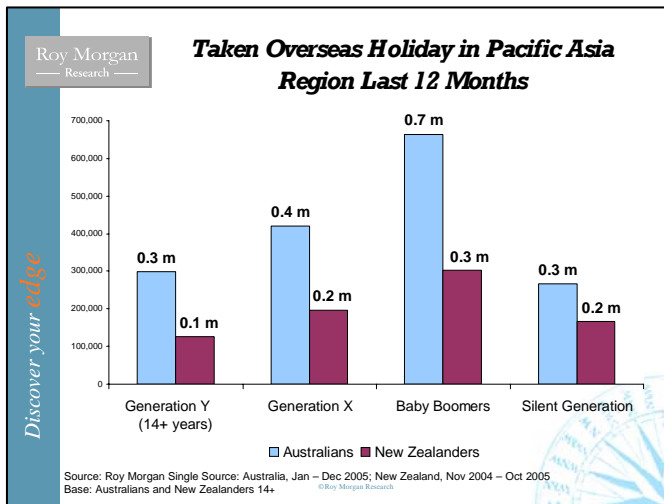
## Baby Boomers – A Lucrative Market for the Pacific Asia Region

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Baby Boomers are big business for the tourism industry in the Pacific Asia region, spending billions of dollars<sup>1</sup>.

Approximately 40% of Australians and New Zealanders who are taking an overseas holiday in the region are Baby Boomers. In 2005, 664,000 Australian Baby Boomers and 302,000 New Zealand Baby Boomers took a holiday in the Pacific Asia region, spending \$AUD 4.1 billion and \$AUD 1.2 billion respectively. There are another 1,718,000 Australian Baby Boomers and 623,000 New Zealand Baby Boomers who would like to holiday in the region. UK and USA Baby Boomers are also keen to travel in the Pacific Asia region (15 million USA and 6 million UK), but only a small percentage convert to travel (709,000 USA and



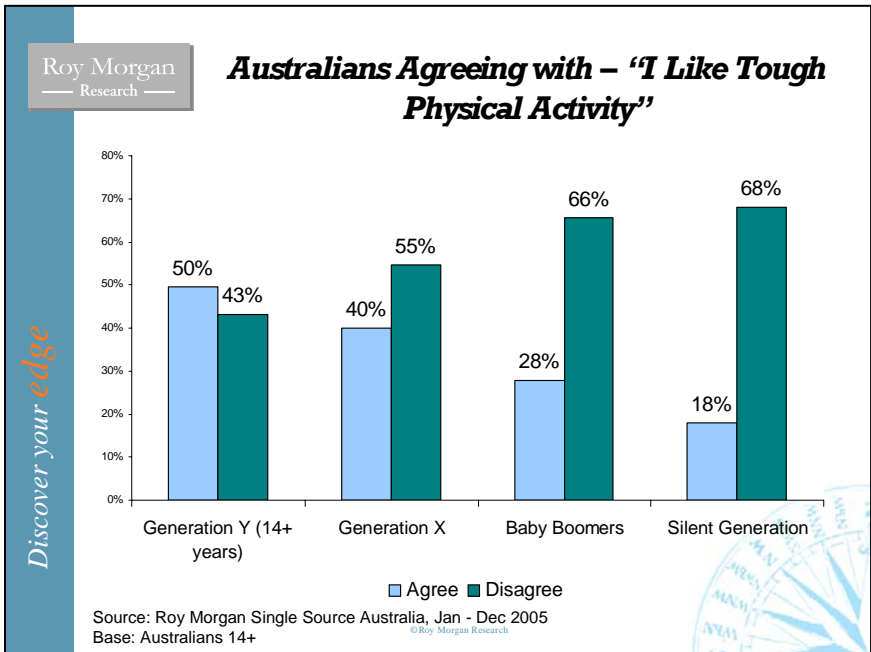
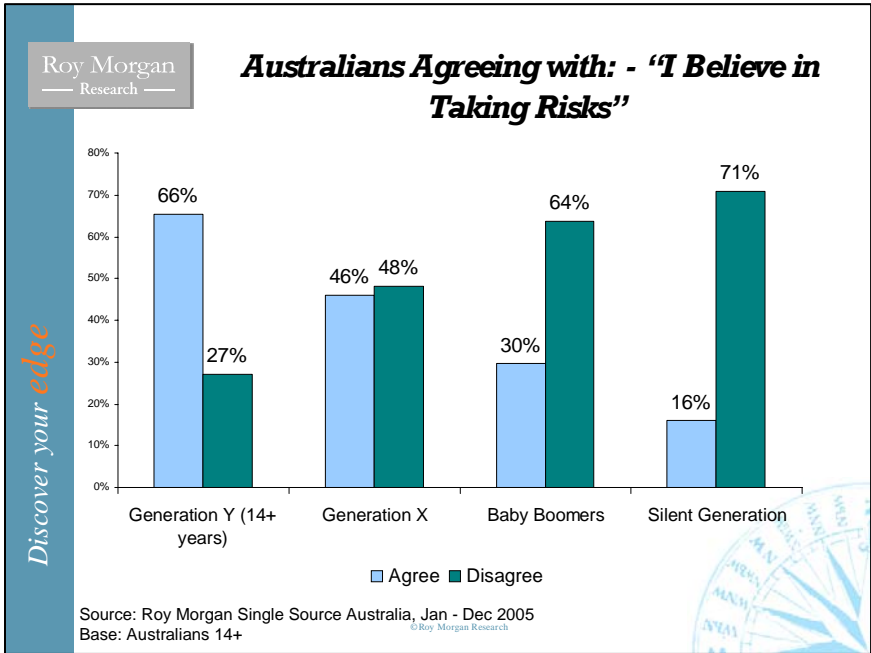
530,000 UK).

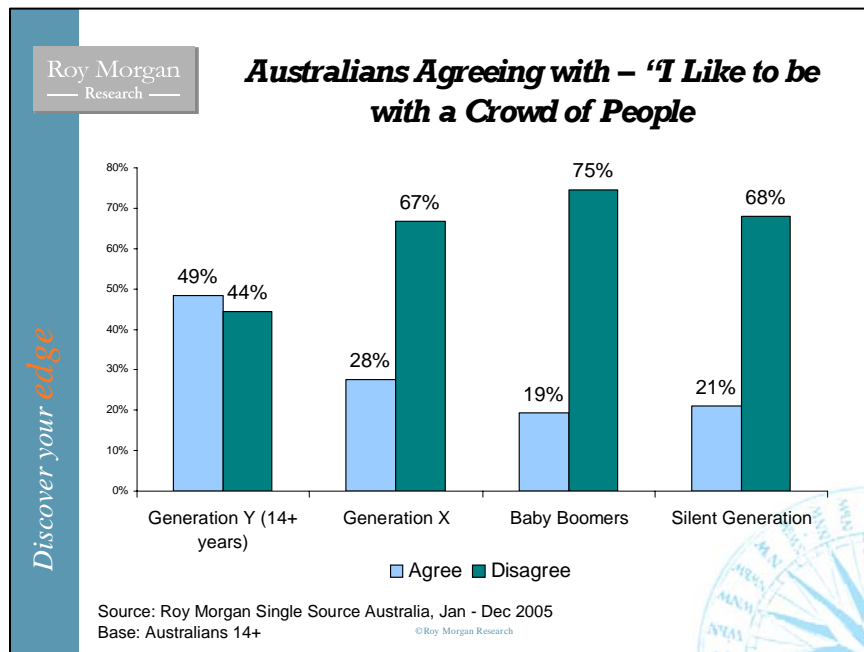
<sup>1</sup> For the purposes of this paper, Baby Boomers are defined as people born between 1946 and 1965, Generation Y between 1981 and 1991, Generation X between 1966 and 1980, and Silent Generation 1945 or earlier.

Many Baby Boomers are budget travelers; however, there are 21% of Australian Baby Boomers spending between AUD\$200 and AUD\$299 per person per day on their holiday in the Pacific Asia region, and 22% spending AUD\$300 or more person per day.

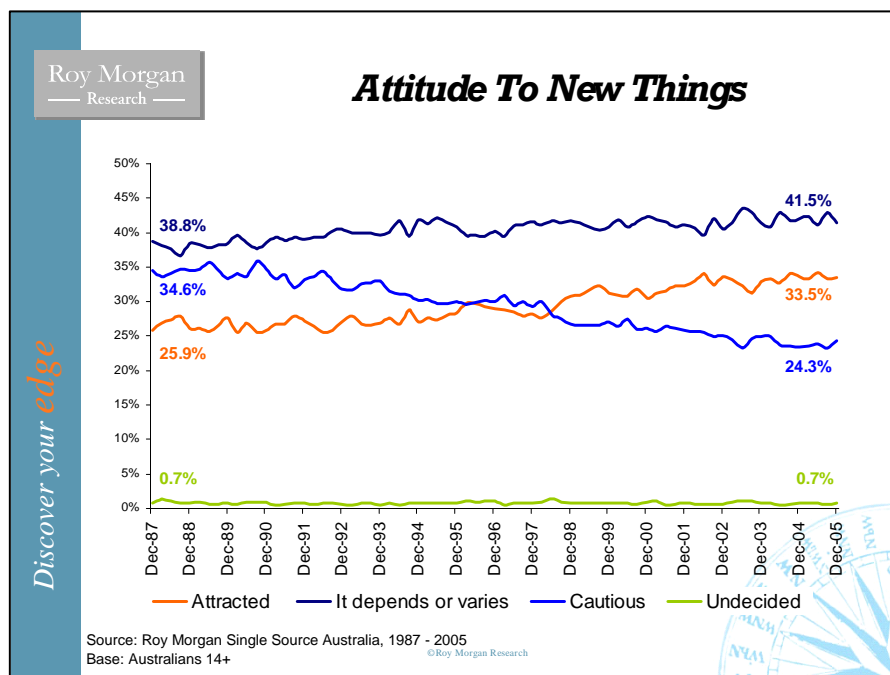
So what are Baby Boomers like – what are their underlying attitudes and life style and how does this affect their holiday behaviour?

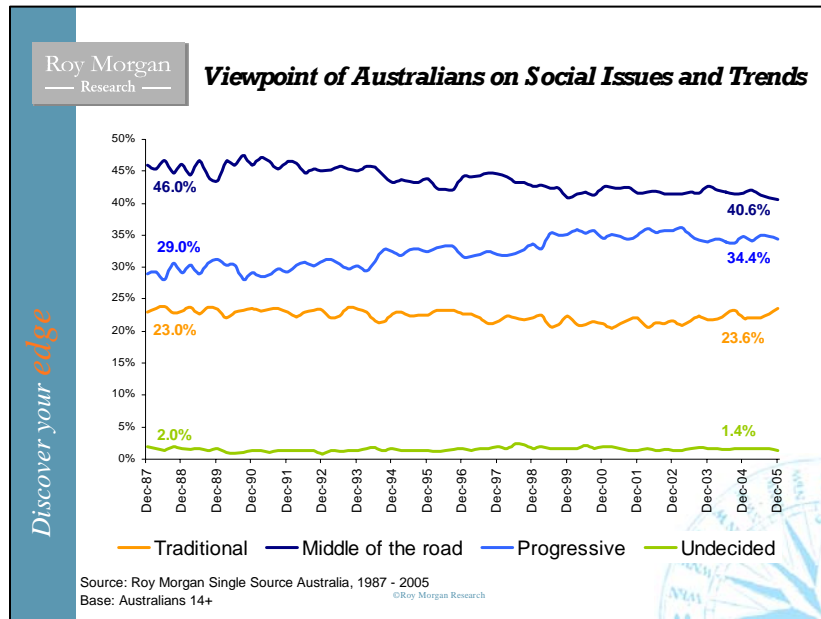
Although Baby Boomers are not a homogenous group, they are generally more risk averse than younger generations, as well as more sedentary, and less tolerant of crowds and stress.





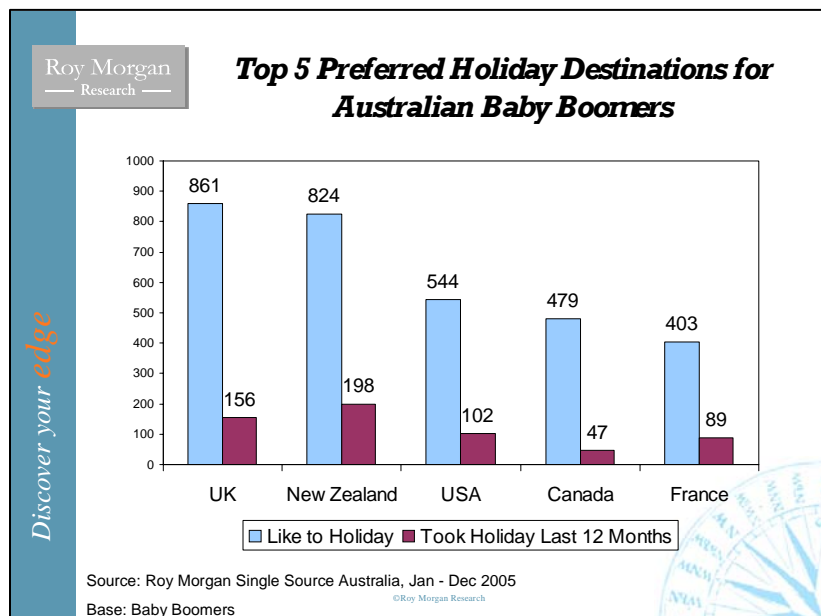
Although these differences between generations are partly attributable to the effects of advancing age on attitudes and lifestyle, the charts below and overleaf hint at a cohort effect, showing that as more Generation X and then Y are included in the sample, Australians as a group are becoming more attracted to new things and becoming increasingly progressive. With each generation becoming more open to change it would be a mistake to assume that the aging Baby Boomers will embrace the same holiday experiences as the Silent Generation did.



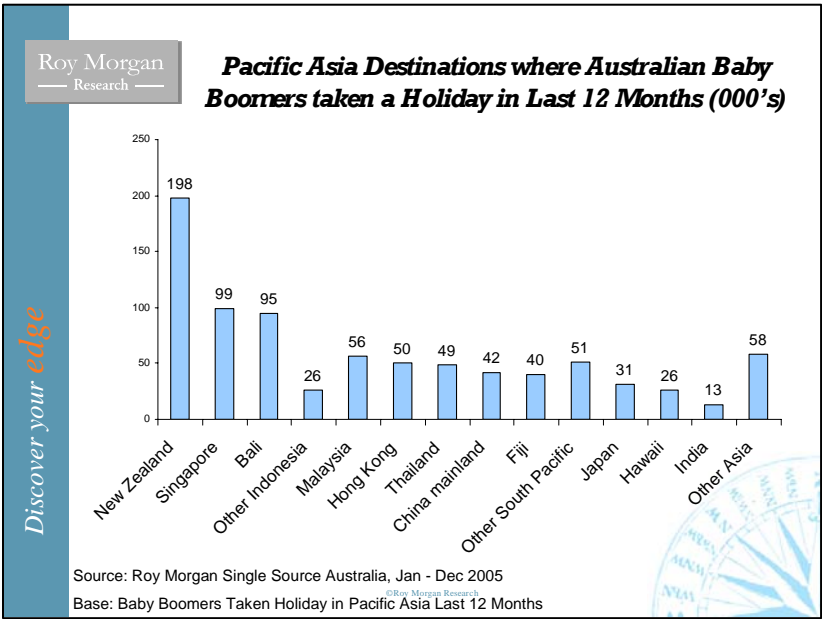


How are the attitudes of Baby Boomers affecting their holiday preferences and choices? Given their aversion to risk, it is not surprising that Baby Boomers' most preferred overseas holiday destinations are English-speaking countries with highly developed tourism infrastructure. UK has strong cultural ties with Australia and is the No. 1 preferred destination. New Zealand, USA and Canada all offer natural beauty and the opportunity to holiday away from crowds.

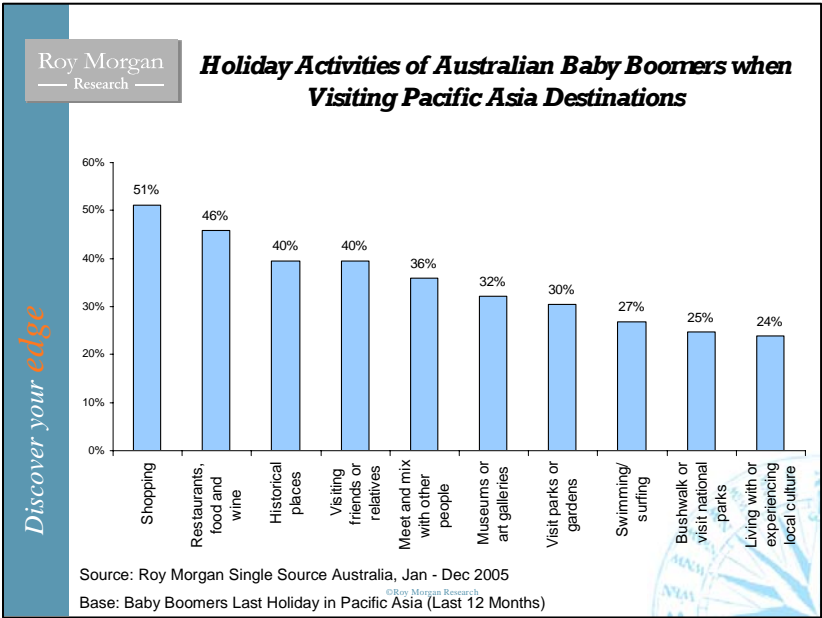
Although most Australian Baby Boomers would like to take a long-haul holiday in UK, Europe or USA, the reality is that not many of them can afford the dollars or time for such a holiday. As a result, New Zealand is the No.1 overseas holiday destination visited by Australian Baby Boomers – it is in close proximity, has relatively cheap airfares, offers large open spaces and is considered “safe” from terrorism, natural disasters and diseases such as bird flu.



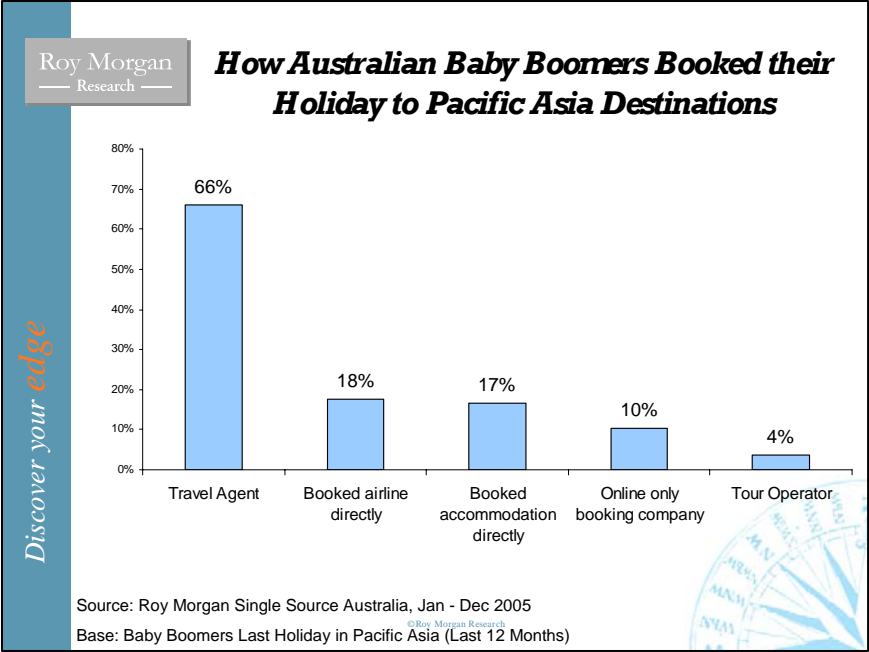
Although preference for many Pacific Asia destinations is relatively low amongst Australian Baby Boomers, the conversion rate is much higher than for long-haul US and European destinations. As a result, 70% of Australian Baby Boomers taking a holiday overseas in the last 12 months visited or at least stopped over at the Pacific Asia region (664,000). Singapore is mainly a stopover to long haul destinations such as Europe and USA. Although Bali was popular for the year ended the 2005, recent statistics show that most Australians have steered clear of Bali since the October 2005 bombing. Mainland China is an emerging destination for Australian Baby Boomers with the numbers growing in recent years.



When holidaying in the Pacific Asia region Baby Boomers tend to immerse themselves in the culture of a destination by shopping, dining, visiting historical sites, museums or art galleries, mixing with locals, and experiencing the local culture. They are much less likely than younger generations to undertake sporting, hard adventure, or tough physical activities while holidaying in the region; however, they do engage in swimming and bushwalking.



Two-thirds of Australian Baby Boomers are “playing it safe” and booking via a travel agent when travelling overseas to a Pacific Asian destination; 18% are directly booking the air component of their travel and 17% the accommodation. Online only booking companies such as zuji.com and wotif.com are gaining in popularity, with 10% now using them.



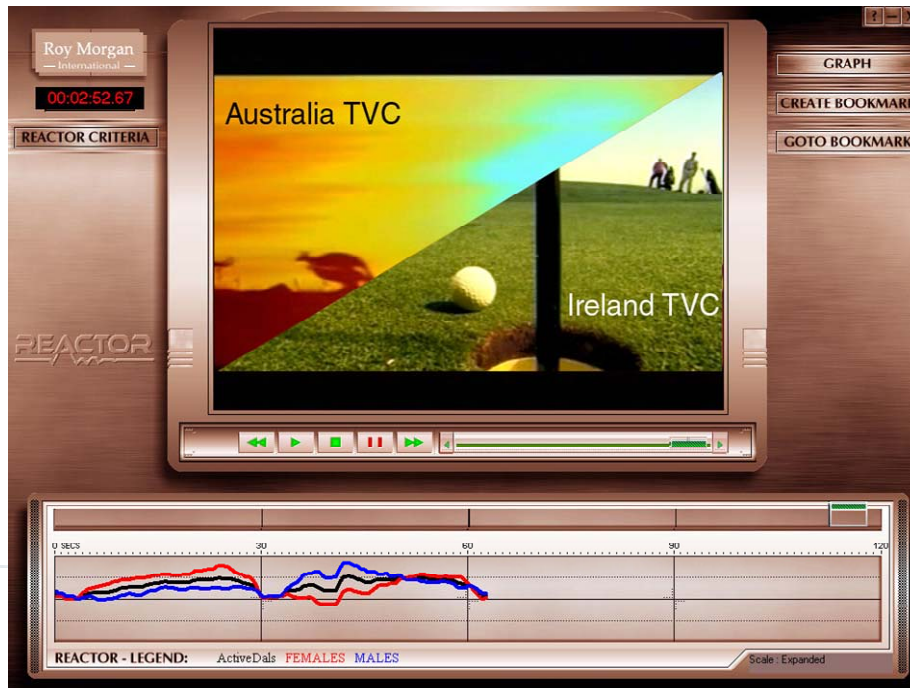
The challenge for Destination Marketing organisations in the Pacific Asia region is to reach and persuade Baby Boomers to holiday at their destination.

But rather than philosophise, let’s see how different people react to marketing messages through the eyes of the consumer via the ‘Reactor’.

We searched through reels of ads, and selected examples of ads that are potentially relevant to both males and females and that relate to tourism.

In the following example, the first advertisement for Australia has Delta Goodram singing and was viewed more favourably by women than men. The second was for Ireland, the golf scenes held more appeal for males.

These five-second commercials rated very well by the *Reactor*. Given the growing importance of the Internet, the ability of a five-second commercial to demonstrate impact is crucial.



Different desination features appeal differently to the sexes.

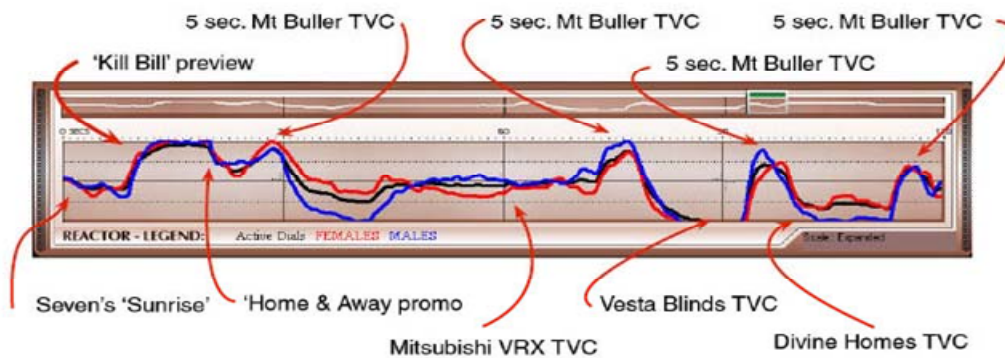


The second example is a series of five-second commercials for Mt Buller measured within a context of the Sunrise Program.

[Click here to view the video.](#)



Tourism peaks viewer interest.



So how do you know what works in advertising?

Today, in a world where gender differences and individual differences are inextricably intertwined with and nuanced by culture, family, peer group, and environmental context, there is no magic formula, no prescription that will guarantee success for an advertising campaign.

However, with the acquisition of US-based advertising research firm Mapes and Ross, Roy Morgan Research is now able to offer a rigorous and effective measurement of the impact and persuasiveness of the “creative” communication impact of advertisements.

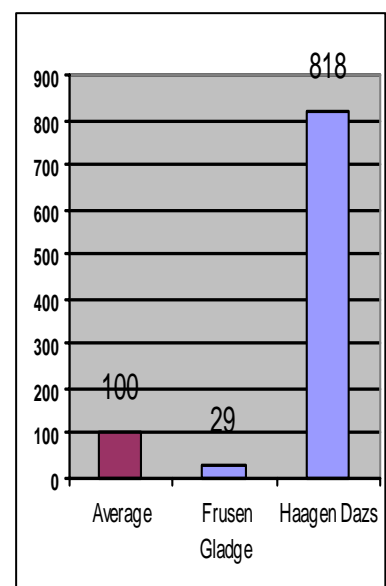
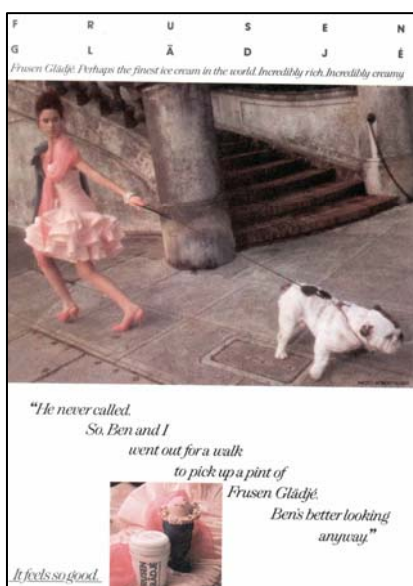
Operating for over 30 years, Mapes and Ross has developed a normative database and library of 33,000 advertisements and their performance in persuading consumers to the brand. We are calling it Ad ROI. It is about the consumer’s change in brand preference. The data also includes the more traditional, but less predictive measure of “recall”.

The 30 years of experience and data demonstrates, not surprisingly, that not all advertisements perform equally. In addition, we have discovered fundamental principles of communication.

For instance, the **main advertisement visual** is the single most important element of a print advertisement. Visuals which “tell the story” are more effective than advertisements where the visual is misleading or indirect. Advertisers can often determine if a print advertisement will be effective if, in the development stage, they look at the main visual, ignoring other advertising elements such as the detailed copy and ask two questions:

- What is the advertised category?
- What is the advertiser trying to tell me about it?

For example, below are two magazine advertisements for brands of ice cream. By looking at the illustration of each advertisement separately, how well could you answer what product is being advertised in each case, and what the advertiser is trying to tell customers about the product?



In terms of performance, if an average advertisement returns \$100,000, the Frusen Gladje advertisement on the left returns \$29,000 while the Häagen-Dazs advertisement on the right returns \$818,000.

A marketer spends the same amount of money to buy space on television whether or not their advertisement works. It costs the same to mail a letter or insert a catalogue whether or not the letter or catalogue is read or acted upon. What makes a difference is the creative connection. With clear evidence now available there is no excuse for getting it wrong!

So, in summary, Baby Boomers are a lucrative source market for Pacific Asia region. They represent a large chunk of the Australian and New Zealand population and some of them are spending big dollars when travelling in the region. Baby Boomers are more sedate and risk averse than the younger Generation Y and X, but it would be a mistake as they age to treat them the same as the Silent Generation that come before them. They will want different holiday experiences; in particular, Baby Boomers want to immerse themselves in a destination – experience its shopping, restaurants, history, culture, parks and bushland. The smartest marketers in the Pacific Asia region will be those who know most about Baby Boomers, and how to connect with them.

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