



## Senior tourists' accommodation choices

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### ABSTRACT

The current trend towards short-term travelling and reduced spending on accommodation has had a significant impact on the hotel sector. However, the hotel industry is becoming increasingly interested in the senior tourist segment, a population group that prefers hotel-type accommodation to other more inexpensive alternatives, even in periods of economic uncertainty. This paper aims to identify the variables that determine senior tourists' accommodation choices in Spain. In so doing, it identifies the following variables: length of stay, self-perceived health, self-perceived economic status, self-perceived available time, security/safety at the destination, medical coverage, climate, events and festivals, places of historical/artistic interest, and attractions and natural landscapes. These results have important implications for both the hotel industry and the development of tourist destinations.

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### 1. Introduction

Periods of economic recession have a strong impact on tourism demand because tourism relies heavily on disposable income (Campos-Soria et al., 2015). From the demand perspective, tourism is a normal good with positive income-demand elasticity (Alegre et al., 2009; Nicolau and Más, 2005). An increase in income represents an increase in travel demand and vice versa. However, far from falling, the demand for travel in Europe has actually increased over the last few years. Shorter trips spread throughout the year have become more frequent (Alegre and Pou, 2003; Barros and Machado, 2010; Ferrer-Rosell et al., 2014; Fleischer et al., 2011; Gokovali et al., 2007; OECD, 2014; Salmasi, Celidoni and Procidano, 2012). Many homes use savings as a strategy to keep travelling despite the economic crisis (European Commission, 2010). Measures to reduce tourism expenditure mainly consist of reducing the length of stay at the destination, and reducing spending on accommodation (European Commission, 2010; OECD, 2014). Both measures have had a negative impact on the commercial housing sector, which is one of the most important sub-sectors of the tourism industry. These repercussions have been even more noticeable in the specific case of the hotel industry, the most adversely affected by the worldwide economic crisis, as Martin and Isozaki (2013) and Pappas (2015) indicated. A higher volume of travellers

who opt for shorter stays involves higher fixed costs per passenger for the hotel sector and, therefore, lower profitability (Fleischer et al., 2011). Travellers also choose more affordable hotels (Bronner and de Hoog, 2014) and other even more inexpensive alternatives, such as holiday apartments, second homes or stays at the homes of relatives and friends (Bronner and de Hoog, 2012). All of this results in a lower volume of income per stay.

This situation is particularly important for the industry, as the accommodation sector accounts for an important share of total tourism spending (Capó et al., 2007; Masiero et al., 2015; Wang and Ritchie, 2012). This is, therefore, one of the most widely studied sectors within the tourism industry. In addition, the accommodation characteristics directly affect the success of the industry as a whole, and particularly, tourist destination development (Sharpley, 2000). But the accommodation sector has not been thoroughly studied in Spain, probably because a high percentage of tourists in Spain use private accommodation (Nicolau and Más, 2006). A large number of individuals in Spain have second homes, 18.8% according to the IET's report (2012). In fact, Spain comes second after the United States in residential tourism, given the growth that this type of tourism experienced throughout the pre-crisis years (Perles-Ribes et al., 2016). However, according to Butler's 'Product Life Cycle' model, as applied to Spanish Mediterranean destinations by Mazón and Aledo (2005), the shortage of developable land could cause residential tourism in Spain (mainly mature residential tourist destinations) to shortly enter the final stage of its cycle. In addition, changes in current consumption behaviour in the tourism sector, and the emergence of a new type of accommodation, shared p2p (peer to peer) hosting (based on a collaborative business model

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which has entered into the economy through the leisure industry) may well change the tourist consumer profile (Ert et al., 2016; Fang et al., 2016; Tussyadiah and Pesonen, 2015). Doubtlessly this calls for an in-depth analysis of the accommodation sector.

As reported by the European Commission (2010), those over 55 years of age represent the lowest percentage of individuals who decide to save on travel by reducing the budget allocated to accommodation; they save costs by reducing the length of stay or the distance instead. It is worth noting that seniors place more importance on accommodation than other groups do (Li et al., 2013), and they are less interested in inexpensive accommodation (Campos-Soria et al., 2015). They additionally show greater preference for commercial accommodation (Peterson and Lambert, 2003), especially hotels (Batra, 2009), a type of accommodation often associated with a higher spending level (Laesser and Crouch, 2006; Masiero et al., 2015). The senior segment is therefore more resistant to the crisis and it is, as Dolnicar et al. (2012) indicated, highly attractive to the tourism industry, due to its potential to reduce the vulnerability of the sector in times of uncertainty. Sie et al. (2015) argued that travel and leisure activities constitute the largest discretionary expenditure for older consumers in the most developed regions.

In light of the above, and taking into account that the OECD (2014) has signalled that demographic change is one of the external factors that will shape tourist demand and sector development in the mid- and long- term, senior tourism is clearly becoming a growing market niche. In fact, the WTO has predicted that by 2050 the population aged 60 and over will represent more than 2 billion international travellers, compared to the 593 million travellers from this age group in 1999 (Patterson, 2006). Borges Tiago et al. (2016), Chen and Shoemaker (2014), Chu and Chu (2013), Cooper et al. (2007), Glover and Prideaux (2009), Li et al. (2013), Mahadevan (2014), Ryan (1995) and Sie et al. (2015) have pointed to the ageing baby boomer generations as one of the most important markets for the tourism industry. This relates to the fact that they have a more entertainment and leisure-through-travel oriented lifestyle than the previous generations (Dann, 2007; Kazeminia et al., 2015; Kuo and Lu, 2013; Van den Berg et al., 2011). In Spain, where the trend towards population ageing is even greater, one in two individuals will be at least 50 years old in 2050 (United Nations, 2013). According to the IET's report, in 2012, 62.1% of the households with individuals aged between 51 and 65 years went on trips. Among them, those aged between 55 and 64 had travelled more frequently than the rest of the population (IET, 2012).

As a direct consequence of these global ageing patterns, senior travellers increasingly account for a larger share of global spending. This trend results in a growing interest to explore the needs and expectations of this population group. Additionally, the high dependence on residential tourism in Spain makes it necessary to determine which factors explain how choices are made between the different available alternatives. This type of accommodation is showing signs of exhaustion; hence the urgent need to analyse the decision-making process and document the accommodation preferences of this market segment. This will allow strategies to be adopted in order to manage a model change for those traditionally residential destinations. For these reasons, the objective of this study is to examine the relationship between both the external and internal determinants of Spanish seniors' accommodation choices. Specifically, the determinants (or variables) analysed are length of stay, self-perceived factors (income, time and health) and destination pull factors (basic services, climate and a complementary tourist offering). This study is both timely and worthwhile. Although research into hospitality and tourism has been growing steadily over the past three decades (Yoo et al., 2011), there have been numerous changes within the industry, as well as caused by external social, political, environmental and economic devel-

opments (Leung et al., 2015). These include senior tourism, a potentially lucrative travel segment (Pinheiro et al., 2016). Few studies have been conducted in Europe on the importance of this age group to the tourism industry in general, and to the accommodation sector in particular. There are many hotel and resort managers who still seem to be unaware of the fact that seniors are an emerging global market (Patterson et al., 2017). Studies about hospitality services and their significance for senior tourists' choices are still insufficient (Caber and Albayrak, 2013) and the majority are focused on the hotel and resort industry (Caber and Albayrak, 2014; Callan and Bowman, 2000; Hartman and Qu, 2007; Patterson et al., 2017; Wei et al., 1999; Wues et al., 2001). For this reason, the present paper contributes to the extant literature by providing an overview of senior tourists' choice of accommodation and hospitality marketing.

In the following section, the main types of variables used by older consumers to make decisions about accommodation are discussed. The third section describes the data collection and sampling method used for this study, how the variables were measured and how the data were analysed. This is followed by the main results and a general discussion. The last section summarises the study's findings and conclusions. It also points out some limitations and suggests directions for future research.

## 2. Theoretical framework

The types of accommodation largely preferred by senior tourists include hotels, the homes of relatives and friends, second homes and tourist apartments (Chen and Gassner, 2012; Lawson, 1991). Bai et al. (1999) showed that about 53.7% of over 65 year olds and 46.3% of people between the ages of 55 and 64 years old chose to stay with friends and relatives; whereas 51.7% of over 65 year olds and 48.3% of those between the ages of 55–64 years old opted for hotel accommodation. So there is a clear tendency to increase the use of hotel accommodation as age increases. Batra (2009) reported that 73.4% of senior tourists in Thailand stayed in a hotel. Cai et al. (2001) noted that seniors' budget for accommodation was higher than that of non-seniors. This probably explains senior tourists' preference for hotel accommodation (Batra, 2009). Moreover, seniors probably have a greater preference for hotel accommodation than do non-seniors partly because they show a greater predilection for organised tours (Javalgi et al., 1992), as well as for discounts at major hotel chains (Ananth et al., 1992; Marvel, 1999; Moschis and Ünal, 2008).

For the specific case study, Spain, according to the INE's (2016) report, the homes of relatives and friends (39.8%) were the most widely-used type of accommodation, and related to trips organised by residents themselves. Following this were stays at a second home (31.7%) and hotels (15.77%). Hotels recorded a higher average daily expenditure, far beyond that of any other type of accommodation. Moreover, the average expenditure on accommodation for seniors was €261.51, in contrast to the under 55 age group, which spent €236.68 on average (INE, 2016). As for the length of stay, longer stays were reported in homes of relatives and friends as well as in second homes, while shorter stays were reported for hotel accommodation.

According to Perles-Ribes et al. (2016), there are two main types of tourist destinations, based on the existing range of accommodation in Spain: holiday or hotel destinations, and residential destinations. Second homes are strongly present in residential destinations, both for personal use and for tourist apartment rentals (Mazón, 2006). These two types of destinations are mainly characterised by having a good climate, but they differ in terms of the type of customer they attract and their impact on certain macroeconomic and environmental variables. Hotel destinations are less seasonal and they register a higher consumption per traveller.

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