
Part III

New ways of marketing to emerging tourist markets

13 Long-stay tourists and the world of international retirement migration

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The objectives of this chapter are to:

- Understand why retirees are a popular niche market for destinations all over the world.
- See how destinations have instigated aggressive marketing campaigns to attract this segment.
- Explore the symbiotic relationship between tourism and retiree migration.
- Highlight the key motivations for retirees; namely a warm climate, the natural environment, and a favorable lifestyle.
- Understand the nuances of future retirees.
- Highlight future research that is required to understand the needs, expectations and motivations of this segment.

Keywords: retirees, motivations, visitors, marketing, relocation

Introduction

With 10,000 people retiring every day in the US, the retiree population is multiplying by the minute. It is projected to reach 72 million nationwide by 2030. The proliferating pattern is similar in Europe and other parts of the world. In the UK, for example, over 600,000 people turn 65 every year, with over three million people poised to reach state pension age in the next five years. After a lifetime of adventure and travel as part of jobs or vacation habits, a growing number of these new-age retirees are looking to retire outside of their state or country of residence. Figures from industry publication *Travel Market Report* show that as many as 3.3 million American baby boomers are planning to retire abroad. About 350,000 American retirees receive Social Security benefits in countries outside the US, according to the Social Security Administration's annual statistical supplement. The majority of those people live in Europe, Canada and Mexico. In 2009, the paid subscription base of *International Living*, a magazine for retirees who live overseas or plan to, was 39,000. Today the magazine has 100,000 print subscribers, 500,000 e-letter readers and over 400,000 website visitors every month, 80% of them based in the US. The Americans are not the only nationality seeking to retire overseas – Figure 13.1 shows the major retirement migration flows around the world.



Figure 13.1: Retirement migration flows around the world. *Source:* Hudson and Hudson (2019)

Drawing on a growing body of knowledge in the area of international retirement migration, this chapter examines the relationship between tourism and retirement migration, a neglected area of academic research. It explores in more depth the reasons behind this growing phenomenon, and

focuses on the efforts of destinations seeking to attract this growing niche segment of the world's population. The chapter then focuses on retirees of the future, suggesting that perceptions, attitudes and behavior related to aging have changed dramatically, and this will influence future travel behavior. Finally, the authors provide guidance for further research in this area.

Destinations targeting retirees

New retirees are a desirable demographic group for towns, regions and countries seeking to expand their tax base and create jobs. Retirees pay taxes, spend money on local goods and services, and volunteer their time and money for local causes (Poudyala, Hodges and Cordell, 2008). Evidence suggests that the infusion and re-circulation of retiree in-migrant dollars generates new jobs, especially in real estate, healthcare and financial services, and raises an area's tax revenues more than local government expenditures (Sunil, Rojas and Bradley, 2007). Studies have shown that rural areas where incomes are based on retirees have outpaced all others in per capita income growth (Chesnutt, Lee and Fagan, 1993).

Retirees are also getting younger, and there is recent evidence of a 'retirement transition' stage, whereby the expectation of future retirement acts as a catalyst for behavioral change, including a possible change of residence (Stockdale and MacLeod, 2013). Often, these 'amenity migrants' are empty nesters making the decision to move in their late 50s and early 60s, and they are a particularly important demographic given the current age profile of the post-war Baby Boom (Lundholm, 2012; Nelson, Nelson and Trautman, 2014). In many cases these households have considerable savings and/or disposal income as a result of their previous property sale and the absence of a mortgage. Such migrants also record a high incidence of community participation, volunteering and holding positions of responsibility in community groups and activities (Nelson, Nelson and Trautman, 2014). Many of them are 'digital nomads' who are also leveraging technology, outsourcing their talents internationally as freelancers or consultants, while embracing a cheaper quality of daily life abroad (Chalmers, 2018).

The competition for attracting retirees is, therefore, intensifying. In the US, a number of states have instigated aggressive marketing campaigns to attract domestic retirees, and many have initiated Certified Retirement Community programs. There are also more Americans deciding to retire abroad because of the desire for a higher standard of living offered at a fraction of the cost compared to a similar lifestyle in the US. With people living longer now, supporting retirement for an extra 10, 20 or 30 years is becoming impossible for 90% of all US workers (Koulopoulos, 2018). As a result, American