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## **TRENDS AND INSIGHTS IN SPORTS TRAVEL, AS WE HEAD INTO 2015**

***BY JON LAST, PRESIDENT—SPORTS AND LEISURE RESEARCH GROUP***

- **Why Multi-Generational Marketing Could be the Next Big Thing in Sports Travel Marketing**

We're at an interesting cross-roads in generational marketing. So much of what our sports fan and participant research focused on during the first decade of this century was meeting the needs of a maturing boomer generation that did not always follow the leads of prior generations reaching a similar lifestage. Fast forward to the present day and it seems that everyone is trying to unlock the secret sauce that resonates with millennials. And on the surface level this makes sense.

Like the boomers before them, millennials represent a large mass audience that will harness a huge amount of buying power as they move through the next several decades. But sheer market opportunity is far from the only commonalities between these two generations. Both share a tendency towards self indulgence and a desire to come together as part of a community and manifest themselves in unique group experiences. Research has also shown a similarity in the priority that each generation places on family coupled with a belief that time may be the most precious commodity, particularly as we move further into an era of constant connectivity, instant gratification and participatory journalism.

Just as boomers became more child-centric in their thinking and life focus, millennials have been delaying their departure from the nest, and with boomer life expectancy on the rise, the tables will ultimately turn as their children seek to return the favor by caring for a generation that will seek to age chronologically, but remain active and relevant as long as health permits. So there is a confluence of need states and lifestage situations that lend themselves to what our research continues to point out are a desire for multi-generational experiences that can simultaneously optimize the precious commodity of time and meet each generation's needs for activities with purpose and self-actualization.

I cite recent qualitative research that our firm conducted for a sports-centric resort management company that was seeking to re-position itself as more mindful of the needs of multi-generational travelers. In initial discussions and review of various sports related amenity concepts, it became evident that the mindset of most group participants was that there was a great divide between certain active sports interests traditionally targeted to the younger members of the family, and more traditionally older skewing sports like golf, tennis and other historical resort staples. Respondents saw these activities as disparate, limited in their appeal and more appropriate for only one generation at the expense of the other. In the case of the older golfers, they viewed their golf-centric trips as separate and apart from a family vacation. Yet, upon presenting some potential concepts that bridged the gap between the generations, offering accessible "entry ramps" to what had been seen as the singular domain of one generation or the other, the proverbial light bulb went on and respondents across generations were equally enamored with the opportunity to "have the best of both worlds," enjoying personally favorite activities at the same time that they could integrate quality time with other generations within the nuclear and extended family.

- **From the "Me" Generation to the "Pay Attention to Me" Generation**

We often generalize about boomers as the "Me" generation...the stereotyped flag burning, iconoclastic and self-absorbed sixties children, who danced to the beat of their own drummer, before becoming, first, yuppies and now those redefining retirement as a continuing pursuit of their own individuality through the collection of new experiences. Fast forward to today's leading edge millenials, on the cusp of consumerism, but in many instances held back by underemployed and a return to the nest. They seek their own form of individualism and self expression through social media and the expanded viral and virtual communities that they can live in outside of the confines of an often underwhelming entrance into a workplace that doesn't necessarily value them as they feel it should. Boomers initially dreaded the prospects of working for "the man." Millenials feel that they should be running the company by age 30, because the "dinosaurs" that they work for just don't get how things are these days. They grew up in the cocoon of helicopter parents, lavishing them with participation trophies, abundant praise and the pretext that the go-go '90s would never end. Yesterday's "me" generation has bred today's "Pay attention to me" generation. The Pay attention to me's seek to be heard, and dive head first into incessant sharing and citizen journalism that provides a forum to be heard, as the rallies and protests of the sixties and early 70s did for their parents and grandparents.

From fantasy camps to outward bound and "Tough Mudders", we satisfy the needs of boomers to remain relevant and vibrant, to continue to actualize

because they are living longer and maintain a desire to complete their bucket lists and continue a lifelong pursuit of individualism and experiences. For their younger cohorts, the look at me's are viewing sports related travel as another means for providing a forum for self expression, preservation of the notion that anything is possible and a platform to bring others in their various circles along for the ride.

- **An Emerging Model for the Sports Traveler Destination**

In lock-step with the generational realities summarized above, the sports traveler is aligned with some of the newer age destination concepts that put an emphasis on connectivity and efficiency. Our research has shown a focus on "portability and flexibility" to be resonant to the sports traveler of the future. While our work didn't specifically reveal this literal connection, attitudes suggest that a modern adaptation of the "interval ownership" model, where a traveler locks into a consistent experience across multiple experiential destinations, could gain favor in the years ahead. At the center of such a model are amenities that include more open, wi-fi enabled social spaces, and literal and virtual concierges that provide for every detail and a consistency of experience that addresses time constraints and a desire to cut through the proliferation of information that may cause consumer confusion.

- **Building Customer Loyalty with a "2C2R" Approach**

In a still uncertain economic climate, sports travel marketers are rightfully putting greater emphasis on customer loyalty and experience. An approach we've developed to help clients address this, known as "**2C2R**". The four elements are:

**1. Communication:** The best loyalty marketing efforts take great care in crafting the right type and frequency of marketing communication to best customers. They recognize that one mass message is often insufficient in establishing the "one-to-one" bond that demonstrates to a best customer that they are valued and appreciated. Further, the communication acknowledges unique needs and articulates a solution, rather than simply a sales proposition.

**2. Community:** Effective communities bring people of shared needs together in a meaningful and honest exchange. We applied it for a cruise line by offering forums for future passengers to meet in advance of their sailings, for past guests to share memories together and through special events that fostered literal community building within local markets. Finding the right approach can often be as simple as conducting needs assessment and concept testing research.

**3. Recognition:** Best of breed loyalty efforts go out of their way to make the customer feel special. A great example was when I returned to a favorite hotel after about a three year lapse. To my surprise and delight, the agent at registration welcomed me back and asked me if I would like the same room that I stayed in during my most recent visit. The gesture cost the hotel nothing, but it demonstrated commitment to cultivating customer relationships. Recognition can be as simple as remembering birthdays or distributing, commemorative pins or apparel that customers can wear as badges of honor, distinguishing themselves from others. It's a soft sell approach that shows appreciation and doesn't tarnish your brand through discounting.

**4. Reward:** Many marketers skip immediately to this step, associating good customer retention efforts solely with points and reward programs. While research has demonstrated the efficacy of offering aspirational "carrots at the end of sticks" to acknowledge long term loyalty, too many falsely assume that customers will become as locked in on the prize as they are. In countless loyalty research that we have conducted, clients are often underwhelmed to observe how unwilling the customer is to engage in a new points program or track their behaviors for far-off rewards. The key is to reward frequently in soft and subtle ways, while making the pursuit of long term rewards as seamless and self managing as possible. We've heard in too many focus groups, "Please don't give me another points card to carry around!"

- **A Directional Outlook on Sports Travel Market Conditions**

While we do not have any definitive market sizing data or empirically based trending on participatory vs spectator sports travel, our perspective drawn from some spending and participation data that we have collected for some proprietary clients across a host of sports (both participatory and fan based) is that after an optimistic start, 2014 has been flat to down, though there are clearly some positive regional anomalies. That doesn't take away from our long term optimism or belief that with attention to the generational hot buttons and loyalty building approaches outlined above, properties can win what may now be more of a market share battle than an exploitation of market conditions.