Promising target groups in Europe

The European markets for single parent, millennial (born in 1980–1999) and group travel offer interesting opportunities. Family holiday offers are often not well suited for single-parent families. European tour operators have only recently been turning their attention to them. Millennial travellers look for authentic experiences. They are an increasingly important target group, especially in mature European markets. Interest in group travel is also growing. This type of travel is particularly popular among seniors and millennials.

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1. Product description

Across the various segments of the European tourism market, there are several promising target groups. They can be interested in all sorts of holidays, but have distinct needs based on their group’s characteristics. This includes senior travellers, solo travellers, travelling families with children and LGBT travellers. This study focuses on single-parent travellers, millennial travellers and group travellers.

Single-parent travellers

There are around 10 million single-parent families in Europe, which is 15% of families with children. Single parents are keen to spend quality time with their children. Between running a household by themselves and often sharing custody with ex-partners, this can be a struggle. Single-parent family holidays can be a great opportunity, but also come with challenges other families will not necessarily face.

Tip:
- For more general information on family travel, see our study about families travelling with children.
Single parent friendly pricing

Long-haul single-parent travellers generally have a relatively high income and education. However, their spending power is usually less than that of a two-parent household. Consequently, for 46% of single parents, exceeding their budget is their top concern on holiday. Most family holidays are based on two full-price paying adults, making them unsuitable for single parents. This means that even “kids-go-free” deals can be relatively expensive.

Marketing also largely ignores single-parent families. In 2015 only 0.3% of British advertisements included single parents, who actually make up 25% of families. European tour operators are increasingly recognising these issues. They are developing travel products for single-parent families and actively advertising them as such. This opens up the long-haul travel market for more European single-parent travellers.

Tips:
- Be transparent in your pricing. Offer competitive prices for single-parent families, without a single supplement. However, do offer family-friendly accommodation, preferably units with two bedrooms.
- Ask your suppliers (like hotels) to offer the best possible pricing conditions.
- Include single-parent families in your marketing to appeal to them and make them feel welcome.

Activities for single parents

The general idea of family travel is “if the children are happy, everyone is happy”. However, a common complaint is that single parents have no one to socialise with while their children are having a great time. Many guests at family-oriented resorts are couples with or without children, who are not looking for company. Organised activities are therefore of great value. For example, this could concern cruises offering entertainment for all ages, as well as opportunities to meet other single parents.

Differentiate between single-parent family holidays and meeting and dating holidays that could also target single parents. Meeting and dating holidays are organised by tour operators who select participants and match them based on their profiles. Although this can be an added value, this is a specialism for tour operators rather than suppliers.

Another common issue for single-parent travellers is that they often feel guilty about taking time out for themselves. However, 43% of single parents do think spending time without their children on holiday is important. A “kids club” can be a great solution, or a babysitting service for smaller children. This gives single parents a break from taking care of everything by themselves, while their children are in good hands.

Tips:
- Organise child-friendly activities that allow single-parent travellers to meet other families.
- Provide activities that parents and children can participate in together, such as a course where they can learn new things.
- Offer babysitting services or a kids club to allow single-parent travellers to undertake some activities without their children. Make sure you work with professionals.
Millennial travellers

Millennials, or Generation Y, are the generation who came of age in the “new millennium”. There is no exact definition, but millennials are generally born between 1980 and 1999. They are an increasingly important target group for the tourism industry. Almost a third of European travellers were millennials in 2015. Up to 37% of travellers were millennials in more mature European markets, like the United Kingdom, France and Germany.

This is a generation of experienced travellers. On average, millennials went on their first international holiday when they were nine. By the time they were twelve, they had been on four. Because of their experience millennial travellers are confident creating their own itinerary, rather than booking a packaged tour. Their needs and wishes vary. For example, preferences for relaxing or active holidays are spread fairly evenly across European millennial travellers.

Tips:
- Be aware that millennial travellers do not comprise a homogenous group.
- Allow millennial travellers to create their own holiday packages, with different types of activities and accommodation.
- Treat millennial travellers as experts. Because millennials are experienced travellers, they can be hard to steer. Let them speak and position yourself as a supplier who can tailor to their needs.

Authentic experiences

For millennial travellers, the most important aspect of their holiday is to experience the authentic local culture. Authentic experiences involve real people, real emotions and real experiences that are not (obviously) staged. This could include eating the traditional cuisine, or staying in small-scale accommodation run by locals. Interaction with the community is key.

A good way to offer millennial travellers authentic experiences is to give them tips as a local. You can advise them on the hotspots and activities they will not find in regular travel guides. For future trips, almost 75% of millennial travellers expect insider tips from their accommodation provider.

Tips:
- Work with local people and products.
- Add a personal, local touch to your guests’ stay by giving them insider destination tips.
- Use local guides who can lead non-standard tours, from a local’s point of view.
- For more information on the type of experiences to offer millennials, see our study about exclusive tourism experiences.

Value for money

Millennials prefer to spend their money on experiences like travel, rather than possessions. Some 72% of millennials expect to go on a dream holiday in the coming years. Budget is a key factor in travel booking for 73% of European millennials, which is more than for older travellers.
While older millennials are reaching their spending prime, younger millennials are relatively price-sensitive. However, they do splurge on experiences that are important to them. To afford this, millennials often save money for travel. For example, most British millennials regularly set aside money to fund travel. This leads millennial travellers to require good value for money. That does not mean their holidays must be cheap. It does, however, again emphasise the importance of quality experiences.

**Tips:**
- Offer options for both limited and bigger budgets.
- Develop unique and authentic tourism products at reasonable prices to attract millennial travellers. This can include luxury arrangements, as long as the quality of the experience justifies the price.

**Group travellers**

Another promising target group comprises group travellers. These can be groups of friends or families that book a holiday together. They can also be combined groups of (solo) travellers put together by a tour operator, usually based on a shared interest, such as study trips, adventures, cultural heritage or religious travel. Group travel is especially popular among millennials and seniors. It provides a good alternative for the traditional couple’s or family holiday.

Although group travel does not appeal to everyone, it can have several benefits, such as shared costs and group discounts. It also gives travellers a sense of safety in numbers and gives them the confidence to try new things. Organised group travel allows travellers to meet new people with common interests. They can discover new destinations without the stress and anxiety of having to make all the arrangements. This makes group travel especially suitable for inexperienced travellers.

**Tip:**
- Clearly communicate your ability to handle groups. For more information on group tour operators’ needs, see these expert tips to grow your group sales, like on how to be a group-friendly supplier.

**Suitable accommodation**

Group travellers generally require their accommodation to be close together, for social as well as logistic reasons. Preferably, there should be a shared space where travellers can mingle. This allows (solo) travellers in combined groups to get to know their travel companions. For groups of friends and/or family, shared vacation rentals are a popular alternative.

**Tips:**
- Offer accommodation suitable for groups, like hotel room blocks or group-sized rentals.
- Provide shared spaces where travellers can interact, potentially with shared activities.
Group-friendly activities

Travel groups need group-friendly activities, with sufficient capacity. Combined groups often have a pre-arranged itinerary of tours and activities, with some time off in between. Self-organised groups may book some activities in advance and some at a destination during their stay (in-destination bookings). The tours and activities you offer should match the types of groups you accommodate. For example, a group of avid birdwatchers generally has different interests than a multi-generational family with children.

**Tips:**
- Clearly communicate the capacity of your tour or activity. How many people can participate at the same time?
- Be prepared for in-destination bookings. Make sure you can offer group transport if needed.
- If you accommodate for multi-generational groups, offer activities for children and adults.
- Work together with other local tourism providers to create interesting tour and activity packages.

2. Which markets offer opportunities for single-parent, millennial or group travel from Europe?

Single-parent travel

Europe is home to around 66 million households with children, 10 million of which are single-parent families (15%). Single-parent households have become more common in Europe over the past 10 years, increasing from 4.0% of all households in 2006 to 4.5% in 2016. The share of single-parent families is highest in northern and western Europe, up to 30% of families with children. This share is lowest in south-eastern European countries like Croatia, Romania, Greece and Slovakia (5-8%).
Northern European markets are relatively small. Interestingly, the number of single-parent families is largest in some of Europe’s main tourism source markets. The share of single-parent families is below the European average in countries like Germany, Italy, Spain and Poland. However, their sheer size makes them some of the largest potential source markets for single-parent family travel.

Figure 1: Share of single parent families with dependent children in European countries in %

Source: Eurostat

Single-parent travellers are especially likely to be looking for safe destinations with sunny climates. Their destinations should be easily accessible, with a direct flight or one stopover. Popular long-haul destinations for European single parents include the USA, Thailand, the Caribbean, Indonesia and Australia.

Figure 2: Number of single parent households with dependent children in European countries in millions

Source: Eurostat
**Tips:**

- Include offers for single-parent families if you target northern and western European markets.

- If you specialise in single parent family travel, also target large European source markets with relatively low percentages of single parent families.

- Highlight the safety of your destination in your marketing activities. Refer to information from ministries of foreign affairs or embassies regarding your local safety situation.

- Study popular single parent holiday destinations and products. Use this information to improve your offer.

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**Millennial travellers**

*Around 29% of adult Europeans are millennials*, born between 1980 and 1999. With a 31% share their tourism participation is already relatively high. Keen on international travel, *European millennials went on about 150 million outbound trips in 2015*. In the coming years, millennials are reaching their spending prime as they advance their careers. Combined with their preference to spend on experiences, this makes millennial travellers a key target group now and in the future.

![Figure 3: Age groups in Europe](image)

The population share of millennials is largest in relatively small markets. Like with single parent families however, *the number of millennials is highest in Europe’s main tourism source markets*. 
When booking their holidays, millennials focus on the experience rather than the destination per se. Although relatively new destinations can be exciting, millennials don’t necessarily avoid well-known destinations. They just look for ways to experience the local culture in a more unique and authentic way. For example through their choice of accommodation and activities. It comes as no surprise that millennial travellers’ No Regrets Travel List focuses on dream experiences rather than destinations.

Tips:
- Study the needs and preferences of millennial travellers to offer matching tourism products.
- Clearly communicate the unique and authentic experiences you provide. What do you have to offer millennial travellers that other destinations don’t? Create a good mix between traditionally popular highlights and alternative experiences.

Group travellers

Although there aren’t any concrete numbers, the European market for group travel is promising. This type of holiday is especially popular among senior travellers, as well as millennials. Both of these are strong target groups for the coming years, although their needs and preferences may vary. The global market for group hotel bookings is estimated at €160 billion for 2017. This is paired with a 367% increase in group travel interest on Pinterest, illustrating its increasing popularity.

Tip:
- See our study about senior travellers for more information on their needs and preferences.
For more information on European traveller numbers in general, see our study about European demand for tourism in Developing Countries.

3. Which trends offer opportunities for single parent, millennial or group travel from Europe?

The influence of online reviews and visual storytelling is growing

European travellers increasingly research and plan their trip online. To gather information and share experiences they use review sites, social media, travel forums and blogs. Online reviews and feedback from fellow travellers have become important sources of information. This type of User Generated Content is key, as 83% of consumers trust earned media above all other forms of advertising.

Unique and authentic experiences are perfect for impressive visual storytelling. Visual media are a powerful tool to attract travellers, especially when shared by their peers. In fact, 42% of millennials acknowledge their contacts’ photos on social media directly influence where they go on holiday. This illustrates the increasing importance of visual content and social media for the coming years.

Tips:
- Maintain a strong internet presence and online marketing strategy, including social media.
- Use photos and videos to bring your story alive. For more information, watch this webinar series on visual communication in adventure travel by the Adventure Travel Trade Association (ATTA) and Libris.
- Use current customers as ambassadors for your company and area. Encourage them to share their experiences and visuals on social media, write blogs and review your company.
- For more information, see our 10 tips for online success with your tourism company.

Last-minute bookings are on the rise

Last-minute bookings are a hot topic across the tourism industry. For example, adventure travel providers list last-minute bookings as a key general industry trend. They are especially popular in the tours and activities sector. Most European travellers book their tours and activities whilst on holiday, or shortly before. Providers report a huge increase in last-minute tour and activity bookings on mobile.

Spontaneous trips are less common in the group travel sector, but all the more relevant for other target groups. Although especially popular among millennials, last-minute bookings are a trend across all ages. 1 in 3 millennials often make last-minute holiday plans, compared to 1 in 4 older travellers. Driven by the mobile revolution, this trend is obviously here to stay.

Tips:
- Be flexible. Offer options for booking a holiday on short notice and for in destination booking of tours and activities.
- See our study on online payment methods for more information about (mobile) payment methods often used for last-minute bookings.
4. What requirements should your tourism products comply with to be allowed on the European market?

For general tourism requirements, see our study on what requirements your services should comply with to attract European tourists.

5. What competition do you face on the European market for single parent, millennial or group travel?

Competition on the market for single-parent, millennial or group travel doesn’t differ from the European tourism market in general. For more information, see our study on what competition you face on the European outbound tourism market.

6. Through what channels can you get your tourism products on the European market for single parent, millennial or group travel?

Focus on specialised tour operators

Tour operators specialised in your destination or specific niche market offer the best opportunities. They are generally more dependent on and willing to cooperate with local partners. You can identify them via trade associations, events and databases.

For example:
- **ECTAA** - national associations of travel agents and tour operators per European country
- **Group Leisure & Travel Show** - annual trade event, October, Birmingham
- **ITB** - annual tourism trade event, March, Berlin
- **World Travel Market** - annual tourism trade event, November, London

Generating direct sales

European travellers increasingly book their holidays directly with service providers at the destination. To increase your chances of direct sales, you can promote your product on relevant tourism websites/portals.

For instance:
- **Family Traveller**
- **GoNOMAD**
- **Wanderlust**

For an overview of the trade structure for tourism, see our study on the channels and segments of the European tourism market.

7. What are the end market prices for tourism products on the European market?

Travellers have many destinations and types of holiday to choose from. This makes tourism a relatively price sensitive and competitive industry. The price of a long haul trip consists of three dimensions:

1. The exchange rate between the currencies of the country of origin and the destination country.
2. The costs of transport to and from the destination country.
3. The price of goods and services the traveller consumes in the destination country.

European tour operators are not open about the purchasing prices of their tourism products. According to industry experts, their margins vary between 10-25%. Prices of holiday packages vary widely as they depend on a lot of factors, such as:
Prices are generally lower on emerging Eastern European markets than in Western and Northern European countries.

**Tips:**
- Check which countries have cheap direct flights, preferably direct ones, to your destination, for instance at [Skyscanner](https://www.skyscanner.com), as this gives you a competitive advantage in those countries.
- You can compare prices for travel products online, for example at [Topdeck](https://www.topdeck.com) (group travel for millennials).
- Tourism Boost has some useful [on-line tools for pricing tours and accommodation](https://www.tourismboost.com). These can help you determine the break-even point and ideal retail price of your tourism product.

Please review our [market information disclaimer](https://www.tourismboost.com/disclaimer).

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