The relationship between air travel behaviour and the key life stages of having children and entering retirement

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Abstract

The aviation industry has acknowledged that market segments behave differently in response to pricing changes. Traditional market segments, typically split into business (further split into 'routine' and 'urgent') and leisure (further split into 'holidays' and 'visiting friends and relations') travellers can be developed further through the examination of the influence that life stage exerts upon air travel choices, particularly for leisure trips. Life stage is defined as a specific, optional event such as having children or retiring. It is distinct from life cycle, a natural event that affects an individual as he or she gets older, progressing from a child to an adult and then to a senior citizen.

The 'Propensity to Fly' project examines individual responses to low cost air travel in the East Midlands region of the United Kingdom. The project aims to deliver a stated choice modelling capability and a greater understanding of air travel market segments. A particular emphasis of the research is on leisure demand associated with the low cost phenomenon. This is in response to the need to understand more fully the types of individuals who constitute the large increase in demand for air travel and conversely those who do not fly.

The paper considers the results of a series of data collection phases within the Propensity to Fly project:

2. Focus groups in the East Midlands local authority of Charnwood: 3 homogeneous groups (two with people in employment, one with people in retirement), Spring 2007
4. Internet air travel household survey across the East Midlands: 508 respondents, Spring 2008

The primary aim of the focus groups was to deepen understanding of the arguments surrounding air travel behaviour and the impact of distinct life stages, including having children and entering retirement. The household survey questionnaires examine a range of air travel preferences including: previous air travel choices; future air travel choices, including stated preference experiments on flight and airport choice; response to attitudinal statements (e.g. response to environmental concerns); and holiday preferences. Also included are socio-economic variables that determine life stage, such as age, status (e.g. in employment, home-maker, retired), and the number of children in the household. Cluster analysis has been incorporated to statistically determine market segments from the household survey samples; the focus of this paper is on those segments relating to the key life stages of having children and entering retirement.

Analysis is split according to these two life stages, using data from the four data collection phases. Firstly, in terms of having children, families are less flexible in air travel choices such as when to fly and the destinations available. Price, airport and travel time are important to all air travellers, but particular so for families. There are two main reasons for the price concerns when travelling as a family: the extra cost for the household in paying for children (albeit that children under two often travel for free), and
the higher air fares during school holidays. In addition to young children affecting travel behaviour, the role of children leaving home and gaining independence is also seen as an impacting factor. Links are developed between having children and the air travel behaviour and attitudinal information within the household surveys. For instance, of the market segments, 'family orientated, female holiday makers' are particularly sensitive to the effect aviation has upon the environment.

Secondly, in terms of those in retirement, nearby airports are of particular value by this group, together with pre-booked package holidays. There are distinct sub-groups amongst the retired market segment; the air travel behaviour and attitudes of each sub-segment is analysed. One sub-group represents frequent flyers who are not time-sensitive and enjoy full health; another sub-group is a 'retired annual holidaymaker' segment. As individuals in retirement age they tend to reduce their air travel due to the hassle of accessing and using airports (e.g. proceeding through security).

The results for the two key life stages of having children and entering retirement are considered in relation to individual travel behaviour across all modes of transport; a transport policy response to the research findings is also discussed.