CULTURAL HERITAGE TOURISM STRATEGIC PLAN:
MARKET TRENDS AND SEGMENTATION REPORT

Prepared for:
City of Bellingham Planning & Community Development Department

By
Cheryl Hargrove, HTC Partners
This Market Trends and Segmentation Report is designed to inform Bellingham and Whatcom County on the potential audiences and segments most appropriate for the destination to grow cultural heritage tourism. The Assessment Report and Community Presentation (Phase 1) provided some initial research for consideration; this report delves more deeply into describing significant markets for Bellingham/Whatcom County and consumer trends to watch.

1. Cultural Heritage Tourism Target Markets

In the community presentation on March 1, 2017, consultant Cheryl Hargrove defined the profile of the cultural heritage traveler. In addition to the general cultural heritage traveler, other potential audiences include general leisure travelers, nature-based/adventure/eco-tourists, regional visitors and generational audiences.

1.1. Cultural Heritage Traveler

Mandala Research, LLC produced the most recent national study on the profile and impact of the cultural heritage traveler in 2013. The report cites that 76% of all leisure travelers – or 129.6 million adults annually – engage in a cultural or heritage activity, spending $171 billion US. This study supported previous research reports profiling the cultural heritage traveler as:

- Older (49 vs. 47)
- More affluent
- Generally have higher education (many with graduate or higher level degrees)
- Likely to be Married or with a partner.

While baby boomers continue to dominate the market, Gen X are rapidly growing as a cultural heritage tourism segment. Multi-generational travel to historic and cultural attractions/events is also on the rise. The 2013 Mandala Research Report also determined these desirable characteristics of the cultural heritage traveler:

- Cultural heritage travelers stay longer, spend more than general U.S. leisure travelers ($1,319 vs $820) and are more likely to stay in a hotel, motel or B&B
- Are frequent travelers – taking 3.61 leisure trips in the last three years (compared with 3.4 trips for the general leisure traveler)
- 46% of their total trip budget were spent on activities, dining & shopping
- 72% seek travel experiences where the destination, buildings and surroundings have retained their historical character
- 66% prefer leisure travel that is educational
- 52% spend more money on cultural and heritage activities while on their vacation/trip; and 49% will pay more for lodging that has a distinctive cultural or heritage component (historic building, local art or decor, architecture, etc.)
A majority of cultural heritage travelers want to engage with locals and “do” something (preferring immersion and participation to being a spectator)

A 2009 Mandala Research Report revealed the top activities of cultural heritage travelers as:

1. Visiting historic sites (66%)
2. Participating in historical re-enactments (64%)
3. Visiting art museums/galleries (54%)
4. Attending an art/craft fair or festival (45%)
5. Attending a professional dance performance (44%)
6. Visiting state/national parks (41%)
7. Shopping in museum stores (32%)
8. Exploring urban neighborhoods (30%)

Cultural heritage tourism is not limited to domestic U.S. travelers. International travelers are also interested in U.S. cultural heritage. According to the 2015 Cultural Heritage Traveler report produced by the National Travel and Tourism Office at the U.S. Department of Commerce, more than 22 million overseas visitors to the U.S. (excluding Canada and Mexico) engage in a cultural heritage activity – or 28% of all international inbound visitors. This represents a 56 percent increase from 2008 to 2015, with the majority (78 percent) of these visitors on vacation/holiday.¹ Like domestic tourists, shopping continues to be the number one activity for international tourists while in the United States. However, they traditionally favor – and participate in – cultural and heritage activities during their holiday here. Specifically,

- 61 percent visit National Parks/Monuments
- 50 percent visit art galleries or museums
- 46 percent visit historic locations (more than amusement/theme parks at 33%)
- 40 percent visit small towns/countryside
- 32 percent participate in a guided tour
- 28 percent attend concert/play/musical
- 28 percent visit cultural/ethnic heritage sites
- 9 percent visit an American Indian Communities.²

The Canadian Travel Activities and Motivations Survey (TAMS) provides some of the most relevant and current market research available for specific tourism segments, including the demographic profile of heritage travelers (US and Canadian). TAMS research profiling pleasure travelers to British Columbia 2007-2009 found a similar profile of the cultural heritage traveler to the Mandala Research LLC studies – educated, affluent – although the Canadian heritage travelers were younger with the largest group between ages of 18 to 34 (31% participated; 29% motivated by historic sites and museums). Those motivated by archeology and interpretive programs were more likely to be age 45-54.³

¹ Preliminary “2015 Sector Report: Cultural Heritage Traveler” provided by National Travel and Tourism Office, International Trade Administration, U.S. Department of Commerce (August 2016)
³ Tourism British Columbia, Heritage Tourism Product Overview, April 2009
Aboriginal cultural tourism is strong in British Columbia totaling $42 million in 2011, up from $20 million in 2006. According to the Aboriginal Tourism Association of British Columbia (AtBC), the average Aboriginal cultural tourism visitor to British Columbia tends to be female, middle to late aged, well-educated, and earns an upper-middle income. AtBC reports, “Aboriginal cultural tourism visitors under the age of 50 prefer active experiences such as canoeing, kayaking, dog-sledding and horseback riding, while visitors aged 50+ prefer less vigorous experiences such as hiking, walks, nature observation, and indoor activities.”

This clustering of preferred cultural heritage activities bodes well for Bellingham/Whatcom County as the destination offers all of these activities in its current visitor-ready wheelhouse.

### 1.2. General Leisure Travelers

For Bellingham and Whatcom County, nature and recreation are top motivators for visitation. However, culture and heritage activities can be a stimulus to extend length of stay, increase repeat visitation or serve as a catalyst for selecting a destination showcasing place-based authentic experiences. A 2009 PGAV Study conducted by Jerry Henry and Associates found that 80 percent of visitors like to visit places that are authentic. The 2013 Mandala Research, LLC Study found that general leisure travelers often engaged in cultural heritage activities. Top activities included:

- Visited heritage buildings/historical buildings (42%)
- Attended cultural/heritage fair, festival (40%)
- Attended historical reenactments (38%)
- Participated in an organized tour of local history or culture (37%)
- Visited living history museums (37%)
- Took a tour focusing on local architecture (34%)
- Researched family history (32%)
- Shopped for items made by local artisans, craftspeople (31%)
- Visited farms and ranches (25%)
- Explored small towns (24%)
- Experienced local or regional cuisine for a unique and memorable experience (23%)
- Self guided walking tour (22%)

With a desire for more authentic experiences, a focus on health and well-being, and distinctive places to escape from everyday life, the outlook is positive for destinations that provide a balance of both nature-based and place-based (cultural heritage) experiences.

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4 Tourism Sector Profile, Aboriginal Tourism Association of British Columbia (May 2014), p2, [http://www.destinationbc.ca/getattachment/Research/Research-by-Activity/All-Sector-Profiles/Aboriginal-Cultural-Tourism-Sector-Profile,-May-20/Tourism-Sector-Profile_AboriginalCulturalTourism_May2014.pdf.aspx](http://www.destinationbc.ca/getattachment/Research/Research-by-Activity/All-Sector-Profiles/Aboriginal-Cultural-Tourism-Sector-Profile,-May-20/Tourism-Sector-Profile_AboriginalCulturalTourism_May2014.pdf.aspx)

5 Jerry Henry and Associates for PGAV Destinations (2009), Real Potential: The Power of Authenticity to Reposition Your Destination
Competitors for Leisure Time

The competition for leisure time and spending is intense. According to the American Time Use Survey (2015) by the Bureau of Labor Statistics, nearly everyone age 15 and over (96%) engaged in some sort of leisure activity; the top three are watching TV (2.8 hours day), socializing (51 minutes), or participating in sports, exercise and recreation (29 minutes).

The shift to use of electronics as leisure activities is highlighted in Nielsen’s Total Audience Report where “Americans aged 18 and older spend more than 11 hours a day watching TV, listening to the radio or using smartphones and other electronic devices.”

1.3. Adventure/Nature-based/EcoTourists

Nature-based tourism simply describes travel to natural places. Nature-based visitors seek out destinations that care for and showcase natural attractions. Ecotourism, the most well-known segment of nature-based tourism, is now defined as “responsible travel to natural areas that conserves the environment, sustains the well-being of the local people, and involves interpretation and education.”

According to The International Ecotourism Society:

- Eco-tourists are responsible consumers interested in social, economic, and environmental sustainability.
- They seek out authentic local experiences.
- Many eco-tourists use voluntourism activities as a way to give back to the communities they visit.
- Eco-tourists seek to minimize the carbon footprint of their travel, with climate in mind by planning wisely and choosing consciously.

Adventure Travel is defined by nature + physical activity + culture. The U.S. Adventure Pulse recognizes five segments of leisure travel. One group is mass travelers (34%) not currently participating in adventure; another group are pre-adventurers or up-and-coming adventurers (14.4%) whom have tried an adventure activity as a secondary activity to a former trip. Three core adventure travel personas are: 1) 23.9% are adventure gazers; 2) 20% are adventurers; and 3) adventure enthusiasts (7.5%).

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Adventure Grazer</th>
<th>Adventurer</th>
<th>Adventure Enthusiast</th>
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</thead>
<tbody>
<tr>
<td>Bucket list driven</td>
<td>Actively seeking to</td>
<td></td>
<td>Practice activities at</td>
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<td></td>
<td>improve/enhance skills</td>
<td></td>
<td>high skill level</td>
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<tr>
<td>Not likely to repeat activities</td>
<td>Repeat a favorite activity on multiple trips</td>
<td>Accept higher risks to achieve greater thrill</td>
<td></td>
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<tr>
<td>once experiences</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perform at novice/beginner skill</td>
<td>Perform at intermediate level</td>
<td>Dedicated to one activity</td>
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<td>level</td>
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8 The International Ecotourism Society (TIES) 2015

Prepared by HTC Partners – Page 5 of 17 – April 2017
The Adventure Travel Trade Association, in partnership with Michigan State University, recently conducted a study to better understand the adventure traveler and their motivations. Transformation – in terms of personal growth and challenge, accomplishment/achievement, gratitude and mindfulness – ranked highest in motivations. Expanded Worldview – a “broadened perspective, expanded horizons, and cultural understanding” – ranked second, and Learning (new skills/knowledge, new experiences, enriching overall experience) ranked third.

Other important motivations include nature & discovery, mental health, fun & thrills, connection, meaningful stories, physical health, and unique experience. Whereas a 2005 survey of travelers mentioned “extreme, danger, exertion and power”, the 2017 study shows travelers focusing on “a natural environment, learning, and meaningful experiences.” According to the 2016 Industry Snapshot, customized trips remain in high demand. Activities such as cycling and cultural activities topped regional lists. This provides an opportunity for Bellingham/Whatcom County to combine nature and culture to provide desired experiences and establish a distinctive destination brand.

Within the outdoor recreation space, the 2016 Outdoor Participation Report\(^1\) cites adventure racing, non-traditional triathlon and trail running, paddle sports are some of the fastest growing sports (up 26 percent from 2012 to 2015) among youth and young adults. Kayak fishing and sea/tour kayaking saw big participation increased in the past three years. The report cites the experience as the reason for growth, “that people are looking for nonconventional ways to get in shape.”\(^12\)

- Nearly half of all Americans – 48.4% –participated in at least one outdoor activity in 2015.
- Outdoor participation is highest among Caucasians (71%) and lowest (per capita) among African Americans (11%).
- Asian/Pacific Islanders represent 7% of the U.S.’ youth/young adults participating in outdoor activities.
- Hispanic American youth and young adults have one of the highest outdoor participation rates (12%), second only to Caucasian/White, non-Hispanic (71%).
- Running, including jogging and trail running, is the most popular activities among Americans when measured by number of participants and by number of total annual outings.
- Participants aged 6-24 from the Pacific Census Region grew one percent (14 percent to 15 percent) from 2014 to 2015. In 2015, 19 percent of the youth/young adult population residing in the South Atlantic region and 17 percent of this youth/young adult population from the East North Central region participated in outdoor activities.

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\(^{10}\) 2016 Industry Snapshot, Adventure Travel Trade Association, http://www.adventuretravel.biz/research/industry-snapshot-2016/

\(^{11}\) 2016 Outdoor Recreation Participation Report, Outdoor Foundation, www.outdoorfoundation.org

\(^{12}\) http://www.holabirdsports.com/blog/adventure-racing-is-one-of-the-fastest-growing-sports-in-us/
1.4. Generational Profiles: Millennials, Boomers, and Gen X

<table>
<thead>
<tr>
<th>The Generations Defined</th>
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</thead>
<tbody>
<tr>
<td><strong>The Millennial Generation</strong></td>
<td>Born: 1981 to 1997</td>
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<tr>
<td>Age of adults in 2016: 19 to 35*</td>
<td></td>
</tr>
<tr>
<td><strong>Generation X</strong></td>
<td>Born: 1965 to 1980</td>
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<tr>
<td>Age in 2016: 36 to 51</td>
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<tr>
<td><strong>The Baby Boom Generation</strong></td>
<td>Born: 1946 to 1964</td>
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<tr>
<td>Age in 2016: 52 to 70</td>
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<tr>
<td><strong>The Silent Generation</strong></td>
<td>Born: 1928 to 1945</td>
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<tr>
<td>Age in 2016: 71 to 88</td>
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<tr>
<td><strong>The Greatest Generation</strong></td>
<td>Born: Before 1928</td>
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<tr>
<td>Age in 2016: 86 to 101</td>
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</tbody>
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*No chronological end point has been set for this group.

Source: Pew Research Center

Much has been studied and written about the generations of today. According to the U.S. Census Bureau, Millennials surpassed Baby Boomers as the nation’s largest living generation in 2016. Each of these demographic markets has specific psychographic and behavioral characteristics. These markets are profiled and analyzed below to help assess their potential for Bellingham/Whatcom County, with a lens on motivations and expectations.

**Millennials (Gen Y)** in the U.S. now number 75.4 million. This growth is due in part to young immigrants. The Millennial population is projected to peak in 2036 at 81.1 million. By 2050 there will be a projected 79.2 million Millennials.\(^\text{13}\)

- They comprise 24% of the US population.
- Median income for younger Millennials is $25,000, while older Millennials make almost double ($48,000).
- Only 21% are married.
- They are the most educated generation; 23% have a bachelor’s degree or higher; 38% are bilingual.
- Most ethnically and racially diverse generation, 19% of Millennials are Hispanic, 14% African-American, and 5% Asian.
- Two in three Millennials are U.S.-born; 11% are born to at least one immigrant parent.
- Millennials account for one-fifth of same-sex couples.
- Top 10 markets by concentration for Millennials are primarily in the Western part of the country (Austin, Salt Lake City, San Diego, Los Angeles, Denver, Washington, Houston, Las Vegas, San Francisco, Dallas-Fort Worth).\(^\text{14}\)

According to MMGY Global, “nearly 60 percent of Millennials would rather spend money on experiences than on material goods.” **Dollar-wise, that translates to the average millennial traveler planning to spend about $5,300 per trip.**\(^\text{15}\) One unique characteristic of Millennials is the desire to stay connected while traveling, using technology not only for on-site trip planning but also for recording experiences and sharing with others via social media.

The U.S. Chamber Foundation prepared “The Millennial Generation Research Review” to profile this cohort. The study uses birth years of 1980 to 1999 to define the Millennial generation (different from the Pew Research Center above.) Millennials are:

- Technically savvy, as they have only known a wired, connected world

• Optimistic, despite tragic events that have shaped this generation (9/11, terrorist attacks, school shootings, tsunami and hurricanes
• More tolerant of races and groups
• Considered multi-taskers
• More caring, community oriented and politically engaged, although they are also described as overly self-confident and self-absorbed
• Masters of self-expression, with 75% creating a profile on a social networking site, 20% posting personal video, 38% with one to six tattoos, and 23% with a piercing in some place other than an earlobe. Trend toward personal branding
• Main sources for news are television (65%) and Internet (59%). Also influenced by parents (61%)
• 13% live with parents (a boomerang effect of the recession) and 36% depend on financial support from families
• Biggest objective for young adults today, both male and female, is happiness; this generation is trading in money and power in favor of love and friendship
• Millennials (and increasingly other generations) use “Facebook, Twitter, and other tools to self-organize and participate in causes they care about; they simply are not as interested in joining established member-based organizations.”
• Further, they have “little patience for the speed to which things get done and may not see the value in becoming a member of what they see as inefficient organizations
• In the area of fundraising, Millennial donors blend their preference for technology with a desire for personal, traditional giving requests.
• They use online tools to make their donations, but need to trust the organizations to which they are donating and feel that they have a compelling mission or cause, and tend to give one time for a specific cause or event versus annually. Millennials tend to give smaller donations to a number of organizations; 20-somethings donate on average to 3.6 groups.

Additional statistics using Nielsen data from 2013 describe some of the behavioral and psychographic characteristics of Millennials:
• 52% of Millennials consider being a good parent important
• Roughly a quarter of Millennials will try a brand or product that sponsors a music event for an artist or group they like
• Sponsoring a concert increases purchase rate over 25% among Millennial fans
• Artist endorsement increases brand market share up to 2.4 points among Millennial fans
• 75% of Millennials have made a financial donation to a not-for-profit organization
• 71% of Millennials have raised money for a not-for-profit organization
• 57% of Millennials have volunteered for a not-for-profit organization
• Over 60% of Millennials will pay more for a product where the company is environmentally friendly.

19 Cohen, H. “30 Millennial Demographics You Need” (February 2014) http://heidicohen.com/30-millennial-demographics-chart/
Marketing to Millennials: Millennials’ direct purchasing power is estimated at “$200 billion, and $500 billion of indirect spending, largely due to the influence on the spending of their mostly baby boomer parents.”

Key findings and recommendations from U.S. Chamber of Commerce Foundation’s The Millennial Generation Research Review “Marketplace” section include:

- The majority of Millennials use social media to connect with brands; they spend about 1.8 hours daily on social media sites. 80% sleep with their cell phone next to their bed.
- They also connect to a brand through affiliation with a cause, more important to Millennials than previous generations.
- Advertising should be placed around engaging content. Engagement is higher among Millennials than other generations for television and particularly websites.
- Due to technology and access to information, marketing communication is a two-way street, with 86% of Millennials willing to share information about their brand preferences online.
- They are more likely to use the Internet, broadcast thoughts, and contribute content (60%) than other generations.
- They also rely on recommendations from peers and friends more than experts.
- Mobile devices are used to read reviews and explore information on social networks; “Having grown up with mobile and digital technology as part of their everyday lives, they switch their attention between media platforms 27 times per hour.”
- Traditional gender distinctions no longer apply, with more “stay at home” dads and women in sports.

Baby Boomers, defined by the boom in U.S. births following World War II, were the largest generation and peaked at 78.8 million in 1999. They remain an important market, especially for travel, due to their size (74.9 million) and wealth. Boomers have the highest concentration of the super-affluent ($5 to $25 million in investible assets) and ultra-affluent (more than $25 million) of any generation. This market is exploration hungry, interested in culture, wants the real destination (not commercial tourism product), loves nature, is driven by food and cuisine, and considered activity seekers.

Baby Boomers spend $157 billion on trips each year and many polls rank travel as this market’s No.1 leisure activity. Boomers are active travelers, taking an

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25 Gerber, S. Next Avenue Living & Learning channel, The Hottest Trends in Boomer Travel (August 2013)
average of 4-5 trips per year. More than half (55%) of Boomers will travel only within the U.S.; 91% have vacation time available, and 51% will use all of it.

The top motivators for personal travel are to:
- Get away from normal, everyday life (57%)
- Spend time with family and friends (55%)
- Relax and rejuvenate (54%)

64% Baby Boomers are primarily looking for a laid back and relaxing trip (70% of GenXers want to relax); 16% of Baby Boomers seek adventurous/outdoors trips, and only 7% seek educational domestic trips.  

Multigenerational trips are increasing in importance, with 32% of Boomers planning this type of domestic trip. Other top types of trips include: summer vacation (30%), weekender (26%), holiday travel (22%), celebration vacation (17%), family reunion (17%) and romantic getaway (15%). A city/town is the most popular domestic destination.

Gen X are the smallest of the generations, as the span is shorter (16 years) compared with Millennials (17 years). They were also born during a period when Americans were having fewer children (3.4 million per year, compared with 3.9 million when Millennials were born.) Gen X is anticipated to pass the Boomers in population by 2028.

The travel profile of Gen X is similar to Baby Boomers, with interest in exploration, culture, authenticity and cuisine. Gen X rate “nature lovers” as a 60.5 on Statista’s Average Traveler Psychographic Intensity Index Score.

Family life shapes travel preferences for Generation X. Timing vacations along school calendars, many trips are closer to home – favoring beach-oriented vacations. They want/need time to relax and unwind, where the top priority is a hotel stay. According to MMGY, 82% book travel online and 71% research travel through their Online Travel Agencies (Expedia, Travelocity, etc.)

<table>
<thead>
<tr>
<th>Average spending per day on vacation:</th>
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<tbody>
<tr>
<td>Millennials</td>
</tr>
<tr>
<td>Gen X</td>
</tr>
<tr>
<td>Baby Boomers</td>
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<tr>
<td>Matures</td>
</tr>
</tbody>
</table>


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### The Generations: Different Travel Styles

![Average Traveler Psychographic Intensity Index score]

Destination Analysts' Traveler Psychographic Intensity™ indices show that members of the Millennial Generation are active, highly connected travelers with a desire for urban culture and culinary experiences. Baby Boomers are more interested in less active, rural experiences that yield a sense of exploration. Gen X sits at the halfway point between the two generations, with one key unique differentiator: slightly higher levels of price sensitivity.

<table>
<thead>
<tr>
<th>Activity Seekers</th>
<th>Baby Boomers</th>
<th>Gen X</th>
<th>Millennials</th>
</tr>
</thead>
<tbody>
<tr>
<td>57.9</td>
<td>60.1</td>
<td>61.2</td>
<td>61.2</td>
</tr>
</tbody>
</table>

1.5. Families

Families seek value and unique experiences in tour packages. The family vacation is becoming the new family dinner table: with our time-impoverished society, families need to make extra effort to spend quality time together. 

31 Family & Multigenerational Travel Market, National Tour Association, [http://www.ntaonline.com/includes/media/docs/Family-Travel---NTA.pdf](http://www.ntaonline.com/includes/media/docs/Family-Travel---NTA.pdf)
• 44% of all leisure travelers brought kids along on trips
• 40% of all active leisure travelers have taken at least one multi-generational trip (defined as a trip with three or more generations present) during the previous 12 months
• Grandparents make up 26% of all leisure travelers in America and a third took at least one leisure trip with grandchildren last year
• What kids want when traveling differs by age according to Nancy Schretter, a Family & Multigenerational Travel Market Expert, as reported in the National Tour Association Study:
  o Ages 1-4: Sense and Sensibility – storytelling, fantasy and wonder
  o Ages 3-5: DIY Years – interactive, education and variety
  o Ages 8-11: Identity Quest – variety, education and interactive
  o Ages 12-17: The Thrill Years – thrills, authenticity and history
• Young Adult Connections – experiences, adventure, authenticity, making a difference
• According to PGAV Destinations (2013), families represent one third of the U.S. population but make half of all visits to attractions. Priorities are: togetherness, fun, variety, unique experiences, learning something new, and going someplace new.

1.6. Groups

The group travel market has changed substantially in the past decade. No longer are tour operators booking large motor coaches of 55-60 people on a fast-paced itinerary. Group travel today is much more flexible, and often organized on a smaller scale or targeted itinerary for a theme. Collette’s Explorations, launched a few years ago as a small group brand for 18 or fewer participants, saw growth in demand for small group tours is part of a larger trend favoring “niche tours” that allow consumers to “dive deeper” into a destination and to meet and mingle with people with similar interests.

One of the most influential group travel planners for cultural heritage tourism is the educational travel segment. The annual Global Gathering of the Educational Travel Community, now in its 31st year, convenes two distinct groups involved in this market segment: nonprofit travel planners and special-interest tour operators.

• Nonprofit Travel Planners: Large and small travel programs are represented from alumni associations and continuing and international education departments; art, science, and natural history museums; cultural and preservation organizations; zoos, aquariums, and conservation groups; and from national and regional nonprofit organizations and affinity associations. Think Road Scholar, Stanford Alumni Association, California Alumni Association-Berkeley, The Sierra Club, The Nature Conservancy, National Trust for Historic Preservation, National Geographic Society, and Oakland Museum of California.

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32 Source: MMGY Portrait of American Travelers Survey
33 Preferred Hotel Group, [http://www.ntaonline.com/includes/media/docs/Family-Travel---NTA.pdf](http://www.ntaonline.com/includes/media/docs/Family-Travel---NTA.pdf)
34 Preferred Hotel Group, [http://www.ntaonline.com/includes/media/docs/Family-Travel---NTA.pdf](http://www.ntaonline.com/includes/media/docs/Family-Travel---NTA.pdf)
35 Family & Multigenerational Travel Market, National Tour Association, [http://www.ntaonline.com/includes/media/docs/Family-Travel---NTA.pdf](http://www.ntaonline.com/includes/media/docs/Family-Travel---NTA.pdf)
36 PGAV Destinations – The Art of the Family Vacation Study
2. Trends Impacting Cultural Heritage Tourism

Many consumer trends impact travel. You need only look at the global research innovator JWT Intelligence’s annual list of trends and you will see how the prediction of celebrity endorsements has become a reality, or how two predictions from 2014 resonate with travelers and influence tourism development today: the desire for “immersive experiences” and the impact of technology “as a gateway to opportunity” particularly through the use of visual images and mobile devices.

JWT Intelligence, publishers of The Future 100: Trends and Changes to Watch in 2017, recognizes the enrichment factor as a motivation for consumer’s experiences. A trend emerging is the focus on social good, where consumers take part in volunteer work during their leisure time or vacation. “Tech naturalism” is the marriage of natural choices and pick-and-choose technology, especially related to health and wellness. Another trend is publishing Instagram stories, bite-sized articles with a strong visual lead to reach the medium’s user base of 400 million.

In 2015, JWT Intelligence noted several trends relevant for Bellingham/Whatcom County in its annual “Future 100” report:

- The desire for “experiential public spaces” multisensory experiences that augment nature
- Focus on wellness tourism – repackaged particularly for Millennials and Boomers, with a predicted growth of 55% by 2017
- Growth in “thought leadership getaways”
- Adventurist Impulse – championing outdoor pursuits
- Tech-Free Travel – taking time out from technology and offering space for contemplation.

In developing a strategic cultural heritage tourism plan, Bellingham and Whatcom County leaders are wise to track and monitor trends impacting consumer choices and travel. The following six trends provide “food for thought” for destination leaders to consider in setting goals, funding priorities,

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38 JWT Intelligence, https://www.jwtintelligence.com/trend-reports/
developing authentic activities, events and products, and delivering consistently high quality experiences.

**Trend 1: Increased Competition**

The number of active museums has doubled in the last 20 years (from 17,500 to 35,000+ in 2014). The National Register of Historic Places has 90,540 listings, representing a total of 1.4 million individual contributing resources (including buildings, sites, structures, objects). The United States also has designated 2,532 national historic landmarks, 20 World Heritage Sites, 49 national heritage areas, and more than 800 Preserve America communities. Add more than 2,000 Main Street communities across the country and the supply of cultural heritage “product” is high.

As mentioned on page 5, competition also comes in the form of other leisure time activities outside of travel, with multiple options now vying for a consumer’s free time. Cultural heritage sites must provide dynamic and valued experiences worthy of a tourist’s time and money.

**Trend 2: Savvy Consumers**

Consumers are better educated, more experienced travelers and therefore have higher expectations for tour experiences than even a decade ago. In 2014, JWT Intelligence named the “age of impatience” as one of the top 10 consumer trends, along with the desire for immersive experiences. Places off the beaten path and destinations “new and near” are also gaining ground as consumers seek to step out of their normal environment and find little known discoveries (events, attractions, diners and destinations) within a day’s drive. Customization is key, and providing tailored experiences for each target market is essential to attract savvy customers – especially as Baby Boomers age and Millennials move into the power spot for travel.

**Trend 3: Impact of Technology**

More than one quarter of cultural heritage travelers report they visit websites via a QR (Quick Response) code using their smart phone. The cultural heritage tourist is three times more likely to use their mobile devices to learn about events and get recommendations, and more frequently book dining and attractions via mobile devices (smart phones and tablets) than general travelers. Social media has high usage by the cultural heritage tourist market, as well: 75% use Facebook and 40% use YouTube.

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42 JWT Intelligence, The Future 100 – Trends and change to watch in 2015 (December 2014) https://www.jwtintelligence.com/trend-reports/the-future-100/
43 Reid, Robert, 76-Second Travel Show, reidontravel.com (December 2014) for National Geographic Traveler
44 Mandala Research, LLC, 2013 Cultural Heritage Traveler report
Building on the importance of social and digital media in influencing travel decisions, 59.8 percent said the opinions of friends and relatives impacted their interest in visiting a place. While 90 percent of word-of-mouth still happens via personal conversation, social media (Facebook, Twitter, Instagram, Pinterest, etc.) accounts for 35.6 percent, and emails/texts/postcards/letters influence 29.4 percent of decisions regarding travel. What people of influence post, particularly friends and relatives, matters to potential travelers. Two-thirds of the respondents also hear about new technology via word-of-mouth.45

Perhaps the greatest technological advancement is the use of mobile devices for pre-planning research, purchases and on-site decision-making. From downloading apps to provide more detailed content about exhibits and tours, to finding restaurants and making reservations, smart phones help travelers locate desired information. Websites with responsive design are essential to become the portal for accessing information on any device – tablet, desktop, or phone.

The State of the American Traveler Report, produced by Destination Analysts,46 cites some revealing statistics regarding travel media and technology. Despite growth in use of mobile devices, three quarters of travelers still prefer or strongly prefer planning on traditional devices – desktop or laptop – especially for researching activities, attractions or events. Slightly more than a quarter of travelers use APPs in travel planning. The technology issue (April 2016) identified profiles of technology adopters. Not unexpected, the innovators – the first to adopt new travel technologies – are Millennials and Gen-Xers. Innovators also travel the most and have the largest annual travel budgets. This ethnically diverse segment makes most or all the decisions regarding travel online.47

As technology advances rapidly into all facets of life, travel and destinations race to keep up with demand for quick access, personalization, mobile pay and other interconnected transactions to simplify and speed up logistics.48 The explosive growth of Instagram, SnapChat, Flickr, Pinterest and other social media sites for image upload and sharing demonstrate how a picture is indeed worth a thousand words. Cultural heritage sites and destinations need to consider what images resonate with visitors – and how well they show on social media sites. Technology, and its impact on travel, is important to consider and integrate into all marketing and planning tools.

**Trend 4: The Importance of Storytelling**

Telling stories helps grab the tourist’s attention with relevant content that connects them to the place. Engaging tourists in the conversation adds to the experience value, as dialogue helps build understanding and connection to place. Crowd-sourced content turns storytelling into story involvement – a conversation with the customer and community building. Trip Advisor, Yelp, Squidoo, Hubpages,

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46 Destination Analysts, Inc. (July 2015), The State of the American Traveler, Volume 18
48 Ericsson Consumer Lab, Orbitz Travel Trends for 2015 (December 2014)
blogs, and other online sites are now key trip planning tools for consumer recommendations, ratings and research.

**Trend 5: Disruptive Business Models**

The impact of the peer-to-peer movement or sharing economy has potentially favorable implications for the cultural heritage tourism segment. According to Vipin Goyal, now cofounder/partner of start-up studio called Shipyard NYC (previous founder, CEO of Side Tour, acquired by Groupon in September 2013)

“this movement is driven by an interest in supporting local communities and artisans and knowing more about the people behind the things we buy. It’s a shift away from mass-market efficiency … that has dominated the past couple of decades. Increasingly, people want to experience the unique gems (while traveling.)”

The sharing economy – as evidenced by the success of Airbnb and Uber – demonstrate a shift in the delivery systems for highly personal experiences and exceptional customer service. While the sharing economy is testing traditional norms, especially related to payment of hotel/motel occupancy tax and driver registration/certification respectively, the sharing economy is increasingly engaged in the product development, distribution systems, and hosting services of the travel and tourism industry. Social media provides insights into desires and product development desired by new or emerging markets – particularly Millennials – to establish a new “Trust Economy” that satisfies a craving for authenticity and quality.

**Trend 6: Desire for Immersive Experiences**

An additional impact of the sharing economy is its great insight and opportunity for cultural heritage tourism development. Providing direct access for visitors to meet and interact with residents (experts, residents, guides, etc.) opens a dialogue for locally sourced content and experiences. The social interaction with locals, or engagement in favorite local activities, also achieves a growing desire of visitors (particularly cultural heritage tourists) to go beyond the superficial view of a destination that skims the surface with only tours to known attractions. Delving deeper into the character of a place allows visitors to consider life as a local, and learn more about the culture – past to present.

Two travel-related stresses negatively impacting the pleasure of a trip are 1) managing details, and 2) not feeling safe. The hassle of planning logistics can be stressful; so is the concern over safety and security. To counter these concerns, and cater to the desire for immersive experiences, tour operators are increasingly adding specific opportunities for exclusive, up-close-and-personal encounters with the people and cultures that define their destinations.

The American Express *LifeTwist Study*, conducted by the Futures Company in 2013, echoes this theme of immersion. According to the report, respondents defined their own success by embracing new experiences/challenges (65 percent) and always trying to learn and do new things (65 percent) –

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49 JWT Intelligence, Peer-Powered Travel Report, 2013
numbers 9 and 10 respectively of the Top 10 contributors to success. More importantly for cultural heritage tourism, the report said “72 percent would rather spend money on experiences than things.”\textsuperscript{50} The LifeTwist Study continued, “Americans have established a new standard of success where pursuing passions and seeking life fulfillment now supersede the sheer accumulation of wealth.”\textsuperscript{72} Traveling, especially to new places, topped the bucket list for Americans (88 percent) polled in the study.\textsuperscript{51} Millennials, who comprise 32 percent of U.S. travelers, go beyond the desire for a casual meeting or local interaction in their definition of “immersive experiences.” The interest in cultural heritage experiences for this generation, in particular, is high. Destination Analysts’ July 2016 Profile of Millennial Travelers in the United States reports a comparable desire for authentic destination products, culture, and cuisine – similar to the baby boomer traveler.\textsuperscript{52} According to MMGY Global, “nearly 60 percent of Millennials would rather spend money on experiences than on material goods.” Dollar-wise, that translates to the average Millennial traveler planning to spend about $5,300 per trip.\textsuperscript{53} Millennials like to stay connected while traveling, using technology not only for on-site trip planning but also for recording experiences and sharing with others via social media.

Conclusion

As the Bellingham/Whatcom County Cultural Heritage Tourism planning committee and advisory group begin to define desired outcomes for the destination, it is vital to understand trends impacting success and also the most appropriate audiences to market to/attract. Developing the right experiences, crafting resonating messages and marketing tools, preparing hosts to provide the necessary hospitality, and measuring the impact of cultural heritage tourism are important ingredients of a strategic and sustainable cultural heritage tourism. Focus and prioritization will ensure maximum return on investment.

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\textsuperscript{50} The Futures Company (2014) American Express LifeTwist Study, pp 7
\textsuperscript{51} The Futures Company (2014) American Express LifeTwist Study, pp 12