Visiting Friends and Relatives (VFR) Market: A Conceptual Framework

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This paper examines a specific market segment – the visiting friends and relatives (VFR) market – within a broader context of the tourism market. Misconception of VFR as a non-lucrative market segment and the fact that VFR appeared as one of the least researched areas has been the underpinning reasons to embark on this study. This paper is dedicated to understand the meaning of visiting friends and relatives. An extensive literature review revealed five emergent themes within the context of the VFR research, which includes: motivation, conceptualisation, distance, sector, and measurement. Realising VFR’s contribution to the broader tourism market, this paper reveal the significance of the VFR market within the broader tourism market segments in order for both academics and practitioners to have renewed appreciation toward this subject matter.

Key words: VFR; tourism; marketing

Introduction

Visiting friends and relatives (VFR) research is at an infancy stage in tourism studies. Although a literature is evident (Denman, 1988) from late the 1980’s, the probing of VFR has not been as extensive as other tourism market segments. Is VFR a lucrative market? Would VFR produce expected return on investment? These are the questions and reasons for VFR market losing the attention of both academics and practitioners. Nevertheless, the search to understand the VFR market has paved the way to queries such as: the possibility of pleasure travellers being VFR travellers (Braunlich and Nadkarni, 1995); the expenditure the host incurs (McKercher, 1996), other expenses (aggregated) but not documented as tourism expenditure; VFR with regards to genealogy visits (Morgan, Pritchard and Pride, 2002); and VFR as a secondary motive to travel (Moscardo et al., 2000). The above issues put together may illustrate the potential that the VFR market may hold in the tourism industry. Thus, the purpose of this study is to conduct an extensive desk research to understand the meaning of VFR.

The positive growth pattern of the VFR market is driven by some crucial market factors. Population growth and movement of the population around the country is one of the most dominant reasons. Friends and relatives make the population. If population grows, then the VFR market grows as well. What is more interesting is that the movement of this people. Travel is no longer a leisure activity that can be enjoyed only by the elite group. Technology,
transportation and aviation advancement have made moving from one place to another much easier. Coupled with the motivation to get education abroad and inter-regional marriage the movement of people around the globe has significantly increased.

It is also noted that there have been an increase of travellers in the age brackets of 25-34 and 55-64. This group constitute of either the adventurous youths or the retired travellers. The increase in divorce rate and single households increases the VFR market, as people in this category require family support. Increase in leisure time and spending is another contributing reason. Shorter working hours and increase in disposable income automatically paves path for more VFR activities.

Low-cost/no-frills carriers like AirAsia (Malaysia) and Ryanair (United Kingdom) has made VFR travel cheaper and possible. Internet booking in our present communication and information technology era has cut down the middle-man role, hence reducing the cost of VFR travel. Higher fuel cost deters long-haul VFR travel, but may have an adverse affect on the domestic front, encouraging more VFR activities.

The increase in price of accommodation especially in major cities gives the traveller to opt out to friends or relatives house. Loyalty schemes – though many would want to translate their air miles into cash, but a big percentage are keen to use the air miles to make a long-haul trip to visit friends and relatives. Airport retailing – either travelling themselves or being present to receive or send friends and relatives, there is an increase use of shopping, dining and entertainment at the airport.

To understand the meaning and measurement of VFR, the underpinning concepts requires deconstruction and reconstruction. VFR is often understood just by the purpose of visit. It is important to realise of the process involved in defining VFR. Thus, the conceptualisation of various socio-economic and socio-psychological factors in terms of VFR needs to be derived first. The following factors will describe of the nature of VFR perceived from the angle of tourism, economics and psychology.

**Literature Review**

**Motivation**

Every travel decision is underpinned by a motivating factor and this is also the case with VFR travellers. But what is to be differentiated is whether VFR is the prime motive or secondary motive (just an activity of part of the main travel) within the travel decision (Moscardo et al., 2000). The variable, purpose of visit, could be captured if VFR is the prime motive. The prime motive is straightforward in a sense that the decision made is simply to visit friends, relatives or both. The rather complicated motive is the secondary motive. One could be a pleasure traveller or a business traveller who incorporates VFR in their travel itinerary. The decision making process if VFR is a secondary motive can be rather complex. For instance, a traveller having a number of choices in deciding the destination for his/her business or pleasure travel may well select a destination where friend, relatives or even ancestral or ethnic linkages exist. This is a complex situation and may not be captured in a singular variable of purpose of visit.

Closely linked to the primary or secondary motives is the freedom of choice (Stephenson, 2002). Do VFR travellers have the choice to travel at their own will, desire and time? Various issues can determine this factor. Weddings, funerals, christenings and other social obligations may not allow a traveller to choose the dates, time and even flights he/she wants. Another category is the economy conscious VFR traveller who may not have many choices as well. If budget is the issue, then low season is the time a VFR travel decision will be made, again leaving not much freedom of choice though more choices are available as
compared to obligatory travel. When a VFR traveller does not have any obligations or financial issues to worry about, then he or she will have a complete freedom of choice with regards to travel plans, provided the hosts are willing to accept them.

The role of hosts (McKercher, 1996) and their hospitality can be an important factor in motivating or putting off VFR travellers. The host involvement includes the part played in promoting/attracting their guests as well as extra expenses incurred while hosting. However, there is an argument that the money spent by the host is not new money injected into the community. This can be countered by the fact that it is new tourism money and this money would not have been directed to the tourism economy if not for hosting a friend or relative.

Another motivation factor can be called past (deceased) VFR. Terms more frequently used are ethnic tourism, diaspora tourism or ancestral homecoming (Stephenson, 2002; Morgan, Pritchard and Pride, 2002). It can be the prime motivation factor to find out about ethnic origin and ancestral roots or it can be a secondary motive coupled with a pleasure, business or even a VFR (present-friend and relatives who are still alive) trip. Ethnic tourism (King, 1994) can have two meanings; the first type falls under pull factors or how the ethnic exoticism of a destination can attract a traveller (motivation and desire to be acquainted with other ethnic community-ethnic cuisine, folklore). In the context of VFR, the importance is in the second type: ethnic tourism (the push factor) being the motivation tracing back the ancestral roots of the traveller. Migration (immigration and emigration) plays a role in this context. The characteristics and differences between immigrants (a person who come as a settler to another country), emigrants (person going away from one’s own country to settle abroad) and expatriates (person living outside one’s own country on a temporary basis) needs further probing.

**VFR – VF, VR, VFVR or GV**

Besides motivation, VFR can be explained from a semiotic viewpoint. Disaggregating VFR (Seaton and Tagg, 1995), four divisions emerge; visiting friends, visiting relatives, visiting both friends and relatives and genealogy visits - visiting friends and relatives of the past - the ancestral link (Morgan, Pritchard and Pride, 2002). When disaggregated, the demographics and psychographics of the travel motivation can be understood better.

**VFR – International versus Domestic**

The nature, planning and reasons (“tripography”) (Hu and Morrison, 2002) for domestic and international VFR travellers may vary. The issue of long haul as opposed to short haul VFR travel needs to be given consideration. For a country as massive as the US or Australia, VFR travel from one corner to the other may be considered as long haul as compared to VFR travel within the UK. Length of stay (LOS), choice of accommodation, mode of transport, demographics and psychographics of travellers will vary considerably for a domestic as compared to international VFR and long haul as compared to short haul VFR travel.

**VFR – Definition by Sectors**

VFR travellers’ consumption is not just bound within the travel and tourism sector. Hospitality (lodging, F&B) (Braunlich and Nadkarni, 1995); Transportation (Cohen and Harris, 1998) (air, ground, sea); Merchandise (McKercher, 1996) (fuel, groceries, wholesalers, etc) being sub-components of a traveller’s experience pose an even greater challenge in defining the VFR market. Do these industry players view the VFR segment as a lucrative market segment? Has there been previous effort by these industry players to
understand the VFR market? For instance, the normal assumption is that VFR travellers stay with friends and/or relatives. Is the VFR market an under estimated segment of the lodging market? SMERF (social, military, educational, religious and fraternal group) (Braunlich and Nadkarni, 1995) is recognised as a market segment for hotels (i.e. Holiday Inn). Is VFR untracked and ignored by the hotel industry? Is further breakdown by accommodation being useful (Lehto et al., 2001; Moscardo et al., 2000); AFR (stay only with FR) and NAFR (stay at least one night in a commercial lodging).

**VFR and Measurement**

The major purpose of VFR measurement has been merely statistical from a tourism context. As mentioned earlier, the VFR variable functions to capture only the purpose of visit segment. Disaggregating will help understand the various types of VFR travellers but not the formation of the decision making process of a VFR traveller. Building upon frequency testing and moving a step ahead, the demographic measurement of VFR travel has been carried out on several occasions. Probing is required on VFR travel motivation, VFR as a vacation activity, VFR host involvement, VFR return on investment and VFR in relation to genealogy.

**Table 1** Literature Review on Visiting Friends and Relatives

<table>
<thead>
<tr>
<th>Themes Covered</th>
<th>Authors</th>
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</thead>
<tbody>
<tr>
<td>Motivation</td>
<td>1, 2, 3, 4, 7, 11, 14, 16, 17, 18, 19, 21, 22.</td>
</tr>
<tr>
<td>Concepts, Semiotics and meaning (VF, VR, VFVR)</td>
<td>3, 8, 10, 14, 15, 16, 17, 20, 21, 22.</td>
</tr>
<tr>
<td>Distance (International, domestic, long haul, short haul)</td>
<td>1, 2, 4, 7, 8, 11, 12, 13, 14, 15, 16, 17, 18, 19, 22.</td>
</tr>
<tr>
<td>Sector (Lodging, transportation)</td>
<td>5, 12, 14, 15.</td>
</tr>
<tr>
<td>Measurement, Assessment, Analysis</td>
<td>1, 2, 3, 4, 5, 8, 10, 11, 12, 13, 15, 16, 17, 18, 19, 21.</td>
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**VFR Analysis**

This section reviews the nature and purpose of past VFR research carried out by both academia and the industry.

**Table 2** Previous research studies on the VFR market

<table>
<thead>
<tr>
<th>Author</th>
<th>Purpose</th>
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<tbody>
<tr>
<td>McKercher (1996)</td>
<td>Host analysis as an alternative approach of examining the importance and size of VFR market.</td>
</tr>
<tr>
<td>Author</td>
<td>Purpose</td>
</tr>
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<td>------------------------------</td>
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<tr>
<td>Feng (2000)</td>
<td>Exploratory synthesis on tourism and migration taking into account the domains of tourism, migration, sociology and globalisation.</td>
</tr>
<tr>
<td>Gamage &amp; King (1999)</td>
<td>Measures empirically the direct and indirect effects of tourism expenditure by expatriate and non-expatriate travellers.</td>
</tr>
<tr>
<td>Braunlich &amp; Nadkarni (1995)</td>
<td>Defines the VFR hotel user market and assess its potential as a viable market niche for hotel industry.</td>
</tr>
<tr>
<td>Meis, Joyal &amp; Trites (1995)</td>
<td>Determines how past experience visiting a destination affects traveller’s perception, their trip planning and buyer behaviour as a repeat visitor.</td>
</tr>
<tr>
<td>Morrison, Hsieh &amp; O'Leary (1995)</td>
<td>Tests the hypothesis that the VFR market was not one homogenous market as generally assumed, but rather it consisted of several heterogeneous segments.</td>
</tr>
<tr>
<td>Seaton &amp; Tagg (1995)</td>
<td>Tests the hypothesis that splitting the VFR category by friends and relatives will reveal unequal and sharply differentiated patterns of behaviour within a nominally homogenous category.</td>
</tr>
<tr>
<td>Yuan, Fridgen, Hsieh &amp; O'Leary (1995)</td>
<td>Compares travel pattern similarities and differences for long haul VFRs and non-VFRs.</td>
</tr>
<tr>
<td>Cohen &amp; Harris (1998)</td>
<td>Considers the mode of transportation choice by the VFR travellers.</td>
</tr>
<tr>
<td>King &amp; Gamage (1994)</td>
<td>Measures international travel patterns of migrants.</td>
</tr>
<tr>
<td>Lehto, Morrison &amp; O'Leary (2001)</td>
<td>Analyses the within-market variation of international VFRs using the typology factors proposed in previous research.</td>
</tr>
<tr>
<td>Moscardo, Pearce, Morrison, Green &amp; O'Leary (2000)</td>
<td>Develops a typology for understanding the VFR market.</td>
</tr>
<tr>
<td>Hu &amp; Morrison (2002)</td>
<td>Analyses the socio-demographic and “tripographic” differences between single and multi-destination VFR travellers and explores the viability of adding destination patterns to the VFR typology.</td>
</tr>
<tr>
<td>Morrison, Woods, Pearce, Moscardo &amp; Sung (2000)</td>
<td>Provides an in-depth understanding of the importance of the VFR market, in real terms and in the perspective of destination marketing directors.</td>
</tr>
<tr>
<td>Williams, King, Warnes &amp; Patterson (2000)</td>
<td>Examines the relationship between retirement migration and tourism.</td>
</tr>
<tr>
<td>King (1994)</td>
<td>Considers the relationship between ethnic tourism and migration.</td>
</tr>
<tr>
<td>Author</td>
<td>Purpose</td>
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<tr>
<td>Seaton &amp; Palmer (1997)</td>
<td>Assesses the structure of VFR tourism in the UK.</td>
</tr>
<tr>
<td>Paci (1994)</td>
<td>Provides an international overview and understanding of the importance and characteristics of the VFR market.</td>
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The above VFR studies can be summarised into three broad areas (Lehto et al., 2001): 1) Magnitude of the VFR market, 2) Contributions of VFR travel and 3) Heterogeneity of the VFR market.

**Magnitude of the VFR market**

Volume of the VFR traffic has been among the main interest of previous studies. Outcomes in this category of study can be looked at from both domestic and international angles. Some of the domestic VFR market findings include 28% of domestic travel within Australia being VFR travellers, 44% of US domestic travellers being VFR, UK VFR market representing 42% of all domestic travel, 39.8% of visitors to the Estrie region of Quebec visiting friend and relatives.

The international VFR market has documented significant findings especially for countries with strong immigration traditions. The findings include half the visits of UK residents to Canada being VFR visitors; 80% of Australian who visits friend and relatives in New Zealand are repeat visitors; foreign visits to South America are dominated by VFR travellers; and VFR represents a strong segment of Poland’s international travel market.

**Contributions of VFR Travel**

VFR can no longer be treated as a means to fill in statistical gaps. The marketing and economic contribution is far larger than the traditional assumption of VFR as a non-revenue generating segment. The direct and indirect benefits of the VFR market are as below:
- The VFR market can function as a moderator to compensate seasonal variation
- International VFR has more than average length of stay
- VFR is an effective word of mouth communication tool
- Present trend of VFR travellers shows that they utilise commercial lodging, restaurants, tourism attractions, commercial recreation organisation, and national airlines which injects new tourism money into the economy
- VFR travellers have the potential for repeat visits. Hence in their travel life-cycle, the VFR traveller can contribute a considerable spend.
- VFR spends a considerable amount of money on entertainment, travel, souvenirs and their host.

**Heterogeneity of the VFR Market**

The realisation of the importance of the VFR market has triggered researchers to move away from the notion of VFR being homogenous. Among the attempts made to look within the VFR group are illustrated below:
- Disaggregating VFR into VF, VR and VFVR
- International VFR varies from domestic VFR
- The homogenous assumption on VFR as not contributing to the lodging industry can be challenged and proved otherwise.
VFR can be a primary motive or a secondary motive
- VFR travel has a number of differentiating factors
- Sector (distinction between VFR as a travel activity and as a trip type or motive)
- Scope (the distinction between domestic and international VFR travel)
- Effort (short-haul versus long-haul VFR trips)
- Accommodation (staying with friends and relatives versus staying in commercial accommodation)
- Focus of visit (VFVs, VRs or VFVRs)

**Past Examples of VFR Marketing Strategies**

Past experiences of marketing strategies targeting at various sub-segments within the VFR segment can be useful in the way we can move forward. The followings are a snapshot of how campaign and strategies have been carried out in the past.

The UKOK campaign (BTA, 2002) focused on the domestic VFR market. The campaign included a promotional pack of Visit Britain CD-ROM, UKOK pen and UKOK ‘Hidden Britain brochure’. A national phone hotline was made available for enquiries. Among the marketing activities executed includes:

- Public Relations – Getting Tony Blair to back this campaign
- Editorial promotions
- UKOK postcards
- Direct marketing
- Merchandising – The ‘Queen and Country’ video
- Tourism partnership – Virgin Atlantic, British Airways, American Airlines.

Three groups were targeted. Firstly, the ambassadors where PR, media promotions and special events organised to send the VFR message across. Secondly, the foreign nationals and they were drawn in through competition and e-marketing activities, and the third target group is the expatriate who was drawn attention via editorial promotions and website creation of www.missingbritain.com.

The SMERF (Braunlich and Nadkarni, 1995) (social, military, educational, religious and fraternal groups) is a niche market in the convention market segment. The usual taglines used include “Get-together business” or “reunion market” which targets at school, family and military reunions. The commercial lodging sector advertises discount rates for family reunions. They employ marketing campaign on families looking for a place to meet (i.e. The State of Missouri). These commercial lodging sectors work closely with the meeting planning organisation (The Reunion Network – [TRN]) to get into their database.

Another success story is the Confederation Centre of the Arts in Prince Edward Island. Utilising innovative use of database marketing and direct mail, the activities listed below were executed:

- Personalised letter, brochure and referral post card
- Local television, radio and newspaper advertisement
- Partnership with local destination areas, attractions and tourism suppliers.
- DMO/NTO acting as a neutral third party holder of master list for database.

The US has been quite successful in carrying out the VFR campaign. This includes the North Dakota, “Share the spirit” campaign. Local residents acted as a source of “leads” for VFRs. State residents were asked to send the names and addresses of their friends and
relatives to the North Dakota Tourism Department, which sent a state vacation guide to each addressee supplied. Another campaign of this nature is the “Invite a friend” campaign. Personalised invitations from State Governors to visit friends and relatives were sent from Oregon and Montana. The support of local advertising (TV announcement) strengthened this campaign. “Wish you were here” was another similar effort in Idaho which used post cards to out of state residents as part of its “ Invite a friend or relative to Idaho” campaign.

Moving on to the genealogy market is the “ Homecoming 2000 – Hiraeth 2000” campaign. This campaign targeting the Welsh diaspora was tied in with the Millennium celebration. Genealogy being one of the three most requested search topics on the Internet requires an emotional and sentimental touch of marketing. The key markets: Florida, California, Delaware, New York, Massachusetts, Pennsylvania, Ohio, Virginia, Minnesota, Wisconsin and Carolina. This target market’s primary motive to visit Wales was family/cultural affinity, history and heritage and scenery and outdoors activities. Formal tracing of their roots was a secondary motive. Other targeted segment included business and work associated, educational, sports and leisure and cultural segments. The marketing programme of the homecoming campaign is as below:

- Harnessing of residents’ VFR connections
- Interactive website
- Formalisation and exploitation of links to Welsh expatriate communities
- PR led events and activities.

The marketing programme executed the following marketing activities:

- Media advertising
- Information packs
- Response advertising
- High-quality motivating video
- Consumer exhibitions, shows and road shows.
- Public relations
- Dedicated print
- Information/Communication Technology.

The Scottish Diaspora (Morgan, Pritchard and Pride, 2002) is another similar effort to tie in the genealogy segment as part of the tourism sector. Efforts taken include the www.ancestralscotland.com linkage to Scottish Tourist Board homepage. Three sub-segments are also defined in the Scottish context that includes: ‘amateur enthusiast’, Scots aficionados’ and ‘home comers’.

Potentials and Challenges

VFR should no longer be treated as just one segment. By disaggregating VFR by country of origin, travel purpose, accommodation use (AFR and NAFR), etc., the travel motivation of friends and relatives separately or combined can be understood better. Instead of looking at VFR as a purpose of visit alone and the primary motive of travel, tying in VFR alongside other activities would give a strategic advantage for the VFR segment; i.e. bundling VFR with MICE, homecoming.

Getting the industry player involved is another area of challenge. Creating awareness to the lodging sector of the importance of the VFR especially when occupancy rate is low can further benefit the VFR segment. VFR travel has the potential to fill in the gaps during low season. With the advancement of communication and information technology, the database of VFR travellers can be innovatively utilised alongside the usage of creative WWW. Ancestral links or genealogy visit can be another sleeping giant within the VFR segment. Knowing that genealogy search is among the favourite hits on the World Wide Web, it is
worthwhile to tap into this potential segment.

It is also noted that there is a higher number of females in the VFR segment trying to hold the family values, friendship and rekindle the roots to their being (genealogy). The VFR market is also noted for its resilience towards seasonality and travel propagandas. This means NTO’s and DMO’s can invest more into this sector during the dark periods of tradition revenue generating tourism market. One of the possibility which may need further probing is to consider VFR as a multi-destination option. These VFR marketing efforts can be made possible by cultivating the local residents (host) to inject life to their existing and past connection. Another area, which requires further investigation is the VFR travel by different ethnic groups as the UK, appears to be the melting pot of rich culture and traditions of various ethnic populations.

Conclusion

Summarising in a nutshell, a VFR traveller increases the volume of tourism. The traveller just does not visit the friend or relative but contributes to the bigger picture of tourism. This includes combining with short breaks and visiting attractions. On top of volume, VFR increases local awareness of tourism. This means accompanying host to attractions that they would not have gone without their visitors. VFR also spreads the tourism money wider. A host would know where to direct their guests; a less congested area, a place still well preserved and not ruined by mass tourism and authentic places where a normal tourist would know or go. This means, money is spent not only at the attraction but also across the community. Prior knowledge of an event allows a VFR traveller to tie in their visits during these occasions. This means VFR actually gives an economic boost to local events. Host spends more than normal, guests spend on their hosts in return; this money spends in the form of gifts, souvenirs, wholesale, restaurants, drinks etc., all contribute to the multiplying effect. Seasonality can be an issue in tourism but VFR can fill in this gap; VFR extends the season. Both host and guest on normal circumstances may take it for granted that their destination may not have much to offer. It is only during the actual visit they realise that their destination actually has more to offer than they initially would have perceived.

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