

Traveling Millennials: “You’re a Daredevil!”

By

Tiffany Alexis Thurmond

Bachelor of Science in Business Administration

Marketing & Business Management

First Reader: Dr. Marlys Mason

Second Reader: Dr. Tom Brown

Oklahoma State University

Stillwater, OK

2017

Submitted to the Faculty of the
Honors College of the
Oklahoma State University
In partial fulfillment of
the requirements for
the Honors College Degree of Marketing
May 15, 2017

TABLE OF CONTENTS

Chapter	Page
I. INTRODUCTION.....	3
II. MILLENNIALS' TRAVELING TRENDS AND HABITS.....	4
III. INFLUENCES: WHY ARE WE DAREDEVILS?.....	8
IV. FUTURE TOURISM DEMAND.....	10
V. MARKETERS: APPLICATION AND RECOMMENDATIONS.....	13
VI. CONCLUSION.....	15
REFERENCES	
APPENDICES	

Introduction

Dear millennials, have you ever wondered as to why our grandparents and parents have such a different perspective to the many aspects of life in comparison to us? Millennials, also known as Generation Y, are characterized by their use of technology and the internet, which is an integral part of their lives. Much research has shown that they are different from earlier generations regarding their behaviors and attitudes. This generation is usually referred to individuals who are born between the years 1977 and 1994. As each generation has common traits, values, beliefs and interests, the millennial generation has truly grown up with digital technologies and the Internet so strongly embedded within their behaviors that it undeniably influences their traits. While many researchers encounter contradictions regarding millennials traits, there is certainly one that is consistent: their digital sixth sense, which encourages them to be efficient multitaskers. They are strongly influenced by online and media content, but also by friends and peers. One of the greatest traits that encounters much difference amongst Millennials and Boomers are their habits within travel trends and often influenced by their digital lines.

While Boomers are satisfied with pre-planned trips created by traditional travel agencies, millennials are satisfied with planning trips at the spur of the moment through social media apps. Millennials are a generation of international and domestic adventurous travelers who are heavily engaged in traveling habits that are much different from their predecessors, but that are changing the future of travel. In the following sections, I will be discussing the Millennials' traveling trends and habits, followed by the factors that influence these habits, then leading to how Millennials are changing the future of tourism and what this means for marketers.

Millennials' Traveling Trends and Habits

According to a study conducted recently by Tripadvisor in 2015, they were able to get a vivid picture as to why millennials are engaged and adventurous travelers. When making travel plans, they want to travel somewhere they have never been before in order to have a sense of experiencing something new (Amaro, Henriques, and Duarte 10). Young travelers are not interested in the “traditional sun, sea and sand holidays” as the previous generations are. They like to be adventurous in a way where they want to spend less time in “major gateway cities” and instead exploring more remote type destinations. They chose to stay in hostels instead of hotels and they would whether choose to travel on long-term backpacking trips instead of a two-week jaunts (Machado 1). Millennials are way more interested in traveling abroad as much as possible than older generations, precisely by a 23% margin. The United Nations estimates that 20% of all international tourists, or about 200 million travelers are young people. They stated that this demographic generates more than \$180 billion in annual tourism revenue which incorporated a 30 percent since 2007. The UN believes that this increase has been influenced by the “free-spirited” mindsets that millennials have with their increasing income. It is important to note that while the youth lives in an advanced economy, they still continue to travel despite any economic uncertainty (Machado 1). Machado explains this through her personal experience, “This kind of traveling did not come near to me. I grew up in a family where ‘traveling’ generally meant driving two hours to the nicest nearby beach. In the summer of 2012, at the age of 24, I left home to travel the world. In just over a year, I backpacked through South America and South Asia. I hiked the Inca Trail. I skied down the Alps and trekked through the Himalayas. I stayed at a monastery and women’s retreat centers that allowed me to exchange service for a place to sleep.

While I learned many things on the trip, what was the most surprising was how many people my age were traveling just like me.”

For tourism purposes, travel-related events add to defining this generation. As a result of the increasing freedom to travel, growing range of tourism opportunities and greater choice of tourist destinations and activities, each generation, and in particular Generation Y, has been able to accumulate a distinctive set of tourism experiences in the past to which they will add new experiences in the future. One reason for their adventurous mindset may lie in changing family values. The younger generations’ reluctance to have children, their delay of marriage, the rise of divorce rates, and the increase of single-parent households result in fewer people progressing through the traditional life-cycle stages. This, in return, reduces the value of the family life cycle as a predictive tool. Although family holidays taken by future Generation-Y parents may be similar to those taken by Baby-Boomer parents in the past, overall tourism demand differ due to the growing importance of the risk-taking demand patterns displayed by a higher number of travelling singles, single parents and childless singles and couples (Glover 156).

For frequency and length, studies have shown that there has been an increase, ever since 2007, in young travelers taking trips for longer than two months. The average length of a trip for young travelers has now reached 58 days. Generation Y claim that they need more time to fully experience and embrace their traveling destinations. They want to capture every opportunity that they can to learn all that they can from these new traveling spots. Older generations were known to have only taking a few days for a trip. The greatest amount that one could expect Boomers to take for a trip would generally be at about 5 to 7 days. That to them seemed even like doing the ultimate most, while the young generation today would see that as being possibly a short trip. When it comes to how many times they are willing to travel, it is specifically on an increasing

rate. Whether it is for short-weekend trips or pre-longed backpacking vacations, they have no plan of stopping any time soon (Machado 1). In Yesawich's survey, it concluded that millennials are more likely to increase their trips in the next year by 10% in comparison to boomers' negative 1% on the same factor (Yesawich 10).

With easy access to social media and budget-travel tools like Airbnb, Couchsurfing, Upside (Figure 1 in Appendices), and Skyscanner, millennials have begun to realize that long-term travel is not as expensive or difficult as they imagined. Figure 2 provides a brief comparison between the costs of round-trip air flights from the 1960s and today. Plus, they have recognized that they are getting the opportunity to basically pay less for more in comparison to the time of the Boomer generation. Machado funded her entire fifteen-month trip on a little more than \$16,000 (Machado 2). On average, 42% stated that they spend between \$1,000-\$3,000 annually on trips. Ultimately, millennials are the generation most price conscious, regarding flight and accommodation prices. They certainly look for discounts in every step or aspect of the trip that they are planning. This significantly comes into plan when they are making traveling purchases online. However, Millennials have significantly lower values regarding financial instruments. Instead, the number of social media sites used for travel purposes and memberships has significantly higher values (Amaro, Henriques, and Duarte 10).

As for the number of people that Generation Y likes to have in accommodating them on the trip, they love carpooling and enjoying many people going on the trip with them, whether it is family or friends. Boomers generally kept their traveling plans circled around family as family was one of the greatest values that they sought from taking trips and vacations. Millennials are more likely to just call a few friends and make up a trip last minute for their enjoyment. This is evidently seen during the college years and early twenties as they choose to take this time to

create the great memories with their close friends in life. While these factors are true, there is a striking variable that is unique to millennials in relation to this comparison. Recent evidence suggests that Millennials are less likely to have a driver's license and less likely to drive than their older counterparts. On the other hand, older generations, including aging baby boomers and those who have already retired, grew up with the automobile, and having a license was a rite of passage into adulthood. Based on data from Statistics Canada's General Social Survey (GSS) 'Time Use' cycles, while Millennials are more likely to use public or active transit options, the results suggest that they are 'catching up' with other generations, characterized by a growth in the proportion holding a valid driver's license and increasing trips by car. Therefore, they concluded that millennials will likely share the same automobile when traveling (Newbold and Scott 1). So as they do travel more, there seems not to be an urge to hurry and get a license to make it to those destinations. This reflects on the reasons as to why the younger generation likes to carpool and all pack in a car as only a few drive.

As they like to travel in large groups, they also have their own unique resources of planning their trips in comparison to boomers. Tripadvisor's study revealed that when gathering ideas before travelling, millennials are the group most influenced by word of mouth and by contents posted not only from family and friends, but also from other travelers. Regarding the purchase of travel, the Tripadvisor study in 2015 found that 63% of millennials book an accommodation online. Yet, the fact that Millennials are the group with a higher percentage of bookings made by a mobile app may be a sign of their fluency with new technologies.

Millennials are indeed a wired generation, even when they travel. Eighty-seven percent of millennials consider that their smartphone is the most essential item while travelling, against 55% of boomers. Compared to their predecessor generations, they consider the inclusion of in-

room Wi-Fi more important. Millennials are much more likely than non-Millennials to have a travel app on their smartphone (Amaro, Henriques, and Duarte 10). Therefore, millennials use social media, online tools and word of mouth significantly more, unlike the boomers who stuck to traditional travel agencies for booking their trips.

Influences: Why are We Daredevils?

Millennials traveling trends and habits are greatly affected and influenced by various variables. When it comes to finances, there are many financial factors that are lower in today's economy in comparison to the past. The trend of prices continues to go down. In an analysis concluded by Yesawich, he was able to note important differences (figure 3) in prices when comparing 2013 to 2014. For the price of air travel, prices went down thirteen percent. For the price of gallon of gas, it went down fifteen percent. The rising costs of healthcare went down fifteen percent and the expense value of the U.S. dollar against major foreign currencies became more valuable by the increase of fifteen percent. These factors have a great amount of influence on the frequency and destinations chosen by millennials. His survey also concluded that 46% believe that the best prices for travel services are accommodated by online websites instead of airline, hotel, or car rental suppliers (Yesawich 6).

As for social media, Yesawich states that respondents ranked social media posts from family and friends on destination selection as 16th for ideas and inspirations and 13th for advice and ratings (figure 4). This was completed on a scale that included 39 different attributes that the millennials got to choose from and rank. Dillon conducted a 21-question survey that was distributed through Qualtrics to the primary researcher's personal network. Invitations to take the survey were both emailed to individuals between the ages of 18 and 34. Her results help

conclude findings on information regarding social media and technology's influence on millennial travel. When asked what has been most influential in helping the respondent decide where to travel, stay, and eat, the large majority (n= 95) said that a direct referral from a friend or family member was the most influential in terms of travel planning and decision making. Word-of-mouth and digital advertising followed close behind with 47 and 40 respondents, respectively. In contrast, not a single respondent said that television commercials or radio advertisements have influenced their travel decisions. In terms of criteria and travel preferences, travel location, price, and available activities were the most important criteria when deciding on a travel destination. Similarly, when it came to booking accommodations (hotel, motel, lodging, etc.), price, location, and quality were the top criteria (Dillon 19).

When asked if the respondent read third-party reviews when booking travel, 128 responded affirmatively, while only 4 respondents said they did not. However, the majority (n=70) said other travelers' reviews only moderately influence their travel planning. When asked more specifically about travel planning and social media, 101 of the respondents said that they have used social media to help generate travel ideas or make travel plans. Nearly 87% (n= 155) said that they trust a social media post created by an actual guest more than an advertisement created and posted by the company. Therefore, the survey sample that Dillon conducted showed that the traditional marketing channels of televised commercials and radio advertisements – traditionally the most expensive channels besides print - are not influencing travel-planning decisions. Instead, millennial travel consumers are looking first to their friends and family members for recommendations, and then are looking to their computers, tablets, and smartphones where digital advertising, including social media, is grabbing their attention (Dillon 23).

This culture of innovation and rapid technological adaptation is particularly strong specifically among the millennial generation. This was signified by research done by Mans and et al. Their research concluded four results: 1) technology use replaces a physical trip, 2) technology use creates an additional demand for trips, 3) technology use does not affect the frequency of physical travel but may change the characteristics of trips, such as the timing and chaining, and lastly 4) technology use is independent of the traditional trip and has no effect on regular trip making (Mans et al 90).

Lastly, growing optimism has an impact on the traveling trends of millennials. Yesawich states that from 2011 to 2014, millennials are very optimistic about their future lives when it comes to their future children, family, careers, and even of America in itself. This in return has a positive influence for them to plan trips not only now to enjoy with friends, but to also intake in trips for their future family to enjoy as well (Yesawich 7).

Future Tourism Demand

These descriptions and factors of the millennials' traveling trends gives us some guidance as to what the future holds for traveling demands and how millennials are changing travel. In 2004, 14 members of Generation Y were consulted during two focus group interviews to share their views on the type of tourism activities that they anticipated undertaking in the future. In recent years, the introduction of low-cost carriers has made travel more accessible not only within the U.S., but also to overseas destinations. Many members of Generation Y are experienced travelers and have a strong awareness of travel opportunities. Having accompanied their parents on trips from a young age, they have a strong interest in visiting domestic and overseas destinations by themselves. One participant in the focus group interviews suggested that

her own and subsequent generations have “got to go to London and they have to do this experience, they’ve got to go work overseas.” Although this reflects current behavior, it is likely that the positive attitude towards overseas travel will continue. The survey results confirmed the fascination with international destinations and interest in international travel was more pronounced among generation Y than among older generations. One respondents described his current traveler patterns as “I love even going away for a weekend as a holiday. And I do that pretty much every week- end’. Since this practice seems to be common among an increasing number of generation Y tourists today, it is likely to continue into the future. The interest in taking longer holidays trips was clearly related to respondents’ expectations regarding their future family composition. The importance of family composition was confirmed by the survey result and demonstrates the family life-cycle component of future tourism demand (Glover 158).

Besides the significance of family values held by generation Y, the influence of the economic environment in which it is growing up and entering adulthood was evident in both the focus groups and the survey. Focus group participants anticipated cheaper airfares for both domestic and international travel, an expectation that is governed by the increasing number of low-cost carriers that service a growing number of domestic and international destinations. One respondent stated that “I can see that we are going to be encouraged to travel more and more because of these great airfares.” Furthermore, they believed that they would continue using current and emerging electronic media to ensure that they get the best deal for each product component of their tourism experience (Glover 160).

Amaro, Henriques and Duarte, concluded that two in every five millennials plan to increase spending on travel in 2017 and will be future heavy consumers of travel. It is projected that in five to ten years, millennials will enter their peak regarding spending and traveling.

Nevertheless, they also found evidence in future tourism including millennials and even younger generations having a higher involvement with travel social media (Amaro, Henriques and Duarte 16).

Lastly, the future of tourism will change with the mindset of opportunity and priceless purpose. Machado explains by stating, “In the case of American millennials, many of us also feel like there’s little reason to wait until our golden years to see the world. Our generation has arguably been hit hardest by the recession, and grown skeptical of the best-laid retirement plans.” The Pew Research Center reported that only 6% of millennials expect to receive the kinds of social Security benefits that today’s retirees enjoy. Therefore, half do not believe that they will be able to experience the money remaining in the Social Security system by the time for them to retire. Also, there is an additional 39 % who believe that the benefits will be significantly reduced at that time as well. Therefore, it makes sense to millennials for them to travel now, instead of saving travel for the future that is no way guaranteed. Millennials are also using travel, and will continue to, as an opportunity to take a break from job-searching and reevaluate what to do next. Some travel because they are dissatisfied with the way the U.S. approaches work (Machado 2). Machado explains by stating, “We’re looking at the corporate world as it is now, and this yester-year of people spending all their life working at a job they often hated, retiring, and that’s it, and we’re disillusioned with that.” Plus, traveling allows them to take the time to reflect on how they want happiness and fulfillment through the decision of career choices. Therefore, millennials feel that they must take advantage of the privilege of having financial resources to pause, travel, and reassess. Another opportunity that they see is the ability to gain skills and knowledge from traveling overseas that can be applied to the workplace. Many young travelers use traveling not for leisure, but for job training. As elders see this as a bump in the

road and a cost of too much opportunity, young travelers see it as completely opposite (Machado 3).

Marketers: Implications & Recommendations

We ask ourselves as marketers, what does this mean for marketing travel in the future? As it pertains to travel, the fact that the majority of respondents to Dillon's said they have used social media to help them plan leisure travel is a significant insight, showing social media does have the power to sell and persuade – even when it comes to traditionally high-priced expenditures like leisure travel. Dillon conducted a specific survey that demonstrated how millennials were affected by social media and how it could be applied in the future of marketing travel. In response to the print advertisement that Dillon showed them, the participants agreed it did little to increase their interest or motivation in learning more about the hotel, mainly because the hotel, location, and property were not even featured in the ad. One participant said “The ad made the hotel look too expensive and pretentious.” Another participant said that, like the Four Seasons website, he sees the name of the resort and already thinks it's too expensive so he would never consider staying there (Dillon 38).

When showed Instagram photos, millennials felt that they were “more relatable and real” to the participants. They noted they would be interested in learning more about the specific hotel that was advertised and noted the photos made it seem “more attainable.” One participant noted their true feelings about traditional ads by stating, “I honestly don't know why people do print ads anymore.” The insight that marketers must realize from this information is the fact that millennials' travel ideation relies heavily on their social media channels and that the participants

strongly preferred real, relatable photos and advertisements over the more staged, polished photos seen in traditional marketing (Dillon 39).

One of the most interesting insights gained was when a participant described how she views Instagram. Like the social media and travel-related literature noted, Instagram is like a depository of travel memories. Participants noted that they perceived Instagram as their visual travel journal. Another insight gained was the absolute importance of authenticity to this generation. No longer are Millennials swayed by or even attracted to advertisements that are too staged. Figure 6 and 7, provided by Dillon's study, demonstrate the difference in print advertisement and Instagram advertisement in enticing consumers. They want real, trustworthy, and honest opinions on travel from people they know. However, that does not seal the deal on their travel making decisions. Millennials are also after a good deal, so brands would be ridiculous to not offer exclusive discounts (Dillon 39).

Therefore, the survey results supported the prediction that social media can be effective in marketing and engaging to travel consumers. The results also supported the prediction that content of a pictorial nature garnered the most engagement. The results also show that third-party generated content is most engaging. Therefore, third-party endorsements and other visitors proclaiming their feelings about the brand through a picture or post, is effective in influencing consumers and building brand loyalty and awareness. Next, since social media is a very low-cost platform for users and brands, it provides a perfect opportunity to implement basic consumer-object relations that involves getting a consumer to first like and get to know the brand through viewing photos. Next, by further throwing in an exclusive deal for the follower, or even utilizing a well-known brand ambassador to represent the brand on social media, the consumer will be more greatly influenced to take the final step of commitment (Dillon 41).

Travel brands' social media in general can better utilize their social accounts to more deeply and influentially engage Millennials. Travel agency and destination websites should use their Facebook, Twitter, and Instagram accounts to redefine the specific, unique purpose for each account. Since Millennials want travel recommendations from people they personally know – and are more likely to make purchasing decisions directly after getting a recommendation from a friend or family member – these accounts should be used as a “travel journal” from their guests' point-of-view. The majority of the content should be realistic, vivid, and genuine photos with short, snappy captions. Marketers within the travel industry should also pick some of the best third-party content its guests are tagging and posting, and turn these into social media ads that are targeted to that guests' personal account network. These statistical findings recommend more broad and over-arching digital strategies. Travel marketers should be pushing a solid chunk of travel brand marketing budgets to leveraging less-contrived, more guest-generated marketing campaigns into the digital sphere. Targeting online, digital ads to millennials on social media platforms, and throughout the Internet, will help to increase brand awareness. Furthermore, marketing flash sales and “limited-time only” discounts and perks will help further grab the attention of Millennials (Dillon 56). I have provided a summary chart (figure 5) of these recommendations in the Appendices.

Conclusion

As it has now been evident, millennials are a generation of international and domestic adventurous travelers who are heavily engaged in traveling habits that are much different from their predecessors and are changing the future of travel. For many millennials, they claim that now is the opportunity that they worked hard to achieve. They believe that now is the

opportunity to have options, meaning options to have time to reflect, and to experience the world in a way that many generations before us never could (Machado 5). For us, we aren't afraid of doing exotic travels as our grandparents and parents were more cautious about. Our simple trips today are even extreme in the perception of our parents and grandparents. Throughout much of these readings and statistical data, it is evident as to why my grandmother replied to me saying, "Tiff, you are daredevil!" when I informed her about my four and a half drive to Kansas City, MO by myself. As myself and my past generation has two different mindsets and influences when it comes to traveling, it is inevitable for them to think that I am "just always on the go."

WORKS CITED

- Glover, P. "Generation Y's future tourism demand: some opportunities and challenges." *Tourism and Generation Y* 1.1 (2010): 155-63. Web.
- Mans, Janine, et al. "Next generation of travel behavior: potential impacts related to household use of information and communication technology." *Transportation Research Record: Journal of the Transportation Research Board* 2323 (2012): 90-98.
- Machado, Amanda. "How Millineials are Changing Travel." *The Atlantic*. The Atlantic Monthly Group, 15 Apr. 2015. Web. 5 Apr. 2017. <the atlantic how millennials...>.
- Amaro, Suzanne, Carla Henriques, and Paulo Duarte. "Comparing Millennials With Their Predecessors Regarding Online Travel Behaviours: A Logistical Regression Modelling Approach." *ECRM2016-Proceedings of the 15th European Conference on Research Methodology for Business Management*: ECRM2016. Academic Conferences and publishing limited, 2016.
- Dillon, Brooke. "MARKETING TRAVEL TO MILLENNIALS." *Marketing To Millenials: Is Social Media The Ticket?* University of Minnesota, 20 July 2016. Web. 5 Apr. 2017. <<https://www.bing.com/cr?IG=A8773A722C004308814ABB730CDFA08F&CID=242D8346E734627C0EBF8933E6A4639C&rd=1&h=EOZsAVOo8yMEyj5XKQG7Qxqocta9cUIN120tR6E6DsQ&v=1&r=https%3a%2f%2fconservancy.umn.edu%2fbitstream%2fha>>

ndle%2f11299%2f181553%2fDillon%2c%2520Brooke%2520-
%2520Capstone.pdf%3fsequence%3d1%26isAllowed%3dy&p=DevEx,5061.1>.

Yesawich, Peter, " e American Traveler: Emerging Lifestyles and Travel Trends" (2016).

Tourism Travel and Research Association: Advancing Tourism Research Globally. 3.

<http://scholarworks.umass.edu/ra/2014marketing/Proceedings/3>

Newbold, K. Bruce, and Darren M. Scott. "Driving over the life course: The automobility of

Canada's Millennial, generation X, baby boomer and greatest generations." *Travel*


Behaviour and Society 6 (2017): 57-63.

APPENDICES

Figure 1: Upside Traveling App Services


1. Your Flights

DEPART **United Airlines** [Details +](#)

 Feb 01
8:30am 4:45pm
SFO ✈ EWR



Non-Stop Economy class

RETURN **United Airlines** [Details +](#)

 Feb 03
6:00pm 9:10pm
EWR ✈ SFO

Non-Stop Economy class

2. Your Hotel

  [Details +](#)

CHECK-IN Feb 01 **CHECK-OUT** Feb 03

Best Western
Premier Herald
Square

3. Your Upside Package

\$462.91
inc. \$87.68 in taxes & fees

eGift Card
\$200

Report Bug

Figure 2: Comparison of round-trip flights in 1960 and 2017

Generation	Flight Prices (1960 vs. 2017)
Boomers	\$138 (\$1,168) round trip from Chicago to Phoenix
Millennials	\$100 round trip from OKC to Cancun

Figure 3: Yesawich's financial analysis

FINANCIAL FACTORS AFFECTING LEISURE TRAVEL INTENTIONS

Financial Factor	%	%	Change
	WAVE III 2013	WAVE III 2014	
Price of air travel	53	40	-13*
Price of gallon of gas	53	38	-15*
Price of cruises	46	37	-9*
The expectation that I or my spouse will lose job	43	37	-6*
High level of credit card debt	47	37	-10*
Price of visiting theme parks and attractions	47	35	-12*
Expectation I am likely to make less money this year than last	44	34	-10*
Rising cost of health care	46	33	-13*
Value of my investment portfolio	38	30	-8*
Price of hotel/motel/resort accommodations	44	29	-15*
Volatility of the stock market	40	28	-12*
Value of U.S. dollar against major foreign currencies	43	28	-15*
Price of dining out in restaurants	40	28	-12*

Figure 4: Yesawich’s social media analysis

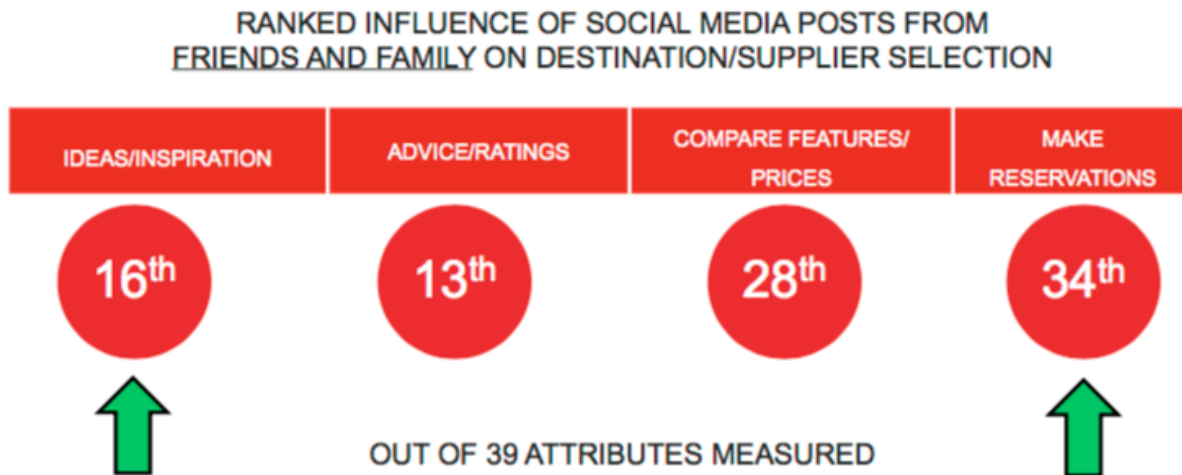


Figure 5: Summary of Recommendations

Challenge	Recommendation
Decrease in power of traditional marketing channels for traveling	Social media has the power to sell and persuade through real and relatable photos (Ex. Instagram)
Brand loyalty and image	Use third party recommendations and major consumer reviews
Price and experience complimenting	Customizable low-cost platform and packaging deals

Consumer engagement	Create outlets for consumers to build depository of travel memories; Facebook, Instagram, Twitter, etc.
Marketing budget	Focus on leveraging less-contrived, more guest-generated marketing campaigns into the digital sphere

Figure 6: Dillon's 2016 Cosmopolitan Hotel-Las Vegas Print Ad

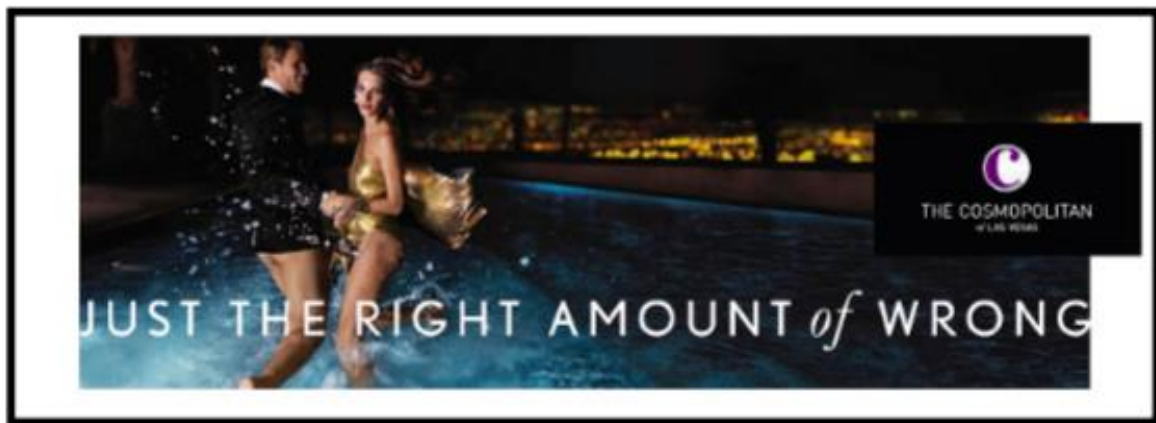


Figure 7: Dillon's 2016 Cosmopolitan Hotel-Las Vegas Instagram Post

