

Understanding the Largest Generation

How Millennials are Choosing to Travel Differently

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Overview

They are currently the biggest generation in society. They dominate most fields of work, and are some of the most innovative people of our time. They are millennials. This generation is one of the most unique in society as well, as they are commonly referred to as the digital natives. Millennials grew up in the fastest changing societies; yet adjust to the constant changes the easiest.

According to www.millennialmarketing.com this generation makes up about 25% of the United States population. This unique generation generally has a different perspective about life, and the way they approach typical lifetime milestones. It is important for marketers to understand key points about millennials, especially the ones that stand out compared to other generations.

The United Nations World Tourism Organization found that 20% of all international tourists are from the millennial generation. They feel that it is important to travel, but like everything else they have a completely different way going about travel. What types of websites are they using to pursue their travel interests? Are they interested in spending more money to travel? How long are the trips millennials take?

Analyzing Millennials

We delve deeper into these questions as it is important to understand that this generation is shaping our society. To answer the questions we clarify demographics, psychographic, behavior, geography, brands, and benefits of millennials. Making sense of those variables help us gather insight on how travel companies and brands can target millennials properly.

Demographics

Millennials are generally said to be between the ages of 16 and 36. Many sources have variations of those ages by a year or two, but the overall consensus is that they were born between 1980 and 2000 (<http://www.goldmansachs.com/our-thinking/pages/millennials/>). 1/3 of millennials are not employed. This is because they are looking for jobs when the rest of society is, and therefore are the last people to be given jobs due to their age and lack of experience. According to the Pew Research Center, 19% of millennials who are not employed are happy enough with their income to have the life they want. This number has gone down from previous years, which shows that this generation is still optimistic. Since the millennial generation covers a wide age range, their life stages vary. Although they are less likely to be married, 23% of millennials are married (<http://www.goldmansachs.com/our-thinking/pages/millennials/>). If they are not married, studies have shown that many millennials are not living on their own, but are cohabiting with a partner, roommate, or their parents. As the United States becomes increasingly diverse, this is sure to be reflected in the diversity of millennials. Based on studies from Pew Social Trends, the millennial generation is 61% white, 19% Hispanic, 14% black, 5% Asian. Education has become a main focus in society, and it is encouraged more to attend college. This is seen in the millennial outlook on education, especially college degrees. In fact, 44% of millennials plan to graduate from college (<http://www.pewsocialtrends.org/files/2010/10/millennials-confident-connected-open-to-change.pdf>).

Key Points

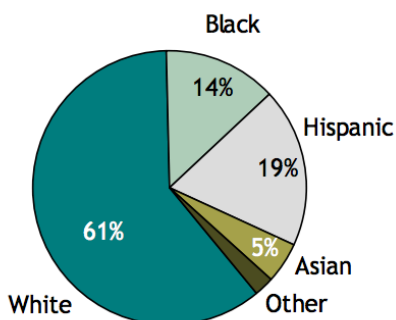
- Born between 1980 and 2000
- 1/3 unemployed
- Optimistic
- **23% married**
- 61% white, 19% Hispanic, 14% black, 5% Asian
- Plan to graduate from college

Demographic Implications

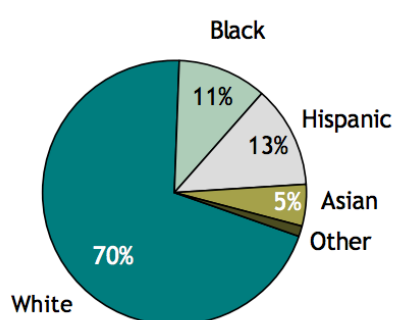
- Based on the varying demographics of millennials, it is important to understand that there is a very specific target audience.
- Millennials make up \$180 billion of tourism revenue per year.
 - Young and looking for adventure
 - They have a much stronger interest in traveling than older generations.

The New Face of America

Millennials (ages 18-29)



Adults ages 30 and older



Source: December 2009 Current Population Survey (CPS)

Psychographics

Generally, millennials are the least religious generation, and studies have concluded that 1 in 4 millennials are unaffiliated with any religion. Also, according to Pew Social Trends, most millennials are more democratic, and “remain the most likely of any generation to self-identify as liberals. Similar to their life stages, the lifestyles of millennials vary because of the places they are at in their lives. 1 in 4 millennials are parents, while a handful of younger millennials focus on going outdoors and traveling. All together, they all focus heavily on education. Values of millennials heavily contrast to those of older generations. They value experiences over physical products, and will spend similar amounts of money on a trip or an “experience” rather than an item.

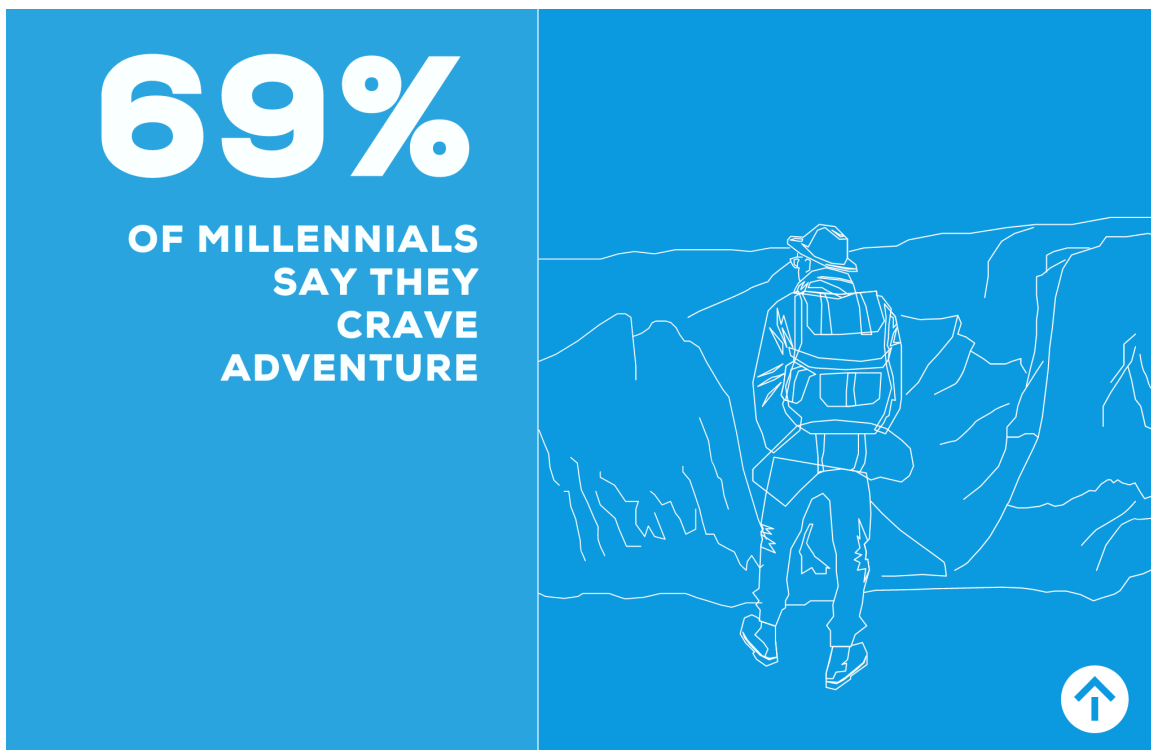
Key Points

- 1 in 4 millennials are unaffiliated with any religion.
- Mostly democratic – self-identified liberals
- 1 in 4 millennials are parents
- Outdoorsy and enjoy traveling
- Value education heavily
- Care more about experiences than products

Psychographic Implications

Millennials are spending their money differently.

- Looking for cheap, experiential trips.
- Due to driven mindsets they care about where they go,
- Destinations should be remote and long-term.
- www.Hipmunk.com caters to millennials with cheap and easy travel.
- Airbnb and other popular travel brands to attract millennials to their services.



Behavior

Technology use of millennials is a huge identifier of the behaviors they exhibit. Based on the Pew Social Trends study mentioned earlier, 83% of millennials sleep with their cell phone on or next to their bed, and 88% of them use their cell phones for texting. Reflecting on their values, millennials tend to be more tolerant of others through their actions, and connecting with social movements on social media frequently. Overall, this generation is consumers and creators of pop culture media. They absorb more media from varying popular websites than any other generation, and create just as much media.

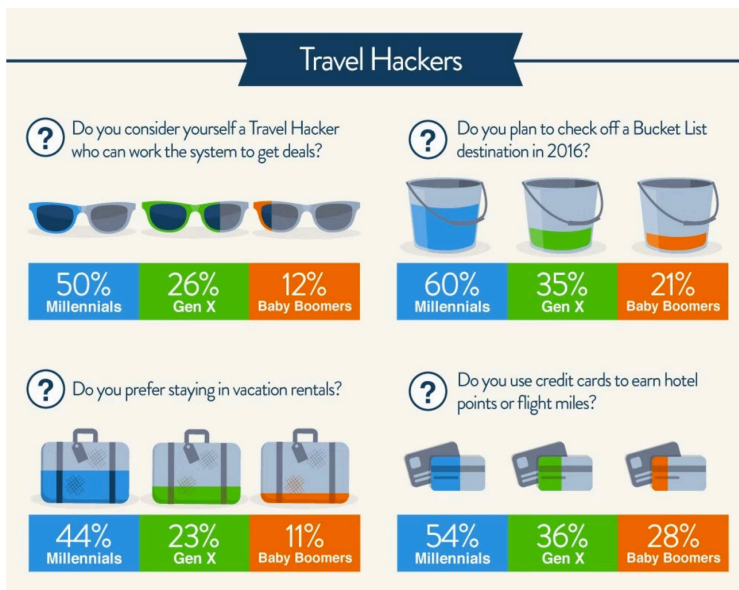
Key Points

- Heavy technology users
- Tolerance towards others
- Participant in social movements through social media
- Content users and creators

Behavior Implications

Millennials value diversity, embrace a global perspective, and are open to new experiences.

- Eager and ready to document their travel.
- Millennials create blogs when they go abroad,
- Create personalized hashtag for social media posts.
- **Snapchat** has tapped into heavy millennial media use by creating unique stories for their viewers to get the inside scoop on certain cities when they visit.



hipmunk

*Hipmunk conducted an independent survey of 1,650 US travelers in February 2016.

Geography

Since the geography of millennials is all over the place, it is relatively unimportant for marketers to understand. Typically, millennials live in suburban-metropolitan or central city areas. Living in these types of concentrated places provide many outlets for media to reach millennials.

Key Points

- Suburban-metropolitan areas
- Central cities
- Concentrated locations
- Potential for media outlets

Geography Implications

Millennials are spending less money on travel, and they are spending less on where they actually stay when they are abroad.

- Hostels over hotels
- Spend more time backpacking, than staying in one location.

Brand Loyalties

As stated by Goldman Sachs, millennials are the first digital natives. They have access to every type of media, and are always the first to jump on new media. Despite this, they are not the most brand loyal generation. 34% of millennials look to social media when they are making a purchase. They are considered the “renter generation”, leading many marketers to believe millennials will not be brand loyal unless there is something beneficial for them. For millennials, technology must serve a purpose in order for it to be considered “cool”. This does not change the constant growth of technology use by millennials. 74% of them say technology makes life easier. The media behavior of millennials is unique to other generations as well. 75% of millennials have reported to having a social network profile. Millennials are content creators, and that gives them their own outlets to talk about their experiences and opinions freely.

Key Points

- First digital natives
- Access to all types of media
- Renter generation
- Not necessarily brand loyal
- Technology must serve a purpose to be cool
- Media behavior makes millennials unique
- 75% have social media profiles

Brand Loyalties Implications

- Millennials are the “leading technology enthusiasts”, and they are looking for the best travel spots.
- Rely on reviews written by other millennials on websites and social media to understand how they should be spending money
 - Pew Research Center said that this is the generation that lives online and buys online.
 - Will rent/purchase online (i.e. Airbnb, hostels, other travel amenities)

Benefits

As mentioned above, millennials are optimistic and take education very seriously. Based on those two important values, they also take priority into being successful in a high-paying career, and in order to reach this, want to graduate from college. Millennials also have a general good trust in people, and are not paranoid about society. A major identifier of millennials is that they take wellness very serious. This does not just include exercise, but eating healthy and not smoking. In fact, 83% of millennials disapprove of people smoking one or more packs of cigarettes per day (<http://www.goldmansachs.com/our-thinking/pages/millennials/>).

Key Points

- Being successful in high-paying careers
- Graduating from college
- Good trust in people
- Wellness is important
- 83% disapprove of people smoking 1 or more packs of cigarettes per day.

Benefit Implications

- Since millennials are more optimistic they are open to rare travel experiences. In fact, 69% of millennials say they crave adventure.
- Wish for their experiences to be meaningful and give back to a community
 - They are not interested in cookie-cutter vacations in resorts
 - They want to rough it in a remote location.