How do Millennials approach the travel experience

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(C) International University of Monaco, 2016

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• Why care about the millennials?
• How we travel?
• How to attract and market us?
• The perfect journey of a millennial
Why should we care about Millennials?
A Large Market with Enormous Potential Growth

- 2.3 billion population worldwide
- Makes up 20% of the world’s 940 Million Tourists
- Replaces Baby Boomers as the dominant consumer by 2017
- 320 Million international trips by 2020 – out of which Asians reach 200 million - 47% increase from 2013

Source: U.S. Census Bureau
A Market with Specific Characteristics

Global citizens: Travelling around the world, living in a border-less environment with converging education and culture.

Digital natives: 100% digital and mobile, always on, seamless as a norm, quickly adopting new technologies.

Values driven: In search for meaning, desire to make a difference and to contribute to society.

Me-now: Importance of “self”, value personalization and used to instant gratification.

Social & connected: Ongoing two-way dialogue with their communities as well as frequent interactions with the brands.

In search of experience: Value experience over product, both in terms of category and purchase driver.

(McKinsey & Co, 2016)
Putting off Traditional Life Narratives

- Peak home-buying years: 25 → 45 years old
- Marriage: from 23 → to 30
- 20s – the playground years of irresponsibility, self-experimentation and travel
- Access, not Ownership → Sharing Economy
- #YOLO Culture
Global Mindset of Millennials

### TRAVEL WITH A PURPOSE
Millennials more likely to travel abroad to participate in volunteer activities:
- 84% Millennials 18-34
- 68% Gen Xers 35-49
- 51% Boomers 50-67

### DESTINATION HOT SPOTS
Millennials more likely to define international vacation “hot spots” by celebrity and pop culture influence:
- **BOOMING CULTURE & INDUSTRY**
  - 44% - Millennials
  - 33% - Gen Xers
  - 27% - Boomers
- **RECENTLY BEEN FEATURED IN A MOVIE**
  - 20% - Millennials
  - 11% - Gen Xers
  - 7% - Boomers

### THRILL SEEKERS
Millennial travelers seek thrilling adventures and nightlife over lazy vacations abroad:
- **WATER SPORTS**
  - 67% - Millennials
  - 55% - Gen Xers
  - 46% - Boomers
- **INTERACTING WITH WILD ANIMALS**
  - 63% - Millennials
  - 60% - Gen Xers
  - 48% - Boomers
- **NIGHTLIFE**
  - 28% - Millennials
  - 15% - Gen Xers
  - 6% - Boomers

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*About the Survey: Between April 2 and April 10, 2015, a survey was conducted among a nationally representative sample of 1,002 Americans, ages 18-67, who stay in a hotel at least five nights per year for business, pleasure or both. The survey has a margin of error of +/-3.1% with a 95% confidence level.*
Millenials are different. How we can divide them? Into tribes!
Simplicity Searchers
—Leisure society
—Escape, rest and rejuvenate
—Third-party personalized packages
—Assurance of safety and enjoyment
—Emerging Market Millennials

Cultural Purists
—Inspiration from non-travel sources
—Value flexible options and experimentation
—Unknown pleasures
—Non-Googleable options
—Developed Market Millennials
Social Capital Seekers

- Holiday is meant for sharing
- Travel to have travelled
- Peer-validated destinations
- Social awareness of their travel is more important than travel itself (43%)
- Developed Market Millennials
  
Emerging Market Millennials

Ethical Travelers

- Avoidance because of its cause to nature
- Travel with purpose
- Some element of Volunteering
- Eco-sustainable activities
- Opt out of the big travel ecosystem
  
Money directly to local economies
  
- Developed Market Millennials
The Future Journey of a Millennial Traveler

(Amadeus, 2015)
Inspire

- Rich social media
- Peer Power
- Fear of missing out
- New experiences
- Travel bloggers

#FOMO
Shop

- Eager to gather information from multiple sources – Check 10.2 sources before booking
- Option shock
- Selective spending

- No one itinerary fits all
- Virtual Reality Headset
Book

- Booking via App
- Efficient process, less time needed
- Stored booking preferences
- One-touch payment
Pre-trip

- Virtual backpack of apps to guide them
- Push notifications
- Door to departure
- Personalized offers
On-trip

- Widespread connectivity
- GPS location tracking
- Augmented Reality Glasses
- In-ear translation
- Share/live local
- Location-based apps
Post-trip

- Review & Ratings
- A more collaborative journey
- Next trip...?
Important Factors For Travel Agents, Hotels and Other Players of the Tourism Industry, Recommendations
Millennial Travelers Value
LOCAL & ETHNIC
Millennial Travelers Value UNIQUE Hotel Experiences

- Lifestyle hotels
- Modernized boutique hotels
- Luxury Hotel-like hotels #CASAGARCIA
- Airbnb
Millennial Generation Most Likely to Hire a Travel Specialist

Used a traditional travel agent during the previous 12 months:

- Millennials: 28%
- Xers: 15%
- Boomers: 13%
- Matures: 21%

Source: MMGY Global 2014 Portrait of the American Traveler
How can the hospitality industry adapt to the Millennial’s?
Technology

- From booking to check-out
- Mobile payment going big: click to buy – easier, hassle free, impulsive
- Mobile Apps: Select My Room
- Concierge apps
- Free High speed Wi-Fi
- Smartphones used as room keys
Create unique and unforgettable experiences around local culture.

Local unique experiences in terms of culture and cuisine to be customized and offered.
- Update décor
- Trendy furnishings
- Glitzing up lobbies with musical acts
- 24 hour cafes
- Full service bar
How to target the Millennial’s?
Different mobile apps = different behaviors

**Tablet:**
Inspiration photos, video, leisure, own time

**PC:**
- 88% use website to research a trip
- 48% use Tablet to watch travel videos
- 78% use smartphone to look up maps or directions

**Mobile web:** research, information, commercial transactions.
Mobile Apps
Awareness – social spread – only works if indirect user generated content. Emotions that trigger people to share are: Achievement, Pride, Truly Helpful, Self Image

Mobile Apps: enable Geo triggers, so you can notify travelers when they are near places they want to see. You can set rules for what should be shown to the consumers based on their location to particular spots. This could be useful for marketing the hotels bars, restaurants & entertainment facilities.

Mobile Apps: Loyalty – Information, problem solving useful, convert visits into fans
Hilton Worldwide Mobile

SELECT YOUR SEAT, YOUR CAR, AND NOW
SELECT YOUR ROOM

Choose your room
8th Floor | 10 Rooms

Select my room
Hilton rolled out the 
Choose Your Room" feature in HiltonHonors app. Also has mobile check-in / out.
Out in 4,000 global properties by end 2014.
Also upselling opportunity.
Outbound marketing is OUT!

- No obvious advertisements
- Tell a story – don’t sell a story
- Target a specific tribe and speak their language
- Digital storytelling: hand over Instagram account to a representative for a few days.
Inbound Marketing is IN!

- 44% more likely to trust experts
- 247% more likely to be influenced by blogs or social networking sites.
- Informative content. Rather than product and service listings.
- Millennials want e-books, whitepapers, blog posts, videos, and other how-to information
- They appreciate thought leadership and expertise
Make us notice YOU

- Content created with their interest (not their wallet) in mind.

- Hostelworld’s new Meet the World advertising campaign: features genuine travelers who crave adventures, not souvenirs.

- “Live!” instead of “Buy!”

- Most young people would rather have an unforgettable experience than seek out luxury.
Authentic Content

- Interacting in a user-centric environment

- 43% of Millennials rank authenticity over content when consuming news

- 84% of Millennials say user-generated content has at least some influence on what they buy

- 73 percent say it’s important to read others’ opinions before purchasing.
Content Marketing is Forever Enticing

- Emphasising on **strong** and **consistent content** creation is not a fad and will continue to win over your ideal customers.

- Your **ROI would grow!!!**
Timing + relevance is a Context Capture
Marketing strategies for the tourism industry
Collaboration is Key

- Today, Millennials are interested in having a say and **becoming product co-creators**.

- 42% are **interested in helping** companies develop future products and services.

- Millennials want to be more involved with how products get created.

- **Suggestion:** Marketers need to focus on building relationships with consumers by fuelling their self-expression and helping them establish their own personal brand.
We Just Want To Have Fun!

- Researching and browsing
- Crave the experience of shopping more than the purchase
- View ecommerce as a form of entertainment.
Influencer Marketing

- Millennials are placing more and more trust into social media influencers.

- 60% of Millennials have said that they would try a product suggested by a YouTuber and $\frac{1}{3}$ consider blogs to be a top media source when researching a purchase.

- Referrals are powerful tools - 92% of consumers rely on referrals from people they know over anything else when making purchases.

- The key to influencer marketing is finding an influencer with an audience that is similar to your target audience.
Marketing to the Millennial Generation

Before you decide on a destination, ask yourself: Will this make my Facebook friends jealous?
Understanding Marketing to the Millennial Generation

✓ Create an experience in which Millennials can participate.
✓ Develop content that encourages shares.
✓ Align your brand with a cause, so that Millennials will align with you.
✓ Recognize the evolving lifestyles of Millennials and don’t be afraid to change with them.
✓ Increase brand loyalty by embracing trends and joining in the fun.
✓ Create ads that speak directly to a personal moment in a Millennial’s life.
✓ Go where the Millennials are (social and mobile).
The Perfect Journey of a Millennial Traveler
Michael Green

- True New Yorker
- 24 Years Old
- Social Capital Seeker
- Always Online
- Enjoys travelling with his girlfriend #baecation
He browsed through the Internet and found an appealing story on the Yonderbound website called “GET MORE OUT OF MONACO”
He contacted the manager of this service to get **details about the trip**. They helped him to **adjust** the visit to his schedule and needs.
He went to **8 different** flight-engines to find the **best deal** for his trip.
When arrived to Nice airport, promptly connected to the free Wi-Fi and shared a picture on Social media with a unique Nice Airport Hash tag.
He had a choice of 3 different options how to get to Monaco: helicopter, bus and taxi. He could choose what he prefers and he chose a rather ecological way.
When arriving to Columbus, the staff was already waiting for him and the **online check in** took not more than a minute. **Wi-Fi** was free and fast. Room was beautiful and a little card on a table was greeting him by **name in his mother tongue**.
When visiting several establishments of SBM: the casino, Café de Paris and Hermitage for a cup of coffee, Wi-Fi was everywhere and he could take and share the pictures with celebrities who he met there. When talking to local - was using in-ear translation.
Virtual reality glasses in the tourism office showed him around and multiple reviews in the App about the Monaco-tourism-life helped choosing – where to go next.
He booked a yacht trip via an easy and user-friendly app from Parkview to enjoy night scenery of Monaco from the water. He payed online obviously.
Next day he used the **Eat With app** to find a local family to have a dinner together in their place. It was a nice evening in provencal style with friend of hosts.
When leaving the Monaco he has **left several positive comments** in different websites and apps, and shared his experiences in social media. He **recommended** this journey to his friends. And asked them: **where they recommend him to go next?**
Thank you for your attention!

100%
Questions?