HOW ARE MILLENNIALS INFLUENCING MARKETING AND PRODUCT DEVELOPMENT IN TOURISM?

10th UNWTO-PATA FORUM ON TOURISM TRENDS AND OUTLOOK

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TOPOSOPHY
DESTINATION MARKETING AGENCY
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→ Strategic advisor on understanding and engaging with Millennials

→ Background
  • UN World Tourism Organization, Madrid
  • WYSE Travel Confederation, Amsterdam
  • Consultant to PATA, Bangkok

→ My own blog: GenCTraveller.com
INDUSTRY-LEADING INSIGHTS AND ANALYSIS
Strategy & Research

DESTINATION AUDITS
TOURISM MASTER PLANS
FEASIBILITY STUDIES
MARKET INTELLIGENCE
POLICY ADVICE & GOVERNMENT SUPPORT

Marketing & Branding

BRAND DEVELOPMENT & EXECUTION
MARKETING PLANS
EXPERIENCE DESIGN
CONTENT STRATEGY & DEVELOPMENT
INFLUENCER MARKETING
Millennials:
• The *current* generation, aged 18-34
• Also known as Gen-Y and the ‘Me’ Generation

Enters teenage years — becomes an independent consumer, post-2000

Born during this period

|------|------|------|------|------|------|

Gen X Baby-boomers

Gen Z

TOPOSOPHY
DESTINATION MARKETING AGENCY
WHY MILLENNIALS?

• The Millennial mind-set is causing disruption in travel
• Millennials have are driving change in technology and in society around the world
• Millennials’ changing attitude towards work and leisure is affecting the corporate world, and this has an influence on the travel world
• Within 10 years, Millennials will make up 75% of the global workforce
• They are already family and business travellers, but travelling differently
• Now the generation driving growth across the emerging markets
By 2030, Asia will be home to 57% of the world’s 15-34 year-olds
Population of 15-35 year-olds by 2030:
(Forecast: UNDESA, 2014)

China: 333m
Indonesia: 82m
Philippines: 42m
Vietnam: 26m
Thailand: 19m
So,
How do Millennials travel differently?

5 defining characteristics
The obvious one…

CONNECTIVITY
This is the generation that has grown up with:

- ‘Internet everywhere’ (3G, Wi-Fi)
- E-Commerce (Amazon, eBay, Google)
- Mobile devices
- Social media
- E-travel (leading in reviews, metasearch, last minute booking, group deals)
- …All helping to create the effect of advertising travel as part of a ‘personal brand’
Right here, right now...

LOOKING FOR INTERACTION
Comfortable with interacting with friends, relatives and colleagues
OFFLINE

• Keen to meet the locals
• Appreciate ‘fireside’ moments
• Seeking authentic experiences & local ‘insider’ knowledge
• Creates an opportunity to develop soft skills

‘The Mix’, by Marriott’s
The Residence
3 HAPPY TO SHARE
DRIVING THE SHARING ECONOMY

• Prizes access over ownership

• Pushing demand and supply

• Confident smartphone entrepreneurs

• Comfortable with the concept, driven by trust and reviews

• A better way to get to know their chosen destination?
The essential ingredient to every trip…

AUTHENTIC EXPERIENCES
AUTHENTIC EXPERIENCES

• In a globalised world, they are the key to discovering the true character of a destination
• Travel is a vehicle for indulging your personal passion

FOOD / DRINK / FASHION / DESIGN / ART / CRAFTS / WILDLIFE / ARCHITECTURE / LANDSCAPES / LANGUAGE / MUSIC / DANCE / SPORTS / WELLBEING / FESTIVALS / RELIGION / URBAN CULTURE / PEOPLE
Budget + luxury = SELECTIVE SPENDING
“Millennials are spending their money in a curated way that sends a message about themselves and their own brand”

Josh Wyatt
Chief Strategy Officer, Generator Hostels
(Skift, 2016)

• The internet makes this possible
• Conspicuous consumption isn’t fashionable. Being a savvy spender is!
• Where does your product fit in the Millennial priority list?
“What can we learn from Asian Millennials’ travel behaviour to help cut future tourism congestion and give them the authentic experiences that they crave?”
Stepping Out of the Crowd:
Where the Next Generation of Asian Travellers is Heading and How to Win a Place on their Travel Itinerary

- 87 National, State and City tourism boards
- Global reference for travel to, from and within Asia
- Dedicated forecasting unit
Unique consumer research from 1,000+ Millennials from 13 outbound markets in Asia on traveller attitudes, city trip planning and going off the beaten track

Insights from 10 APAC National Tourism Organisations on how they work for better tourism dispersal
What did we find?
Q10: What was the main influence on the amount of time you could take for your last main trip?

- Limited free time available: 29%
- Limited budget: 27%
- School/University holidays: 20%
- Airline/hotel special offer only applied to these dates: 10%
- No limit, I just wanted to travel then: 8%
- Other: 5%
Q16: While on your last main trip, what was your preferred way of finding out about new locations, cuisine or activities?

<table>
<thead>
<tr>
<th>Method</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Traveller review websites (e.g. Travellerspoint)</td>
<td>27%</td>
</tr>
<tr>
<td>Looking at friends’ Facebook, Instagram, etc.</td>
<td>20%</td>
</tr>
<tr>
<td>Travel guide books</td>
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<td>From a professional travel blog</td>
<td>13%</td>
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<tr>
<td>Asking specific friends/family</td>
<td>10%</td>
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<tr>
<td>Other</td>
<td>7%</td>
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<tr>
<td>Local tourism board website</td>
<td>6%</td>
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<tr>
<td>Visitor information centre</td>
<td>3%</td>
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<tr>
<td>Traditional media (TV, magazines)</td>
<td>2%</td>
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Asian Millennials see travel as an escape from everyday life, and want to seek rewarding experiences from their time on the road.

93% say they wanted to try experiences beyond their everyday lifestyle.

Top five preferred activities when visiting a new city overseas:

1. Discover local heritage and traditions
2. Visit small shops with locally-made items
3. Discover local youth culture and trends
4. Visit a food market
5. Visit a local festival

When visiting a foreign city for the first time, 89% of Asian Millennials will look for a location or event directly connected with their favourite music, art, sport, fashion, architecture, video game, movie or TV programme.
Top five reasons for taking a trip outside of a major urban hub:
1. See beautiful landscapes
2. Visit family and friends
3. Try traditional or unique foods
4. Visit the coast
5. See specific historic or cultural sites

‘Experiencing the lifestyle of the local people’ and visiting famous places from film and TV are also popular

43% of Asian Millennials didn’t leave the city because they didn’t have time to spare

2-3 nights is the preferred length of excursions away from the city.
Key takeaways...
1. Know your Millennials: different age groups, source markets, life experiences
2. Take time to understand the issues that matter to Millennials
3. Innovate your product, and personalise!
4. Think about where you are on the ‘path to purchase’
5. Engage with the sharing economy
6. Work closely with your own Millennials
NICE TO MEET YOU!

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