

Millennial travel: tourism micro-trends of European Generation Y

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Abstract

Purpose – Millennials travel more than any other generation and they account now for some 40 percent of Europe's outbound travel. As Millennials travel peaks, the purpose of this paper is to shed light on European Millennials, their characteristics and travel behaviors, and how their travel trends are shaping the present – and future – of the tourism industry.

Design/methodology/approach – The current study is based on content analysis of up-to-date academic publications and tourism industry reports.

Findings – The common characteristics and travel behaviors of Millennials drive four key tourism micro-trends: creative tourism, off-the-beaten-track tourism, alternative accommodation and fully digital tourism. Based on the growing importance of Millennials in global travel, these micro-trends are re-shaping supply and demand and transform the tourism and hospitality industries.

Originality/value – The study provides a novel understanding of Millennial travel, their characteristics and travel behaviors. The micro-trends identified are affecting destinations, hotels, attractions and other tourism businesses, as they re-define what tourists want and how they want it. Furthermore, these change drivers are expected to increase as Millennial travel continues to grow.

Keywords Generation Y, Millennials, Tourism trends, Generation Y travel behaviour, Millennial tourists, Millennial travel

Paper type Trends paper

Purpose

The Millennial generation, also known as Generation Y or Gen Y, is a group of consumers who grew up during the Millennium period, a time of rapid changes (KPMG, 2017). Travel and tourism are very important for Millennials and they rank travel as a top priority (Cavagnaro *et al.*, 2018; OECD, 2018). Millennials travel more than any other generation, including Baby Boomers, and it is likely that they will travel even more as their incomes and financial standing grow (Nielsen, 2017). The biggest source market for Millennial outbound travel is the US, followed by China, Great Britain and Germany (ITB World Travel Trends 2018–2019, 2019). European Millennials take four to five trips per year, making them a significant economic force in the tourism arena (Cavagnaro *et al.*, 2018). Furthermore, it is estimated that Millennial travel now accounts for 40 percent of Europe's outbound travel – making them the largest age group for international travel (ITB World Travel Trends 2018–2019, 2019). Hence, Millennials are now a key force and their travel behavior leads to significant shifts in the tourism market (Ketter, 2019; OECD, 2018).

There are slightly different views regarding the range of years in which Millennials were born. One perspective is proposed by Cavagnaro *et al.* (2018), setting the years from 1980 to the mid-1990s. Similarly, a report by the OECD defines Millennials as those born in the early 1980s to the mid-1990s, and a report by KPMG (2017) marks the years as 1980 to 1995. Another perspective extends this range from 1980 to 1999 (Garikapati *et al.*, 2016) or from 1980 to 2000 (Visit Scotland, 2017). According to Skinner *et al.* (2018), while most

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definitions mark the beginning year of the Millennial era as 1980, some scholars set it as early as 1977. As for the end of the period, there are different views that set the year as the mid or late 1990s. As a result, there could be some cross-over between younger Millennials and the older Generation Z, born in the late 1990s and onward.

As Millennials travel peaks, the current study aims to shed light on European Millennials, their characteristics and travel behaviors, and how their travel trends are shaping the present – and future – of the tourism industry.

Research design

The current study is based on content analysis. Content analysis is a research technique for making replicable, reliable and valid references from texts. Content analysis enables scholars to identify themes, extract meaning, provide new insights and increase the researcher's understanding of a particular phenomenon (Krippendorff, 2018). The analysis was conducted on a secondary data collection – up-to-date academic publications and tourism industry reports from the year 2016 onward. The academic publications were retrieved via scholarly search engines (Jstor, Taylor & Francis Online and Google Scholar) and the selection criteria were content relevance and year of publication. The industry reports were retrieved via Google Search and the selection criteria were content relevance, year of publication and the credibility of the publisher – Global organizations (UNWTO and OECD), global consulting firms (KPMG, Nielsen and IPK International) and official governmental agencies (Visit Scotland and CBI by the Netherlands Ministry of Foreign Affairs). To enhance validity, the study's references section lists all sources being used, enabling readers to inspect the results independently.

Findings

The analysis of up-to-date academic publications and industry reports on European Millennials, reveals several common characteristics and travel patterns of Millennial travelers, that can be induced to travel behavior micro-trends. Despite being a large group of very different individuals who differ in their life stages, career and disposable income, European Millennials tend to share some common values and behaviors (Visit Scotland, 2017). These common characteristics are based on their joint past, as they were born during the same period in which they shared unique events that shaped their common values (Cavagnaro *et al.*, 2018). Two major life events for Millennials are the internet and smartphone revolutions (KPMG, 2017). Millennials are the first generation of so-called digital natives and the first “always connected” generation (Skinner *et al.*, 2018; KPMG, 2017). Technology plays a key role in their lives and they tend to be tech-savvy, hyper-connected, and they demonstrate constant use of mobile phones, social media and internet-based technologies (CBI, 2019; Skinner *et al.*, 2018; Nielsen, 2017; Visit Scotland, 2017). An additional key characteristic of this age cohort is their preference for experiences over possessions (CBI, 2019; Şchiopu *et al.*, 2016). According to Garikapati *et al.* (2016), Millennials focus on experiences and the “here-and-now” vs ownership and a “save-for-a-rainy-day” attitude. Furthermore, they often choose to spend money on experiences such as travel rather than possessions; and their spending on experiences is expected only to increase (Cavagnaro *et al.*, 2018; OECD, 2018; Visit Scotland, 2017).

The characteristics and travel behaviors of European Millennials, together with their growing importance in global tourism, drive four major tourism micro-trends that impact the present and the future of tourism.

Creative tourism

For the Millennials, building life experiences is a top priority, and living a meaningful and happy life is about creating memories made through a spectrum of experiences

([Visit Scotland, 2017](#)). Hence, Millennial travelers are eager to explore, interact and experience the world ([CBI, 2019](#); [Cavagnaro et al., 2018](#)). They are open-minded travelers, who aspire for freedom and flexibility and see travel as a prime opportunity to discover the world and themselves ([CBI, 2019](#)). Millennials are an active audience who are more likely to travel independently compared to past generations and be open to new tourism products and experiences ([OECD, 2018](#)). These characteristics drive the micro-trend of creative tourism – travel behavior that involves the proactive planning and execution of unique personal experiences tailored to the unique interests, personality and lifestyle of the tourist. In this manner, while previous generations were more likely to allow brands to manage their travels, Millennials want to take control over their experiences ([Nielsen, 2017](#)). Millennials tend to prefer creating their own unique experiences over cookie-cutter ones and to travel by themselves as foreign independent travelers ([Visit Scotland, 2017](#)). Furthermore, they are more likely to plan their own travel itineraries and travel independently, rather than rely on the advice of travel agents or participate in package tours or group travel ([OECD, 2018](#)).

Off-the-beaten-track tourism

Millennials not only look at accumulating experiences, but also visit off-the-beaten-track destinations and have off-the-beaten-track experiences ([Nielsen, 2017](#); [Visit Scotland, 2017](#)). For this age cohort, part of the motivation to travel is the search for novelty: to explore a different lifestyle, to undergo new experiences, to visit new places and to acquire new knowledge ([Cavagnaro et al., 2018](#); [Şchiopu et al., 2016](#); [UNWTO, 2016](#)). While some European Millennials would still favor city trips to leading cultural capitals and to famous sea-and-sun destinations ([ITB World Travel Trends 2018–2019, 2019](#)), others would prefer to travel off the beaten track. When it comes to choosing a destination, Millennials tend to favor places which are less popular ([Şchiopu et al., 2016](#)), i.e. emerging destinations that they consider to be “authentic” ([UNWTO, 2016](#)); they show less interest in the conventional destinations that their parents tend to favor ([Visit Scotland, 2017](#)). This off-the-beaten-track tourism might also promote some aspects of sustainability – these travelers avoid destinations which suffer from over-tourism and prefer places with under-tourism. Furthermore, in their search for authentic experiences they contribute to local economies, supporting small-scale and locally owned businesses ([Şchiopu et al., 2016](#)). This comes together with environmental awareness ([UNWTO, 2016](#)), environmental values ([Garikapati et al., 2016](#)) and willingness to pay more for sustainable brands ([OECD, 2018](#)).

Alternative accommodation

One of the key differences in travel behavior between Millennials and previous generations is their choice of accommodation. First, Millennial travel gave rise to peer-to-peer/ sharing economy accommodation, instead of booking a traditional hotel ([Nielsen, 2017](#)). The sharing economy is very popular with this generation for its features such as connection with local communities, the creation of authentic local experiences, and value for money ([Ketter, 2019](#); [Visit Scotland, 2017](#)). Second, many Millennials tend to prefer to save on accommodation costs in order to spend more on unique experiences ([Cavagnaro et al., 2018](#); [Nielsen 2017](#)). Furthermore, Millennials show selective spending, as they can stay at an expensive boutique hotel during one trip and settle for budget accommodation on the next ([Visit Scotland, 2017](#)). Third, Millennials are a social generation, spending less time in their hotel room and more time in the common areas, connecting with other travelers, the community and the world ([OECD, 2018](#)). These travel behaviors have generated several changes in the hospitality industry: the rise of Airbnb and other digital platforms that list homes and homestays; the development of glamping sites and posh hostels that bring a new chic to these traditional accommodation categories; and the introduction of new hotel sub-brands that are aimed at the Millennial market (e.g. Aloft Hotels by Starwood and Moxy Hotels by Marriott) ([Visit Scotland, 2017](#)).

Fully digital tourism

Growing up in the era of the internet and the smartphone, Millennials are a tech-savvy and always-online generation (KPMG, 2017). In the world of travel, they make their entire travel journey digital and mobile, as they perform all travel stages on their smartphones. Millennials find inspiration on travel blogs and social media (CBI, 2019; OECD, 2018); plan their trip based on user-generated content, customer reviews and travel websites (ITB World Travel Trends 2018–2019, 2019; Visit Scotland, 2017; Şchiopu *et al.*, 2016); book flights and accommodation on booking apps and online travel agencies (CBI, 2019); and explore the destination with the assistance of their smartphone and travel apps (CBI, 2019; Visit Scotland, 2017). Lastly, they share their experiences on social media, which ignite travel inspiration among their peers (Şchiopu *et al.*, 2016). Being the first digital native generation, Millennials are also the first generation to demonstrate a fully digital travel journey, transforming the business models of countless tourism businesses, making some service providers obsolete and providing a huge boost for the travel tech field.

Value

These four micro-trends – creative tourism, off-the-beaten-track tourism, alternative accommodation and fully-digital tourism – represent some of the key ways in which Millennial travelers re-shape supply and demand in the tourism industry. Based on the characteristics and travel behavior of European Millennials, these micro-trends are affecting destinations, hotels, attractions and other tourism businesses as they re-define what tourists want and how they want it. While these micro-trends already represent a change, these changes will intensify as Millennials will become more affluent and their share in global tourism will further grow. In this view, one can expect to see more destinations and attractions developing unique products to cater for creative tourism; new destinations emerging on the tourism map with the help of off-the-beaten-track tourism; the opening of new establishments that create new hospitality categories, expanding the alternative to the existing supply of accommodation, and the continued growth of digital tourism platforms and apps.

Aiming to shed a new light on Millennial travel, the current study identifies four groups of characteristics and travel behaviors of European Millennials, and induce from them on four travel micro-trends. This analysis provides a novel understanding of Millennial travel, adding a new contribution for the academic literature and providing practical insights for destinations and tourism stakeholders. While these micro-trends enrich our perspective on Millennial travel, it should be noted that it is not possible to generalize over an entire generation. Among others, travel behavior and preferences are effected by a large variety of personal, social and cultural factors (Ketter, 2019). Furthermore, Millennials are not a homogenous audience, they tend to be very individualistic and every trend has the opposite counter-trend.

Looking beyond the Millennial generation, members of Generation Z (born in the late 1990s and onward) are now also taking their share as tourism consumers. Although being a different generation, they tend to share some common behaviors with Millennials: Generation Z are open-minded travelers, fully digital, tend to avoid traditional tourism services and attractions, and prefer to craft their own unique experiences (Haddouche and Salomone, 2018). While Generation Z will create its own new micro-trends, it seems as though they will further support the trends listed in this study, adding extra fuel to these already-burning changes.

Although the future holds many unseen aspects, the foreseeable future points toward a continuous growth of global tourism in general and of the impact of Millennial travel in particular (ITB World Travel Trends 2018–2019, 2019). This is expected to further support

the above micro-trends and their prospective impact on tourism research and on the travel and tourism industry.

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