

January 2018

Generations on the Move

.....
A deep dive into multi-generational travel trends and
how their habits will impact the future of the industry
.....



Research Presented By:



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a word from the authors

New technologies, greater connectivity, and changing values have transformed the way we look at travel. Add in the coming of age of the first generation of digital natives, and we're on the verge of tipping point as the cycle of travel planning, purchasing and experiencing changes.

Sampling more than 1,000 adults in the United States, aged 18-65, provided multi-generational insights that not only paints a positive picture for the future but also signals to the industry that it needs to evolve to stay relevant.

Consumers have more options for searching and booking travel than ever, making it vital for providers to understand these travelers' thoughts and desires. Americans are shucking their materialism in exchange for life enriching experiences, growing social media influences, and highly customized interactions.

Tapping into these trends will give travel providers a head start in reaching younger generations set to become powerful consumers. Earning their attention early will pave the path to winning their loyalty.

Now is the time for a fresh look at travel, particularly the role of online travel agencies, and the preferences of younger generations like Gen Z (ages 21 and younger) towards traveling.

Expedia and The Center for Generational Kinetics are pleased to partner on this groundbreaking national research.

– Expedia and The Center for Generational Kinetics

generational cheat sheet



generation Z
(1996–earlier)



millennials
(1977–1995)



generation X
(1965–1976)



baby boomers
(1946–1964)



traditionalists
(1945–before)

For more information about the generational birth years, click [here](#).

spending and travel priorities through a **generational lens**

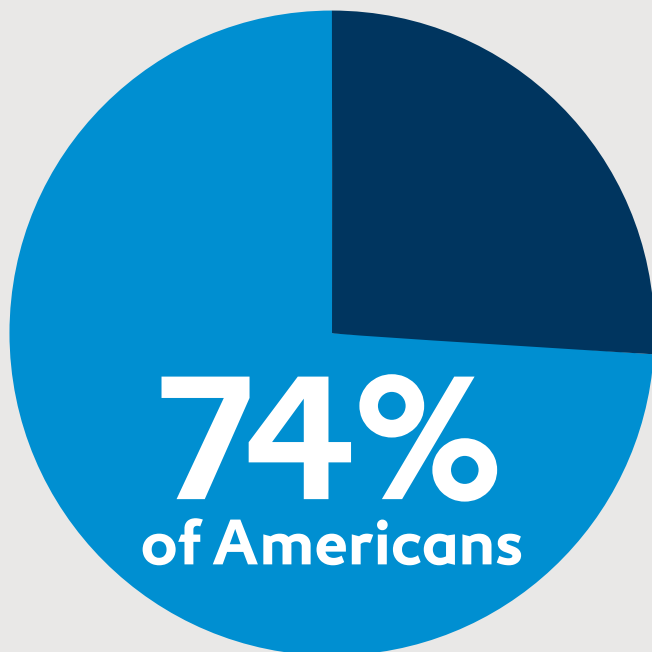


a shift in american spending priorities

For decades, the American economy centered around materialism, with the role of marketing and advertising revolving around connecting potential customers not only with products they needed, but also products they wanted or thought they needed to add value to their lives.

An emerging trend...

is the shift towards placing value on experiences, rather than things.



..... OVER



Nowhere is this shift in priorities more immediately evident than in travel, at its heart an industry inherently based on experiences. Baby Boomers are entering a stage where “less is more,” while younger generations, particularly Millennials, are leading the charge in placing a newfound value on experiences, more than things.

When it comes to where Americans are spending their money, travel is a top priority, particularly among Millennials. **In fact, The national study found that 57% of Americans are currently saving money specifically for travel. But, this is even higher for Millennials, where 65% of which who say they are currently saving for travel.**

Bottom Line:

In the shift towards valuing experiences over material products, travel makes an impressive showing. More than half of all Americans say they are saving specifically for travel, with Millennials leading the charge. Travel is a common way for all generations, regardless of age, to spend their disposable income.



age and income influence travel priorities

Experiences are top of mind across all generations when it comes to travel, but the nature of those experiences varies greatly.

The national study found Gen Z travelers value adventure experiences such as exploring and trying new things more than anything else. On the other hand, Baby Boomers see traditional travel experiences such as sightseeing or touring as the most important. Millennials and Gen X desire relaxation, such as the beach or spa time, more than anything else.

Age is not the only factor influencing the nature of travel. Income brackets also come into the mix. Lower income travelers prioritize spending time with loved ones the most, while middle income travelers place a priority on sightseeing or tourism. Higher income travelers just want to relax.

less than
\$49K



Connection Travel
(spending time
with loved ones)

\$50K-\$74K



Traditional Travel
(site-seeing,
tourism, etc.)

\$75K+



Relaxation Travel
(unwind, de-stress,
sleep in, etc.)

When it comes to accommodation, all generations tend to value hotel reviews when making their selection, with a string of bad reviews acting as an automatic disqualification from consideration. Younger generations are more particular when it comes to connectivity. **Wifi is an absolute necessity for 1/3 of Gen Z** and they are often willing to select hotels based on free Internet access.

Not only do the nature of trips differ greatly, but the duration does too. Americans, especially younger generations, make the most of long weekends (typically 3-5 days).

In fact, the national study found that the long weekend is the most preferred length of time for a leisure trip for Millennials, Gen Z, and Gen X.

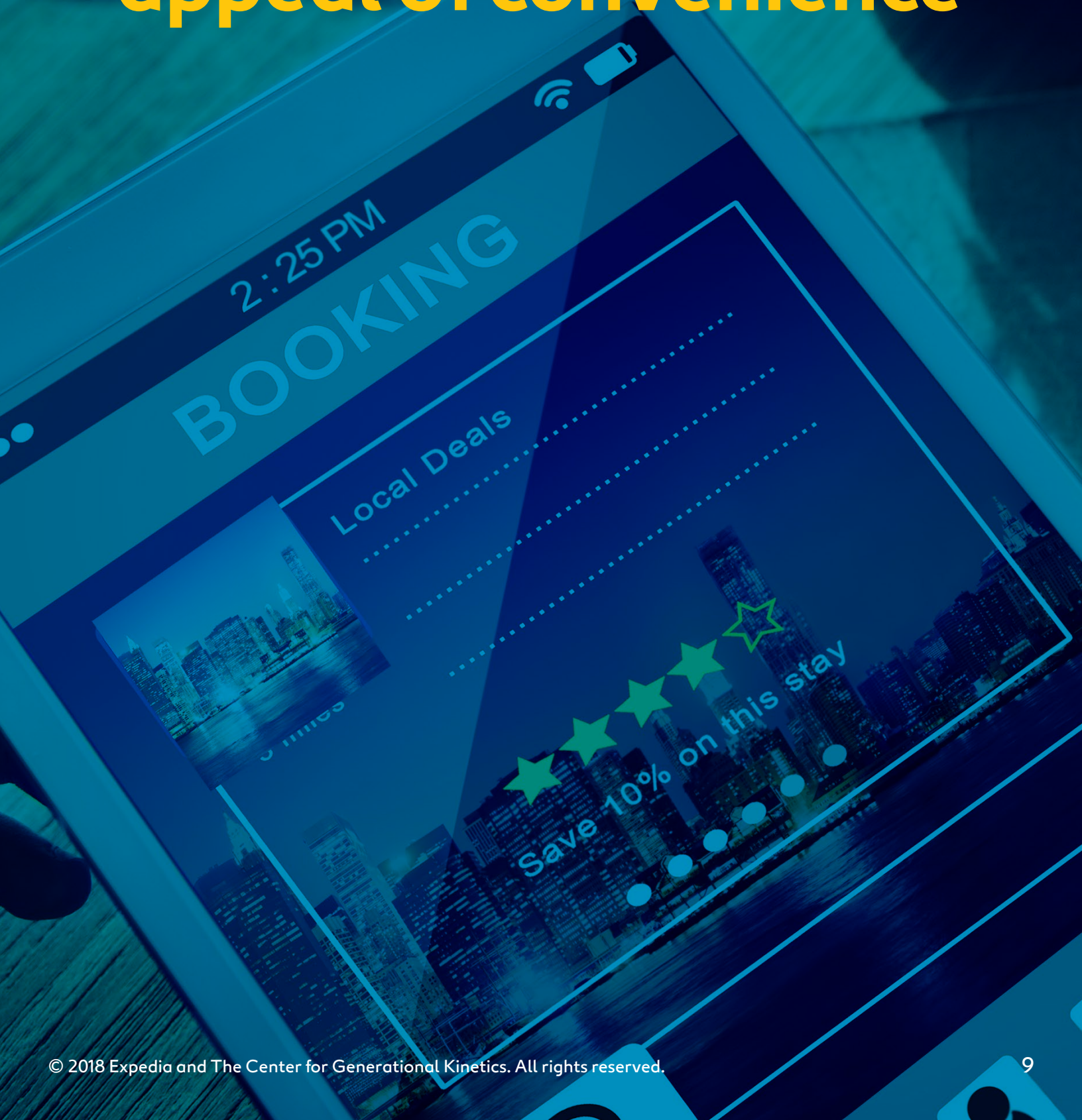
Baby Boomers are much more likely to travel for a week or even longer. They are also more likely to book trips further in advance, often months prior to departure, while Gen Z is apt to book less than 30 days out, often within just a week or two of travel.

Bottom Line:

When it comes to the type of trip, including activities, accommodation, and duration, priorities often follow patterns by age and income. The trip length also varies by age, with the long weekend serving as the preferred leisure trip length for younger generations and Boomers typically traveling for longer durations.



online travel agencies and the appeal of convenience



online travel agencies spell convenience for travelers

Few aspects of travel have changed more over the past two decades than the research and booking process. For the most part, gone are the maps, phonebooks, and international calling cards—arranging accommodations now only requires internet access, which for many, is accessible in the palm of their hands. The world of online travel booking has exploded and evolved beyond just browsing the websites of individual hotels or airlines. Customers want everything, all in one place, and convenience is now the name of the game.

What does convenience look like?

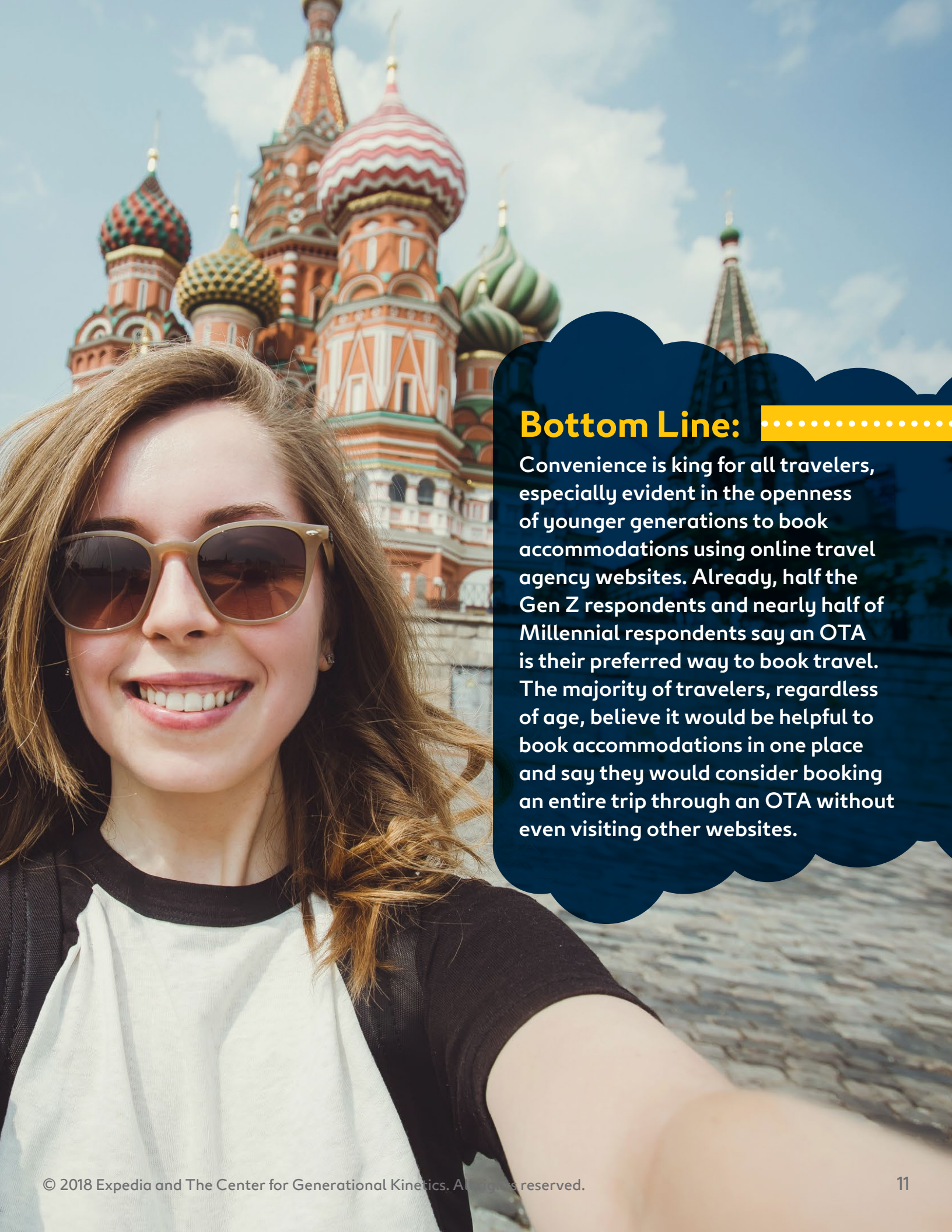


80%
of Americans say it's helpful to be able to book all travel and accommodation (such as flights, rental cars, vacation rentals, or hotels) on one website.

Even more staggering is that **87% of Gen Z** say booking in one place is helpful.

If an all-in-one online shopping destination is helpful, is it also preferable? The national study found that younger generations do, in fact, prefer to book this way. **Half of Gen Z and 48% of Millennials** say visiting an online travel agency website is how they prefer to book transportation and accommodations.

It requires a great deal of trust from consumers to make a purchase without shopping around, but this is exactly what the majority of travelers say they would at least consider doing. **The national study found that 55% of travelers would consider, and 15% would definitely book an entire trip through an online travel agency without visiting any other websites.**



Bottom Line:

Convenience is king for all travelers, especially evident in the openness of younger generations to book accommodations using online travel agency websites. Already, half the Gen Z respondents and nearly half of Millennial respondents say an OTA is their preferred way to book travel. The majority of travelers, regardless of age, believe it would be helpful to book accommodations in one place and say they would consider booking an entire trip through an OTA without even visiting other websites.

family members are great travel companions ...and often foot the bill

By and large, Americans like to travel with family members—spouses, children, parents, or other family members are the preferred travel companions across generations. **Gen Z, the youngest generation of travelers, is far more likely to travel with parents, with 54% saying they usually or always travel with their folks.**

Parents don't just make great travel companions; they also serve as good financial sponsors.

The national study found that 58% of Gen Z respondents' parents paid for trip expenses when they traveled together over the past year.

The phenomenon of parental sponsorship isn't applicable only to Gen Z, with 24% of Millennials also stating parents pay for their travel costs when they go away together.

While group travel – whether with family, friends or tour groups – is the more commonly preferred trip type, the national study found a surprising number of people prefer to travel alone for leisure. **More than one-third of Americans have traveled alone for leisure in the past year, but the number is even higher for Millennials, 42% of whom have traveled alone.**



Bottom Line:

Travelers like to experience new destinations with companions, and often in the case of younger generations, those travel partners are parents who pay their way. However, people also travel alone for leisure, with a notable number of Americans having done so in the past year.



social media and the connection to travel



social media is disrupting the travel funnel

The process of making consumer decisions has radically changed for younger generations—social media is at the heart of that change, with the ready opinion of dozens of friends right at consumers' fingertips.

A post on social media can turn into a poll, collating tips and opinions of multiple people in a matter of minutes.

When it comes to making travel purchasing decisions, Gen Z and Millennials are most heavily influenced by input on social media. In fact, the national study discovered that **27% of Millennials have posted a potential trip on social media to canvas opinions before booking!**

Interestingly, socialized purchasing decisions appear to have a halo effect, stirring interest among potential buyers who see or weigh in on a decision. **The study discovered that 36% of Gen Z travelers have chosen a destination specifically because they saw postings about the destination on social media.**



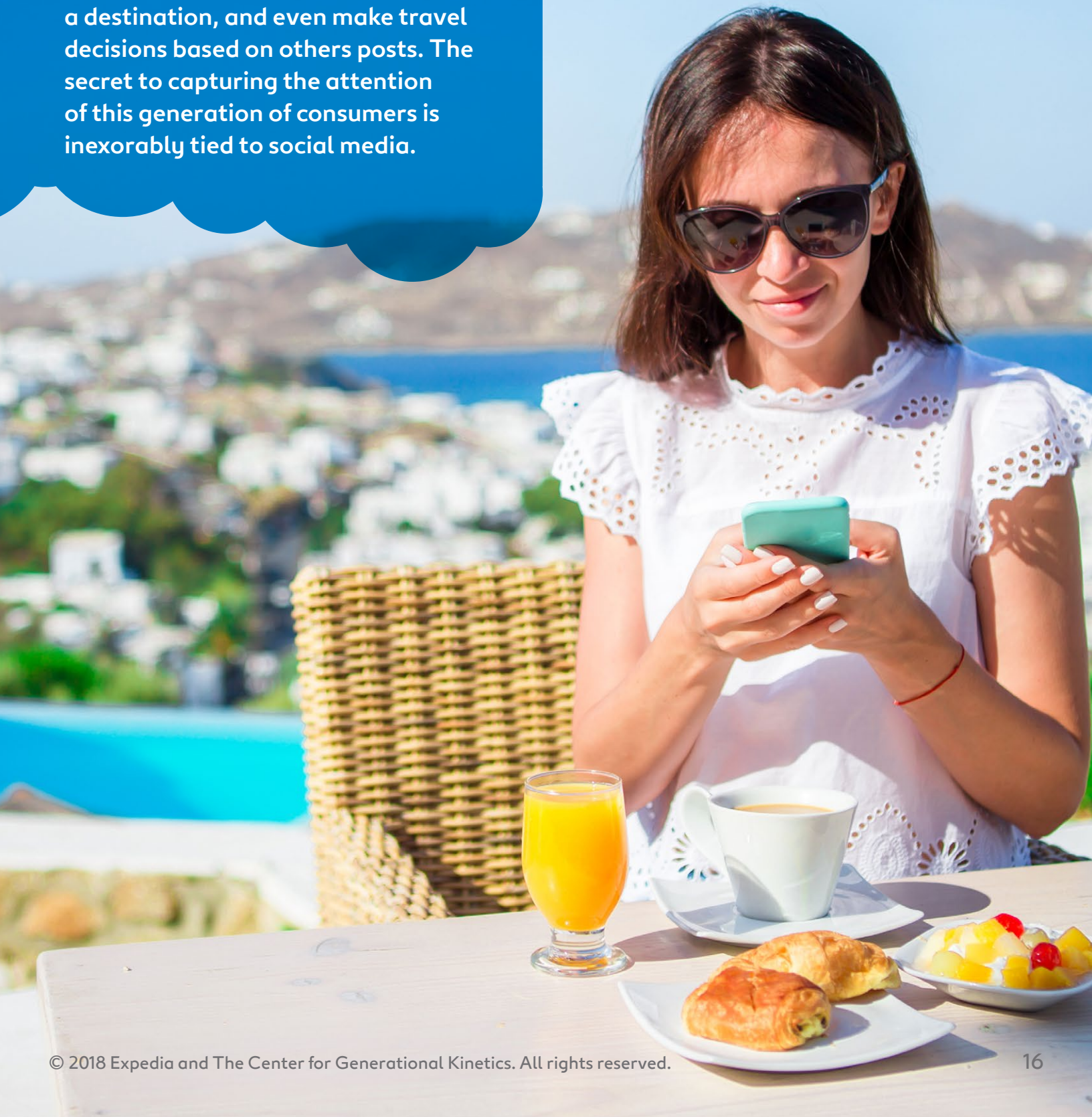
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Bottom Line:

Social media has a profound influence on the purchasing decisions of younger generations, even to the point of directing their travel decisions. They pan their social media networks for opinions before choosing a destination, and even make travel decisions based on others posts. The secret to capturing the attention of this generation of consumers is inexorably tied to social media.



travel trumps creature comforts

It turns out travel is worth the sacrifice—that’s certainly the attitude of younger generations.

The national study discovered...

Gen Z is willing to go the extra mile for the chance to travel, with



71% of Gen Z respondents

stating they would get a part-time job to save money to go on a trip.



49% of both Gen Z and Millennials

would sell some of their clothes or furniture to save money to go on a trip.

Not all of this sacrifice involves earning or saving money. It turns out Gen Z would also sacrifice their beloved online world for the chance to travel, with **45% of Gen Z happy to stay off the internet for a week in order to go on a trip.** But this doesn’t mean they will be out of touch while traveling, as **81% of Gen Z travelers feel obligated to send texts to family or a significant other before takeoff and after landing if they’re flying to their destination.**

Sometimes, even a significant other remains in the picture only because of travel plans. **11% percent of Gen Z respondents have postponed a breakup with a significant other in order to still go on a planned trip!**



Bottom Line:

Gen Z Americans are serious about travel and willing to do a lot to make it to new destinations, including taking an extra job, selling possessions, staying off the Internet, and even postponing a breakup. Despite these sacrifices, they will still stay connected when traveling, so the opportunity exists to keep the conversation with the consumer going beyond the initial travel purchase.

research conclusions

As Gen Z Americans enter the stage come of age as a powerful and unique consumer group, a better time to look at travel through a generational lens. Travel providers have the opportunity to understand and prepare for this generation to make the travel experience tailored and customized to their preferences.

The bottom line is that Americans are shifting from a society that prioritizes products to a society that prioritizes experiences. American consumers are increasingly changing their spending behaviors, saving strategies, and even lifestyles to facilitate travel, with younger generations leading the way. Millennials make a greater effort to save for travel than any other generation, while Gen Z values travel enough to jump through hoops to make a dream trip a reality. The majority would take an extra job, half would sell their clothes or furniture, and almost half would stay off the Internet for a week to save up for a trip. Some would even stay in a relationship simply to go on a trip.

When it comes to facilitating travel, online travel agencies offer a level of convenience that the majority of travelers find helpful. These sites, like Expedia, Travelocity, and Hotels.com are the preferred way to book travel for Millennials and Gen Z, but the majority of all generations, including Baby Boomers, would consider booking an entire trip through an OTA without visiting other sites for comparison.

Finally, social media is a factor that cannot be ignored by travel providers. It has a profound impact on various aspects of a younger consumer's lifestyle, and is now a primary means through which these consumers weigh and make purchase decisions, including travel.

about the authors

Expedia

Expedia.com® is one of the world's largest full service travel sites, helping millions of travelers per month easily plan and book travel. Expedia.com (<https://www.expedia.com/>, 1-800-EXPEDIA) aims to provide the latest technology and the widest selection of top

vacation destinations, affordable airfares, hotel deals, car rentals, destination weddings, cruise deals and in-destination activities, attractions, services and travel apps.

The Center for Generational Kinetics

The Center for Generational Kinetics is the leading research, speaking, and solutions firm focused on Millennials, Generation Z, and solving generational challenges. The Center's team of PhD researchers, strategists, and keynote speakers help leaders around the world solve tough generational challenges in areas ranging from employing multiple generations or recruiting Millennials to selling and marketing to Millennials and across generations.

Each year, The Center works with over 150 clients around the world, from car manufacturers and global hoteliers to insurance companies, hospital chains, and international software firms. The Center's team is frequently quoted in the media about the effect of generational differences on everything from shopping and parenting to work style and social media.

Learn more about The Center at GenHQ.com.



methodology

Expedia and The Center for Generational Kinetics jointly led this research study. The survey was administered to 1,254 U.S. adults ages 18-65, including a 250-person oversample of Gen Z ages 18-21.

Gen Z is defined as those born 1996 and after, Millennials are defined as those born between 1977 and 1995, Gen X is defined as those born between 1965 and 1976, and Baby Boomers are defined as those born between 1946 and 1964. The sample was weighted to the current census data for age, gender, and region.

The survey was conducted online from August 8, 2017 to August 17, 2017 and has a margin of error of +/-3.1 percentage points.

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