

MILLENNIAL GENERATION

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Abstract: The research work has as objective to determine strong factors recording to Millennial Generation, a youth travel generation, running for their dreams. The internet revolution had a huge impact for the tourism industry, helping (or not) to promote new destinations on social networking, regarding to memorial experiences. Youth travel demands must be implemented in every hotel to survive. Smaller rooms, free WIFI, USB ports, shorter check-ins, plugs; these are some of the changes that are recommended by the big chain hotels. On the other hand it's not a safe world, there are measures for a safe journey and accommodation.

Key words: Millennial Generation, Youth Travel, Accommodation, Mobile Marketing

JEL classification: **F60** - Economic Impacts of Globalization: General, **L84** - Personal, Professional, and Business Services, **Z30** - Tourism Economics: General, **Z32** - Tourism and Development

1. Introduction

Even from ancient times, human moved from a place to another because of religion, health, weather or the simple wish to discover new places or for a better life. There for, we can approve that tourism is a complex activity. It seems that tourism is a good alternative of economic diversity for many countries, especially low evolved countries. . These countries suffer of hard access to raw materials, high technologies. There for, tourism is a stability element, owned by the services sector who is the most important and rigorous economy component in all evolved countries. ¹

In Europe the tourism industry generates more 5% of U.E's GDP and aprox. 6% workforce (that's over 9 million workers).

Millennial Generation presents a challenge, because it's a complex domain, but also the desire of motivating, detailing and make a conclusion of the importance of tourism, by passion for this domain. This generation is different of the other 2 generations (X generation and Baby Boomer Generation), they focus on memorial experiences shares on Facebook, Twitter, Instagram, Youtube, chasing dreams, the desire of knowing new cultures and new technologies. That's way they are always connected to new information.

¹ Cosmescu, I., Nicula, V., Tileagă, C., : “*Diversitatea și calitatea serviciilor turistice – Premisele dezvoltării economice durabile în Bazinul Mării Negre*”, Ed. Constant Sibiu, 2004, p.5

2. International tourism evolution

We can characterize tourism evolution as international and global, by a increasing of economic, politic, demographic, social, personal and cultural factors. The tourism industry has one of the most dynamic sectors of activities, being the most important generator of jobs.

International tourism has the greatest increased because of the humans desire to discover new places and things, other civilizations. The technical progress in the transport domain made that any journey, no matter the distance, to be relative fast and comfortable.

World Travel Trends Report, specialized in european travelling, says that in 2014²:

- Tourists prefer shorter distances
- Costs increased by 4% per night
- Online booking increased by 7%
- Rural tourism increased by 10%
- Business traveling increased by 4%

Now I would like to explain the international evolution in the period 1995 - 2010 (estimate 2020):

Table 1. The international arrival evolution in the period 1995 - 2010 (estimate 2020)

Continent	International Arrivals (1000 tourists)		
	1995	2010	2020
Africa	12.6	47	77.3
America	108.1	190.4	282.3
Europe	319.6	527.3	717
Asia and Pacific	92.7	205.2	416
Middle East	8.7	35.9	68.5
TOTAL	551.7	1.006,4	1.561,1

Source: Ene, M., Tatu, F., T., - "Terra. Regiuni geografice și turistice"

All regions had the international arrival increased in the last years, especially Europe, the most visited continent. In the period 1995 - 2010 youth international arrivals increased by 65% and in the period 2010 - 2020 estimations say that the youth arrivals will increase with 36%. So, in 10 years we have a 101% increasing. This high percentage is given also by the Asians youth and it's birth population grew (U.N.T.W.O says that in 2030 in China there will be over 333 million young people, between 15 and 35 years old, and in Indonesia over 82 million people, aprox. German population today).

Because of advanced services, tourists want places they know, with traditions and historic centers. La the beginning of 2015 London (U.K) become number one most visited cities in the world, followed by New York and Bangkok.

Bellow I will present the situation for the number of visitors and receipts for 2015 - 2016. I will create a top 10 the most visited cities in the world, expressed in million visitors, but also the receipts, expressed in million €:

Table 2. Estimate data for visitors and receipts for 2015-2016

	Destination	Countries	Visitors (million)			Receipts (million €)		
			2015	2016	2016/2015	2015	2016	2016/2015
1	London	U.K	17.30	18.69	8.0%	17.00 €	19.30 €	13.40 %
2	New York	U.S.A	16.08	16.81	4.53%	16.40 €	18.60 €	13.00 %
3	Bangkok	Thailand	15.46	14.42	-6.72%	15.80 €	13.00 €	17.00%
4	Paris	France	15.29	15.57	1.8%	15.80 €	17.00 €	7.70 %
5	Singapore	Singapore	12.10	12.47	3.1%	13.30 €	14.30 €	7.60 %
	Seoul	South Korea	8.24	8.63	4.7%	10.80 €	11.50 €	6.30 %

² Ziyath, A., : "ITB Travel Global report 2014 - 2015", Messe Berlin, 2014

6	Dubai	Saudi Arabia	11.1	11.95	7.5%	10.00 €	10.90 €	9.00 %
7	Istanbul	Turkey	9.87	11.60	17.5%	8.00 €	9.40 €	17.10 %
8	Hong Kong	China	8.26	8.84	7.0%	7.60 €	8.30 €	9.70 %
9	Tokyo	Japan	5.05	5.38	6.5%	6.00 €	7.40 €	18.00 %
10	Roma	Italy	6.63	6.79	2.5%	5.20 €	5.60 €	7.90 %

Sursa: Eurostat

London become number one as the most visited city in the world (with 17.3 million visitors in 2015), followed by New York (with 16 million visitors) and Bangkok (15.4 million visitors). Financially, London receipted in 2015 aprox. 19.3 million (increased by 13.5% compared to 2014), New York receipted in 2015 aprox. 18.6 million € (increased by 13.4% compared to 2014) and Bangkok receipted in 2015 aprox. 13 million € (increased by 17% compared to 2014).

3. Youth tourism market in international tourism

Although youth tourism is one of the less effective sectors, Astralian Tourism Commission (ATC) made a market youth statistic. The results say that, although daily youth travel costs are low, the stay is longer than the other category of tourists. There for, the final costs of a young traveler in a country increases.

When we talk of international tourism market, we talk about:

- a) *Depending on the nature of tourist flows, international tourism market is:*
- Market etting tourists -> advanced countries when we talk about economy and reduce tourism resources.
 - Welcoimg tourism market -> countries that have a natural diversity tourism potential, with infrastructure and important base tourism material.
- b) *Depending on product consumer characteristics and tourism servicies:*
- Luxury international tourism market
 - Middle class international market
 - Mass tourism³

Table 3. International tourism per continent

International tourism per continent (2014 statistics)		
Continent	International Tourism arrivals number (million tourists)	International tourism Receiptes (billion \$)
America	181 (16%)	274 (22%)
Africa	56 (5%)	36 (3%)
Middle East	51 (5%)	49 (4%)
Europe	582 (51%)	509 (41%)
Asia and Pacific	263 (23%)	377 (30%)
TOTAL	1.133 million arrivals	1.245 billion \$

Source: UNWTO, "International tourism 2014", e-unwto.org, 2014

International tourism receipts in 2014 was aprox. 1.245 billion \$. These increased by 3.7% (that's 48 million), compared with the receipts in 2013, 1.197 billion \$.

International tourism arrivals in 2014 was aprox. 1.133 million tourists. These increased by 4.3% (that's 50 million), compared with the arrivals from 2013, 1.085 million arrivals.

4. What is the Millennial Generation?

³ Cătoiu, I., Balaure, V., Vegheș, C.: *Marketing turistic*, București, Ed. Uranus, 2007

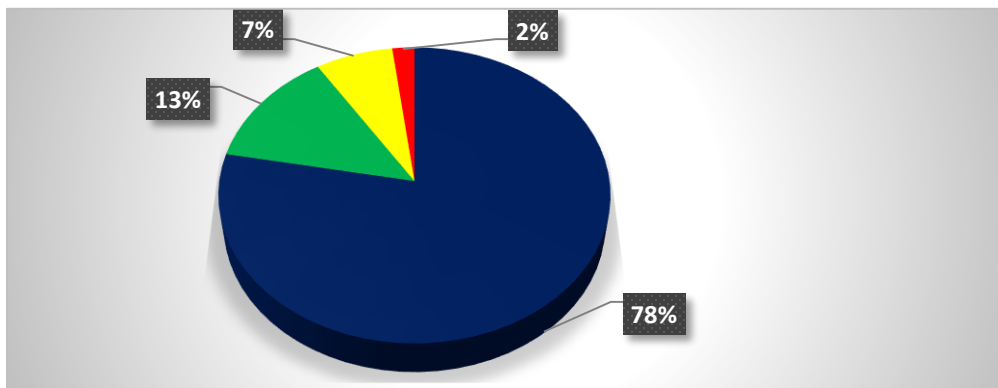
The Millennial Generation is the new concept brought to youth people born between the 80' - 2000 and the age between 15 and 35 years old. This generation is more active, spontaneous, with other priorities than the other 2 generations: The X generation and the baby boomer generation. They enjoy the opportunities given and want to be in control of their own life.

As a consumer, a young Millennials represents the following ideas:

- There are aware of the globalization concept and live their life always connected with hot news. This represents a way of life.
- The new gadgets and technologies are not something new
- WYSE Confederation (the only association for youth travelers) brings another 3 ideas:
 - 70 % of the young consumers do online researches before taking of on a trip.
 - When they choose a service of product, mobile online devices are the key for the youth travelers.

In the next steps I would like to present the Millennial Generation, on ages. This is a 1980 research situation by The American Economic Research.

Figure 1. Millennial Generation, on ages (1980)



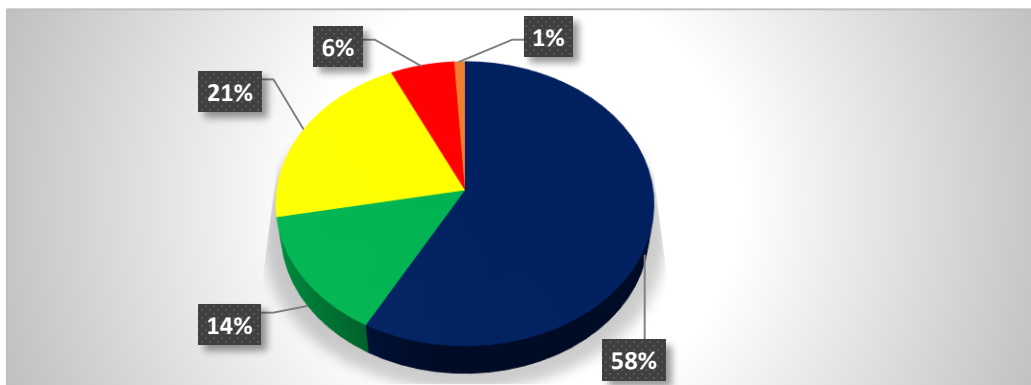
Source: The American Economic Council - "15 factors for Millennial Generation", 2014

78% - European race, 13% - Black race, 7% - Spanish race, 2% - Asian race

As we can see in figure, in the 80', the European race was at 78% of young travelers, 13% of young travelers were black race, 7 % Spanish race and 2 % of young travelers were Asians.

Now, I would like to present the Millennial Generation, on ages, but this time age 2012.

Figure 2. Millennial Generation, on ages (2012)



Source: The American Economic Council - "15 factors for Millennial Generation", 2014

58% - European race, 21% - Spanish race, 14% - Black race, , 6% - Asian race, 1% - other races

We can see that in the last 3 and a half decades the European race decreased 20% from 1980 at 58% in 2012. Black race increased by 1 % from 1980, with 13% to 14 % in 2012. Spanish race increased from 7 % in 1980 to 21 % in 2012 (that's 14 % increasing). Asian race increased from 2 % in 1980 to 6 % in 2012 (that's 4 % increasing).

Gold Sachs Global Investment Research compares the 3 generations (X generation, Millennials and baby boomer). We have the following conclusions⁴:

- The baby boomer generation is born after World War 2 (between 46' - 64'), with 77 million youth people.
- The X generation is born between 65' - 80', with 61 million youth people.
- The Millennial Generation represents the new concept of youth travelers, with online memorial experiences. It's a modern society, with other priorities. The focus on trips, live with their parents, don't have a stable job, they can easy accommodate to new ideas of life. Their number exceeds 98 million.

5. Millennials, the new strategy for companies and destinations

Internationally, young tourism represents 20% of traveling. We can include The Millennial Generation in these subsectors:

- Independent travelers - young people or students who go on a trip
- Pharasal tourism - tradition destinations become more attractive for youth travelers
- Working holiday - from 3 to 12 months Millennials temporally work and travel, international. Using Work&Travel agencies youth travelers have the opportunity to work international (country members for this project) for a limited time.
- Study opportunities - Millennials are signing up for study opportunities in different countries. Erasmus+ program is one of them.

Big hotels from all over the world are always looking to improve their strategy to attract Millennials. There for, Marriott International, Hilton Worldwide say that over 35% of their clients are Millennials. They say that we need to change the traditional way of welcoming. These are some ideas:

- The business centers must be adapted for the young to feel comfortable. Common tables, couches or comfortable chas will help the hotel design to be more parental, a place where you are feel like home.
- Restaurants offer healthy food served in the lobby.
- The rooms are smaller, but with design and attractive furniture.
- Ever room, the hallway, the restaurants most have USB ports, plubs and free WIFI.

Starwoord Hotels & Resorts Worldwide has ever 1.100 hotels in over 90 countries and it's own digital team. They came up with a strategy, functional for now only in the U.S.A - California. O smartphone application compatible with some smartphones that gives the client the opportunity to climb up in the room without staying at check-in or check-out. It's simple: after reserving a room online, the client receives a code on his/hers smartphone that opens the room using bluetooth. ⁵

6. Youth - tourist segments that adopted new technologies intro tourism industry

Unavoidable, the information technology (I.T) had a huge influence over the world. Communication and organization strategies have increased flexibility, productivity, interactivity and, of course tourism competitiveness. This I.T evolution is responsible for the changing of tourism organization and succeeding depends of the speed adaptation at client needs.

Facebook, Instagram, Google+, Twitter, Youtube, Blogspot. These are some of the social network platform used by youth travelers to express their memorial experiences. If you want to promote a new destination, you don't have to spend large sum of money for publicity. If the destination completes the minor demands by Millennial, you can be sure that inevitable they will recommend to their place. Specialists call this Viral Marketing - is different for the tradition marketing measures. Many Millennials express their memorial experience to other friends on social networking (videos, selfies, detailed notes). They don't care about celebrity publicity anymore because they know that someone is paid to claim the new destination. The new kind of publicity is much faster and must important it's free (we can call it also world

⁴ Goldman Sachs Global Investment Research 2014 - "*Millennial infographic*", 2014

⁵ Gross, D., - "*Your smartphone could replace hotel keys*", CNN, 2014

of mouth). This doesn't mean that the tourism industry must wait. They always must improve new opportunities and activities to attract youth travelers so they can tell their friends about the wonderful journey.

7. Accommodation and safety opportunities

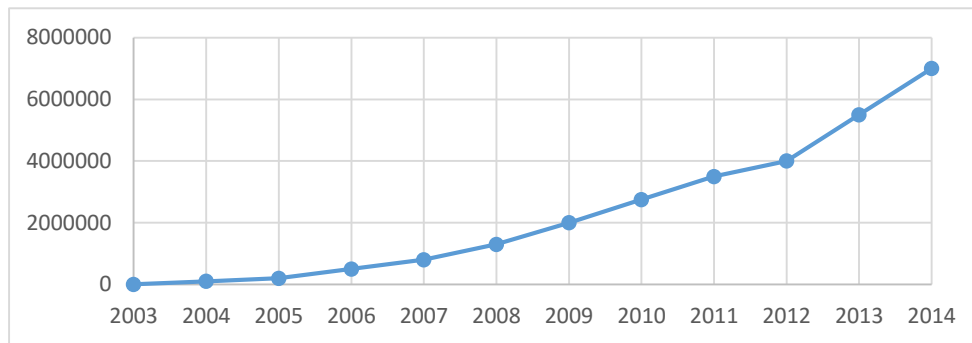
7.1. Accommodation opportunities

Youth people have different preferences and different opinions. When they arrive at a destination, Millennials must eat and sleep somewhere. The prices for a hotel room are different and some of them high and we know that a young's budget is low, that's why we have these services:

- Couchsurfing
- Airbnb

✚ The concept of *Couchsurfing* is an international hospitality service for young travelers that want a cheap accommodation. The prices for a hotel room are different from one hotel to another, it depends the hotel's occupancy and so on. Founded in 2004, this concept started as a alternative for youth travelers to offer accommodation where there isn't a hotel, or if it is, the price is high. Next, I will present the evolution of active users amount the years:

Figure 3. The evolution of active users on Couchsurfing



Source: Goldman Sachs Global Investment Research, 2014

We can see that after it was founded, the next year, Couchsurfing had 100.000 active users. Amount the years, the data base that I was talking about earlier grow with many opportunities and so the active users grow to 7.000.000 active users in 2014. Couchsurfing statistics Infogram tells us that 53 % of the active users are males and 47 % are women. Above I would like to present top 10 country active users:

Table 4. Couchsurfing active users/country

Top 10	Platform	Country	Active users	Percentage
1.	Couchsurfing	U.S.A	874.363	35%
2.		Germany	379.932	15%
3.		France	344.927	14%
4.		U.K	168.024	7%
5.		Canada	163.603	7%
6.		Spain	130.422	5%
7.		Italy	124.659	5%
8.		Brasil	110.150	4%
9.		Australia	107.560	4%
10.		China	95.469	4%
-		-	Aprox 7.000.000	100 %

Source: infogr.am - "Couchsurfing statistics Infogram"

We can see that U.S.A has 35% active users (874.363 active users) and it makes it number one as user number percentage, Germany is in second place with 15% (379.932 active users) and France third place with 14% (344.927 active users).

There are youth travelers who prefer exotic places to relax and have the time of their life. Thailand is a perfect destination, at attractive prices. Below I will present accommodation prices in Koh Phangan according to survey (1 - 5, where 1 is not satisfied and 5 is very satisfied) from each hotel. We will find out that some hotel prices are better seen and used by youth travelers.

Table 5. Alternative accommodation for Millennial Generation in Koh Phangan (Thailand)

Name	Type	Price	Opinion
Anantara Rasananda *****	Villa	205 €/night	4.8 / 5
Santhiya Resort & Spa *****	Villa	120 €/night	4.7 / 5
Sunshine Residence ****	Villa	150 €/night	4.0 / 5
Salad Buri Resort & Spa ****	Villa	43 €/night	3.9 / 5
Haad Yao View Resort & Spa ***	Room	23 €/night	3.5 / 5

Source: Koh-Phangan.ws

I presented accommodation prices in Koh Phangan according to client opinion. We can see that Sunshine Residence is a four star hotel and has a price of 150 €/night, comparing to Santhiya Resort & Spa that is a five star hotel and a price of 120 €/night and its client opinion is a better choice for travelers (4.7 / 5). That's a difference of 30 €/night. If a client prefers a cheaper room we have Haad Yao View Resort & Spa at 23 €/night.

- ✚ Airbnb was founded in 2008 by Brian Chesky and Joe Gebbia and it's a trustful community for different persons that want to travel and to have a house guaranty. The platform offers last-minute accommodation and normal accommodation uniting over 60 million travelers in other 190 countries and 34.000 cities.

7.2. Safety opportunities

STAY WYSE (Safe Travel Accommodation for Youth) is the only non-profit association who represents the whole sector of accommodation for youth. Their mission is to recommend secured accommodation units, at low and right prices for young travelers. It was founded in 2006 by a group of youth tourism providers to offer real information about right and safety accommodation. Between their targets, we have⁶:

- To create a powerful and representative profile that will respond all youth needs when it comes to secure and right accommodation
- Real accommodation statistics and information
- Activities to encourage service accommodation evolution for youth travelers

8. Recreation

Although we talked about accommodation opportunities, security measures for youth travelers we have to talk also about free time and nightlife. These are some offer examples for young travelers:

- Blue Club (Luzern - Switzerland) is the ideal concept for new standards of inside design. With Chinese and Japanese elements of design, bleached oak panels and colored embroidery, the club attracts any attention, even for the most exigent youth.
- Casineum Club (Luzern - Switzerland) is situated in the middle of The Grand Casino Luzern. Initial it was a theater hall, but among the years a large numbers of youth travelers wanted a special club, with a mixed design between classic and modern.
- Located on the famous Playa la Troya sands, Monkey Beach Club (Tenerife) is a *über-trendy* (about fashion) bar with a view to the Atlantic Ocean and it is one of the most wanted places for youth travelers that want an active holiday on the beach.

⁶ WYSE Confederation - Accommodation for youth people”, STAY WISE

- Kon Phangan (Thailand) is an exotic destination for youth travelers that want to spend white nights and holiday adventures.
- Thessaloniki (center of Athena, Greece) is the synonym for non-stop events. It has one of the most wonderful ancient-modern parties in the south of Europe.

9. Conclusions

The Millennial Generation is a new concept brought to youngsters who are born between the 80' - 2000, with ages between 15 and 25 years old. This generation puts accent on memorial experiences that can be shared on social networking platforms (such as Facebook, Instagram, Blogspot, Twitter, Youtube), health, education, catching their dreams and control on their life.

The tourism industry has to improve new strategies to attract youth travelers, but for this we must understand their demands and most of them must be implemented to survey. Hotels must have smaller reception desks and smaller check-ins, smaller rooms, USB ports, plugs, free WIFI, the possibility to open their hotel room using their smartphone and different kinds of price packages.

Youth travelers must have the guaranty for a safe travel and right price. That's why different platforms, such as Airbnb and Couchsurfing, offer the best and right opportunities. When we talk about recreation, exotic places are the most wanted by youth travelers. We talk about the opportunity to learn new cultures, stay near the sea of white night entertainment of beaches. STAY WYSE is the only association for youth travelers. They offer opportunities for Millennials, such as different new about the wanted destination (statistics, right prices, war of politic problems, natural disasters and so on).

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