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# Millennials are reshaping the face of global travel

Numbering around 79 million globally, millennials (born from 1981 onwards) are the largest generation to date and as this age group enters the workplace and begins to have families of their own, they also have the greatest potential influence to effect change these days. Born in a technological era, surrounded by high-tech gadgets and part of social networks from a young age, they are tech-savvy and more adventurous as well with research showing millennials are 23% more likely to travel abroad than their older counterparts.



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"Millennials are having a tremendous impact on global travel – both in terms of travel for business and leisure – and as their experience and spending power increase, so will their preferences continue to shape travel for decades to come," believes Andrew Shelton, managing director of Cheapflights. "There are a number of changes that we have seen influencing the travel industry which have been driven by the following."

#### Tech is king with millennials

Smartphone ownership topped 2.1 billion globally in 2016, and among millennials penetration is <u>almost total</u> in some markets, underpinning a familiarity with and a level of trust in the channel that Cheapflights is itself seeing reflected in its own users: "As the millennial generation grew up we started noticing a definite uptick in online searches as well as searches conducted via a smartphone or tablet – they're by far the biggest market for online sites like ours," says Shelton.

In South Africa alone the Cheapflights app was downloaded by 134,931 people in the last year at an increase of 25%. App sessions have also increased from 1,280,007 visits to 1,577,675 year-on-year (an increase of 23%). Globally, mobile now accounts for over 60% of Cheapflights' search demand, and more than 40% of its revenue, and increasingly the company has adopted a 'mobile first' mindset in both its product and marketing strategies.

#### **Bleisure**

"We're seeing a lot of millennials who need to travel for work taking advantage of the opportunity to indulge in a little bleisure (the new trendy term for combining business and leisure), extending their trips to take in the sights," shares Shelton.

Millennials aren't stingy with money - as long as it's not theirs - for example, BCG has found that millennials spend 13%

more on airline tickets than other business travellers. However, it would seem that this group isn't necessarily extravagant spenders; rather it's a question of value. Shelton explains that, "We're noticing that these flyers are becoming increasingly savvy about how to save money and how to choose the perks that matter enough to fork out added cash for."

## A focus on experiences

Research indicates that millennials prize a meaningful life over possessions or career status. This group is also getting married later in life, leaving them with more disposable income for travelling. "Thanks to the popularity of homestay services like Airbnb, travellers can easily take up residence in a new city or a remote bit of countryside, whether for a few days, weeks, or months. This is giving rise to the search for a more personalised and authentic experience. Paired with services like local tour guide matching and at-home dining with locals, it's far easier to get a full-immersion holiday anywhere in the world. These options add fuel to the growing solo travel market and make it easier to cut the ties to home, which is key to a digital detox experience. For the growing group of travellers motivated to deep dive into a culture, this holiday style is hard to beat," believes Shelton.

Millennials are also influenced in their travel choices by the fact that a number of ecosystems are under threat (think global warming, rising water levels), driving a sense of urgency for seeing destinations that are endangered and supporting tourism services that sustain vulnerable lands and species.

Shelton predicts that millennials will continue to drive the 'experience economy' as their spending power increases: "Because of this group's focus on experiencing life, they're far more likely to book a flight to attend a concert or sports event in person and we're already seeing an uptick in event/experience related travel."

## Target destinations in 2017

Cheapflights identified three key locations likely to lure millennial travellers this year:

**Finland:** With saunas, snow, the Northern Lights in winter, hiking, beaches, stunning scenery and cultured cities in the summer, Finland should be on everyone's travel to-do list. This year may be the best year to visit, as it is their 100th birthday celebration, which runs throughout the year. Celebration spots include a giant snow castle, housing a snow restaurant, snow hotel and even a snow chapel. There's also a wine festival with five 100th anniversary wines and a grand ball to mark the birthday itself.

**Polynesia:** If "Frozen" is any measure, even an animated movie can turn a remote location into a popular destination. Just as the "The Lord of the Rings" movies spiked interest in New Zealand, which played the role of Middle Earth, visits to Norway increased by 20% after Disney brought the winter wonderland of Scandinavia to life in "Frozen." Now the recently released "Moana" shines the spotlight on the incredibly scenic South Pacific, drawing inspiration from places like Hawaii, Tahiti and Cook Islands. While this may not be the most accessible destination for travellers, there is expected to be an increasingly swelling tide of visits, first from fans and then from those who have learned more about Polynesia from the media attention.

**Canada:** All of Canada will be taking part in the country's rolling 150th anniversary this year. Starting from New Year's Eve, every event will be bigger and better, and every city and town will be getting in on the action with festivities and celebrations. Montreal will be doubling down on its celebrations, as 2017 also marks the city's 375th anniversary. There will be 102 events throughout the city and the year, to be kicked off by lighting up the Expo 67 Biosphere. Look for everything from pop-up art galleries to seasonal festivals, and from neighbourhood celebrations to a concert featuring three orchestras and hundreds of performers. In a year when Canada is a hot spot for travel, Montreal looks to be a particularly big draw.

As millennials continue to explore the world (whether through bleisure or purely leisure) their preferences as the biggest group of travellers will continue to reshape the international travel industry for decades to come.

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