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### Profiling generation Y - Where do they travel?

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## Profiling generation Y - Where do they travel?

### Abstract

While there are several studies which discuss travel behaviour of senior travellers, there is limited discussion of the travel habits of generation Y. The objective of this paper is to profile Generation Y based on their travel attitudes and behaviour in order to better understand this segment. This research utilizes data provided by the Roy Morgan Research Centre in Australia (RMRC). The data were collected in 2006 and 2007 from a large sample of 46,000 Australian respondents. Generation Y is compared to other Generations on travel motivation, holiday activities, booking methods used, media habits and destination preferences. Generation Y has distinctive travel attitudes and destination preferences. Directions for future research are outlined.

### Keywords

Profiling, generation, Where, they, travel

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## **Profiling Generation Y – Where do they travel?**

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### **Abstract**

While there are several studies which discuss travel behaviour of senior travellers, there is limited discussion of the travel habits of generation Y. The objective of this paper is to profile Generation Y based on their travel attitudes and behaviour in order to better understand this segment. This research utilizes data provided by the Roy Morgan Research Centre in Australia (RMRC). The data were collected in 2006 and 2007 from a large sample of 46,000 Australian respondents. Generation Y is compared to other Generations on travel motivation, holiday activities, booking methods used, media habits and destination preferences. Generation Y has distinctive travel attitudes and destination preferences. Directions for future research are outlined.

**Keywords:** profiling, Generation Y, Australia, segmentation, travel behaviour

## **Profiling Generation Y in Australia – Where do they travel?**

### **Introduction**

The financial crisis and increasingly competitive market situation provides a strong challenge to world businesses especially those in travel and tourism. Markets are dynamic and the impact of recession can vary by demographic characteristics of customers, especially age of consumers. To be able to survive, marketers, especially in tourism, try either to segment the market or select a target where they can compete with other competitors to retain customers, or to find the new market for their products or services to attract customers. Segmentation is a powerful and effective tool in targeting profitable market in tourism.

Donicar and Leisch (2004), conclude that there is no single best way to segment markets. Market segmentation is still widely studied in tourism research with a range of segmentation bases or variables including demographics, socioeconomics, psychographics, holiday activities and a range of travel specific variables. Much research indicates that there are different people within the segmented groups (Rotfeld, 2007). Being within the same age group does not mean that they are homogeneous who have the same preferences. Using age-base in demographic segmentation in tourism has been popular only in senior or baby-boomer market segmentation, for example, Hawes (1988), Horneman et al. (2002), Littrell et al. (2004), and Shoemaker (1989). There is limited research studying other generations, especially Generation Y, with subsequent averaging of independent variables across demographic groups (Jefferson, 1991). The characteristics and travel attitudes and behaviour of Generation Y tourists are not specifically addressed.

Dolnicar (2004), in a comprehensive study, categorises segmentation approaches using the building blocks of data-based and common sense segmentation. Researchers commonly use socioeconomic and demographic variables to segment markets. Some researchers segment the market on gender, (Balogu and Shoemaker, 2001, Kim et al., 2000), income, (Kozak 2002), region (Yuan and McDonald, 1990), motives, (Balogu and Shoemaker, 2001; Yuan and McDonald, 1990), travel party composition (Bieger and Laesser, 2002) and trip purpose (Bieger and Laesser, 2002, McQueen and Miller, 1986).

Woodside and Pitts (1976) study differences in the characteristics of tourists. They investigate socio-demographic characteristics, motivations, tourist activities, travel experiences, and lifestyles and values. Many researchers attempt to explain consumers' lifestyle patterns in terms of demographics, which are very important in explaining consumer behaviour at that time.

Marketers often study generations because they supposedly share similar attitudes, have similar lifestyle and life experiences. The baby boomers were born 1946 –1964, (now aged between 45 and 63) attended university mid-60's to mid-80's –largest generation in history. They enjoyed The Rolling Stones, The Beatles, JimiHendrix, Disco & Elvis. They experienced global terrorism –Munich Olympics (1972). Generation X was born 1965 –1978 (now aged 31 to 44). They attended university in the early 80's to late 90's. They enjoyed the New Romantics, Madonna, Split Enz, Crowded House & Nirvana. They experienced global terrorism –Lockerbie Disaster (1988). Generation Y was born between 1979 and 1995 (now aged 14-30). They are tech-savvy, optimistic & demanding –current majority of university population. They enjoyed Greenday, Australian Idol, Limp Bizkit, The Veronicas. They experienced global terrorism –9/11 (2001). Generation Z was born between 1996 and the

present (dates and name still under debate). They are currently aged 0-13, still forming their world view. They will be multi-taskers and will have careers in industries that exist that may be unknown today.

The objective of this paper is to identify the travel attitudes and behaviour of Generation Y in order to better understand this segment group. These Gen Y travel variables are compared with those of older generations.

### **Method**

This research utilizes data generated from the Roy Morgan Research Centre in Australia (RMRC). RMRC collected these data in 2006 and 2007 from a face-to-face survey and a self-completion questionnaire survey. A large sample of 46,000 Australian respondents was interviewed. The data has been weighted to indicate exact representation of the Australian population. The sample is representative of the Australian population and therefore includes travellers and non-travellers. The data collected include a wide range of variables such as media habits, demographics, AIOs, consumer travel attitudes behaviour and intentions, and travel motivations. This research only examines respondents between the ages of 18 to 29 as being a subset and somewhat representative of Generation Y. Respondents under 18 years old were excluded as they often follow the travel decisions of their family. These consumers comprise 3.6 million people out of the population of 17 million who were 14 years and older in 2007 and 3.2 million people who were 18 years and older in 2007.

### **Findings**

The Gen Y respondent profile illustrates equal percentages in terms of gender. They mostly finish or do HSC and attend University. They work full time (35%) and part time (31%). They are mostly students. They mostly live in NSW (35%).

The Generation Y respondents in this study are aged between 18 and 29. They are likely to be undertaking or had taken significant educational study. Over 70% are in the workforce. They are medium to heavy users of the Internet. Over 50% watch commercial TV on a normal weekday.

Table 1 illustrates the media usage of Generation Y. Usage is compared to older generations. As expected, the Gen Y respondents are heavier Internet and Cinema users. They are not much into traditional media such as radio. They are less likely to read newspapers than older generations.

Types of preferred holiday are shown in Table 2. They prefer more of a short break to escape the grind and other types of holiday. Surprisingly, they do not engage in a very active holiday where they could pursue physically challenging activities however as expected, they more likely take this type of holiday than older generations. They are more likely, than older generations to prefer a holiday in a vibrant, stylish, cosmopolitan place where they reenergise themselves. As expected, Gen Y is more active on their holiday although they also seek rest and relaxation. As shown in Table 3, Gen Y is more likely than older generations to use the Internet to book travel. Table 4 illustrates that Gen Y has a different holiday activity profile. They are more likely to visit friends, go shopping, eat at restaurants, go to discos, experience night life, go surfing and have a beach holiday. Gen Y and other groups Y have similar channels of distribution for the booking of travel as shown in Table 5. Gen Y has some different destination preferences for long trip holidays. These are shown in Table 6. Gen Y

has stronger preference for the Americas and Asia, similar preferences for Australia and Europe and lesser preference for New Zealand.

Table 1 Media Usage of Generation Y in Australia

Media		Gen Y	Older than Gen Y
READERSHIP OF NEWSPAPERS	Heavy Newspapers (7+ in last week)	24%	34%
	Medium Newspapers (3-6 in last week)	26%	23%
READERSHIP OF ALL MAGAZINES	Heavy Magazines (5+ issues read)	34%	33%
	Medium Magazines (2-4 issues read)	37%	40%
COMMERCIAL TV VIEWING (ON A NORMAL WEEKDAY)	Heavy Comrc'l TV (4+ hrs per day)	17%	21%
	Medium Comrc'l TV (2-<4 hrs per day)	41%	41%
COMMERCIAL RADIO LISTENING (ON A NORMAL WEEKDAY)	Heavy Comrc'l Radio (4+ hrs per day)	15%	16%
	Medium Comrc'l Radio (2-<4 hrs per day)	16%	16%
INTERNET USAGE	Heavy Internet (8+ times in last week)	44%	35%
	Medium Internet (1-7 times in last week)	31%	29%
CINEMA ATTENDANCE	Heavy Cinema (2+ visits in last 3 mths)	38%	23%
	Medium Cinema (1 visit in last 3 mths)	22%	19%

Table 2 Types of Holiday of Generation Y in Australia

Holiday Type	Age Group	
	Gen Y	Older Than Gen Y
A holiday in a vibrant, stylish, cosmopolitan place where I reenergised myself	9.3%	4.3%
Toured around by car and discovered things at my own pace	13.0%	14.0%
A family holiday where I relaxed and the kids were occupied	9.7%	11.8%
A very active holiday where I pursued physically challenging activities	5.1%	2.2%
A holiday where I undertook some active outdoor pursuits	9.5%	8.5%
A short break to escape the grind	38.3%	33.7%

Table 3 Medium used to book a short trip (1 to 2 days)

Medium used to book a Short Trip	Age Group		Total
	Gen Y	Older Than Gen Y	
In person	12.3%	10.0%	10.4%
Over the phone	33.3%	30.5%	31.0%
Through website	21.3%	13.6%	14.8%
By email	3.0%	2.8%	2.8%

Table 4 Short Trip Holiday Activities

Short Trip Holiday Activity	Age Group		Total
	Gen Y	Older Than Gen Y	
Visiting friends or relatives	46.1%	42.4%	43.1%
Shopping	26.2%	18.3%	19.8%
Restaurants, International food, Wine	24.8%	18.0%	19.3%
Cinema, Movies	6.8%	3.1%	3.8%
Disco, Nightlife	9.6%	1.0%	2.7%
Bike riding	3.0%	2.0%	2.2%
Fishing, Hunting	7.0%	6.0%	6.2%
Bushwalking	10.4%	8.9%	9.2%
Surfing, Swimming	18.1%	11.5%	12.8%
Art Galleries	4.2%	5.4%	5.1%
Gardens/ Parks	9.1%	10.1%	9.9%
National parks, Forests	12.4%	10.5%	10.8%
Cities	8.7%	6.0%	6.6%
Rest & relaxation	49.6%	43.4%	44.6%
Meet & mix with other people	17.0%	18.2%	18.0%
Beach holiday	17.2%	10.9%	12.1%

Table 5 Long Trip Booking Channel

Long Trip Booking Channel	Age Group		Total
	Gen Y	Older Than Gen Y	
Travel Agent	23.6%	21.3%	21.7%
Airline	16.2%	11.4%	12.2%
Tour Operator	2.2%	2.3%	2.3%
State Tourism Authority/ Government Travel Centre	.9%	1.2%	1.2%
Motoring Club (e.g RACV, RACQ, NRMA, etc)	.4%	.7%	.7%
Shipping Line	.2%	.7%	.6%
Online only agency (e.g. Webjet, Wotif.com)	4.3%	5.5%	5.3%
Booked accommodation directly	20.7%	27.7%	26.4%

### Conclusion

The existing data set includes respondents who are representative of the Australia population. In this way the travel attitudes and behaviour of all cohorts (seniors, baby boomers, generation X and generation Y) can be compared. This study compares the travel motivation, destination preference, travel activities, booking methods and media habits of Generation Y and other older generations. Attitudes toward travel of these groups can also be compared to provide insights into travel behaviour. These results would provide tourism operators who target Generation Y consumers with insights which are useful in developing marketing programs. A range of research directions are contemplated. The interactions of these travel

variables need to be examined so that Gen Y holiday packages can be optimised and assessed.

The impact of the Internet and new media on travel booking and post experience can be further studied. Examination of the travel expectations and travel experience could be undertaken. The role of social media, blogs and web 2.0 in generating travel referral and recommendation could be assessed.

Table 6 Long Trip Preference

Long Trip Preference	Age Group	
	Gen Y	Older Than Gen Y
A.C.T.	2.3%	2.6%
New South Wales	22.7%	21.3%
Victoria	22.4%	19.7%
Queensland	36.7%	32.2%
South Australia	7.1%	9.7%
Northern Territory	9.5%	11.9%
Tasmania	9.8%	13.3%
Western Australia	13.2%	16.5%
New Zealand	25.2%	31.3%
Total Americas	50.5%	40.1%
Total Europe	60.6%	57.1%
Total Asia	46.4%	35.6%
Total South Pacific (excl. NZ)	17.5%	13.7%
Total Long Trip Preference	82.4%	75.1%



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