

# AdAge

**Gen Zers love to travel—and they have money to spend. Savvy marketers will want to cater to this crowd. Here's how.**

## **MEET GEN Z: THE TRAVELING GENERATION**

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# MEET GEN Z: THE TRAVELING GENERATION

**Gen Z** might be the youngest consumer generation, but they're already having a major impact on the global economy, especially when it comes to travel. Marketers in the travel vertical need to start paying attention to why engaging with them can't be a one-size-fits-all approach.

Gen Z, born between 1997 and the present, began traveling with their parents almost before they learned to crawl. Now, as they come of age, Gen Zers continue to seek out new adventures and opportunities—sometimes with family, but, as global Student Affinity Network UNiDAYS has discovered, increasingly on their own. And that's where brands can come to their aid—and to their attention—in a number of different ways.

The oldest members of Generation Z, particularly those of college age, see travel as an essential part of their lives. Because they are digital natives and have grown up in the age of Instagrammable adventures, Gen Z wants to get out and see the world. This speaks volumes about the opportunities to engage them. Like younger Millennials, they place greater emphasis on experiences over sheer product and material acquisition. For the Zs, travel is a shareable status symbol—something they can post to friends and family on Instagram and Facebook, using the backdrop of an exotic locale or iconic museum as a means of showcasing and celebrating their individualism.

Just as importantly, Gen Zers are willing to spend their money on travel—and, surprisingly, they have a significant amount with which to do so. For marketers in travel and related sectors, Gen Z represents an incredible opportunity to garner consumers with the highest lifetime value.

Consider:

- Gen Z makes up 26 percent of the U.S. population as of 2017, according to the U.S. Census.
- They command \$143 billion in U.S. spending power, as estimated by Millennial Marketing.

But with opportunity comes challenge. Gen Z is also more elusive to reach than previous generations. Unlike Boomers, Gen Xers or early Millennials, they tend to be difficult to engage using traditional marketing and advertising channels. Instead, they look to social media and word-of-mouth recommendations from family and friends for new brands and experiences—and this rule of thumb very much applies to globetrotting.

## **Where Gen Z Goes to See the World**

To find out more about Gen Zers and their travel habits, UNiDAYS surveyed 11,661 college students between the ages of 17 and 23 in the U.S., U.K., Australia and New Zealand—how often and how far they travel, how much they spend, where they go, what their lodging preferences are, what they like to do and what kinds of incentives have the power to attract them to certain locations and activities more than others. Here are five key findings marketers need to know for reaching Gen Z travelers:

### **1. Gen Zers are always-on travelers. Don't leave them stranded.**

Whether it's heading home for winter break, visiting their friends at colleges in neighboring states or searching for the perfect travel destination, Gen Z is going places. Constantly,

## Meet Gen Z: the Traveling Generation

in fact: Around 51 percent of all UNiDAYS survey respondents stated they travel more than 50 miles every one to three months.

Respondents to the UNiDAYS survey were almost universal in their enthusiasm for travel, with nearly 99 percent of students surveyed saying they like to travel. Overall, 61 percent planned to take a trip for spring break, with 73 percent of U.K. students planning a spring vacation versus only 45 percent of their U.S. counterparts.

Tied to their interest in exploring the world is a desire for spontaneity. They'd rather wing their vacation experiences than painstakingly plan every hour of them. Gen Zers book their travel only three months out—compared to as many as 12 months for Baby Boomers.

Unlike previous generations, they are used to having instant access to recommendations—from a trusted digital source or crowdsourced on social.

Gen Zers travel consistently year-round while still preferring to make spur-of-the-moment travel plans. It's a combination that presents the global travel industry with an

always-on, ever-renewable opportunity.

Airlines can move excess inventory by giving students last-minute deals on airfare in real time. The same rule can apply for hotels seeking to fill guest rooms, or rental car companies in search of last-minute drivers.

In fact, incentives in general can motivate Gen Zers to travel. When asked how they select their airline, 76 percent of all respondents said price is the key motivator. Brands positioned to extend last-minute offers to this spontaneous yet value-minded group through the right channels will have an advantage in the long run.

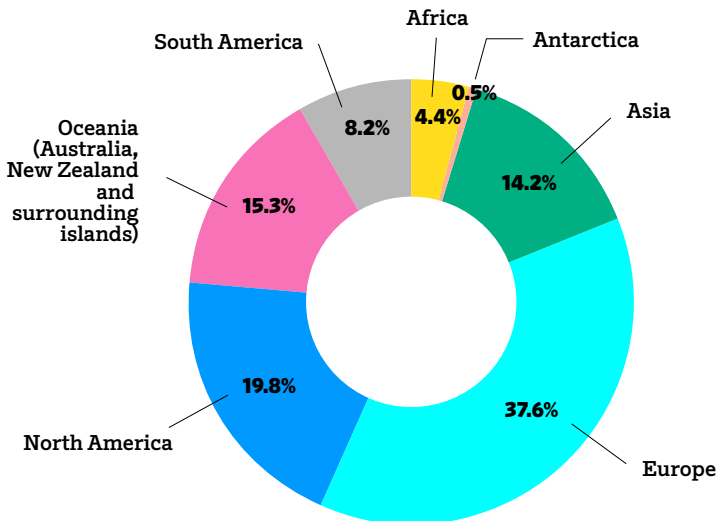
**The Takeaway:** Unlike certain brands that are only relevant to Gen Z, travel brands have the potential to span all life stages. Getting on board with Gen Z early at a time when they are developing brand affinities creates the potential to engage them—long after they've graduated.

In addition, their loyalty is contagious. Inspire them to be your social media megaphone and an integral part of your marketing.

**2. If you think the average Gen Z student is broke, you must be thinking of someone else.**

### Where do you want to go on your next big trip?

Europe ranks as the top destination for all Gen Zers.



Source: UNiDAYS 2018 Travel Survey, all respondents.

Don't underestimate the spending power of Gen Z. As noted above, Gen Zers control an estimated \$143 billion in spending power on their own—and that's just for the U.S., a market of which they're expected to constitute 40 percent in the next two years.

And while many Zers may be college students, that doesn't mean they don't have money to spend, especially when it comes to travel. Of all survey respondents, 62 percent say they work and save to finance their travel, with only 18 percent relying on their parents to pay for their trips. Additionally, 69 percent describe their travel style as "affordable with the occasional splurge." Given the emphasis they place on experiential travel, Gen Z will pay a premium for something they can check off their bucket list.

What does that mean in terms of spending? According to the UNiDAYS survey, 44 percent of U.S. students spent an average of around \$250 to \$750 for a typical vacation. Students from Australia and New Zealand were the biggest spenders, with 51 percent spending AU \$1,000 or more and 40 percent of New Zealanders spending NZ \$1,000 or more.

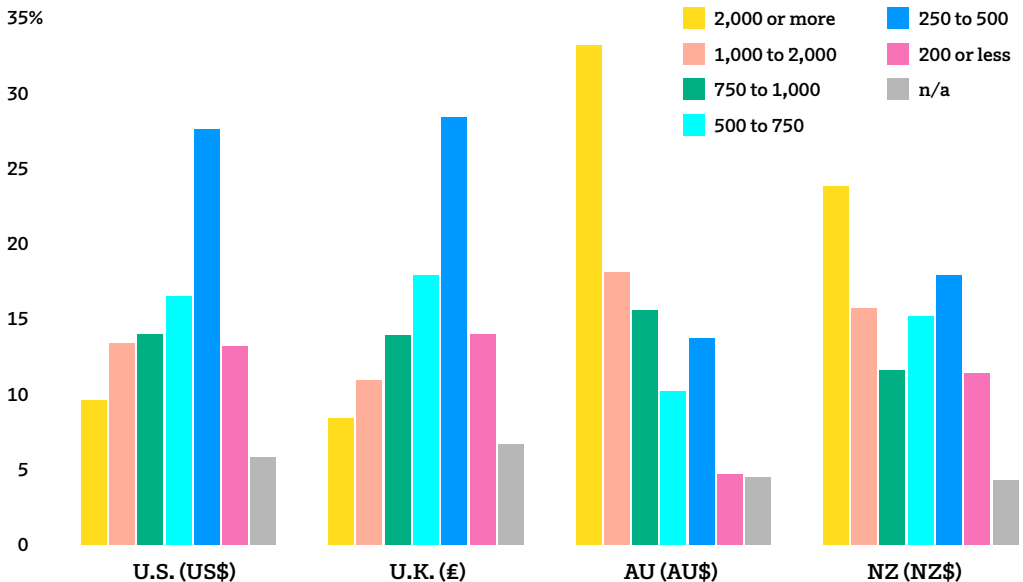
That makes sense when you look at where these students are traveling. Overall, 43 percent said their last journey was a domestic trip, while 53 percent traveled internationally. U.S. students were more likely to travel domestically, at 63 percent, while international travel dominated with U.K. students (66 percent), Australian students (59 percent) and New Zealand students (59 percent).

There are, of course, minor regional differences. For U.S. students, the traditional American road trip still holds its age-old mystique, whereas for U.K. students it's easy to hop on a train or shuttle jet and head for neighboring countries. For Australians and New Zealanders, the closest countries to visit are at least a seven-hour flight away, which boosts the cost of just getting to a destination (though that doesn't seem to be stopping them).

**The Takeaway:** Today's students aren't afraid to spend on travel. In fact, when given the right opportunity, they're willing to splurge on it (so long as they feel that what they're paying is worth the experience). As a brand, make sure Gen Zers are among your key audiences. It's also

**How much did you spend on your last trip?**

By currency of country



Source: UNiDAYS 2018 Travel Survey, all respondents.

imperative that you provide them with different opportunities (whether cost-effective, luxurious or a little of both) that can meet their expectations without taking their bank accounts for a rough ride.

**3. Give students exclusive perks.**

More than any other generation, Gen Z is looking for value when making its travel arrangements. One primary reason? They're spending their own money. As students, they're working hard for it. It's only natural they'll seek ways to maximize their dollars, pounds and euros to the fullest extent.

How can brands help Gen Zers get to where they want to go without breaking their banks? Here's one actionable way: Offer preferred rates to students. Take a page from the corporate advantage programs you already offer, and embed that thinking into your Gen Z marketing strategy.

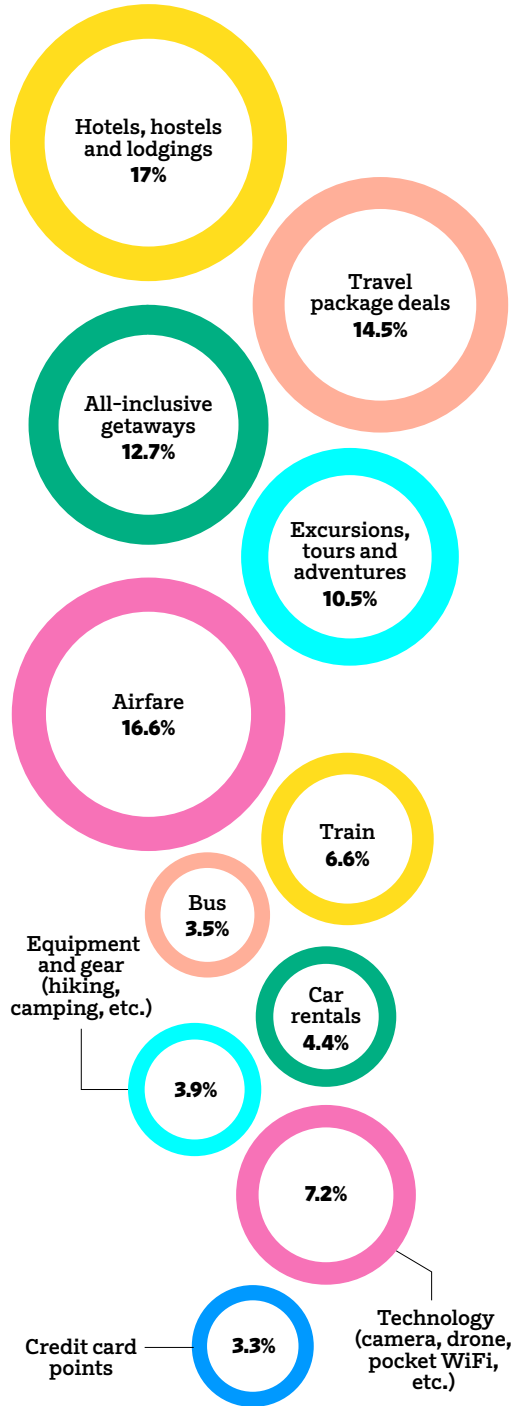
According to the UNiDAYS survey, 59 percent of respondents said they would use travel incentives and special offers if they were available. In terms of airlines, 76 percent said they go for price over everything else. This presents an opportunity for travel providers to learn more about the travel patterns and preferences of Gen Z and then come up with the right offers that matter. For example, finding a way to offer exclusive last-minute travel deals to students will go a long way.

**The Takeaway:** Why not give students new incentives for not misplacing their student IDs in the laundry—reasons that go well beyond using them to access their dorms or campus meal plans? Given we know they are value-conscious and book last minute, this presents an opportunity for travel companies to develop meaningful offers.

**4. Think beyond the beach: Market to cultural experiences—not party culture.**

College students just want to travel so they can party, right? Wrong. Any marketer that automatically assumes this is buying into a cultural myth—and selling out their brand. While 36 percent of survey respondents said their next vacation would be at a beach locale, that doesn't mean they're all headed for the traditional surf and turf of Ibiza, Bali or Panama City. On the contrary, 31 percent of survey respondents

**What discounts would motivate you to travel?**  
Hotels, airfare and package deals top the list.



Source: UNiDAYS 2018 Travel Survey, answers multiselect, all respondents.

said they'd opt for a city trip, 22 percent would choose an outdoor adventure and roughly 11 percent said they'd prefer a luxury resort getaway. Surprisingly, 58 percent of Gen Zers surveyed also expressed that they prefer to stay at hotels over Airbnb and vacation rentals.

Another thing that may come as a surprise: In the UNiDAYS survey, the No. 1 activity Gen Zers said they want to do when traveling is eat out. That was followed closely by sightseeing and visiting museums and outdoor adventures. As for partying? It came in at a distant sixth place. Again, don't assume anything with this group.

**The Takeaway:** Gen Zers are more sophisticated than you'd expect. There's a strong demographic-wide demand for cultural experiences abroad, and the travel industry can meet that need. For marketers that promote restaurants and cafés, museums and other sightseeing spots, this opens up a whole new set of possibilities in reaching student groups with money to spend—especially when factoring in Gen Z's influence over their families' budgets. Offering student discounts and package deals

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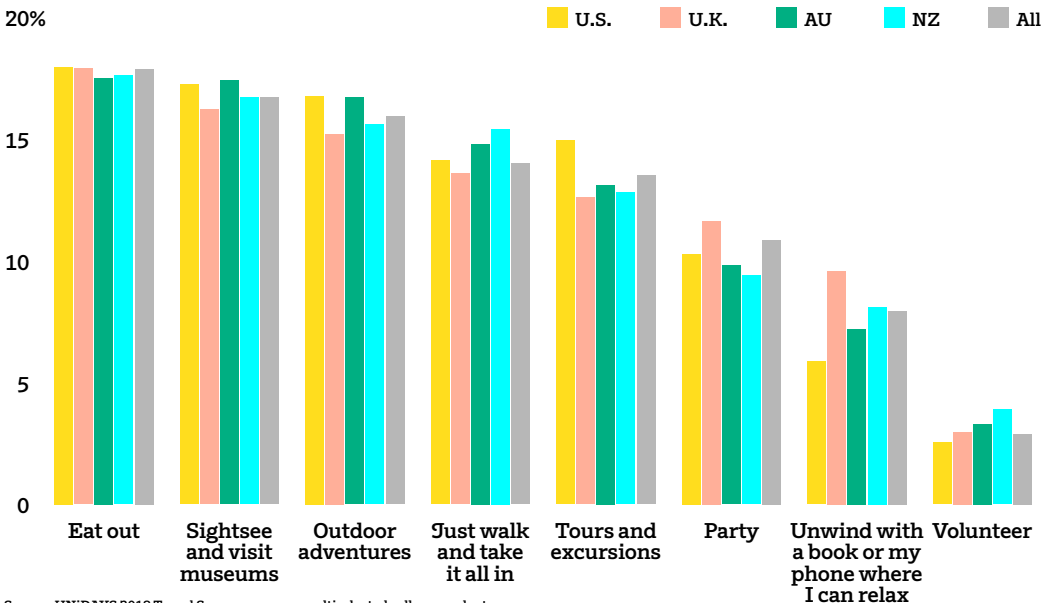
for the Eiffel Towers, Metropolitan Museums and Yosemite National Parks of the world can have a big effect in drawing students to tours and other sightseeing opportunities.

### 5. Let Gen Zers do the marketing for you.

Gen Zers surveyed tend to view cultural experiences and travel adventures as things that define their lives over the long run. So it shouldn't come as a surprise that Gen Zers aren't merely frequent fliers when it comes to vacation—they're frequent posters, sharers and tweeters on social media as well. Broadcasting their travels on Instagram and similar networks not only reaffirms their own

### What do you like to do when you travel?

The No. 1 activity Gen Zers said they want to do when traveling is eat out at local restaurants.



Source: UNiDAYS 2018 Travel Survey, answers multiselect, all respondents.



88 percent of students post during their vacation week — and 72 percent tag their location.

Marketers can become part of the Gen Z conversation by creating distinctive settings for photos, such as New York's Peruvian restaurant Baby Brasa (left) and the Envoy Hotel.

sense of self, it also lets them build their own personal brands and become micro-influencers among their peers.

According to the UNiDAYS survey, around 22 percent of respondents said they post on social media every day while on vacation, and 53 percent post at least once or twice over the course of a week. This, in turn, influences their friends and family, with 20 percent of Gen Zers saying social media inspires them to travel and 25 percent saying their travel choices were inspired by friends and family.

Social media opens up new opportunities for marketers to make their brands part of the conversation with the college-age crowd. Hotels can have Instagram accounts that not only showcase the eye-catching novelty of their rooms, suites, restaurants and swimming pools, but also show Gen Z collegians having a great time in those spaces. The more Gen Zers see other Gen Zers enjoying particular hotel chains or cultural destinations, the more likely they're going to want to enjoy them too.

**The Takeaway:** Make sure your destination is perceived as singular and unique by using landmark pins and corresponding photos. It may be an unusual set-up in a hotel lobby or a distinctive environment in a coffee shop; that's up to you. The point is, you need to make sure

the 88 percent of students posting during their vacation week—and the 72 percent tagging their friends on these locations—want to share your business. Once your business is shared among friends and family, it naturally attracts their interest. In other words: Set up an environment that encourages social interaction—and watch your Gen Z traffic pick up.

### Conclusion

In the final analysis, Gen Z is a generation that seeks out new adventures and experiences—and has the right amount of spending power to make things happen. Brands that can engage and create an affinity with this group will reap the benefits for years to come as these consumers age and their income grows.

At the same time, reaching Gen Z is not a one-size-fits-all proposition. Brands have to be adaptable. They need to find ways of generating meaningful value and savings that go well beyond what's currently being offered to Gen Z travelers—in hopes of creating long-term loyalty.

And they need to insert themselves into the conversation. This might not be easy, since it requires stretching and expanding current marketing practices, but it does promise huge rewards for marketers that make the bold leap forward.

### **Ad Age Custom Studio**

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### **About UNiDAYS**

UNiDAYS is the world's leading Student Affinity Network. We connect brands to more than 10 million Gen Z college students around the world, giving them the power to make every experience more valuable and rewarding. Our award-winning marketing platform provides student verification technology and integrated marketing solutions to some of the world's most recognizable brands, including Apple, Adidas and Samsung. Founded in 2011 by CEO Josh Rathour, UNiDAYS has offices in London, New York and Sydney, and is headquartered in Nottingham, UK.

For more information, visit [www.myunidays.com/genz](http://www.myunidays.com/genz).