

**The Connected Visitor Economy Bulletin**

HOW GEN Z WILL DRIVE THE FAMILY TRAVEL AGENDA

Rise of the tech-savvy travelling family

Families prefer travelling together, yet the travel industry still fails to put families at the center of the travelling experience. Recent data suggests that family travel is experiencing a major growth spurt and overtaking other categories within leisure travel. Families are seeking much needed time off to reconnect and create lasting memories away from the demands of daily life.¹ Families are also moving beyond the traditional beach holiday and seeking out more unique destinations and niche experiences that cater to their interests.² Trips including cultural immersion and adventure are increasingly the norm.



¹ Schänzel, H., & Yeoman, I. (2015). Trends in family tourism. *Journal Of Tourism Futures*, 1(2), 141-147. <https://doi.org/10.1108/jtf-12-2014-0006>

² Christoff, J. (2018). *Family Travel Continues to Grow*. TravelPulse. Retrieved 11 March 2020, from <https://www.travelpulse.com/news/features/family-travel-continues-to-grow.html>.



These trends suggest a growing demand for services tailored to multi-generational travel. At present however, families rely on basic search engine recommendations and word of mouth to make their plans, scouring at least 14 different websites and combing through long lists and reviews to discover family-friendly destinations and itineraries.³

With the rise of Generation Z (Gen Z) and Generation Alpha (Gen Alpha) into the ranks of travellers, there is a significant opportunity to improve the digital and organisational aspect of the family travel experience in a way that caters to their tech-savvy sensibilities. Gen Z is known to be adventurous and bucket-list oriented, seeking experiences off the beaten path, with 90 percent of Gen Z travellers consulting Facebook and Instagram when planning trips. Notably, they want to see not just what other travellers have experienced, but also what locals are doing.⁴ Research also shows that Gen Z is adventurous and budget-conscious, lured more by personalised and authentic offerings than obligatory attractions and experiences.⁵ The time is ripe for services that provide a combination of authentic, digital curation for outward-bound travelling families.

The need for digitally integrated travel planning

The digital revolution has transformed the entire holiday-planning process value-chain. Online travel guides, direct distribution by airlines and hotels, and bespoke tour operators have all ramped up their digital channels to reach customers. Parallel to the much-touted concept of the “Fourth Industrial Revolution”, the travel industry now speaks of “Tourism 4.0”. Artificial intelligence (AI) is one suite of tools that is helping hospitality, and aviation companies tailor their offerings based on customer history or demographic data.

However, many gaps still remain, including those with some of the most basic requirements for travelling families. For example, airlines don’t automatically place adults’ and minors’ seats together, and children’s meals are lacking. Hotels have very few family rooms and don’t guarantee interconnecting rooms until arrival and check-in, pending availability. Car rental companies rarely provide child seats, and tour operators rarely build itineraries aimed at satisfying multi-generational groups. There are many pain-points along the travel journey, and there appears to be that many more for travelling families. Better user-interfaces and data-collection could go a long way toward catering to this large and growing customer segment.

Early movers in embracing Gen Z and Gen Alpha

There have been important examples of travel industry players innovating at the intersection of technology and experiential travel. Hilton Hotels has deployed digital tablets across many of its properties that provide recommendations and offer discounts and deals.⁶ Marriott’s Renaissance chain not only has the kids club facilities usually found in larger resorts, but also offers many family rooms, with bunk beds, that can be separated from the living room using sliding wooden panels. Integrated urban resorts, such as Singapore’s Marina Bay Sands, offer hotels, restaurants, theatres, live entertainment, shopping and museums, all in one complex. KLM and other airlines offer reduced fares for children under 11.⁷ The Kids Fly Free promotion by Qatar Airways which includes waiving airfare for two children between the ages of 0-11, is offered on a regular basis. Emirates Airlines is known for its extensive in-flight entertainment selection and toy packs for children.

³ Peltier, D. (2015). 5 Charts Showing the State of Family Travel in the U.S. [Blog]. Retrieved 11 March 2020, from <https://skift.com/2015/09/29/5-charts-showing-the-state-of-family-travel-in-the-u-s/>.

⁴ Sakinah, I. (2020). From Gen X to Gen Z: How Travel Trends Differ Across Generations [Blog]. Retrieved 11 March 2020, from <https://www.tripzilla.com/gen-z-gen-x-gen-y-travel-trends/99309>.

⁵ Travel Trends: On The Go With Generation Z. CMO.adobe.com. Retrieved 11 March 2020, from <https://cmo.adobe.com/articles/2019/5/generation-z-travel.html>.

⁶ Machuca, J. (2019). 6 Brands Opting for a Personalized Travel Experience. Wearemarketing.com. Retrieved 11 March 2020, from <https://www.wearemarketing.com/blog/importance-creating-personalized-travel-experiences.html>.

⁷ Ibid

These are all excellent examples of specific brands undertaking adaptation. However, each could go further with this, and the industry could make more systematic efforts to embrace the family travel market. Millennials and Gen Z are, after all, already the two largest demographic generations at present, with younger cohorts often still travelling with their parents on holidays. Their combined economic weight and cultural influence cannot be ignored by any industry. Given how vocal the current youth are on matters such as climate change and social justice, it should come as no surprise that parents increasingly include them in decision-making about travel as well. This presents a major opportunity



for the travel industry to expand its child- and family-centric offerings.⁸ From the standpoint of families and children, these are no longer just nice-to-have add-ons but fundamental criteria in the choices they make. It is only a matter of time before rankings of family-friendliness spread more widely across the industry, spurring positive competition to meet the needs of this growing segment of travellers.

Impact of technology on Gen Z travel behaviour

The net income of younger generations may be less but that does not hamper their travel plans. Gen Z is willing to spend money on travel experience while being fiscally responsible about it; their aim is to get more value out of travel spending. Given that Gen Z is also known as ‘iGen’ (having grown up with the iPhone), it is no surprise that they are also looking for Instagrammable locations. The digital influencers emerging from this generation have enormous sway over youth preferences. Forty-five percent of Gen Z follows more than 10 online influencers, while around 10 percent of them follow more than 50. Social media travel influencers thus play a significant role in itinerary planning. Influencers who know their audiences and have the ability to tell compelling stories are the ones who have been able to carve out a niche for themselves and make huge impacts on their audiences.⁹

At the same time, some of the major influencers of this generation are their own peers, who are preferable even to celebrity influencers, given the higher degree of relatability, and the fact that they need to travel with their parents. User-generated content, from visual stories to must-see list sharing, has the right mix of authenticity and originality to entice Gen Z. This also helps explain youth skepticism toward paid advertising and sponsorships, which they view as too “curated and designed to oversell”, and their preference for authentic online reviews and ratings sites, such

as TripAdvisor, as well as unsponsored blog posts. Research shows that with user review sites like TripAdvisor in play, booking rates have significantly shifted as actual user experiences trump advertised content.¹⁰

A generational opportunity

While today’s concerns centre on the impact of the coronavirus and other disruptions on business travel, questioning even how necessary it is and how to circumvent it, few would say the same of family travel. Indeed, it is an important right of passage for a growing number of families worldwide.



⁸ Mueller, J. (2019). Six Big Trends in Family Travel for 2019 [Blog]. Retrieved 11 March 2020, from <https://www.virtuoso.com/articles/virtuoso-communities/Six-Big-Trends-in-Family-Travel-for-2019>.

⁹ Travel Trends: On The Go With Generation Z. CMO.adobe.com. Retrieved 11 March 2020, from <https://cmo.adobe.com/articles/2019/5/generation-z-travel.html>.

¹⁰ Kovacs, D. (2019). How Millennials and Gen Z Influence Our Traveling Behaviour [Blog]. Retrieved 11 March 2020, from <https://thriveglobal.com/stories/how-millennials-and-gen-z-influence-our-traveling-behaviour/>.



BY THE OCTA TEAM

Octa is the only chatbot for families to plan epic travel experiences. Octa gives details about all about the fun places to visit in the coolest cities in the world, including events, important phrases in local languages, cultural tidbits, fun facts, and tips from cool kids. Octa is available on Facebook Messenger and in various languages such as Chinese and Arabic. Learn more at www.octa.ai



Octa was founded by Zara Khanna. Zara was born in New York City and has lived in London, Singapore, and Berlin. Currently she is a 5th grade student at United World College Southeast Asia in Singapore. She is the Singaporean Ambassador of Superheroes, a leadership program for girls headquartered in Estonia. Zara loves to travel and code, and believes that the world is a better and more fun place when kids travel and learn about each other. She has travelled to almost fifty countries and more than 70 cities. She is writing a book about her journey by train from Scotland to Singapore, and posts videos from her many adventures on her YouTube channel Zara's Travels (www.youtube.com/zarastravels).

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Writer **Octa**
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Please contact PATA Publication team at publications@PATA.org.



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