Leisure travel behavior of generation Y & Z at the destination and post-purchase

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ARTICLE INFO

Received 04 March 2019
Accepted 2 September 2019
Available online 30 September 2019

ABSTRACT

Researching travel trends of new generations is the first step for tourism providers towards modifying their offers in order to match target markets’ needs. The above represents this paper’s primary purpose. The motivation and behavior of the new generations, also known as Millennials or Generation Y and Post-Millennials or Generation Z, influence the contemporary tourism characteristics. They are both more than familiar with recent technology trends and usage. There are two main goals of this paper. The first is to determine the behavior of Generation Y and Z members during their stay in the tourist destination and their preferences in terms of company, accommodation and transport options. The second goal of this paper focuses on exploring the behavior of the Y and Z generation members related the dissemination of information about their stay in a tourist destination. Questions covered issues regarding review writing about a tourist destination or accommodation, the timing of writing - during or after returning from a tourist destination, the announcement of their travel intentions on social networks etc. A significant number of respondents post on social media and write online reviews regarding their travel experiences. The originality of the papers steams from the insufficient studies of the topic. The research methodology applied an online survey as the main research instrument. The main limitations are related to the minor geographical area researched.

Keywords: online tourism behavior, generation Y, generation Z, buying behavior in tourism, visit phase, post purchase behavior in tourism.
INTRODUCTION

Investigating the purchasing behavior of tourists is important for understanding the differences in purchasing behavior between individual segments of tourists (e.g. differences between tourists coming from different countries, differences between tourists of different cultures and customs, differences between tourists of different lifestyles, different hobbies, different interests and etc.) since, regardless of globalization, some segments of tourists or individual tourists have their own distinct purchasing behavior in which they differ from each other.

This paper explores the key travel habits of younger generations on the gap of Generation Y and Z. Since the topic of travel consumer behavior is rather wide, the focus will be on the visit phase and the post-buying phase in leisure travel. The research aims to answer the following key questions:

1. Who do representatives of Gen Y and Gen Z travel with?
2. What kind of transportation to the destination do they prefer?
3. Do they prefer cheaper accommodation such as hostels and campsites?
4. Are they active contributors of reviews in tourism? If so, do they post them: immediately after consummation or later?

These finding will give an insight into some key aspects of travel habits of these two generations that could benefit travel providers into caring better for their needs. The significance of the research is especially evident in light of the visit phase which lack studies, while in light of social media marketing, the post staying phase is tightly related to a growing trend of sharing experiences online and being influenced by reviews.

This paper is composed of five chapters, including the introduction and conclusion. The literature review gives the framework of market research devoted to investigating buying behaviour in tourism as well as Gen Y and Gen Z key characteristics. The next chapter explains the methodology applied in this survey based research. The results are presented in the homonymous chapter while the last part summarizes key conclusions.

LITERATURE REVIEW

Purchase behaviour of tourists

Buying behaviour in tourism is very complex and consists of five phases (Clawson and Knetsch 1966) that relate to tourist activities: pre-purchase phase, travel to a tourist destination, experience in a tourist destination, return phase, and recalling phase. These phases differ from...
the phase of the purchasing process of non-tourism products (the knowledge of the problem phase, the phase of information seeking, the information evaluation phase, the buying phase and the phases of post-purchase behaviour (Kesić 2006). Traditional modes of customer behaviour are rely on the process of selection among alternatives, based on the so called funnel; while newer models of customer decision journey perceive the post buying behaviour as a period where customers actively act as promoters or critics of tourism products and/or companies whereas ICT (Information and Communication Technology) platforms increase the reach of their activities (Dedić, 2017).

Purchasing behaviour can be influenced by a number of factors such as marketing communication (advertising, public relations, direct communication with customers and users), experiences of other customers (e.g. online reviews that customers can read, interaction of customers through, for example, social networks) personal experiences of customers (previous shopping experiences), their attitudes, motives, value system, lifestyle, their personality and information collected by buyers in the purchasing process (pre-purchase and purchase information) (Aleric, 2017).

Due to the very large number of factors which can influence the decision making process, it is important to investigate purchasing behaviour in order to elect adequate regulatory policy aimed at protecting consumers in society and to understand how buyers decide of their purchases (Blackwell, Miniard and Engel 2005).

Investigating purchasing behaviour leads to identify buyer behaviour motives, factors affecting their behaviour, and discover the ways and reasons for making their purchasing decisions. That way an enterprise or a country, a region, a city or a tourist destination based on acquired purchasing behaviour data - could adapt their marketing strategy to the tourists who visit them in order to increase the level of tourist satisfaction (Aleric, 2017).

encourage tourists on a trip and thus get information that will enable the adjustment of marketing elements and marketing activities in order to reach an increase in tourist satisfaction. This means that it is necessary to explore the level of tourist satisfaction as the ultimate result of all interactions of tourists with everyone they come into contact with before traveling, during the trip and afterwards, when returning to their place of residence. The pre-buying phases and post-purchase phase in tourism are an often researched topic (Law, Buhalis, Cobanoglu, 2014).

Measuring the level of satisfaction comprises the identification of user requirements, the understanding of how users perceive an organisation or company and if the service provided complies with their expectations; the detection of areas of performance to be improved, the priorities of users thus enabling the tracking of progress in increasing customer satisfaction levels, resulting in increased profits through improved customer loyalty and retention (Self and Roche 2002). Customer satisfaction is essential for more frequent, repetitive purchases, and recommendations to other users (Hill and Alexander 2006). Satisfied customers are five times more profitable than winning new customers (Hill and Allen 2007), furthermore, if customers experience such service that exhales their expectations, the consequent satisfaction might lead to the loyalty of customers (Kotler, Hayes and Bloom 2000).

The necessity of exploring shopping behaviour of tourists has been widely recognized, and this issue is explored by many authors who described the behaviour of tourists and discussed patterns of purchasing behaviour (Farrell and Twining-Ward 2004, Gunn 1994a, Leiper 1989, Mathieson and Wall 1982, Mill and Morrison 1992, Murphy 1985, Pearce, Moscardo and Ross 1996).

By understanding the characteristics of tourists (their cultural background, the demographic factors, their social influences, value systems, attitudes, experiences etc.), the social, cultural and environmental contacts can be adequately managed in order to improve the overall satisfaction of tourists, reduce complaints, improve the relations with tourists and influence the total experience of the tourist destination they are visiting. (Pearce 2005).

Leisure travel trips are not as common as frequent shopping at home: deciding on purchasing tourism products for the next holiday is usually planned for a long time and represents a significant event in the life of a tourist, i.e. an event that is not an everyday routine. In addition, a tourist trip can be unique, or it may never happen again, hence it often has a special
importance. Their travel experiences and memories are often recalled, remembered and commented (Pine and Gilmour 1999, Pearce 1991a, Yagi 2001) lately more and more in the forms of online reviews, multimedia formats on social media, grades in e.g. Google maps, forums and other forms of online communities (Dedić, 2017).

Tourists with their purchasing behaviour not only affect the economic activity of a tourist destination (in terms of managerial adaptations in a tourist destination directed to meet the needs of tourists) but also the socio-cultural and environmental sphere (Gergen 1997, Crang 1997, Moore 2002, Oberg 1960) (e.g. the influence of the culture of tourists on the culture of residents; the change of habits of the domicile population due to the influence of habits of tourists and their impact on the environment) (Pearce 2005).

Purchase behavior of Generation Y and Generation Z as tourists

Generational differences in terms of travel habits is often the topic among many researches. Not discussing the intra-generational differences, for the purpose of this paper, the members of the generation Y and Z are presented as the homogenies groups. It is necessary to stress, there is no common view with academics on the year of born of each generation.

There are some common characteristics which share younger generations. The members of Generation Y and Generation Z are the creators and early adopters of new trends, used to new technologies, optimistic, non-linear thinkers, innovative in problem solving (Scott, 2008).

However, the group differs from the other. Generation Y members were born between the eighties and the start of the new millennium (Postolov, Sopova, Iliev, 2017). They are also called the “Millennial Generation”. This is the generation defined by the internet and increasingly globally connected world. They were raised with the belief that anything is possible since they were protected by their parents. They are characterized as optimistic persons, social, open to changes and have high expectations from themselves and others (PrincetonOne, 2017), are more entrepreneurial, realistic, have a shorter attention span and higher expectations (Lundin, 2018).

Generation Z or Post-millenials is poorly analyzed so far comparing to the generation Y, however it is not that demanding to define the environment they growing up in and therefore the emerging characteristic which can be expected from them. The members of these generations were born at the beginning of the new
millennium (Postolov, Sopova and Iliev 2017). They are known as Gen Z or iGeneration. Highly sophisticated media and computer environment is something this generation experiences as a normal state. Post millennials as opposite to millennials tend to be more individualistic, less focused, better multi-taskers, entrepreneurial, more globally oriented with higher expectations (Beall, 2017).

Their characteristics influence their travel habits, making the previously described buying behavior in tourism specific. The shift towards placing the value on experiences, rather than material things is evident. 57% Americans constantly save money specifically for traveling, while this trend is more emphasized in Millennials whereas 68% do the same. According to the research results given by WYSE Travel Confederation (2018), under 30-travel persons are most likely to splurge on food and drink experience (37%), events and festivals (27%), fine and performing arts (18%). The use of guidebooks among the worldwide tourists is most popular with those older than 65 years (36% use guidebooks while traveling), and the least popular with 18-24s. On the other hand, both face-to-face and digital word of mouth are particularly influential for younger travelers, according to the research results published by the world largest travel website, Tripadvisor (Tripbarometar, 2016).

Generation Y and Z are more likely to explore less visited destinations, while they are more than ever characterized as digital nomad population (they tend to use digital technology). They prefer to travel to a different world region, for a longer period. Furthermore, the more in-destination activities and experiences they have, the happier with their travel they are. However, post-millennials are more likely to make online bookings comparing to millennials. Travelers of generation Z are more social than generation Y and are more likely to connect with locals.

There is the opposite evidence on who would like younger generations travel with. The differences exist between Generation Y and Generation Z. The study conducted by Expedia and the Center for Generational Kinetics (2018) on the population of the USA reviled that traveling together with parents and paying their travel costs is very popular with 58% of the Gen Z respondents, and 24 % of Millennials. Comparing to the other generations, more than one-third of Americans have traveled alone for leisure in the past year, while this number is even higher for Millennials, 42% of whom have traveled alone. More general results, given by CWT (2017), on who would business people from different countries travel with,
states that almost 60% of millennials travel with others, 43% travel with colleagues, and 15% with friends and family. That makes millennials least likely to travel alone when doing a business trip. At the same time, 25% of Millennials in USA plan a solo trip within next 2 years (Resonance Consultancy, 2018).

Millennials are, globally, far more open to alternate accommodation comparing to the previous generations (Gelfeld, 2017). Although, according to Resonance Consultancy report (2018), young travelers from USA would rather stay in the full-service hotels and resorts, then in the strangers’ beds offered at the Airbnb platform. Half of USA travelers aged between 20 and 34 stay in an Airbnb or another home-sharing accommodation on regular or occasional basis. Millennials when choosing accommodations are more than previous generations influenced by special offers, proximity to transport options and sustainable travel. They do not put much emphasis on the brand name, proximity of the beach or water and prior experience (Tripadvisor, 2014). Globally, 5% of travelers used a private accommodation/house swap listing during their last trip, according to Tripadvisor (2016), rising to 7% of the 18-34 age olds.

Regarding transportation options, low cost airlines are the primal choice of millennials (Fromm, 2018). Globally, one quarter of 18-34 year olds said they used a train on their last trip (TripadvisorInsight), as opposite the average of the group which is one in five.

According to the global recent study conducted by one of the largest travel e-commercials companies in the world, Booking.com (2017), in 2018, 60% of all travelers intend to post their travel experience on social media each day, where the younger generation are more likely to do it. 84% of millennials post on their vacation on social media (Gelfeld, 87%). They share their experiences using Facebook, Instagram and Tripadvisor (Tripbarometar, 2016) platforms. Furthermore, 27% of Millennials in USA have posted a potential trip on social media to canvas opinions before booking (Expedia and the Center for Generational Kinetics (2018). In the post-purchase period a significant amount of UGC (User Generated Content) in tourism is formed such as reviews, comments, suggestions (Dedić, 2017).

**METHODOLOGY AND DATA**

The research was conducted using a printed survey combining typical questions related to the visit phase of many satisfaction questionnaires and originally developed questions related to post purchase behaviour. The survey
RESULTS AND DISCUSSION

Friends are the most preferred company when Gen Y and Z travel (40%), followed by partners (34.3%) and family members (20%). Solo travelling is a rare, as accounts for the remaining 5.7%.

Gen Y and Gen Z book mainly private accommodation (51.4%), hotels (31.4%) and hostels (12.9%). It was interesting to notice that camping was not selected by a single participant! The preference for private accommodation is consistent with previous research of Millennials, whereas here, most respondents were representatives of this generation. The preferred transportation options are visually represented in the following graph.

Chart 1. Preferred mode of transportation of Gen Y and Gen Z

![Preferred mode of transportation graph](image)

Source: authors’ research
The first choice in terms of transportation option for most respondents are cars or motorcycles for the majority of participants (48/70). This result is pertinent to the specificity of the Croatian tourism market, whereas most travel refers to domestic trips. The second choice is very fragmented across planes (25/70), trains (20/70), cars or motorcycles (14/70) and boats (13/70). Hitchhiking ranks highest as the third choice (42.85%).

Users share about their holiday experiences during the trip (62.9%), which is more consistent with the general population, than to the target Generations as it affects the majority of Millennials (84% of them according to Booking.com’s study in 2017). The percentage of those who share about their holiday experiences before the trip, to announce it, is negligible (2.9%) along with those respondents who post about it later on (7.1%). A bit more than a quarter of respondents (27.1%) don’t post their holiday experiences on Facebook, which is very similar to those who never post reviews online (28.6%).

Reviews are more frequently written in case the services exceeded the expectations (17.1%) than in case the service was very bad (7%), which differs from the traditional offline marketing notion whereas a negative experience is shared to 2-3 times people than a positive merchant experience. Only 17.1% respondents write reviews online on a regular base. More than a quarter (27.1%) writes reviews only if asked to.

CONCLUSION

Conclusively, based on the previous academic contributions, public available studies and primary conducted research related to the topic, it is evident the generational differences which define purchase behavior of tourists are significant. When it comes to the type of trip, activates in the destinations, accommodation, transportation, personas they travel with, sharing traveling experiences etc., priorities often follow the patterns by generations. The results collected and delivered in this paper are aimed at different entities within the tourism destination sector, e.g. the creators of the (complex) tourist products. They should be encouraged to take into account the generational differences in practicing marketing activities, taking into account their behavior as tourists.

It is more than ever needed to make the tourists satisfied considering the overall experience of the travel, since they are ready to share their experience both, offline and online. The younger generations, e.g. millennials and postmillennials, are even more open,
social and used to new technologies and ready to share publicly their experience.

In terms of implications for practice, regarding the UGC (User Generated Content), the research results show Gen Y and Gen Z tend to share their holiday experience on social media in real time, while they write reviews with a time lag. Therefore, marketers in the tourist destination should thus persuade tourists to share more on social media while tourists are at the destination. Good examples of action include provide free WiFi close to major tourist attractions, contests, photo points etc. Furthermore, since more than a quarter of respondents write reviews only when asked and, most frequently after the service has terminated, marketers should contact their customers within a reasonable timeframe in order to remind them to write a review.

The limitations of the research steam from the small sample impeding thus generalization. Therefore results should be interpreted having in mind the Croatian context, as the majority of respondents were students from Croatia. Future research should overcome these limitations and address the issues in more depth, especially the visit phase.

Purchase behavior of tourists is a dynamic process. Only by understanding of tourists, the motives that influence their decision-making, the way how they make their decisions, the factors determining tourists as individual buyers and the factors influencing the level of their satisfaction - can help successfully predict their purchasing behavior. This is possible only through constant research of purchasing behavior of tourists and all factors affecting it. Then all interested stakeholders could adopt their activities to tourists’ needs in order to reach all their economic and psychological goals and thereby achieve the key marketing goal: satisfaction of tourists.

REFERENCES


