Tomorrow’s Traveller
Millennials and the Future of Business Travel
Indeed, businesses are becoming more mobile across the board, as it becomes possible to run global operations from multiple hubs around the world, collaborating and relocating employees as required.

However, as companies start to embrace this more flexible future, the question is what will shape the travel and relocation habits of the newest generation of employees? So-called ‘millennials’ – those born after 1980 (otherwise known as Generation Y) – have grown up in a different world, one shaped and sustained by technology, and this is being reflected in a whole new set of preferences and behaviours. They, of course, represent the future of business travel, and they are business-critical to companies preparing for an increasingly mobile future.

One of the paradoxes of modernisation is that it has never been easier to connect with someone virtually, yet travel – particularly for business – is at an all-time high. The Global Business Travel Association predicts that business travel will expand by 6.6% in 2015, underlining the value placed on face-to-face contact by companies.
We have also seen significant change in travellers as a whole. Whether for short-term business travel or longer-term overseas assignments, travel is now seen as a rite of passage. As a result, travel and mobility management are becoming more high profile as the appropriate supply, process and policy are critical factors for companies in attracting and retaining top talent.

Yet not enough is known about this crucial group when it comes to the area of business travel. We know they have been raised on a diet of choice and immediacy, where almost anything can be accessed or arranged with the right online tools. We know they expect to be valued as individuals and place greater importance on a tailored experience. We know that the world is a much smaller place for anyone who grew up with low-cost travel, the internet and the EU – the borders are less daunting, the distances matter less.

What we don’t know, is how these big trends are playing out at a micro-level. What do millennials expect when they travel? What influences their choices when it comes to location and accommodation?

How do they regard themselves whilst travelling and how do they want to connect with and be welcomed by the places and people they come into contact with? Do the same anxieties shape their decisions as they did with older generations, or is a new set of priorities emerging?

Our business exists to provide more choice when it comes to accommodation – and we have spent the last 18 years developing how exactly we can best cater for the next generation of business travellers.

They are a key growth area for us, since “millennials*” who have travelled in the past two years and have not stayed in a serviced apartment before are more likely than older travellers who have never stayed in a serviced apartment to consider using one in future (56% compared to 48% for older age groups according to our online research).

In the following report we draw this expertise together with fresh online research commissioned through YouGov to explore business travel through the eyes of “millennial” travellers. What we aim to provide is not so much an exhaustive analysis, but rather food for thought on the issues that matter most – themes relevant to any travel or hospitality provider in today’s world.

* “Millennials” in context of the research are defined as British adults aged 18 to 34 years old. All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,165 adults. Fieldwork was undertaken between 3rd - 4th February 2015. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).
Catering for ‘Generation Choice’
We surveyed 2,165 Britons and found that “millennials” are more likely to have travelled for business in the past two years than people aged 35+ (24% said they had done so, compared to 15% across older age groups). There is a huge appetite among this group for work to provide opportunities to travel, and companies are responding by creating those opportunities.

Another accepted trait of millennials is an addiction to choice. They are a generation whose lives have been shaped by menus of options, personalised experiences and competition for their attention. Brands or organisations who limit their offer will find their place in the lives of millennials quickly usurped by someone else more able or willing to adapt. The consumer is no longer asked to moderate his or her expectations: instead the company is expected to moderate its product or service.

This seemingly relentless appetite for choice is a well-documented trait of the millennial consumer, but choice is of limited value in and of itself.

After all, studies have shown that too much choice can paralyse consumers of all ages – millennials included.

We’ve also seen travellers mature during the recession – a time which saw a change in travel policies, such as the option of Premium Economy over Business Class. This has created a longer-lasting effect where today’s travellers are more automatically inclined to search for deals, and are unabashed about doing so. Over the last few years, we’ve also seen the low-cost airlines actively targeting the corporate market, making it today a mainstay rather than a second cousin.

So the key thing here is finding out what really matters, and providing the right options.

**Forget price and focus on value**

Millennial travellers are far less concerned with price than their Generation X elders – and far more interested in value. Just over a third (36%) of 18 to 34 year olds consider whether the accommodation they book is within their company’s travel budget, compared to 45% of people aged 35 to 54 year olds.
Whereas older employees have lived through an age where ‘the boss knows best’, Generation Y are pushing the boundaries further, forcing travel buyers to adopt their travel programmes, most notably the debated ‘open booking’ concept.

For travel companies and corporate travel and mobility managers this means rejecting strategies based around cheap offers and heavy discounting, and instead focusing on quality and value. A millennial will part more easily with extra budget than an older employee – as long as the benefits are clear and respect that all-important need for choice by offering freedom and flexibility.

**Cut up the loyalty cards**

From airlines to hotels, corporate travellers have had a long love affair with the loyalty card. What could be more simple than incentivising consumers, and increasingly their companies too, for continued custom? However, for a “millennial”, reward cards hold little appeal. Only 9% of “millennials” who have travelled for business in the past 2 years say they are influenced by a reward programme when booking, compared to around a sixth (16%) of older business travellers.

The reasons for this are several: firstly, this is a generation where only 5% of people care about the brand when they make a booking (compared to around an eighth (14%) of other business travellers). So any incentives based on brand loyalty are trying to engage people on something they aren’t really interested in.

Millennials are also notoriously spontaneous – the kings and queens of last minute bookings and changes of plan, encouraged by the trend to shorter lead-in time for bookings that we’ve seen in the last 12-18 months. Great if you’re selling an eleventh-hour deal, but this appetite for the unplanned results is a very fickle approach to bookings. You may furnish each and every person with a loyalty card, but if a better offer comes up, it won’t be enough to stand in their way.

So if prices and points aren’t the way to win millennial hearts and minds, what is? Here are just a few insights from our research:

**Read your own reviews – but keep them in perspective**

Millennials have grown up in a world where every experience can be verified and checked against someone else’s. Word of mouth is not confined to vague comments at the watercooler, but the fodder of an entire industry of review sites and forums – and travel providers have accordingly become obsessed by their ratings on these platforms.

However, whilst 54% of all those surveyed online that have travelled for leisure in the past 2 years take online reviews into account, the figure is much lower for business bookings. Just a quarter of people who have travelled for business in the past two years said they had been influenced by sites such as TripAdvisor.

Undoubtedly this is due to the fact that many people don’t book their own business accommodation – they trust their company and / or travel provider to choose a suitable place.
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It is why hybrid options such as TrustYou – which combines a brand’s own customer feedback with spontaneous reviews – are increasingly gaining traction with both bookers and travellers.

**Comfort with connectivity**
Ask a business traveller what matters most, and they’ll tell you it’s the bed. That simple square of springs and stuffing has always been – and remains – the cornerstone of great accommodation the world over. And all the room service and spa treatments in the world can’t compensate for a bad night’s sleep.

But ask people what matters next, and a shift is clearly taking place. More travellers in almost every age bracket said great food mattered most after the bed – apart from the youngest. Those that had travelled in the past 2 years aged 18 to 24, would rather endure a bad buffet than bad buffering. And overall, “millennials” said they value a high-speed broadband connection more than older travellers (57% compared to 39% of those aged 35+).

It is perhaps no surprise that the first generation to grow up with broadband (as opposed to dial-up) internet would come to expect it – but the implications for the hospitality industry as this trend continues are huge. It means totally revising the traditional hierarchy of needs, and focusing on bytes rather than bites.

Increasingly, high quality broadband should no longer be considered a revenue line, but an integral part of the hospitality product offering.

Of course, the millennial’s emphasis on choice means they are unlikely to see the hotel dining room as their only option anyway. Why cling to the in-house fare when an authentic local eatery or a tempting local farmers market selling fresh produce is only a Google search away?

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Redefining the term ‘social network’
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The importance of the internet isn’t the only paradigm shift taking place.

To understand how to cater for a new generation of travellers, you have to understand not only their individual needs and priorities, but how they interact with each other.

It may come as a surprise that “millennials” are more than twice as likely as their older peers to see travelling as an important networking opportunity (14% and 7% respectively). It’s one of the reasons that for some time now, many of our clients have chosen to book bigger, multi-room apartments for their employees, so they have their own individual bedrooms whilst having the benefit of socialising and networking in its shared living spaces.

As a result, accommodation is evolving: focusing less on purely leisure facilities and instead creating ‘blended’ spaces suitable for both socialising and networking. A major financial institution told us that properties with communal spaces and networking areas are an important part of the mix when choosing accommodation, and based on feedback from their travellers they want to see more of this in the future. This may also explain why “millennials” are twice as likely as older travellers to associate serviced apartments with being sociable (11% compared to 5% for people aged 35 and above).

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Creating client communities

Increasingly, socialising is going beyond the four walls of people’s booked accommodation. Our recent experiment with a social group for guests to meet each other proved highly successful. We noticed that some of our regular visitors were beginning to go for meals and drinks together naturally, so we created a relaxed way for people to engage with each other and their surroundings when they’re in town through ‘supper clubs’ and ‘breakfast get togethers’.

As far as “millennials” are concerned, the more these activities are authentic and part of the local way of life, the better. They are more likely than older travellers to want to be seen as a ‘local’ so organised guest meet-ups should steer clear of novelty events and instead focus on connecting people with the community and grassroots culture around them (12% and 7% respectively).

One final point to note, however, is that when it comes to purely social activity, “millennials” are not the only ones open to meeting each other. In fact, our research showed that the older people get, the more open they are to interacting with new people whilst travelling for business – perhaps due to being more confident and socially adept. So whilst young people might be the first to experiment with new ways of meeting people, and more likely to combine it with networking, they are not the only ones who stand to benefit from new innovations in this area.
Technology and innovation
Almost half (46%) of those we spoke to said they were looking forward to accommodation offering better access to technology in rooms, compared to just 38% of older age groups. And when asked about other innovations, such as keyless access to rooms, digital concierges and a wider range of ways to book online, digital natives in the 18 to 34 age bracket were generally more excited than older peers.

And channel choice matters too. Millennials are more likely to have multiple devices and therefore expect to be able to connect with all of these devices to a WiFi network. And their platform of choice is likely to be mobile, so a mobile-friendly website is the bare minimum that a company should be prepared to offer.

One of the benefits of this multi-device culture is that millennials are much more likely to bring their own entertainment with them through subscriptions to Netflix, SkyGo or Amazon Prime. This means hospitality providers should worry less about creating whole suites of channels and programmes, and more about ensuring guests can connect their own devices and shape their own experience.

However, there is an important caveat to highlight for any company thinking of investing in technology: make it work every time, or don’t bother. The “millennial”, ‘always-on’ mindset relishes any digital innovation that saves time or hassle, but clunky websites or slow connections will actively impair their experience, and they will be the fastest of any consumer group to vent their frustrations online.
Conclusion

At first glance the sheer rate of change taking place and the implications for hospitality providers can be daunting.

Of course, the fundamentals of hospitality will remain unchanged; that is, creating comfortable and welcoming environments for people regardless of where they’ve come from and why. But what that actually means in practice is shifting and evolving all the time.

One of the challenges for all of us is distinguishing the game-changing trends from the passing fads, and the nice-to-haves from the essentials.

The behaviours and preferences of millennials are certainly a vital indicator. By 2020, they will represent over half the workforce, so they are a bellwether for times to come. However, it is important to remember that by definition, millennials are all currently young, yet their behaviours and how they use technology are likely to change as they get older. Like all of us, growing older will mean certain changes to their priorities in both their home and working lives.

And their effect on how things are done is not simply a phased one, with each new employee adding one more Millennial consumer to the marketplace. Instead, millennials are having a rub-off effect on people of all ages. They are the trendsetters and the early adopters, but rapidly others are taking their cue from them.

So the challenge is an urgent one, and the more we engage directly with travellers – both young and old – the better we will understand not only what they want, but why. This, along with data analysis and market research, will give the deep insights businesses need as they navigate and adapt to the future.

And of course we need to prepare for the future – and prepare for the next generation – the one that’s already experienced global recession, and economic and social renewal, and will arguably be the most connected, educated and sophisticated generation yet – Generation Z.