

The European market potential for Generation Y tourism

Generation Y or millennial travellers offer a huge market, which already accounts for approximately 40% of all travel expenditure. Within Europe, Germany, the United Kingdom and France are the main Generation Y markets. Generation Y is formed of people between born between 1980 and 2000, who are very tech-savvy. When doing tourism, they try to avoid the masses and look for unique travel opportunities. This article offers much information and many tips and examples which will help you to target Generation Y.

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1. Description of the target group

Though definitions vary slightly, it is generally accepted that Generation Y or millennials were born between 1980 and 2000, putting them between the ages of 19 and 39 in 2019. Millennials are the first generation born and raised with computers and the internet, which is why they are also referred to as digital natives. Technology and the internet are integral parts of their daily lives. Unlike previous generations, millennials are also adept at using smartphones, tablets and other tech gadgets to communicate and consume, including tourism products and while travelling. Generation Y travellers already account for 40% of Europe's outbound travel.

The rise of technology and social media, the aftermath of the great recession and other world events has influenced millennials' values, their attitude towards life and their behaviour in general, including their attitude towards travel. Privileged millennials in rich parts of the world have friendship connections in different parts of the world. They remain constantly connected online with friends, family and their professional networks on social media platforms, like Facebook, Instagram, WhatsApp and LinkedIn. Social media greatly influences the way millennials see the world and how they see themselves in the world. Millennials constantly search for information, prioritising health and wellness.

In spite of these common characteristics, millennials form a heterogeneous group ranging from young professionals, to new parents, to parents in their thirties with children and stable incomes; although many millennials choose to not have children or not until later in life. Millennials are generally portrayed in the media as innovative thinkers and influential buyers.

In travel and tourism, millennial consumers value authenticity, fulfilment and sustainability in personalised experiences suited to their own tastes and preferences, over postcard and must-see destinations. They do extensive research online before they complete a booking; they prefer to relax, to unplug from the world and have fun, and prefer to choose destinations and experiences on their bucket lists. Millennials avoid tourism products that appear false, fake or staged for tourists.

Although millennials are relatively young in age, in terms of travel, they cherish local cultures and traditions, active getaways, and [travelling with friends and relatives](#). Examples of millennial travelling choices are varied and wide ranging, they include: a holiday to a lesser-known or exotic destination to interact with locals, enjoy a secret concert or immerse in a rare cultural spectacle; staying in a hostel to do mountain trekking; visiting a traditional tourist attraction like going to the Louvre Museum to see the Mona Lisa; taking an educational or culinary vacation; doing [voluntary tourism](#); or simply going to a [luxury spa treatment](#). According to tourism service provider [Rezdy](#), a whopping 83% of millennials worldwide [chose to vacation at all-inclusive resorts](#).

Millennials acknowledge and value green business practices. They do not look for quality only, but for premium

personalised service for a reasonable price. Millennials do not appreciate the limitations imposed by traditional tourism products, such as bus tours or limited buffet selections; they want to have a bit of everything and freedom of choice. Enabled by their ever-present mobile devices, millennials do their research on the go so they take advantage of the best travel opportunities and modify them to meet their personal tastes. Millennials travel more often with friends, relatives and colleagues than other generations and stay more frequent in touch with them thanks to social media. The millennial market comprises an above average share of female travellers.

In addition to their online, always connected lives, millennials also enjoy spaces where they can meet new people, such as in hotel lobbies which are more than just check-in counter, but also invites guests to socialise and make connections. Millennial travellers also appreciate diversity in food, including local ingredients, dishes, beers and wines.

According to IPK International, [one-third of millennials' holidays are city trips](#), and half of [all luxury holidays](#) worldwide are made by millennials. Older generations define luxury in terms of comfort, whereas millennials define it as unprecedented experiences they can share with friends.

Tips:

Meet the requirements of Generation Y travellers by being transparent and socially responsible, including with local communities.

Consider products such as 'do-good, feel-good' holidays, where travellers do something for the destination, such as a beach clean-ups; or purposeful holidays such as ['mumcations'](#), save-your-marriage trips, ['painmoons' and divorce retreats](#), such as [Iron Mountain Hot Springs](#); and digital detox holidays.

Be tech-savvy too. Make sure you have a strong online presence, possibly even including an app, so guests can use their mobile devices on their travels. Improved your online presence by inviting professionals to write reviews for you, such as trusted bloggers, social media influencers, or reviewers from magazines, such as [National Geographic](#), Business Insider (see [Goodnoods tips](#)), the Travel Channel and TripAdvisor (for contacts see [the Muck Rack website](#)).

Personalise your offering and place emphasis on the consumer experience, also during the orientation and purchasing phases. Generation Y travellers prefer experiences over possessions, so they focus on exploration, interaction and emotional experiences which really matter to them.

Offer opportunities for [solo](#) travellers who are willing to pay for an engaging experience (see table 1).

Focus on specific target groups, such as [solo](#) travellers, [extended families](#), groups of friends, group travel for singles or for people with similar interests, such as yoga, bootcamps, cooking, entrepreneurship, mountain bikers, birdwatchers, or scientific researchers.

2. What makes Europe an interesting Generation Y market?

According to IPK International, millennials are the fastest-growing demographic market segment in tourism, accounting for 40% of global international travel in 2017. [Research And Markets](#) expects millennials to reach their peak in earning and spending power during the next decade, which is likely to be a strong driver for the tourism sector and thus a very lucrative target market for travel and tourism businesses. Half of all luxury travel worldwide is already made by millennials, and they are expected to dominate this market by 2020. According to Rezdy, millennials [travel more frequently than any other generation per year \(35 days on average\)](#), they are inclined to extend their stays for cultural immersion and they enjoy booking spontaneous weekend holidays. According to Fiz, [thanks to the rise of this market segment, the experience and tours sector is booming](#).

Table 1. Examples of appealing activities for millennials

Activities	Examples
Ecological tours: rare experiences that educate and share inside information on the area and how to protect it for the future	Tourradar and EcoAfricaTravel
'Surfaris' or surf holidays	World Surfaris
Authentic, unique and once-in-a-lifetime experiences	Hot-air ballooning over the Masai Mara
Opportunities for immersion in local cultures and to 'feel like a local', such as indulging in the local nightlife scene, or connecting travellers to local tastes via platforms	EatWith or BiteMojo
Opportunities to explore hidden gems	Accor Local engages local residents as ambassadors for the destinations, and indirectly for Accor hotel
Making local history more tangible to visitors using virtual reality walking tours	Virtual reality walking tour developed by Croatia Travel Co.
History and culture walking tours which provide opportunities to meet other travellers and have a destination expert at their disposal	Smarter Travel , Local Aventura and Walking Adventures

Hotel chains can provide you with inspiration as to how they try to attract Generation Y travellers. Some chains have even developed specific brands for millennial travellers, such as: [Radisson RED](#), [Moxby by Marriott](#), [Tommie by Hyatt](#), [AC Hotels by Marriott](#), [Hyatt Centric](#), and [Hilton's Canopy](#).

Tips:

Provide sleeping accommodation in stylish, fun and smart designs, such as the ones on [Airbnb](#) or boutique hostels.

Consider establishing a 'hometel', such as the [Lamington Group hometel concept](#).

Offer opportunities to mix business trips with leisure, or leisure travel with business (referred to as bleisure travel) enabled by platforms such as [WeWork](#).

Invite online influencers for a free stay and then promote their experience to their followers in an appealing way.

Offer flexibility. Generation Y travellers seek various kinds of activities and experiences (see table 1),

which might be extended over multiple days, preferably avoiding the masses. To find out more, also read our study on [free independent traveller \(FIT\) tourism](#).

3. Which European countries offer most opportunities for millennial travel?

Generation Y is a demographically defined market segment, so it is important to look into the size of this cohort in the populations of individual European countries. Germany has the most millennials in Europe (more than 21 million), followed by the United Kingdom (18 million) and France (16.5 million). Proportionally to the total population of each country, the numbers of millennials range between 23% (Italy) and 33% (Cyprus).

Hover your mouse cursor or pointer over the countries in blue on the map below to see the percentage of millennials in each country's population.

Germany, the United Kingdom and France offer the biggest potential in the millennial market, as they have the largest proportion of their populations in this demographic segment. Italy and Spain follow those three in terms of market potential. Poland wraps up the top-six markets with the most potential in Europe. Niche markets for millennial travel in these countries include backpacking, student travel, work experience and language learning.

Germany

Germany has the largest absolute number of millennials in Europe, so it can be considered the market with the largest potential for Generation Y travel. In 2020, Germany will have 16 million millennials in a total population of 84 million. According to IPK International, Germany is the second-largest outbound European tourism market of millennials, which IPK defines as born between 1980 and 2000, instead between 1980 and 1995.

Table 2. Key statistics on German millennials' travel behaviour

	Millennials	Others
Experiencing authentic culture is important to very important during the holiday	61%	Not available
It is important that people comment on holiday photos that are posted on social media	20%	8%
More worried about safety during a holiday abroad than during a holiday in own country	54%	47%
Most influential parties in final holiday decision	30% close contacts 19% fellow consumers 29% industry experts	Not available

Interested in wearable technology that automatically adjusts the hotel room temperature to body temperature	38%	27%
Socialising over instant messaging is valued as much as or more than socialising face to face	37%	24%
Having children has had a negative impact on the quality of the holidays	31%	13%
Willing to share personal data in exchange of recommendations, advice, tips, or personalised service provision	48%	38%
Types of vacations taken in 2017	62% relaxing 36% sightseeing 33% visiting family 15% family play 23% romantic getaway	

Source: [Millennial Travel report by Expedia and Future Foundation](#)

United Kingdom

The UK is the country in Europe with the second-largest number of millennials, after Germany, so it offers a large potential for this market segment. The UN projects that the UK will have a population of 68 million people in 2020, of which 14 million will be millennials. According to IPK International, the UK is the largest outbound tourist market of millennials in Europe. Please note that IPK defines millennials as born between 1980 and 2000.

Table 3. Key statistics about British millennials' travel behaviour

	Millennials	Others
Experiencing authentic culture is important to very important during the holiday	60%	Not available
It is important that people comment on holiday photos that are posted on social media	31%	11%
More worried about safety during a holiday abroad than during a holiday in own country	46%	37%

Most influential parties in final holiday decision	28% close contacts 28% fellow consumers 29% industry experts	Not available
Interested in wearable technology that automatically adjusts the hotel room temperature to body temperature	54%	26%
Socialising over instant messaging is valued as much as or more than socialising face to face	50%	33%
Having children has had a negative impact on the quality of the holidays	40%	16%
Willing to share personal data in exchange for recommendations, advice, tips, or personalised service provision	44%	37%
Types of vacations taken in 2017	52% relaxing 53% sightseeing 40% visiting family 22% family play 26% romantic getaway	

Source: [Millennial Travel report by Expedia and Future Foundation](#)

France

France offers the third-largest potential market for millennials in Europe. In 2020, France is expected to have 12 million millennials among a total population of 65 million.

Table 4. Key statistics about French millennials' travel behaviour

	Millennials	Others
Experiencing authentic culture is important to very important during the holiday	69%	Not available

It is important that people comment on holiday photos that are posted on social media	25%	15%
More worried about safety during a holiday abroad than during a holiday in own country	53%	49%
Most influential parties in final holiday decision	19% close contacts 17% fellow consumers 30% industry experts	Not available
Interested in wearable technology that automatically adjusts the hotel room temperature to body temperature	45%	28%
Socialising over instant messaging is valued as much as or more than socialising face to face	32%	20%
Having children has had a negative impact on the quality of the holidays	34%	14%
Willing to share personal data in exchange for recommendations, advice, tips, or personalised service provision	44%	38%
Types of vacations taken in 2017	51% relaxing 46% sightseeing 39% visiting family 35% family play 24% romantic getaway	Not available

Source: [Millennial Travel report by Expedia and Future Foundation](#)

Italy

In Southern Europe, Italy has the largest potential market for millennial tourism. In 2020, Italy will have a population of 60 million residents, among which 10 million millennials.

The Italian outbound tourism market is expected to increase to 35.8 million trips abroad with at least one overnight stay until 2021. Italians' expenses for travelling abroad have been increasing continually and are expected to continue to grow in the next few years. Travelling abroad is most popular among people living in

the northern regions of Italy, and they are also those who spend the most on it. Most Italian travellers come from urban areas and have a medium to high social and cultural profile. The average Italian traveller is between 25 and 44 years old.

The strongest growth in the Italian travel market is in active and cultural trips, while the most popular sun and sea category is becoming less attractive. Italian travellers are increasingly looking for travel focusing on experiences and emotions. Asia maintains its popularity in figures, whereas Africa also seems to become more attractive. Hotels, villas and rented houses are the most popular types of accommodation for Italian travellers. Destinations such as Egypt, Turkey and Tunisia have shown a decrease in visits from Italy. Security, quality of accommodation and food, and gastronomy are important considerations for Italian holidaymakers.

The Italian tourism market continues to be dominated by the steady increase of e-commerce and mobile sales: 39% of holidays are booked online. Tour operators still play a key role in the Italian market, while online bookings are done mostly for simpler trips. The Italian traveller is typically a last-minute booker.

Spain

Spain also has good potential for Generation Y tourism with an expected 8 million millennials in a population of 47 million by 2020.

In 2017, a share of 9% of Spaniards' trips were international trips, the majority (89%) for holiday purposes. Most trips lasted between 1 and 7 days, while longer trips had an average duration of 18.3 days. The Spanish holiday market accounts for 29 million trips abroad with at least one overnight stay.

The Spanish international travel market is growing faster than the domestic travel market. International tourism expenditure in Spain is more than €18 billion having increased exponentially from 2017 to 2019 — one of the highest growth rates in Europe — and it is expected to grow further till 2022. This growth is associated with the recovery from the economic crisis and consequentially an increase in disposable income for travelling abroad. Plus, low-cost carriers now allow a growing number of people to afford foreign travel. For example, low-cost carrier Vueling has made Latin America a more attractive destination by setting up new routes and destinations.

Expenditures, number of trips and lengths of holidays are all on the rise in Spain both in domestic and in international travel. This growth is mainly caused by an increase in sightseeing and entertainment activities, fuelled by social media and the millennial market segment. Interest in the Asia-Pacific region has grown fast, mostly among under-25 travellers. Morocco remains popular among Spanish tourists. Hotels are the preferred kind of accommodation. Online bookings are on the rise (growth of 8% in 2017), especially the share of mobile bookings in online bookings, which increased 22% in 2017 and is expected to increase to 31% in 2021.

Poland

With a total population of almost 38 million and 8.4 million millennials, Poland completes our top 6. Because Poland has seen a high economic growth rate, the Polish Generation Y is really different from the previous generations.

The Polish holiday market accounts for 19.9 million trips abroad with at least one overnight stay. International tourism expenditure is over €7 billion. Revenue in the travel and tourism market in Poland was almost €4 billion in 2019 and is expected to grow on average 3% annually until 2023, when 75% of these revenues are expected to be generated via online sales. Package holidays are the most popular among the Polish.

Tips:

Niche markets for youth travel that you could focus on include backpacking, student travel, work experience and language learning.

To meet the lifestyle requirements of Generation Y you need to show empathy and try to connect with them. Emphasise flashy and engaging experiences, since solo millennial travellers are willing to pay for it.

Consider offering adventure holidays for travellers to escape from their daily routines; 'do-good, feel-good holidays', where travellers do something in return for the destination; or 'purposeful holidays' for self-improvement. See examples in the [CBI tourism trends report](#).

Be tech-savvy and offer travellers the opportunity of performing all stages their customer journey on a mobile digital device. The [CBI tourism trends report](#) provides more information about the customer journey, seamless travel experience and offering social and local experiences.

4. What trends offer opportunities or pose threats in the European Generation Y market?

Bleisure

Bleisure is the emerging trend of combining business with leisure. According to Booking.com, [more than 78% of millennials \(Generation Y\) spent time on leisure during a business trip](#), while Expedia says [60% of business trips convert to leisure](#). These rates are much higher than previous generations, and there are reasons to believe that in the next generation (Generation Z), they will be even higher. The ultimate form of bleisure are [digital nomads](#), who work remotely, often in roles facilitated by the [gig economy](#).

The bleisure trend is driven by workers who extend their business trips to decrease the overall costs of taking a holiday, while flexible corporate travel policies become more accepted. Digital platforms that provide shared workspaces, such as [WeWork](#) and technology developments facilitate travellers mixing leisure and business travel. Beacons, wearables, augmented reality, virtual reality, artificial intelligence, conversational interfaces, mobile applications, blockchain technology, and biometric data are some of the examples of these technology developments. For more information on how technology is affecting travel, see [this article on Start-up-Insights](#). The top destinations in the bleisure trend are big cities.

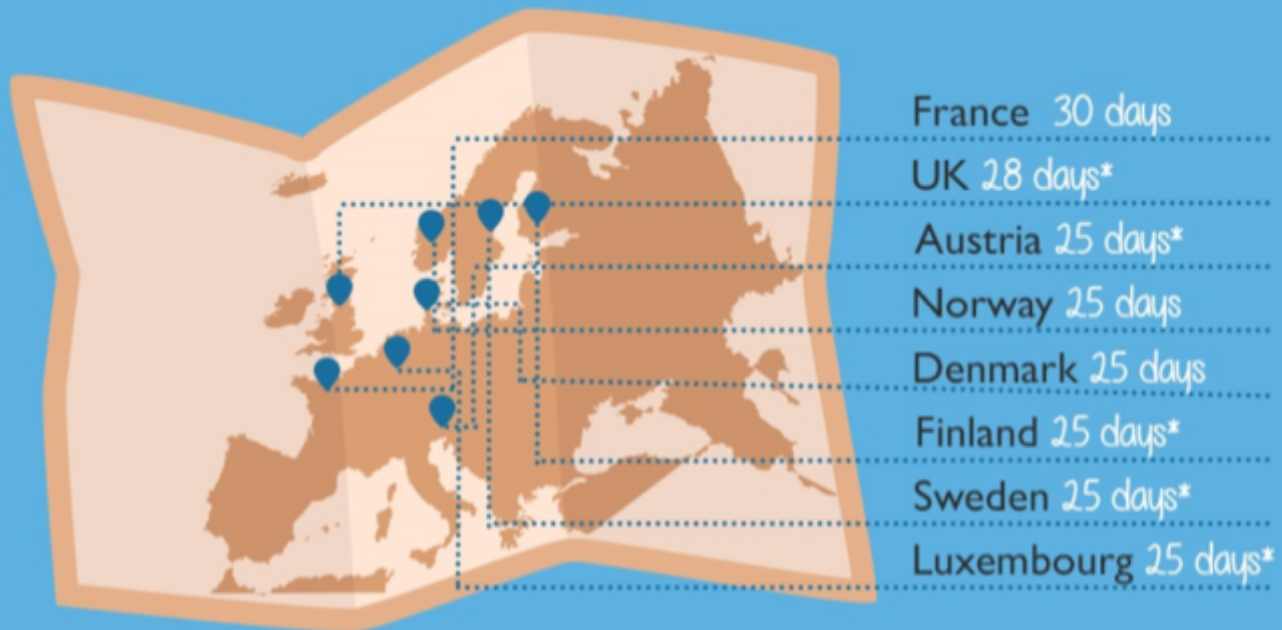
Collaborating with other travel companies may also create opportunities. Partnerships with online travel agencies (OTAs) offer the opportunity of reaching a larger audience of business travellers. Collaborating with travel management gives the opportunity to include travel management solutions in bleisure packages. Partnering with accommodation providers and local transport companies could also be used to attract bleisure travellers who want to collect travel rewards. These collaborations are facilitated by global distribution systems (GDS), which more than 600,000 travel agents use to book accommodation for businesses and multinationals, creating opportunities for your business in the global market of business travel.

Best practices:

- [Airbnb](#) offers business-friendly rentals and [experiences](#) designed and led by local hosts.
- The [Jack and Ferdi](#) mobile app targets bleisure travellers specifically, suggesting things to see, do, eat, buy, in addition to meeting and work spaces based on the user's profile, location and travel objectives. It also includes playlists, jogging routes, local business etiquette and local charities.
- [58StarsTravel](#) is a travel management agency specialising in bleisure travel.
- The mobile app [Bleisure Rewards](#) gathers local businesses in a joint rewards programme.

Figure 3: Bleisure target travellers

Bleisure Travellers to Target, Countries with Generous Paid Annual Leave



*Austrians also get 13 public holidays each year, giving them a massive total of 38 days off.

*With a single year of service in a job, workers in Finland become entitled to 30 days off.

*Sweden + Luxembourg both get 25 days statutory leave, but get 36 days altogether to include public holidays.

Source: Bridgestreet Global Hospitality, The Bleisure Report 2014, Thrillist Data 2014.

Source: Frederic Gonzalo

Tips:

Define potential Bleisure travellers and analyse their profile, booking and travel behaviour and promote what the destination your city and area have to offer, preferably on social media platforms.

Focus on countries with generous paid annual leave (see figure 3). Most bleisure travellers spend less time on research than they would on a regular leisure trip. Destinations are the first research topic and lead decisions, with sightseeing, local attractions and the restaurant scene being key influences. Bleisure travellers may not book everything on their entire trips in advance, which offers opportunities to offer ancillary products and services, such as dining, tours and activities, entertainment and transportation.

Offer bleisure deals, such as a discount programme for extend stays, or for bringing family members along on work-related trips, or local tours, tickets to theme parks or gift cards for spa centres.

Integrate tours, attractions, and table booking APIs (application programming interface) for targeted recommendations. Give business travellers ideas on how to spend their leisure time, for example by means of notifications in mobile applications or emails. API software, such as [Expedia Things To Do](#) and [Viator](#), provides instant access to services of third-party vendors. This allows you to make targeted suggestions to visit landmarks or attractions available in the area and give travellers an option to book them right from your website.

Increasing demand for sustainable holidays

Generation Y travellers are increasingly aware of and concerned with sustainability. When they choose a holiday destination, it is increasingly influenced by ethics, moral values, concerns about the environment, including flora and animal protection and a desire to positively impact local communities. These travellers demand affordability and availability of environmentally friendly, sustainable and socially responsible tourism services and products. They want to reduce their holiday carbon footprint, but often want to improve the destination as well. That is why 'do-good, feel-good' holidays and ecological tours are growing in popularity.

Among the reasons why European governments and travellers have been paying more attention to sustainability are climate change, plastic pollution, air and water pollution, land and water use, dislocation of traditional societies, the negative impacts of overtourism on host communities, and international agreements, such as the Paris Agreement and the UN Sustainable Development Goals.

Examples of businesses with sustainability best practices include:

- [La Choza Chula](#), in Guatemala, runs turtle and mangrove tours, cooking classes, homestay programmes, cultural immersion programmes, volunteer programmes. They also offer weekly English classes for their guides, funded the construction of a library, set up a mobile library, and built a computer lab and a secondary school.
- [Buhoma Community Rest Camp](#), in Uganda, is a locally run campsite that supports local people and improves their lives through community-based tourism.
- [Shewula Mountain Camp](#), in Swaziland, invites travellers to stay in their village and experience the rural lifestyle and culture of a Swazi community.

Tips:

Try to integrate into the travellers' experience initiatives that promote environmental protection and leadership, and contribute to the local quality of life (see table 2). For more information, see the UNWTO page [Tourism for SDGs](#).

Ensure your online exposure meets the needs of the target group. Use modern technologies to increase the efficiency of service delivery while facilitating the provision of enhanced consumer experiences.

Involve customers in activities, such as a beach clean-up or '[plogging](#)' (picking up litter while jogging).

Make your business or product more sustainable by, for example:

- Using renewable energy sources
- Increasing energy efficiency
- Optimising use of resources
- Promoting environmental protection
- Investing in waste management and minimisation, like reducing plastic waste by banning plastic straws
- Addressing carbon emissions, pollution and littering

Try to [get your business certified](#) as being sustainable. There are [various certification schemes](#) to choose from.

Table 2: Examples of initiatives contributing to local communities' quality of life


Initiative	Country or region	Example
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Conservation of natural and cultural heritage and biodiversity	Romania Sumatra, Indonesia Botswana	Ecotourism Romania Bukit Lawang in North Sumatra Gudigwa cultural village
Participation involving the local community in planning and development	Curaçao	Kura Hulanda
Poverty alleviation	Various countries Kwazulu-Natal, South Africa	ST-EP initiatives worldwide Ndumo Wilderness Camp
Collaborating with residents and other local stakeholders businesses, including local guides, experts, local food and accommodation providers, local farms, factories, etc.	East Africa	East Africa Community Based Tourism Encounter


This study has been carried out on behalf of CBI by [Molgo](#) and ETFI

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